Seventy-fifth Legislature, Regular Session

Text of Conference Committee Report
House Bill No. 1
General Appropriations Act
As Modified by House Bill 4, Senate Bill 1898 and House Bill 2272
and
Governor's Veto Proclamation

1998 –1999 Biennium

State of Texas
1997

Editor's Note: Notations are provided beside certain items to indicate vetoes or other modifications incorporated into House Bill No. 1, Seventy-fifth Legislature, Regular Session.

RECAPITULATION - ALL ARTICLES
(General Revenue)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
ARTICLE I - General Government	$ 669,793,517	$ 532,591,897
ARTICLE II - Health and Human Services	5,092,380,943	5,176,119,476
ARTICLE III - Agencies of Education	14,910,564,504	14,926,113,884
ARTICLE IV - The Judiciary	138,400,375	137,726,179
ARTICLE V - Public Safety and Criminal Justice	2,736,460,162	2,805,241,159
ARTICLE VI - Natural Resources	206,115,482	195,403,808
ARTICLE VII - Business and Economic Development	196,456,856	139,245,039
ARTICLE VIII - Regulatory	133,125,735	131,647,144
ARTICLE IX - General Provisions	357,220,899	184,803,243
ARTICLE X - The Legislature	120,654,545	123,850,353
TOTAL, ALL ARTICLES	$ 24,561,173,018	$ 24,352,742,182

RECAPITULATION - ALL ARTICLES
(General Revenue - Dedicated)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
ARTICLE I - General Government	$ 101,001,042	$ 83,392,383
ARTICLE II - Health and Human Services	175,528,301	168,688,581
ARTICLE III - Agencies of Education	1,333,096,446	1,363,494,011
ARTICLE IV - The Judiciary	861,307	876,959
ARTICLE V - Public Safety and Criminal Justice	126,264,106	102,794,248
ARTICLE VI - Natural Resources	472,208,592	440,021,905
ARTICLE VII - Business and Economic Development	274,462,336	286,481,311
ARTICLE VIII - Regulatory	70,344,249	69,801,306
ARTICLE IX - General Provisions	36,688,000	37,688,000
ARTICLE X - The Legislature		
TOTAL, ALL ARTICLES	$ 2,590,454,379	$ 2,553,238,704

RECAPITULATION - ALL ARTICLES
(Federal Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
ARTICLE I - General Government	$ 213,320,154	$ 215,711,535
ARTICLE II - Health and Human Services	7,537,957,037	7,683,402,252
ARTICLE III - Agencies of Education	1,873,075,007	1,909,910,556
ARTICLE IV - The Judiciary		
ARTICLE V - Public Safety and Criminal Justice	114,639,758	72,795,260
ARTICLE VI - Natural Resources	95,656,489	93,751,509
ARTICLE VII - Business and Economic Development	2,333,002,215	2,344,342,536
ARTICLE VIII - Regulatory	1,870,302	1,870,923
ARTICLE IX - General Provisions	81,474,198	50,662,704
ARTICLE X - The Legislature		
TOTAL, ALL ARTICLES	$ 12,250,995,160	$ 12,372,447,275

RECAPITULATION - ALL ARTICLES
(Other Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
ARTICLE I - General Government	$ 222,437,084	$ 72,982,617
ARTICLE II - Health and Human Services	126,776,015	100,372,811
ARTICLE III - Agencies of Education	924,103,037	869,809,871
ARTICLE IV - The Judiciary	26,574,639	27,316,843
ARTICLE V - Public Safety and Criminal Justice	702,912,453	375,674,365
ARTICLE VI - Natural Resources	111,800,119	49,952,908
ARTICLE VII - Business and Economic Development	2,380,692,301	2,313,140,213
ARTICLE VIII - Regulatory	9,287,444	9,102,788
ARTICLE IX - General Provisions	75,904,708	41,682,192
ARTICLE X - The Legislature	950,000	1,000,000
TOTAL, ALL ARTICLES	$ 4,581,437,800	$ 3,861,034,608

RECAPITULATION - ALL ARTICLES
(All Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
ARTICLE I - General Government	$ 1,206,551,797	$ 904,678,432
ARTICLE II - Health and Human Services	12,932,642,296	13,128,583,120
ARTICLE III - Agencies of Education	19,040,838,994	19,069,328,322
ARTICLE IV - The Judiciary	165,836,321	165,919,981
ARTICLE V - Public Safety and Criminal Justice	3,680,276,479	3,356,505,032
ARTICLE VI - Natural Resources	885,780,682	779,130,130
ARTICLE VII - Business and Economic Development	5,184,613,708	5,083,209,099
ARTICLE VIII - Regulatory	214,627,730	212,422,161
ARTICLE IX - General Provisions	551,287,805	314,836,139
ARTICLE X - The Legislature	121,604,545	124,850,353
TOTAL, ALL ARTICLES	$ 43,984,060,357	$ 43,139,462,769
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	223,075.5	222,769.5
Number of Full-time Equivalent Positions (FTE) - Outside the General Appropriations Act (Higher Education)	43,368.0	43,384.5
TOTAL, Number of Full-time Equivalent Positions (FTE)	266,443.5	266,154.0

A BILL TO BE ENTITLED
AN ACT

appropriating money for the support of the Judicial, Executive and Legislative Branches of the State government, for the construction of State buildings, and for State aid to public junior colleges, for the period beginning September 1, 1997 and ending August 31, 1999, authorizing and prescribing conditions, limitations, rules and procedures for allocating and expending the appropriated funds; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE I

GENERAL GOVERNMENT

Section 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated agencies of general government.

AIRCRAFT POOLING BOARD

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: EFFICIENT AIRCRAFT TRAVEL To provide safe, efficient aircraft transportation upon request to state officers and employees traveling on official state business.		
A.1.1. Strategy: CENTRAL FLEET OPERATIONS Operate a fleet of centrally scheduled aircraft to meet users' needs.	$ 1,310,782	$ 1,310,782
Outputs:		
Number of Hours Aircraft Are Flown	3,033	3,033
Number of Flights	3,052	3,052
B. Goal: AIRCRAFT MAINTENANCE To provide quality and economical maintenance, fuel and oil, hangar space, and line services for state operated aircraft.		
Outcomes:		
Percent of Aircraft Inspections Performed by SAPB	93.2%	93.2%
B.1.1. Strategy: AIRCRAFT MAINTENANCE Operate a state-of-the-art maintenance and avionics repair facility	$ 1,126,789	$ 1,160,985
Outputs:		
Number of Work Orders Completed	571	571
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 217,694	$ 217,694
Grand Total, AIRCRAFT POOLING BOARD	$ 2,655,265	$ 2,689,461

AIRCRAFT POOLING BOARD
(Continued)

Method of Financing:		
General Revenue Fund	$	$ 34,196
Appropriated Receipts	1,398,410	1,398,410
Interagency Contracts	1,256,855	1,256,855
Total, Method of Financing	$ 2,655,265	$ 2,689,461
Number of Full-time Equivalent Positions (FTE)	41.5	41.5
Schedule of Exempt Positions		
Executive Director, Group 2	$60,500	$60,500

1. **Transfer Authority.** The State Aircraft Pooling Board is hereby authorized to transfer such amounts as may be necessary between appropriation Strategies A.1.1., Central Fleet Operations and B.1.1., Aircraft Maintenance. Appropriations made in Strategy B.1.1., Aircraft Maintenance, include funding for aircraft replacement and aircraft acquisition.

2. **Unexpended Balances.** Any unexpended balances remaining as of August 31, 1998, in appropriations made above to the State Aircraft Pooling Board are hereby reappropriated for the same purpose for the fiscal year beginning September 1, 1998. All unexpended balances, estimated to be $815,083, remaining as of August 31, 1997, in appropriations made to the State Aircraft Pooling Board by House Bill 1, Seventy-fourth Legislature, Regular Session, 1995, are reappropriated for the biennium beginning September 1, 1997. The State Aircraft Pooling Board is authorized to expend these amounts as may be necessary in Strategy A.1.1., Central Fleet Operations and Strategy B.1.1., Aircraft Maintenance. Appropriations made in Strategy B.1.1., Aircraft Maintenance, include funding for aircraft replacement and aircraft acquisition. All unexpended balances as of August 31, 1997, remaining in the Reserve for Overhaul account included under Strategy B.1.1., Aircraft Maintenance, which are accounted for by amounts attributed to Time Between Overhaul (TBO) hours on individual aircraft engines, are hereby reappropriated to the State Aircraft Pooling Board for the 1998-99 biennium for the purpose of providing major maintenance, repairs, and replacements.

3. **Hourly Wage Rates.** Out of the funds appropriated above in Strategy B.1.1., Aircraft Maintenance, the Aircraft Pooling Board is expressly authorized to hire and determine the wage rates paid for hourly employees.

COMMISSION ON THE ARTS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SECURE RESOURCES To secure from the public and private sectors the appropriate and necessary resources for the purpose of funding the Texas Arts Commission and to equitably distribute such resources.		
Outcomes:		
Dollar Amount of Funding Secured	7,548,363	9,548,363

A.1.1. Strategy: CULTURAL ENDOWMENT FUND Promote the Texas Cultural Endowment Fund which secures stabilized public and private funding.	$ 1,125,000	$ 1,125,000
B. Goal: ARTS ACCESS & EDUCATION To ensure that Texas citizens have access to arts education, quality arts and cultural programs and services, and that opportunities in the arts are available to Texans through equitable distribution of resources.		
Outcomes:		
Percentage of Total Assistance Dollars Provided to Minority Organizations	25%	21%
Percentage of Total Assistance Dollars Provided to Organizations from Rural and Geographically Isolated Communities	25%	22%
B.1.1. Strategy: DISTRIBUTE DIRECT GRANTS Distribute direct (non-educational) grants to nonprofit arts organizations through a process of meritorious peer panel review and a weighted voting system.	$ 3,253,666	$ 2,675,766 & U.B.
Outputs:		
Number of Communities of Less Than 50,000 People Receiving Assistance	140	110
Number of Minority Organizations Funded	135	120
Number of Activities, Events and Exhibits Funded Which Promote Tourism	500	500
B.1.2. Strategy: PROMOTION & PARTICIPATION Improve statewide participation in arts programs and promote and encourage the public's understanding of the arts' contribution and value to Texas through improved public and private support for the arts.	$ 661,968	$ 661,968
Outputs:		
Number of Requests For Public Information and Assistance Received and Answered	15,000	20,000
Number of Marketing Activities, Conferences and Seminars Which Promote Tourism	100	100
B.1.3. Strategy: EDUCATIONAL PROGRAMS Provide and support arts education opportunities for school-age children and continuing education for the general public.	$ 372,662	$ 322,662
Outputs:		
Number of School Districts Participating in Arts Education Programs	225	230
Total, Goal B: ARTS ACCESS & EDUCATION	$ 4,288,296	$ 3,660,396
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 379,733	$ 379,733
Grand Total, COMMISSION ON THE ARTS	$ 5,793,029	$ 5,165,129

COMMISSION ON THE ARTS
(Continued)

Method of Financing:		
General Revenue Fund	$ 4,265,129	$ 4,265,129
General Revenue Fund - Dedicated - Commission on the Arts Operating Account No. 334	205,000	205,000
Federal Funds	627,900	0
Appropriated Receipts	25,000	25,000
Interagency Contracts	670,000	670,000
Total, Method of Financing	$ 5,793,029	$ 5,165,129
Number of Full-time Equivalent Positions (FTE)	15.5	15.5
Schedule of Exempt Positions		
Executive Director, Group 2	$55,287	$55,287

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Local Area Network (MLPP Payments for 1996-97 Acquisition)	$ 35,000	$ 35,000
Total, Capital Budget	$ 35,000	$ 35,000

2. **Appropriation: Texas Cultural Endowment Fund Interest Earnings.** Included in the amounts appropriated above in Strategy A.1.1., Cultural Endowment Fund, is interest earnings on money deposited in the Texas Cultural Endowment Fund, estimated at $125,000 each fiscal year, for the purpose of developing the Texas Cultural Endowment Fund. Any unexpended balance of such earnings on August 31, 1998 is reappropriated for the same purpose for the fiscal year beginning September 1, 1998.

3. **Appropriation: Texas Cultural Endowment Fund.** Included in the amounts appropriated above out of the General Revenue Fund for Strategy A.1.1., Cultural Endowment Fund, $2,000,000 shall be deposited in the Texas Cultural Endowment Fund established under Section 444.026, Government Code, for the biennium beginning September 1, 1997.

4. **Appropriation: Royalty Revenue.** All revenues and royalties received by the Commission on the Arts during the biennium beginning September 1, 1997, from the sale of items, privileges, products, or performance of services in which the agency has a proprietary right, are hereby appropriated to the agency for the purpose of implementing Section 444.021, Government Code. Amounts appropriated pursuant to this provision are included in Strategy B.1.2., Promotion and Participation, and are identified above in the Method of Finance in the estimated amount of $25,000 for each fiscal year.

COMMISSION ON THE ARTS
(Continued)

5. **Interagency Agreement.** Out of amounts included above in Strategy B.1.1., Distribute Direct Grants and Strategy B.1.2., Promotion and Participation, the Commission on the Arts shall expend $1.34 million during the biennium beginning September 1, 1997, transferred from the Texas Department of Transportation through interagency contract, to showcase the arts and cultural diversity in Texas to promote tourism.

OFFICE OF THE ATTORNEY GENERAL

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: PROVIDE LEGAL SERVICES To provide skillful and high quality legal representation, counseling, and assistance for the State of Texas, its authorized entities and employees in the lawful performance of their duties.		
Outcomes:		
Delinquent Revenue Collected	42,000,000	43,000,000
A.1.1. Strategy: LEGAL SERVICES Respond to the legal counseling needs of the State of Texas, its authorized entities and employees by providing appropriate legal advice and answers to legal questions posed by clients. Respond to the litigation needs of the State of Texas, its authorized entities and employees through the use of appropriate pre-trial and trial actions. Implement the use of alternative dispute resolution methods in legal disputes involving the state when this course of action is in the best interest of the state. Respond to the legal counseling and litigation needs of the State of Texas in the Colonias Project.	$ 47,698,499	$ 47,698,500
Outputs:		
Legal Hours Billed to Legal Counseling	132,242	132,780
Legal Hours Billed to Litigation	780,959	784,133
Legal Hours Billed to ADR	4,751	4,757
Legal Hours Billed to Colonias Project	4,000	4,000
Efficiencies:		
Average Cost per Legal Hour	52	52
A.1.2. Strategy: VOLUNTEER COURT ADVOCATES Provide trained volunteers who are assigned by judges to advocate for abused and neglected children who are in the court system. This assistance is actually provided by a non-profit organization, Texas CASA, Inc., on a contractual basis.	$ 500,000	$ 500,000
Total, Goal A: PROVIDE LEGAL SERVICES	$ 48,198,499	$ 48,198,500
B. Goal: ENFORCE CHILD SUPPORT LAW To enforce aggressively and fairly both state and federal child support laws and regulations.		

Outcomes:		
Percent of Paternity Acknowledgements for Out of Wedlock Births	50%	50%
B.1.1. Strategy: CHILD SUPPORT ENFORCEMENT	$ 146,623,794	$ 152,377,886
Collect court-ordered child support through the use of the following four sub-strategies: establish paternity; establish child support obligations; enforce child support obligations; and receive and distribute child support monies.		
Outputs:		
Amount of Child Support Collected (in Millions)	782.1	883.7
Number of Children for Whom Paternity has Been Established	48,025	50,800
Number of Child Support Obligations Established or Modified	45,994	47,834
Number of TANF Cases Transferred to Non-TANF Status Due to Collections	30,450	33,325
Number of Paternity Cases Established	39,300	41,575
Efficiencies:		
Ratio of Total Dollars Collected per Dollar Spent	5.46	5.83
C. Goal: CRIME VICTIM COMPENSATION		
To provide financial assistance to innocent victims of violent crime and their families in an empathetic, timely, efficient and fair manner.		
Outcomes:		
Amount of Compensation Awarded	34,660,000	39,544,000
C.1.1. Strategy: CRIME VICTIM COMPENSATION	$ 39,050,651	$ 43,934,651
Obtain and review all claims for crime victims' compensation in accordance with state and federal regulations to determine eligibility for payment; ensure that all bills are reviewed for medical reasonableness and necessity and paid at the correct rate, and that limits are not exceeded.		
Efficiencies:		
Average (Days) Turnaround Time for Payment of Bills	95	90
D. Goal: REFER MEDICAID CRIMES		
To provide an environment free of fraud, physical abuse, and criminal neglect for Medicaid recipients and the Medicaid program.		
Outcomes:		
Amount of Medicaid Over-Payments Identified	3,000,000	3,000,000
D.1.1. Strategy: MEDICAID INVESTIGATION	$ 2,036,236	$ 2,036,237
Conduct a statewide program of investigation and refer for prosecution all violations of laws pertaining to fraud in the administration of the Texas Medicaid Program, the provision of medical assistance, and the activities of providers of medical assistance under the State Medicaid Plan. Review complaints alleging abuse or neglect of patients in health care facilities receiving payments under the State Medicaid Plan.		
Outputs:		
Number of Investigations Concluded	250	250
Efficiencies:		
Average Cost per Investigation Concluded	8,145	8,145

E. Goal: STATE WORKER COMPENSATION
To process state workers' compensation claims efficiently under the state's self-insured workers' compensation program and in a manner that balances consideration for employee rights and needs with the protection of the legitimate interest of the state.

Outcomes:		
Cost of Workers' Compensation per Covered State Employee	313	313
E.1.1. Strategy: PAY WORKERS' COMPENSATION Obtain and review all claims for workers' compensation in accordance with state law and administrative regulations, determine eligibility for medical and indemnity benefits and determine the injured employee's weekly wage and indemnity payment rate.	$ 5,097,162	$ 5,097,162
Outputs:		
Number of Bills Paid	141,000	141,000
Efficiencies:		
Average (Days) Turnaround Time for Payment of Bills	21	21
Grand Total, OFFICE OF THE ATTORNEY GENERAL	$ 241,006,342	$ 251,644,436

Method of Financing:		
General Revenue Fund	$ 29,753,798	$ 29,753,798
Child Support Retained Collection Account	45,669,034	46,891,253
Attorney General Debt Collection Receipts	8,300,000	8,300,000
Earned Federal Funds	6,202,629	6,202,630
Subtotal, General Revenue	$ 89,925,461	$ 91,147,681
General Revenue Fund - Dedicated		
Texas Department of Insurance Operating Account No. 036	2,680,874	2,680,875
Compensation to Victims of Crime Account No. 469	29,508,946	32,917,855
AG Law Enforcement Account No. 5006	631,761	631,761
Subtotal, General Revenue Fund - Dedicated	$ 32,821,581	$ 36,230,491
Federal Funds	106,734,368	112,741,332
Other Funds		
State Highway Fund No. 006	4,455,553	4,455,553
Criminal Justice Grants	595,542	595,542
Appropriated Receipts	4,712,702	4,712,702
Interagency Contracts	1,761,135	1,761,135
Subtotal, Other Funds	$ 11,524,932	$ 11,524,932
Total, Method of Financing	$ 241,006,342	$ 251,644,436
Number of Full-time Equivalent Positions (FTE)	3,744.0	3,744.0

OFFICE OF THE ATTORNEY GENERAL
(Continued)

Schedule of Exempt Positions

Attorney General, Group 4	$92,217	$92,217
First Assistant Attorney General	90,312	90,312
Deputy Assistant Attorney General for Litigation	89,076	89,076

1. **Capital Budget.** Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

	1998	1999
a. Acquisition of Information Resource Technologies		
(1) Automated Interfaces	$ 106,500	$ 106,500
(2) Network equipment	1,545,038	2,874,852
(3) Mainframe Equipment and Software	120,000	150,000
(4) Telecommunications Equipment	376,636	580,101
(5) Growth/Expansion	3,643,442	2,769,368
(6) Maintenance of Baseline Operations	572,166	552,582
(7) Integrated Child Support System	$ 65,922	$ 132,404
Total, Acquisition of Information Resource Technologies	$ 6,429,704	$ 7,165,807
b. Acquisition of Capital Equipment and Items		
(1) Office Furniture	$ 260,500	$ 275,500
Total, Capital Budget	$ 6,690,204	$ 7,441,307

Method of Financing (Capital Budget):

Federal Funds, estimated	$ 4,063,312	$ 4,164,529
Child Support Retained Collection Account	2,626,892	3,276,778
Total, Method of Financing	$ 6,690,204	$ 7,441,307

2. **Cost Allocation, Reporting Requirement.** The Attorney General's Office is directed to continue during the 1998-99 biennium an accounting and billing system by which the costs of legal services provided to each agency may be determined. This cost information shall be provided to the Legislative Budget Board and the Governor's Office of Budget and Planning within 60 days after the close of the fiscal year.

3. **Child Support Collections.**

   a. The Attorney General shall deposit Child Support Retained Collections in a special account in the Comptroller's Office. The account shall be called the Child Support Retained Collections Account. Child Support Retained Collections shall include both the state share of funds collected by the Office of the Attorney General which were previously paid by the State as Aid to Families with Dependent Children (AFDC) or Temporary Assistance for Needy Families (TANF) payments and all incentive payments received from the federal government for both AFDC/TANF and non-AFDC/TANF collections.

b. Amounts earned as interest on, and allocated by the Comptroller of Public Accounts to, the Child Support Trust Fund No. 994, in excess of $557,761 in fiscal year 1998 and $557,761 in fiscal year 1999, shall be transferred monthly by the Comptroller of Public Accounts to such funds from the General Revenue Fund, and all amounts so transferred are hereby appropriated to the Attorney General for use during the 1998-99 biennium, in addition to the amounts otherwise appropriated herein. Amounts transferred pursuant to this provision shall be shown as a separate, individual entry in the Method of Finance in all standard reports regularly utilizing a method of finance which are submitted to the Governor's Office of Budget and Planning or the Legislative Budget Board.

c. The Attorney General is directed to accrue and leave unexpended amounts in the Child Support Retained Collections Account sufficient to be used as the initial state funding necessary for operation of the Child Support Enforcement program during fiscal year 2000. It is the intent of the Legislature that this program be self sufficient through funding from the Child Support Retained Collections Account and related Title IV-D grant funds.

d. The Attorney General, in cooperation with the Comptroller of Public Accounts, shall develop and maintain such cost centers and/or subaccounts within Child Support Trust Fund No. 994 and/or the Child Support Retained Collections Account as may be determined necessary or appropriate to separately account for, and allocate the interest earned on, the various sources for receipts deposited to, and types of expenditures made from such funds. The Comptroller of Public Accounts shall separately allocate interest earned by the State to each such cost center and/or subaccount, or to such groupings thereof as may be designated by the Attorney General for purposes of reporting interest earned to the federal government.

e. The Comptroller of Public Accounts is directed to transfer and carry forward all the balances of funds in the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account from the second fiscal year of the prior biennium into such funds to be available for use in the first fiscal year of the current biennium. Any balances in the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account on hand as of the last day of the first fiscal year of the current biennium, shall be carried forward in such funds as funding sources for the appropriation for the second fiscal year of the current biennium. It is the intent of the Legislature that the remaining balances in the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account as of the last day of the current biennium be carried forward into the first fiscal year of the next biennium and be reappropriated for the first fiscal year of the next biennium for the child support enforcement program.

f. The office may solicit, accept and expend grants from the federal government or other sources in excess of amounts appropriated herein, and such amounts are hereby appropriated for purposes relating to child support enforcement. Expenditures from such grants are limited to the amount of the grants and for the specific purposes expressed in the grants and for no other purposes.

g. In addition to the amounts otherwise appropriated for Strategy B.1.1., Child Support Enforcement, all funds received from the federal government as reimbursement for the costs and fees paid to counties, district or county clerks, sheriffs or constables pursuant to the provisions of Section 232.001 or Section 232.0011 of the Texas Family Code are hereby appropriated to the Office of the Attorney General for use during the 1998-99 biennium.

4. **Disposition, Earned Federal Funds.** Earned Federal Funds received in connection with child support or other programs of the Office of the Attorney General, and funds received as depreciation on child support capital equipment, in excess of the amount shown in the method of financing are specifically not appropriated to the Office of the Attorney General, except as allowed by rider. Earned Federal Funds received in excess of the amount shown in the method of financing for any fiscal year are to be carried forward and applied toward the amount listed in the next fiscal year's method of financing. Regardless of the total amount collected by the Office of the Attorney General, in no event shall this provision be construed as an appropriation in addition to the amount appropriated above, as specified in the method of financing.

5. **Reporting Requirement.** The Attorney General's Office is directed to develop and maintain separate accounting information and records on receipts and distribution of funds from the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account. Such information must at a minimum identify all deposits, allocations and expenditures by type of revenues. The Comptroller of Public Accounts shall prescribe rules and procedures to assure compliance with this section and all transactions and balances shall be reconciled monthly against the records of the Comptroller. In addition to the requirements for annual financial reports required by the General Provisions of this Act, the Attorney General shall include a separate section detailing all such balances, receipts and distributions of money in Fund No. 994 and the Child Support Retained Collections Account. The report must specifically show balances held for transfer to operating appropriations of the Attorney General's Office and any other agency. In addition, any balances which are unclaimed and subject to escheat under other laws must be identified as to amount and age.

6. **Debt Collections.**

   a. The Office of the Attorney General shall attempt to collect all delinquent judgements owed the State of Texas. A portion of those debts collected, as outlined below, shall be eligible for retention by the Office of the Attorney General and may be used as a source of funding for agency operations as specified in and limited by the method of financing of the Office. One hundred percent (100%) of the debts collected by the Office of the Attorney General and eligible for retention by the Office shall be applied toward the amounts shown above for OAG Debt Collections in the method of financing for agency operations. Once debt collections retained by the Office reach the amounts appropriated for agency operations for the biennium, one hundred percent (100%) of collection revenues up to an amount of $18.0 million total for the biennium, shall be set aside to be eligible for use as payment of Workers' Compensation claims in the 1998-99 biennium. Regardless of the total amount collected by the Attorney General, in no event shall this provision be construed as an appropriation in addition to the amount appropriated above as specified in the method of financing, of any of the funds collected by the Office of the Attorney General.

   b. To be eligible for retention by the Office of the Attorney General the debt collected must be from a qualifying judgement. Qualifying judgements, as used in this rider, are judgements that are at least one-year old from the date of entry of the court order and also include debts not reduced to judgement where there are collections on the debt by the Collections Division of the Attorney General's Office if the debt is delinquent by more than one year or has been certified for collection to the Collections Division of the Attorney General's Office. In no event shall more than $5.0 million from collections stemming from a common nucleus of operative fact be eligible for retention by the Office of the Attorney General.

c. It is the intent of the Legislature that the following not be allowed as a credit toward the percentage set forth in Rider 6.a. above: judgements collected by state agencies; judgements less than one year old; or judgements collected without direct action by the Attorney General's Collection Division. The State Auditor shall verify that the above funds resulting from funds collected by the Collections Division of the Attorney General's Office do not include child support collections, or judgements collected from any other source or process other than through the Collections Division and the other requirements as set out in this rider.

d. The Attorney General shall maintain a centralized recordkeeping system for accounting for various departmental and agency certification of delinquent taxes, judgements, and other debts owed the state. The accounting should distinguish by type of tax, judgement, or other debt, and provide for: when the debt was certified by an agency or department for collection by the Attorney General; when it was collected or disposed of, and such other information as the Legislative Budget Board, Governor's Office of Budget and Planning, or the Comptroller of Public Accounts may require. The Attorney General shall submit semi-annual reports to the Governor's Office of Budget and Planning and the Legislative Budget Board detailing by agency or department the amount of each debt, when the debt was certified and when, and in what amount, it was collected or disposed of.

7. **Child Support Case Tracking System.** It is the intent of the Legislature that the Office of the Attorney General automatically track delinquent child support payments that are 30 days in arrears and serve notice at this time. At the 60 day period, delinquency collection procedures will be initiated by the department. At least semi-annually, beginning within 60 days after the close of each fiscal year, the Office of the Attorney General shall submit to the Legislative Budget Board and the Governor's Office of Budget and Planning a report detailing the monthly amount of all court ordered payments for current support and arrears due and the monthly amount of all court ordered payments for current support and arrears collected.

8. **Child Support Cost.** The Attorney General is directed to identify alternatives available under existing law to assist district courts, district clerks, sheriffs, constables, and other local government authorities in meeting the costs they incur in the administration, adjudication, or enforcement of child support cases related to the Attorney General's child support enforcement program. The alternatives so identified shall be reported by the Attorney General to the Legislative Budget Board by March 1, 1998.

9. **River Compact Lawsuit Contingency.** Out of the amounts appropriated above for Strategy A.1.1., Legal Services, $205,000 shall be set aside to purchase professional services to force compliance of the Texas river compacts member states and/or agencies of the United States and defend the State in any legal proceeding involving the compacts.

10. **Client Representation.** In making a determination whether to initiate or settle litigation referred by a state agency, the Attorney General shall follow the written recommendation of the executive director of the referring state agency, or his designee, unless the Attorney General determines that good cause exists to disregard such recommendation. In that event, the Attorney General shall provide the client agency with an explanation of the reasons for such determination.

11. **Appropriation of Receipts, Court Costs.** Out of the funds appropriated above as Appropriated Receipts, $8.8 million represents a biennial appropriation of court costs, attorneys' fees and investigative costs recovered by the Office of the Attorney General, and the Office of the Attorney General shall not be appropriated further amounts from such recoveries. At least semi-annually, beginning within 60 days after the close of each fiscal year, or more often upon request of the Legislative Budget Board, the Office of the Attorney General shall submit to the Legislative Budget Board, the Senate Finance Committee, and the House Appropriations

Committee a report detailing the amount of receipts collected for the reporting period, and the strategy or strategies to which the receipts were allocated.

12. **Appropriation of Gifts, Grants, and Forfeited Assets.** All moneys deposited to the credit of the Attorney General Law Enforcement Account and all interest accruing from the deposit of those moneys, in excess of $631,761 in fiscal year 1998 and $631,761 in fiscal year 1999, are hereby appropriated to the Office of the Attorney General for the 1998-99 biennium, for the purposes provided by Section 402.005, Government Code.

13. **Interagency Contracts for Legal Services.** Having determined the reasonable costs of the legal services to be rendered by the Attorney General to the state agencies listed below in carrying out their statutory duties and responsibilities to be the sums herein indicated and having included funding for such costs in the appropriations out of the General Revenue Fund made above to the Office of the Attorney General, the Legislature hereby adopts the foregoing fact-finding:

For the Years Ending	August 31, 1998	August 31, 1999
Texas Department of Criminal Justice	$ 700,000	$ 700,000
Texas Natural Resource Conservation Commission	520,000	520,000
Texas Department of Transportation	520,000	520,000
Railroad Commission	520,000	520,000
Texas Workforce Commission	460,000	460,000
Department of Public Safety	420,000	420,000
Department of Human Services	225,000	225,000
Texas Alcoholic Beverage Commission	175,000	175,000
Department of Mental Health and Mental Retardation	175,000	175,000
Texas Workers' Compensation Commission	150,000	150,000
Parks and Wildlife Department	150,000	150,000
Texas Department of Health	100,000	100,000
Veterans' Land Board	65,000	65,000
Department of Housing and Community Affairs	60,000	60,000
Finance Commission Related Agencies	210,000	210,000
Lottery Commission	50,000	50,000
TOTAL	$ 4,500,000	$ 4,500,000

The Legislature also finds that the Office of the Attorney General entered into interagency contracts during the 1996-97 biennium with the Department of Protective and Regulatory Services, in amounts not to exceed $168,000 per fiscal year as authorized by House Bill 1, Seventy-fourth Legislature, Regular Session (the General Appropriations Act), and with the following agencies and in the following amounts for legal services which exceeded the projected level of required services which was contemplated at the time that House Bill 1 was enacted:

Department of Criminal Justice	$ 590,131
Department of Public Safety	600,000
Alcoholic Beverage Commission	27,100
National Research Laboratory Commission	750,164
General Services Commission	200,000

The Office of the Attorney General shall not be appropriated any state funds from interagency contracts, notwithstanding the provisions of the section entitled Reimbursements and Payments, in Article IX, General Provisions of this Act unless the Attorney General gives prior written notice to

the Legislative Budget Board and the Governor's Office of Budget and Planning, accompanied by written permission by the affected agency. Any such interagency contract for legal services between the Attorney General's Office and state agencies shall not jeopardize the ability of the agencies to carry out their legislative mandates, shall not affect their budget such that employees must be terminated in order to pay the requested amount and shall not exceed reasonable attorney fees for similar legal services in the private sector. The Office of the Attorney General is hereby appropriated funds received from interagency contracts for non-legal services rendered by the Office of the Attorney General.

14. **Interagency Contracts for Criminal Justice Legal Services.** Notwithstanding any other provisions in this Act, monies received by the Office of the Attorney General pursuant to interagency contracts entered into by the Texas Department of Criminal Justice, the Department of Public Safety, the Texas Alcoholic Beverage Commission, the Texas Supreme Court, and the Department of Protective and Regulatory Services with the criminal justice divisions of the Office of the Attorney General for legal services or for security, must be credited to those criminal justice divisions providing the services. The Office of the Attorney General may not use the monies received pursuant to the contracts to offset or decrease total salaries, expenses, and allowances that the division providing the services receives from the Office of the Attorney General at or after the time the monies are received.

15. **Contingency Appropriation for Implementation of Federal Welfare Reform.** Contingent on enactment of Senate Bill 29 (Seventy-fifth Legislature), or similar legislation, the Office of the Attorney General is appropriated to Strategy B.1.1., Child Support Enforcement, Child Support Retained Collections Receipts in excess of the amounts in the Comptroller's Biennial Revenue Estimate in an amount not to exceed $5,790,349 in fiscal year 1998 and $3,298,095 in fiscal year 1999, plus federal matching funds attributable to the additional funding from the aforementioned Child Support Retained Collections Receipts, for use during the 1998-99 biennium to implement Title III of the federal Personal Responsibility and Work Opportunity Act of 1996, which includes the creation and enhancement of systems for distribution of child support funds, a state registry of child support orders and a new hire directory.

    The Office of the Attorney General shall report quarterly to the following entities regarding the progress of implementation of Title III of the federal Personal Responsibility and Work Opportunity Act of 1996:

    a. the Governor's Office of Budget and Planning;

    b. the Legislative Budget Board;

    c. the Comptroller of Public Accounts; and,

    d. the Health and Human Services Commission.

16. **Unexpended Balances.** Any unexpended balances as of August 31, 1998 in the appropriations made herein to the Office of the Attorney General are hereby reappropriated for the same purpose for the fiscal year beginning September 1, 1998.

17. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Attorney General is hereby authorized to direct agency resources and transfer such amounts appropriated above between appropriation line items.

18. **Contingency Appropriation for Senate Bill 987.** Contingent upon the enactment of Senate Bill 987, or similar legislation relating to alternative uses for money in the Compensation to Victims of Crime Fund or in the Compensation to Victims of Crime Auxiliary Fund, by the Seventy-fifth Legislature, Regular Session, the Office of the Attorney General is hereby appropriated $500,000 in fiscal year 1998 and $500,000 in fiscal year 1999 out of the Compensation to Victims of Crime

Fund or the Compensation to Victims of Crime Auxiliary Fund for Strategy A.1.2., Volunteer Court Advocates.

WORKERS' COMPENSATION PAYMENTS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: WORKERS' COMP PAYMENTS		
Workers' Compensation Payments		
A.1.1. Strategy: WORKERS' COMP PAYMENTS Workers' Compensation Payments	$ 71,265,484	$ U.B.
	$ 71,265,484	$ U.B.
Grand Total, WORKERS' COMPENSATION PAYMENTS	$ 71,265,484	$ U.B.
Method of Financing:		
General Revenue Fund	$ 52,165,484	$ U.B.
Appropriated Receipts	1,100,000	U.B.
Attorney General Debt Collection Receipts	18,000,000	U.B.
Total, Method of Financing	$ 71,265,484	$ U.B.

1. **Appropriation - Subrogation Receipts.** All sums of money recovered by the director from third parties by way of subrogation are hereby appropriated to the Attorney General's Office during the biennium of receipt to be used for the payment of compensation and other benefits to state employees. Twenty-five percent of received funds shall be allocated to the agencies whose employees recovered damages from third parties, to be used for the payment of compensation and other benefits to their employees.

2. **Cost Containment.** The Office of the Attorney General shall submit a report detailing the effectiveness of various cost containment measures undertaken and proposing additional measures to reduce workers compensation costs. This report shall be submitted to the legislative and executive budget offices, in a form as those offices may require, within forty-five days after the close of each fiscal year.

3. **Amount to be Spent on Workers' Compensation.** The money appropriated above to the Office of the Attorney General for Workers' Compensation Payments represents 75 percent of the total projected costs of workers' compensation claim payments during the biennium. Per the section entitled Reimbursements for Workers' Compensation Payments, in the General Provisions of this Act, the Legislature intends that the remaining 25 percent of the cost of workers' compensation claim payments will be paid by agencies whose employees receive the payments.

   Contingent upon reimbursement to the Workers' Compensation Payments appropriation from other state agencies for payment of 25% of workers' compensation claims as required by this Act, the Office of the Attorney General may temporarily utilize additional general revenue funds in an amount not to exceed the anticipated 25% reimbursement for the biennium. The

general revenue amounts utilized above the general revenue method of finance must be repaid upon receipt of 25% reimbursement from other state agencies and shall be utilized only for the purpose of temporary cash flow. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be in accordance with procedures established by the Comptroller. All transfers of the method of finance shall be reported by the Office of the Attorney General to the Legislative Budget Board.

4. **Expenditure for Prior Year's Claims.** It is the intent of the Legislature that the Office of the Attorney General be authorized to expend an amount not to exceed $2.0 million from the appropriation for Workers' Compensation Payments for fiscal year 1998 for Workers' Compensation claims arising during fiscal year 1997.

BOND REVIEW BOARD

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: PROTECT TEXAS BOND RATING Ensure that Texas state bonds attain the highest possible bond rating and that these bonds are issued in the most cost-effective manner possible.		
Outcomes:		
Change in Issuance Costs per $1000 Debt Issued	-2%	-2%
A.1.1. Strategy: BOND ISSUE REVIEW Review each Texas bond issue to ensure proper legal authorization, accurate and adequate disclosure, appropriate use of call provisions, bond insurance and other provisions which affect marketability.	$ 149,199	$ 149,199
Outputs:		
Number of State Bond Issues Reviewed	28	28
A.1.2. Strategy: DEBT BURDEN ANALYSIS Analyze and report to the Legislature, investors, rating agencies, bond analysts, and other interested parties on Texas' debt burden and credit worthiness and analyze and report to the Legislature and other policymakers actions which would raise the state's bond rating and/or lower state borrowing costs.	$ 80,558	$ 80,558
Outputs:		
Number of Responses to Debt Information Requests	175	195
Total, Goal A: PROTECT TEXAS BOND RATING	$ 229,757	$ 229,757
B. Goal: LOCAL BOND DEBT Ensure that public officials have access to current information regarding local government capital planning, finance and debt management.		
Outcomes:		
Percentage Increase in the Number of Local Governments Achieving Improvement in Bond Rating	1%	1%

BOND REVIEW BOARD
(Continued)

B.1.1. Strategy: ANALYZE LOCAL BOND DEBT	$ 180,225	$ 180,225
Collect, maintain and analyze data on the current status of and improvements to local government capital planning, finance and debt management; and report findings to the legislature, other state officials and local policymakers.		
Outputs:		
Number of Local Government Financings Analyzed	650	650
C. Goal: PRIVATE ACTIVITY BONDS		
Ensure that the authorization for Texas state and local entities to issue private activity bonds is allocated consistently with legislative mandates, in the most equitable manner possible, and in the best interest of the people of Texas.		
C.1.1. Strategy: PRIVATE ACTIVITY BONDS	$ 120,637	$ 120,637
Administer the private activity bond allocation program efficiently and effectively to ensure the total utilization of the state's annual private activity bond allocation according to federal regulations and compile and analyze the results of each allocation in an annual report, including recommendations for statutory and/or rule changes to ensure that the program effectively addresses the needs of the state.		
Outputs:		
Number of Recommendations Presented to Policymakers	5	5
Grand Total, BOND REVIEW BOARD	$ 530,619	$ 530,619
Number of Full-time Equivalent Positions (FTE)	10.5	10.5
Schedule of Exempt Positions		
* Executive Director, Group 3	$75,000	$75,000
Director of Public School Funding Program	53,946	53,946

COMPTROLLER OF PUBLIC ACCOUNTS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: COMPLIANCE WITH TAX LAWS		
To improve voluntary compliance with tax laws.		
Outcomes:		
Percent Accuracy Rate of Reported Amounts on Original Audits	98%	98%
Average Monthly Delinquent Account Closure Rate per Enforcement Officer	109	109
Percent of Favorable Responses Obtained to Periodic Quality Control Surveys Sent to Taxpayers Concerning Speed and Accuracy of Information Disseminated	96%	96%
Percentage of Proposed Decisions by Administrative Law Judges Issued Within 40 Days of the Record Closing	70%	70%

A.1.1. Strategy: ONGOING AUDIT ACTIVITIES	$ 46,203,686	$ 46,203,686
Maintain an ongoing program of audit activities in support of improved tax compliance		
Outputs:		
Number of Audits and Verifications Conducted	14,000	14,000
Efficiencies:		
Average Dollars Assessed to Dollar Cost	13.75	13.75
A.2.1. Strategy: TAX LAWS COMPLIANCE	$ 24,630,182	$ 24,630,182
Improve voluntary compliance with tax laws by maximizing the efficiency of the delinquent taxpayer contact and collection program.		
Outputs:		
Number of Field Office Service Area Evaluations Conducted for Efficiency	2	2
Efficiencies:		
Delinquent Tax Revenue Collected per Direct Enforcement Dollar Cost	44	46
A.3.1. Strategy: TAXPAYER INFORMATION	$ 11,108,938	$ 11,108,938
Provide accurate and timely tax information to taxpayers, tax professionals, state officials, and the citizens of Texas.		
Outputs:		
Percent of Taxability Letters Issued Within 7 Days	86%	86%
Efficiencies:		
Average Time Taken (in Work Days) to Respond to Letter Ruling Requests	4.3	4.6
A.4.1. Strategy: TAX HEARINGS	$ 6,215,508	$ 6,215,508
Provide fair and timely hearings, represent the agency in administrative hearings on tax matters, and provide legal counsel and research to the agency.		
Outputs:		
Number of Final Decisions Rendered by Administrative Law Judges	1,341	1,341
Efficiencies:		
Average Length of Time (Work Days) Taken to Issue a Proposed Decision Following Record Closing	40	40
Total, Goal A: COMPLIANCE WITH TAX LAWS	$ 88,158,314	$ 88,158,314
B. Goal: MANAGE FISCAL AFFAIRS		
To efficiently manage the state's fiscal affairs		
Outcomes:		
Percent of Fund Accounting Customers Who Return an Overall Customer Service Rating of Good or Excellent on Surveys	80%	80%
Percent Accuracy Rate of Post-Audited Claims	98%	98%
Average Percentage Point Variance Between the PTD'S Target and Actual Margins of Error for Estimates of School District Property Values	1%	.9%
Average Percent Variance (Plus or Minus) Between Estimated and Actual Total Revenue Collections		3.07%
Treasury Portfolio Yield Compared to Money Market Funds Having the Same Investment Authority	100%	100%
Increased Interest Earned Through Minimization of Float	5,900,000	5,900,000
B.1.1. Strategy: ACCOUNTING/REPORTING	$ 4,579,196	$ 4,579,197
Complete all state accounting and reporting responsibilities in an efficient and timely manner.		
Outputs:		

Percentage of Accounting Systems Exceptions Resolved Each Day		100%		100%
Efficiencies:				
Number of Staff Hours Required to Produce the Comprehensive Annual Financial Report		8,000		7,500
B.1.2. Strategy: CLAIMS AND WARRANTS Accurately and expeditiously audit and process all claims for payment against the state, issue payments (warrants and electronic fund transfers), and provide assistance and training to state agencies.	$	4,936,110	$	4,936,110
Outputs:				
Number of Payments Issued via Warrants		9,050,000		9,230,000
Efficiencies:				
Percent of Annuity and Payroll Documents Approved Within 24 Hours		99.4%		99.5%
B.2.1. Strategy: TEXAS PERFORMANCE REVIEW Review the effectiveness of government operations in order to ensure the highest and best use of taxpayer dollars through the Texas Performance Review.	$	2,850,254	$	2,850,254
Outputs:				
Number of Program Reviews Completed		3		4
Number of School Districts Evaluated		3		3
Efficiencies:				
Average Staff Time Required to Complete a Program Review (Hours)		6,000		6,000
B.3.1. Strategy: ASSIST LOCAL GOVERNMENTS Assist local governments in operating more efficiently by providing information and resources relating to taxes and fees, state laws and legislation, grant funding sources, and fiscal management.	$	3,470,494	$	3,470,495
Outputs:				
Number of Requests for Local Government Assistance Fulfilled		12,348		12,348
B.4.1. Strategy: PROPERTY TAX PROGRAM Fulfill tax code and education code mandates by conducting an annual property value study; providing technical assistance; and reviewing appraisal methods, standards, and procedures.	$	4,876,592	$	4,876,592
Outputs:				
Number of Properties Included in the Property Value Study		88,000		90,000
Efficiencies:				
Average Cost per Appraisal District Methods, Standards, and Procedures (MSP) Review		500		500
B.5.1. Strategy: FISCAL RESEARCH & STUDIES Provide the public and private sectors with concise, reliable information and analysis through publications, verbal assistance, written reports, and legislative analysis. Project the receipts and disbursements of state government under Art. III, Sec. 49a of the Texas Constitution.	$	7,720,016	$	7,720,016
Outputs:				
Number of Research Projects Initiated and Completed Each Year		240		220
B.6.1. Strategy: INVESTMENTS	$	3,867,507	$	2,390,814

Ensure that the state's assets and cash receipts are properly secured, deposited, and accounted for and prudently invest and manage the state's investment portfolio.		
Efficiencies:		
Average Program Cost Per Investment Transaction	5.63	5.63
Total, Goal B: MANAGE FISCAL AFFAIRS	$ 32,300,169	$ 30,823,478
C. Goal: INFORMATION TECHNOLOGY		
To improve state tax and financial data processing through the effective use of information technology and all other resources		
Outcomes:		
Time Taken to Return Tax Allocation to Local Jurisdictions (Days)	22	22
C.1.1. Strategy: REVENUE & TAX PROCESSING	$ 38,715,790	$ 36,060,653
Provide for and improve the processing of tax and voucher data, collection and allocation of tax revenue, and the disbursements of tax refunds.		
Outputs:		
Number of Tax Returns Processed	3,400,000	3,400,000
Efficiencies:		
Average Number of Hours to Deposit Priority Receipts	8	8
D. Goal: UNIFORM STATEWIDE ACCOUNTING SYSTEM		
To efficiently manage the state's fiscal affairs through mainframe and client-server uniform statewide accounting systems.		
Outcomes:		
Percent of USAS Client Server Agencies Who Returned a Rating of Good or Excellent	75%	80%
Percent of USAS Users Who Return an Overall Customer Satisfaction Rating of Good or Excellent with Regard to USAS System Operations	65%	70%
D.1.1. Strategy: CLIENT SERVER SYSTEM	$ 4,618,104	$ 4,290,947
Develop and maintain a client server integrated financial system that meets agencies' financial, administrative and technological needs through the following modules: general ledger accounting, asset management, purchasing, budget preparation and labor distribution.		
Outputs:		
Number of Client Server Integrated Financial System Training Hours Provided to State Agency Personnel	19,200	19,200
Efficiencies:		
Percent of Deliverables Produced on Schedule	95%	95%
D.1.2. Strategy: MAINFRAME SYSTEMS	$ 11,811,902	$ 12,151,588
Maintain the existing uniform statewide accounting and payroll systems (USAS and USPS).		

Outputs:		
Number of Training Hours Provided to State Agencies on Claims Processes Related to the Use of Statewide Financial Systems and Subsystems	2,894	3,185
Total, Goal D: UNIFORM STATEWIDE ACCOUNTING SYSTEM	$ 16,430,006	$ 16,442,535
Grand Total, COMPTROLLER OF PUBLIC ACCOUNTS	$ 175,604,279	$ 171,484,980
Method of Financing:		
General Revenue Fund	$ 173,042,185	$ 169,863,193
Unclaimed Property Receipts	1,770,922	830,615
Appropriated Receipts	538,986	538,986
Interagency Contracts	252,186	252,186
Total, Method of Financing	$ 175,604,279	$ 171,484,980
Number of Full-time Equivalent Positions (FTE)	2,937.5	2,906.5
Schedule of Exempt Positions		
Comptroller, Group 4	$92,217	$92,217

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Computer Equipment and Software	$ 1,184,584	$ 1,473,612
Total, Capital Budget	$ 1,184,584	$ 1,473,612

2. **Appropriation of Tax Refunds.** As much of the respective taxes collected and administered by the Comptroller as may be necessary is hereby appropriated and set aside to pay refunds as provided by law, subject to the following limitations and conditions:

   a. Unless another law, or section of this Act, provides a period within which a particular refund claim must be made, funds appropriated herein may not be used to pay a refund claim made under this section after four years from the latest date on which the amount collected or received by the state was due, if the amount was required to be paid on or before a particular date. If the amount was not required to be paid on or before a particular date, a refund claim may not be made after four years from the date the amount was collected or received. A person who fails to make a refund claim within the period provided by law, or this provision, shall not be eligible to receive payment of a refund under this provision.

b. As a specific limitation to the amount of refunds paid from funds appropriated in this Act during the 1998-99 biennium, the Comptroller shall not approve claims or issue warrants for refunds in excess of the amount of revenue estimated to be available from the tax, fee, or other revenue source during the biennium according to the Biennial Revenue Estimate of the Comptroller of Public Accounts used for certification of this Act. Any claim or portion of a claim which is in excess of this limitation shall be presented to the next legislature for a specific appropriation in order for payment to be made. This limitation shall not apply to any taxes or fees paid under protest.

3. **Appropriation of Receipts.** The Comptroller is hereby authorized to transfer appropriated funds and cash from the state agencies' funds and accounts to the Comptroller's Office to reimburse for the cost of mailing warrants. These, and all sums received in refund of postage, insurance, and shipping costs for the cigarette stamp program, are hereby appropriated to the Comptroller's Office.

4. **Advanced Tax Compliance and Debt Collections.** Pursuant to V.T.C.A., Government Code, 403.019, 403.0195, and any legislation enacted by the Seventy-fifth Legislature relating to *Disturbing the Peace: The Challenge of Change in Texas Government*–recommendation FR 14, amounts collected through contracts with persons or entities providing information, services, or technology to aid in the enhanced collections of debts, taxes, or other property due to or belonging to the State of Texas are hereby appropriated to the Comptroller to pay contract and other expenses connected with the collections, including any administrative costs of the Comptroller directly associated with the collections program. Upon determination by the Comptroller that contract and other expenses connected with the collections have been deducted, the balance of collection proceeds shall be transferred to the General Revenue Fund or to any dedicated or special funds or accounts to which the collection proceeds may belong.

   Contingent upon enactment of legislation supporting the use of advanced technology for enhanced state tax collections, as recommended in *Disturbing the Peace*, issue FR 14, there is hereby appropriated $3 million from the General Revenue Fund for the purpose of developing advanced database technology to maximize collections of tax revenue due the state. This appropriation is further contingent upon the Comptroller's certification that increased collections of not less than $43.1 million for the biennium would result from the program.

   Consistent with the Comptroller's role as the chief fiscal officer and tax collector for the state, it is the intent of the Legislature that all resulting collections be deposited through the fiscal agency operation of the Comptroller's Office and that any expenses paid to outside parties on a percentage of collections or other basis also be paid through the fiscal agency and recorded in a manner which reflects both the amounts of enhanced collections as well as the amount of expenses related to the increased deposits. The Comptroller shall prepare a report to the Seventy-sixth Legislature detailing the success of all programs implemented pursuant to this rider provision.

5. **Support to the Board of Tax Professional Examiners.** It is the intent of the Legislature that the Comptroller of Public Accounts provide administrative support to the Board of Tax Professional Examiners, under interagency contract; such support to consist of the same levels of service and approximate costs as was provided to the Board of Tax Professional Examiners by the State Comptroller during the 1996-97 biennium.

6. **Employee Incentive Rider.** In addition to the existing authority and amounts related to employee compensation and benefits, the Comptroller of Public Accounts may expend amounts necessary from funds appropriated for the 1998-1999 biennium for the purposes of enhancing compensation, providing incentives, or paying associated expenses for high performing employees within the Comptroller's Office.

7. **Capital Expenditures Authorized.** Notwithstanding the limitations placed on the expenditure of funds for capital budget items contained in this Act, the Comptroller of Public Accounts is hereby authorized to expend funds appropriated to the Comptroller of Public Accounts for the acquisition of capital budget items.

8. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Comptroller of Public Accounts is hereby authorized to direct agency resources, and transfer such amounts appropriated above between appropriation line items.

9. **Unexpended Balances Carried Forward.** All unexpended balances appropriated and/or allocated to the Comptroller of Public Accounts from the 1996-97 biennium due to efficiencies or other cost savings of the Comptroller are hereby re-appropriated for the 1998-99 biennium. The appropriations herein are for ensuring the continuation of high priority programs within the Comptroller's Department.

10. **Method of Finance, General Revenue.** There is included in the General Revenue appropriation made above to the Comptroller of Public Accounts, those amounts necessary for processing, auditing, enforcement and other purposes associated with the collection of motor fuels taxes. Pursuant to Article 8, Section 7-a, of the Texas Constitution, one percent of the amounts of motor fuels taxes collected shall be deposited to the credit of the General Revenue Fund for costs incurred by the state in the collection of such taxes.

11. **International Fuel Tax Agreement.** Out of amounts collected as a result of the administration of Chapter 153, Tax Code, the Comptroller shall determine the amounts due other jurisdictions as reflected by motor fuels reports and other information available pursuant to an International Fuel Tax Agreement or otherwise subject to refund. Such amounts are hereby appropriated and may be segregated as necessary for remittance to other jurisdictions and for refunds as provided by law. Fees and costs associated with an International Fuel Tax Agreement may be paid from the interest earnings on amounts due other jurisdictions or subject to refund. The Comptroller may estimate the amounts due other jurisdictions or subject to refund out of amounts collected as a result of the administration of Chapter 153, Tax Code, and may segregate such funds as necessary for administration of the agreement.

12. **Appropriation of Tax and Revenue Anticipation Note Fund.** There is hereby appropriated to the Comptroller of Public Accounts all money deposited in the tax and revenue anticipation note fund for the purposes of paying principal of, premium (if any), interest on, and costs of issuance relating to tax and revenue anticipation notes issued during the biennium. To the extent that money deposited into the tax and revenue anticipation note fund is insufficient to pay the principal of, premium (if any), interest on, and costs of issuance relating to notes, there is hereby appropriated to the Comptroller of Public Accounts from the General Revenue Fund amounts necessary for the full repayment of all principal of, premium (if any) and interest on any notes issued during the biennium.

13. **Appropriation, Hedging Transactions.** There is hereby appropriated to the Comptroller of Public Accounts an amount sufficient to pay all premiums and advisory fees incurred in connection with the investment of state funds in hedging transactions pursuant to Texas Government Code 404.0245, out of Unclaimed Property Receipts. Such amount may not exceed $5,000,000 or the amount of money credited to Unclaimed Property Receipts that is attributable to the remittance of mineral proceeds under Chapter 75, Texas Property Code, whichever is less.

14. **Appropriation for Statutory Obligations.** The Comptroller of Public Accounts is hereby appropriated from Unclaimed Property Receipts all sums necessary to perform statutory obligations under Sections 74.201, 74.203, 74.601, and 74.602 of the Texas Property Code and to respond to public inquiries generated by the advertising program including, but not limited to, the hiring of temporary employees. Such amounts shall not exceed the amount of money credited to Unclaimed Property Receipts from unclaimed property proceeds.

15. **Texas Performance Review.** In addition to the funds appropriated to the Comptroller of Public Accounts above, there is hereby appropriated $831,608 in fiscal year 1998 and $831,608 fiscal year 1999 out of the General Revenue Fund for the continuation of the Texas Performance Review program. These appropriations will allow the Comptroller to effectively perform reviews of state agencies and school districts and develop innovative solutions for maximizing productivity, reducing costs and improving performance. Any unexpended balances remaining at the end of fiscal year 1998 are hereby re-appropriated in fiscal year 1999 for the same purposes. These appropriations are contingent upon certification by the Comptroller of Public Accounts that total revenue will increase by $5.0 million in the General Revenue Fund for the 1998-99 biennium as a result of cost savings or efficiencies recommended by the Texas Performance Review.

16. **Disparity Study for Institutions of Higher Education.** Out of the funds appropriated above, the Comptroller of Public Accounts shall prepare a disparity study to determine whether past acts of discrimination by institutions of higher education of this state have created any present effects of such past discrimination. The study shall address student recruitment, admissions, retention, and financial aid. This study shall be completed by no later than January 15, 1999. Each institution of higher education receiving appropriations and the Texas Higher Education Coordinating Board shall cooperate with the Comptroller of Public Accounts in developing the disparity study. Each institution of higher education and the Texas Higher Education Coordinating Board shall report as necessary to the Comptroller of Public Accounts to assist in preparation of the report. The Comptroller shall use these resources, as well as its own resources, to the greatest extent possible in order to minimize the use of outside consultants. The Comptroller of Public Accounts shall distribute this report to all institutions of higher education, the Texas Higher Education Coordinating Board, and the Legislature.

17. **Uniform Statewide Accounting and Payroll Services and Technology.** There is hereby appropriated to the Comptroller of Public Accounts all revenues received as a result of cost sharing arrangements with other state agencies, other governmental units, or non-government entities for software, technology, licensing arrangements, royalty receipts, or other charges or receipts from the sharing of technological or other information, expertise, services, or cooperative agreements of any kind. Such revenues shall be available to the Comptroller for the use of further enhancement of automation and technology services, computer services and time.

18. **Texas Performance Review (TPR) Issue.** It is the intent of the legislature that the Comptroller of Public Accounts conduct an in-depth TPR evaluation of all of the portfolios of student and parent loan notes held by or on behalf of the Higher Education Coordinating Board. The evaluation will include, but not be limited to, information and analysis concerning the fair market value of such portfolios and recommendations for action, if any, to make the most efficient use of the financial resources of the State in relation to these portfolios. The Comptroller is to include the evaluation report in the TPR recommendations that will be submitted to the 76th Legislature.

19. **Unexpended Balances.** Any unexpended balances as of August 31, 1998 in the appropriations made herein to the Comptroller of Public Accounts are hereby reappropriated for the same purpose for the fiscal year beginning September 1, 1998.

20. **Contingency Appropriation for Senate Bill 55.** Contingent upon passage of Senate Bill 55, Seventy-fifth Legislature, or other similar legislation, in addition to amounts appropriated above, $2,235,872 in fiscal year 1998 and $1,534,254 in fiscal year 1999 is hereby appropriated to the Comptroller of Public Accounts and the number of full-time equivalent positions listed above are increased by 16 each fiscal year, contingent upon sufficient funds being generated by new revenue sources identified in the legislation to cover the amounts hereby appropriated. The purpose of this appropriation is to fund enforcement, education and administrative activities identified in the legislation.

FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: COMPTROLLER OF ACCOUNTS Comptroller of Public Accounts		
A.1.1. Strategy: VOTER REGISTRATION For payment to each county for the total number of voters registered in the county as shown by certified statement submitted by the Registrar to the Secretary of State, as required by V.A.C.S., Election Code, Article 19.002. For payment to counties for voter registration. Estimated.	$ 3,000,000	$ 500,000
A.1.2. Strategy: MISCELLANEOUS CLAIMS To complete the payment of state funds allocated for the Small Claims program to entitled recipients in a timely manner pursuant to V.T.C.A., Govt. Code, Section 403.074.	$ 1,470,000	$ 1,470,000
A.1.3. Strategy: REIMBURSEMENT-COMMITMENT HEARINGS For reimbursement of counties for the cost of Commitment Hearings required by the Persons with Mental Retardation Act, Chapters 591-596, V.T.C.A., Health and Safety Code.	$ 10,000	$ U.B.
A.1.4. Strategy: REIMBURSEMENT-MIXED BEVERAGE TAX For reimbursement of taxes received as authorized by Texas Tax Code Annotated, Section 183.051(b). Payments to each eligible county and incorporated municipality shall be equal to 10.7143 percent of receipts from permittees within the county or incorporated municipality during the quarter. Estimated.	$ 57,000,000	$ 57,000,000
A.1.5. Strategy: TORT CLAIMS (1) Payments shall be made for eligible medical malpractice claims in conformance with Chapter 110, Title 5, Civil Practice and Remedies Code. Of the total general revenue funds appropriated, not more than $4,600,000 of general revenue funds may be utilized for Chapter 110 claims. All such funds are to be paid out by the Comptroller on vouchers which shall be prepared, verified, and signed by the Attorney	$ 8,600,000	$ U.B.

General's Office. (2) Payments for settlements and judgments for claims against state agencies that are payable under Chapters 101 and 104, Texas Civil Practice and Remedies Code Annotated, as determined by the Attorney General, including indemnification for criminal prosecutions and Federal Court judgments and settlements shall be paid from special funds or local funds of the involved agency or institution to the extent such funds are available, and then from General Revenue. Such funds are to be paid out by the Comptroller on vouchers drawn by the Attorney General and approved by the Governor. The Comptroller shall maintain records of such amounts paid from General Revenue and shall require agencies to reimburse General Revenue as special funds or local funds become available. For the purpose of this rider, local funds are defined as funds held outside the state Treasury. (3) Payments shall be made for eligible medical malpractice claims in conformance with Chapter 59, Education Code. All such funds are to be paid out by the Comptroller on vouchers which shall be prepared, verified, and signed by the Attorney General's Office.		
A.1.6. Strategy: COUNTY TAXES-UNIVERSITY LANDS	$ 1,250,000	$ 1,250,000
For payment of taxes, for county purposes only, to counties in which are located endowment lands set aside to The University of Texas by the Constitution and the Act of 1883. Estimated.		
A.1.7. Strategy: LATERAL ROAD FUND DISTRIBUTION	$ 7,300,000	$ 7,300,000
For allocation of payment to each county for construction and maintenance of county roads.		
A.1.8. Strategy: UNCLAIMED PROPERTY	$ 30,000,000	$ 30,000,000
To pay all legitimate claims for previously unclaimed property held by the state. Estimated.		
Total, Goal A: COMPTROLLER OF ACCOUNTS	$ 108,630,000	$ 97,520,000
Grand Total, FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS	$ 108,630,000	$ 97,520,000
Method of Financing:		
General Revenue Fund	$ 78,630,000	$ 67,520,000
Unclaimed Property Receipts	30,000,000	30,000,000
Total, Method of Financing	$ 108,630,000	$ 97,520,000

1. **Appropriation, Payment of Miscellaneous Claims.** In addition to amounts appropriated above, the Comptroller of Public Accounts is hereby appropriated out of other special funds and accounts as appropriate, amounts necessary to pay small miscellaneous claims in accordance with and subject to the limitations of line item A.1.2., Miscellaneous Claims, above.

2. **Appropriation, Payment of Tort Claims.** In addition to amounts appropriated above, the Comptroller of Public Accounts is hereby appropriated out of other special funds and accounts as appropriate, amounts necessary to pay claims, judgements, and settlements in accordance with and subject to the limitations in Parts 2 and 3 of line item A.1.5., Tort Claims, above.

3. **Limitation, Payment of Tort Claims.** The expenditures authorized in Part 2 of line item A.1.5., Tort Claims and Federal Court Judgements Claims, are hereby limited to those claims identified in Part 2 where the settlement or judgement amount exceeds the amount authorized by Article IX, Judgements, of this Act to be paid out of appropriations made to the involved agency elsewhere in this Act. The limitation established by this provision shall not apply in those cases where the judgement order of the trial court was entered, or a settlement agreement was executed, prior to September 1, 1995.

RANGER PENSIONS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: RANGER PENSIONS To complete the payment of state funds allocated for the Ranger Pension program to entitled recipients in a timely manner. The Comptroller is authorized to transfer sufficient cash into the Confederate Pension Fund from General Revenue to allow these payments.		
A.1.1. Strategy: RANGER PENSIONS There is hereby appropriated from the Confederate Pension Fund the following amounts, estimated to be, to pay Ranger Pensions. The Comptroller is authorized to transfer sufficient cash into the Confederate Pension Fund from General Revenue to allow these payments.	$ 14,160	$ 14,160
Grand Total, RANGER PENSIONS	$ 14,160	$ 14,160

INFORMATIONAL LISTING OF FUNDS APPROPRIATED TO THE COMPTROLLER FOR SOCIAL SECURITY CONTRIBUTIONS AND BENEFIT REPLACEMENT PAY

1. **Information Listing of Appropriated Funds.** The appropriations made in this and other articles of this Act to the Comptroller of Public Accounts - Social Security/Benefit Replacement Pay are subject to the following provisions. The following amounts shall be used for the purposes indicated.

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SOCIAL SECURITY CONTRIBUTIONS/BENEFIT REPLACEMENT PAY		
A.1.1. Strategy: STATE MATCH -- EMPLOYER Provide an employer match for Social Security contributions; estimated	$ 488,377,266	$ 503,910,126
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees; estimated	$ 115,910,537	$ 105,157,735
Total, Goal A: SOCIAL SECURITY CONTRIBUTIONS/BENEFIT REPLACEMENT PAY	$ 604,287,803	$ 609,067,861
Grand Total, COMPTROLLER OF PUBLIC ACCOUNTS - SOCIAL SECURITY/BENEFIT REPLACEMENT PAY	$ 604,287,803	$ 609,067,861
Method of Financing:		
General Revenue Fund, estimated	$ 399,141,917	$ 404,820,605
General Revenue - Dedicated, estimated	51,843,646	53,235,500
State Highway Fund No. 006, estimated	61,090,397	60,381,427
Federal Funds, estimated	84,720,699	82,849,621
Other Special State Funds, estimated	7,491,144	7,780,708
Total, Method of Financing	$ 604,287,803	$ 609,067,861

ADVISORY COMMISSION ON STATE EMERGENCY COMMUNICATIONS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund - Dedicated - Advisory Commission on Emergency Communications Account No. 5007:		
A. Goal: STATEWIDE 9-1-1 SERVICES To provide fiscally responsible, standardized and high quality 9-1-1 emergency communications through the state of Texas.		
Outcomes:		
Number of Counties With Functioning 9-1-1 Systems at Automatic Location Identification (ALI) Level of Service	246	254
A.1.1. Strategy: 9-1-1 EMERGENCY COMMUNICATIONS	$ 6,706,976	$ 6,706,976
Join regional councils of government to educate, promote and encourage local governmental agencies and the public to participate in 9-1-1 communications; fund and assist local implementation; review regional plans for consistency with statewide standards; coordinate 9-1-1 activities with national organizations, standards setting bodies, state and federal regulatory agencies.		
Outputs:		
Dollar Amount of Service Fees and Equalization Surcharge Annually Allocated to 9-1-1 System Implementation, Maintenance and Upgrading	21,323,855	21,641,465
Total Number of People Reached With Public Educational Items	3,200,000	3,200,000
Efficiencies:		
Percent of Equalization Surcharge Funds Expended for ACSEC Administration of Agency 9-1-1 Program Responsibilities	20%	20%
B. Goal: POISON CONTROL SERVICES In cooperation with the Texas Department of Health (TDH), to provide a statewide poison control center network, accessible to all Texans, that aids in the treatment and prevention of poisonings throughout the state.		
Outcomes:		
Total Number of Poison Control Calls Processed Statewide	346,000	363,000
B.1.1. Strategy: POISON CONTROL CENTERS	$ 6,793,206	$ 6,793,206
Maintain statewide poison control telecommunications network and, through the Texas Department of Health, fund as appropriate the six designated poison control centers to support related services through a statewide system.		
Outputs:		
Number of Human Poison Exposure Emergency Calls Processed per 1,000 Population	90	100
Efficiencies:		
Percent of Poison Surcharge Funds Expended for ACSEC and TDH Administration of Agency Poison Program Responsibilities	4%	4%

ADVISORY COMMISSION ON STATE EMERGENCY COMMUNICATIONS
(Continued)

C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 171,250	$ 171,250
Grand Total, ADVISORY COMMISSION ON STATE EMERGENCY COMMUNICATIONS	$ 13,671,432	$ 13,671,432
Number of Full-time Equivalent Positions (FTE)	20.0	20.0
Schedule of Exempt Positions and Per Diem of Commission Members		
Executive Director, Group 2	$66,960	$66,960
Director of Program Services	63,063	63,063
Per Diem of Commission Members	4,300	4,300

1. **Appropriation of Unexpended Balances: Poison Control Services.** In addition to the amounts appropriated above in Strategy B.1.1., Poison Control Services, there is hereby appropriated an amount not to exceed $1,217,096 for the 1998-1999 biennium from unexpended balances from poison control equalization surcharge receipts carried forward from fiscal year 1997.

2. **Audit of 9-1-1 Funds.** It is the intent of the Legislature that the State Auditor conduct financial audits of the 9-1-1 emergency service fees and equalization surcharges collected by the agency and the councils of government. The SAO shall prepare a report on the collection and uses of the fees and surcharges, and submit the report to the Legislature no later than September 1, 1998.

EMPLOYEES RETIREMENT SYSTEM

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: ADMINISTER RETIREMENT PROGRAM To administer comprehensive and actuarially sound retirement programs.		
A.1.1. Strategy: RETIREE DEATH BENEFITS Provide lump-sum retiree death benefits under Section 814.501, Government Code. Estimated	$ 4,850,000	$ 4,850,000
Outputs:		
Number of Retiree Death Benefits Paid	977	977
Grand Total, EMPLOYEES RETIREMENT SYSTEM	$ 4,850,000	$ 4,850,000
Number of Full-time Equivalent Positions (FTE)	334.0	334.0

1. **Information Listing of Appropriated Funds.** The appropriations made in this and other articles of this Act to the Employees Retirement System are subject to the following provisions. The following amounts shall be used for the purposes indicated.

EMPLOYEES RETIREMENT SYSTEM
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: ADMINISTER RETIREMENT PROGRAM		
To administer comprehensive and actuarially sound retirement programs.		
Outcomes:		
Number of Years to Amortize the ERS Unfunded Accrued Liability	0	0
ERS Annual Operating Expense per Active and Retired Member	70	70
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS		
Provide an actuarially sound level of funding as defined by state law. Estimated	$ 252,841,451	$ 256,882,983
Outputs:		
Number of Member Accounts Serviced	182,000	182,000
A.1.2. Strategy: JUDICIAL RETIREMENT PLAN 2		
Maintain an actuarially sound retirement program for state judicial officers. Estimated	$ 5,939,884	$ 6,438,772
Outputs:		
Number of Member Accounts Serviced	415	449
A.1.3. Strategy: JUDICIAL RETIREMENT PLAN 1		
Provide for payment of JRS-1 benefits as required by law. Estimated	$ 19,804,584	$ 21,022,768
Explanatory:		
Number of JRS-1 Annuitants	450	467
A.1.4. Strategy: PLAN 1 REFUNDS		
Provide for membership refunds under the Judicial Retirement Program, plan one. Estimated	$ 65,000	$ 65,000
Outputs:		
Number of JRS Membership Refunds Processed	2	2
A.1.5. Strategy: LAW ENFORCEMENT BENEFITS		
Provide for the payment of death benefits to beneficiaries of law enforcement officials as required by Section 615, Government Code. Estimated	$ 875,000	$ 875,000
Outputs:		
Number of Death Benefit Claims Processed	5	5
A.1.6. Strategy: RETIREE DEATH BENEFITS		
Provide lump-sum death benefits under Section 814.501, Government Code. Estimated	$ 4,850,000	$ 4,850,000
Outputs:		
Number of Retiree Death Benefits Paid	977	977
Total, Goal A: ADMINISTER RETIREMENT PROGRAM	$ 284,375,919	$ 290,134,523

B. Goal: PROVIDE HEALTH PROGRAM
To provide employees, retirees, and dependents with a comprehensive, quality health program.

Outcomes:		
Percent of Participants Receiving Managed Care Network In-Area Coverage	75%	75%
B.1.1. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees, retirees, and their dependents. Estimated	$ 534,118,692	$ 544,801,066
Outputs:		
Network Hospital Admissions as a Percent of Total Hospital Admissions, Duration < Five Days	75%	75%
Network Mental Health/Substance Abuse Hospital Days as a Percent of Total Mental Health/Substance Abuse Hospital Days	60%	60%
Efficiencies:		
Average Insurance Carrier Cost to Process Claims (All Employees)	6.80	6.80
Grand Total, EMPLOYEES RETIREMENT SYSTEM	$ 818,494,611	$ 834,935,589
Method of Financing:		
General Revenue Fund, estimated	$ 494,453,966	$ 505,302,051
General Revenue Fund - Dedicated, estimated	38,933,125	39,646,925
State Highway Fund No. 006, estimated	126,553,786	128,904,726
Federal Funds, estimated	154,412,371	156,754,567
Other Special State Funds, estimated	4,141,363	4,327,320
Total, Method of Financing	$ 818,494,611	$ 834,935,589

2. **Updated Actuarial Valuation.** The Employees Retirement System shall contract with an actuary to perform a limited actuarial valuation of the assets and liabilities of the Employees Retirement System as of February 28 in those years when the Legislature meets in regular session. The purpose of the valuation shall be to determine the effect of investment, salary, and payroll experience on the unfunded liability, the amortization period, and the state contribution rate which results in a 30-year amortization period of the Retirement System.

3. **Group Insurance Cost Containment Reporting.** None of the funds appropriated in this Act to the Employees Retirement System may be expended unless the Employees Retirement System reports to the Legislative Budget Board and the Governor's Office of Budget and Planning on the effectiveness and efficiency of the cost containment practices used by the agency to control group insurance claims through its managed care network system and other methods. The report shall be completed no later than January 1 of each year and shall be submitted in a form as the two offices may require.

4. **State Contribution to Employee Retirement Program.** The amount specified above in A.1.1., Retirement Contributions, is based on a state contribution of 6.00% of payroll, including annual membership fees of $3 for contributing members for each fiscal year.

5. **State Contribution to Judicial Retirement Program (JRS-2)**. The amount specified above in A.1.2., Judicial Retirement Plan 2, is based on a state contribution of 16.56% of payroll for contributing members for each fiscal year.

6. **State Contribution to Group Insurance for General State Employees.** Funds identified above for group insurance are intended to fund:

   a. the total cost of the basic life and health coverage for all active and retired employees; and

   b. fifty percent of the total cost of health coverage for the spouses and dependent children of all active and retired employees who enroll in coverage categories which include a spouse and/or dependent children.

   In no event shall the total amount of state contributions allocated to fund coverage in an optional health plan exceed the actuarially determined total amount of state contributions that would be required to fund basic health coverage for those active employees and retirees who have elected to participate in that optional health plan.

   During each fiscal year, the state's monthly contribution shall be determined by multiplying (a) the per capita monthly contribution as certified herein by (b) the total number of full-time active and retired employees enrolled for coverage during that month.

   On or before the first day of May preceding each biennium, the Trustees of the Employees Retirement System shall certify to the Comptroller of Public Accounts, the Legislative Budget Board, and the Governor's Office of Budget and Planning for each fiscal year the per capita monthly contribution required in accordance with this rider for each full-time active and retired employee enrolled for coverage during the biennium.

7. **Authorization for Fee Assessment.** The Employees Retirement System is authorized to assess a fee from institutions of higher education participating in an ERS administered group insurance program.

8. **Administrative Cost Provision.** Funds identified above in A.1.3., Judicial Retirement Plan 1, include $120,000 in each fiscal year to reimburse the Employee Retirement System for the cost of administering the Judicial Retirement Plan 1.

9. **Administrative Cost Provision.** Funds identified above in A.1.5., Law Enforcement Benefits, include $28,000 in each fiscal year to reimburse the Employee Retirement System for the cost of administering the Law Enforcement Officials Death Benefits Program.

10. **Texas Growth Fund.** The Employees Retirement System is hereby encouraged to participate in the Texas Growth Fund to enhance the investment pool available to Texas-based growth companies, including biotechnology companies. It is the intent of the Legislature that participation be contingent upon the Employees Retirement System's criteria for prudent investments.

11. **Targeted Investment.** The Employees Retirement System is encouraged to invest up to 1 percent of its assets in Texas-based community development corporations and financial institutions to increase redevelopment in communities where access to capital is limited. It is the intent of the Legislature that the Employees Retirement System strive to achieve this threshold to the extent that such investments meet the Employees Retirement System's criteria for sound investments. The Employees Retirement System is also encouraged to develop expertise in disadvantaged rural and urban communities across Texas.

12. **Contingency Rider for Judicial Pay Raise.** Contingent upon the implementation of the judicial salary increases pursuant to Section 8, Special Provisions - Judiciary, of Article IV of this Act, state contributions to the Judicial Retirement System Plan 2 made by item A.1.3., Judicial Retirement, Plan 2, in the appropriation made to Retirement and Group Insurance in Article IV of this Act shall be based on a contribution rate of 16.83% of payroll for contributing members.

13. **Contingency for Senate Bill 1102.** Contingent upon enactment of Senate Bill 1102, there is hereby appropriated to the Employees Retirement System all funds transferred or deposited into the Excess Benefit Arrangement Account established in the General Revenue Fund for the purpose of paying benefits as authorized by Senate Bill 1102.

TEXAS ETHICS COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: INFORMATION ON GOVERNMENT To increase the public's ability to access information about public officials, candidates for public office, and persons attempting to influence public officials and to assist people in understanding their responsibilities under the laws administered by the Commission, thereby enhancing the potential for individual participation in government.		
Outcomes:		
Percent of Advisory Opinion Requests Answered by Commission Within 60 Working Days of Receipt	94%	94%
Percent of Sworn Complaints Resolved Within 180 Days of Receipt	87%	87%
A.1.1. Strategy: INFORMATION FILING Serve as the repository for information required to be filed with the Commission and assist persons in accessing that information.	$ 317,570	$ 317,570
Outputs:		
Number of Reports Logged Within Two Working Days of Receipt	27,000	19,550
A.1.2. Strategy: ADVISE PUBLIC Aid the public and those subject to the laws administered and enforced by the Commission in complying with and understanding those laws by responding quickly, accurately, and impartially to advisory opinion requests.	$ 187,869	$ 187,869
Outputs:		
Number of Advisory Opinion Drafts Prepared by Staff	70	70
Efficiencies:		
Average Time (Working Days) to Respond to Legal Advisory Opinion Requests	15	15
A.1.3. Strategy: ENFORCEMENT Enforce compliance with laws administered by the Ethics Commission by responding quickly and impartially to sworn complaints, by performing investigations where advisable, and by assessing penalties for late reports.	$ 289,750	$ 289,750
Outputs:		
Number of Sworn Complaints Processed	95	95
Efficiencies:		
Average Time (Working Days) to Respond to Sworn Complaints	10	10

TEXAS ETHICS COMMISSION
(Continued)

A.2.1. Strategy: ETHICS EDUCATION PROGRAM	$ 43,906	$ 43,906
To educate the public, state employees and those subject to the laws administered and enforced by the Commission by responding to requests for information about the application of ethics laws, by making public presentations, by prescribing clear reporting forms and guidelines, and by making educational materials broadly available.		
Outputs:		
Number of Educational Presentations Made by Staff	60	60
Number of Public Employees Trained by the Commission	2,500	3,000
Total, Goal A: INFORMATION ON GOVERNMENT	$ 839,095	$ 839,095
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 493,839	$ 493,839
Grand Total, TEXAS ETHICS COMMISSION	$ 1,332,934	$ 1,332,934
Method of Financing:		
General Revenue Fund	$ 1,104,571	$ 1,104,571
Appropriated Receipts	228,363	228,363
Total, Method of Financing	$ 1,332,934	$ 1,332,934
Number of Full-time Equivalent Positions (FTE)	33.0	33.0
Schedule of Exempt Positions		
* Executive Director, Group 3	$85,000	$85,000
* General Counsel	76,069	76,069

1. **Appropriation of Receipts, Fee Revenue.** All fee revenue collected by the Texas Ethics Commission is hereby appropriated to the Texas Ethics Commission. (Estimated to be $372,074 above the amounts appropriated above for the 1998-99 biennium).

PUBLIC FINANCE AUTHORITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: FINANCE CAPITAL PROJECTS		
To provide financing for capital projects and equipment, as authorized by the legislature, for client agencies to assist them in meeting their goals while ensuring those issuances are accomplished cost effectively and the resulting obligations are monitored and managed in the most efficient manner possible.		
Outcomes:		
Percent of Issuance Costs Which Do Not Exceed $2.00 per $1,000 of Issuance	100%	100%

A.1.1. Strategy: APPLICATIONS PROCESSING	$ 269,380	$ 271,908 & U.B.
Process and review applications for debt financing submitted by client agencies and maintain cost control for cost-effective issuance.		
Outputs:		
Number of Issues Processed	5	5
Efficiencies:		
Average Issuance Cost per Issue	1.25	1.25
A.2.1. Strategy: BOND MANAGEMENT	$ 404,070	$ 407,861 & U.B.
Manage bond proceeds and monitor covenants to ensure compliance.		
Outputs:		
Number of Financial Transactions Including Debt Service Payments	6,269	6,645
A.2.2. Strategy: BOND DEBT SERVICE	$	$
Make general obligation bond debt service payments in compliance with bond covenants.		
Total, Goal A: FINANCE CAPITAL PROJECTS	$ 673,450	$ 679,769
Grand Total, PUBLIC FINANCE AUTHORITY	$ 673,450	$ 679,769
Method of Financing:		
Appropriated Receipts	$ 128,246	$ 134,565
Bond Proceeds - Revenue Bonds	545,204	545,204
Total, Method of Financing	$ 673,450	$ 679,769
Number of Full-time Equivalent Positions (FTE)	15.0	15.0
Schedule of Exempt Positions and Per Diem of Authority Members		
* Executive Director, Group 4	$82,000	$82,000
Director of Operations	66,195	66,195
Per Diem of Authority Members	2,400	2,400

1. **Information Listing of Appropriated Funds.** The appropriations made in this and other Articles of this Act to the Texas Public Finance Authority for General Obligation Bond Debt Service are subject to the following provision. The following amounts shall be used for the purpose indicated.

	For the Years Ending August 31, 1998	August 31, 1999
Strategy A.2.2. Bond Debt Service	$ 258,672,480	$ 261,581,559 & U.B.

Method of Financing:		
General Revenue	251,539,732	254,499,734
General Revenue Fund-Dedicated - Texas Capital Trust Account No. 543		869,105
Current Fund Balance	7,132,748	6,212,720
Total, Method of Financing		
Bond Debt Service	$ 258,672,480	$ 261,581,559 & U.B.

2. **Appropriation of Interest and Sinking Funds.** Prior to the expenditure of funds appropriated out of the General Revenue Fund to pay debt service on general obligation bonds, the Public Finance Authority shall utilize any balances available in interest and sinking funds for said purpose. The Authority is hereby appropriated all amounts available in interest and sinking funds, including any unexpended balances in these funds for the purpose of paying debt service on general obligation bonds.

3. **Transfer Authority, Bond Debt Service.** In compliance with the Bond Resolutions and Funds Management Agreements between the Texas Public Finance Authority and the Comptroller of Public Accounts, the Texas Public Finance Authority is hereby authorized to transfer funds, appropriated for bond debt service, into the appropriate Interest and Sinking Funds in amounts as necessary for the payment of principal and interest due on general obligation bonds. Such transfers shall be made no sooner than the day that bond debt service is required to be delivered in accordance with the Bond Resolutions and Funds Management Agreements. The Texas Public Finance Authority is also authorized to transfer funds appropriated for general obligation bond debt service to the Interest and Sinking Fund(s) to pay ongoing costs associated with the General Obligation Commercial Paper Program.

4. **Transfer and Appropriation of Master Lease Purchase Program Payments.** The Texas Public Finance Authority is hereby authorized to transfer each agency's share of administrative fees and lease payments pursuant to the Master Lease Purchase Program from each agency's appropriations made elsewhere in this Act to the Texas Public Finance Authority Master Lease Purchase Program cost of issuance fund(s) and the State Lease Fund Account, respectively. Transfers for administrative fees and lease payments shall not be made earlier than fifteen days prior to the date that the debt service payment is required. The Texas Public Finance Authority may transfer funds necessary for Master Lease Purchase Program debt service payments from the State Lease Fund Account to the Texas Public Finance Authority Master Lease Purchase Program interest and sinking fund(s).

   The Texas Public Finance Authority is hereby appropriated balances held in and revenues accruing to the State Lease Fund Account and Texas Public Finance Authority Master Lease Purchase Program interest and sinking fund(s) for the purpose of making debt service and other payments in accordance with applicable laws, rules and covenants pertaining to the Master Lease Purchase Program.

   Unexpended balances in and revenues accruing to the Texas Public Finance Authority Master Lease Purchase Program funds and cost of issuance fund(s) in excess of those appropriated in the Method of Financing are hereby appropriated to the Texas Public Finance Authority for administrative costs in operating the Master Lease Purchase Program.

5. **Appropriation and Transfer Authority for Revenue Bond Lease Payments.** Balances in and revenues accruing to the State Lease Fund Account and the Texas Public Finance Authority revenue bond interest and sinking fund(s) are hereby appropriated to the Texas Public Finance Authority for bond servicing costs on revenue bonds. Bond servicing costs

shall include such costs as debt service payments, insurance premiums, paying agent fees, and other costs associated with the outstanding bonds.

The Texas Public Finance Authority is hereby authorized to transfer such amounts as necessary for the payment of bond servicing costs from the State Lease Fund Account to the Texas Public Finance Authority interest & sinking fund(s) or other debt service funds.

6. **Appropriation and Transfer Authority.** Appropriations to all agencies on whose behalf the Texas Public Finance Authority has, or will issue bonds, notes or other obligations are hereby authorized to be transferred to the Texas Public Finance Authority to the funds prescribed by the bond documents for payment of debt service. The monies so transferred are hereby appropriated to the Texas Public Finance Authority for payment of principal and interest on the bonds, notes or other obligations.

7. **Alternative Fuels Finance Program Payments.** The Texas Public Finance Authority is hereby appropriated all proceeds from the issuance and sale of revenue bonds, revenue commercial paper, or other revenue obligations for the financing of alternative fuels projects. The Texas Public Finance Authority is hereby appropriated all balances held in and revenue accruing to the Texas Public Finance Authority Alternative Fuels Finance Program interest and sinking fund(s) for the purpose of making debt service and other payments in accordance with applicable laws, rules and covenants pertaining to the Alternative Fuels Finance Program. Unexpended balances in and revenues accruing to the Texas Public Finance Authority Alternative Fuels Finance Program Project fund(s) and cost of issuance fund(s) are hereby appropriated to the Texas Public Finance Authority for administrative costs associated with operating the Alternative Fuels Finance Program.

8. **Contingency Funding for Agency Operations.** In the event that there are not sufficient revenue bonds issued during fiscal years 1997-99 to fund agency operations, the Texas Public Finance Authority is hereby appropriated, for fiscal years 1998 and 1999, out of the administrative fees collected from the participants in the Master Lease Purchase Program an amount not to exceed the amount shown above in the Method of Financing as "Bond Proceeds — Revenue Bonds." All revenue bond proceeds available for agency operations should be expended before the expenditure of Master Lease Purchase Program administrative fees.

9. **Unexpended Balances - Transfer of Bond Related Funds.** The Texas Public Finance Authority is hereby authorized to transfer all unexpended bond fund balances forward to the following fiscal year. Balances in and revenues accruing in these bond related funds are hereby appropriated to the Texas Public Finance Authority and may be transferred to the current fiscal year or prior fiscal years in order to make bond related payments and transfers in accordance with bond resolutions. Bond funds include but are not limited to construction (project) funds, acquisition funds, cost of issuance funds, rebate funds, capitalized interest funds and restoration funds.

10. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for Texas Public Finance Authority are made contingent on the continuation of the Texas Public Finance Authority by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 1998 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

PUBLIC FINANCE AUTHORITY
(Continued)

11. **Contingency Appropriation: Additional Bond Issues.** In the event that the performance measure set forth above, "Number of Issues Processed" is exceeded in either fiscal year 1998 or 1999, the Public Finance Authority is hereby appropriated an additional amount not to exceed 20 percent of that year's appropriation made above to recover costs related to bond issuance for each fiscal year. Any additional appropriations made herein shall be applied one-half or 10 percent, to the strategy line item "A.1.1. Strategy: APPLICATIONS PROCESSING," and one-half or 10 percent, to the strategy line item "A.2.1. Strategy: BOND MANAGEMENT." All appropriations made herein shall be out of bond proceed set asides or reimbursements from agencies of state government; be in compliance with the provisions of Articles 601d through 601d-3, V.T.C.S., and any applicable bond covenants and any restrictions on reimbursements contained in Article IX of this Act.

    In the event that House Bill 1077, Seventy-fifth Legislative Session, or similar legislation adding additional bond issuance authority is not enacted into law, this provision and the appropriation made by this provision shall have no effect.

FIRE FIGHTERS' PENSION COMMISSIONER

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SOUND PENSION FUNDS		
To ensure that pension funds for firefighters are actuarially sound and that their members receive the benefits to which they are entitled.		
Outcomes:		
Period to Amortize the Unfunded Actuarial Accrued Liability	30	30
Net Change in Number of Departments in Volunteer Fire Fighters' Pension (S.B. 411) Plan	4	4
Percent of Local Boards Expressing Satisfaction	95%	95%
A.1.1. Strategy: ADMINISTER PENSION FUND	$ 111,875	$ 111,875
Administer a pension fund for volunteer firefighters		
Outputs:		
Number of Retirement Payments Distributed	24,000	24,000
Number of Cost Studies Prepared	15	15
Efficiencies:		
Average Administrative Cost Per Volunteer Firefighters' Pension (S.B. 411) Plan Member	7	7
A.2.1. Strategy: ASSISTANCE & EDUCATION	$ 90,614	$ 90,614
Assist and educate local Firefighter Pension Fund Boards.		
Outputs:		
Number of Benefit Determinations for Local Funds	300	300
Efficiencies:		
Average Time (Days) to Respond to Inquiries from Local Board Members	4	4
Total, Goal A: SOUND PENSION FUNDS	$ 202,489	$ 202,489
Grand Total, FIRE FIGHTERS' PENSION COMMISSIONER	$ 202,489	$ 202,489

FIRE FIGHTERS' PENSION COMMISSIONER
(Continued)

Method of Financing:		
General Revenue Fund	$ 105,079	$ 105,079
Fire Fighters Relief and Retirement Fund No. 976	97,410	97,410
Total, Method of Financing	$ 202,489	$ 202,489
Number of Full-time Equivalent Positions (FTE)	5.0	5.0
Schedule of Exempt Positions		
Commissioner, Group 1	$45,000	$45,000

STATE GENERAL SERVICES COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: GOODS AND SERVICES To provide or acquire goods and services in a cost effective manner, while providing business opportunities for Historically Underutilized Businesses (HUBs).		
Outcomes:		
Percent of Goods and Services Purchased From Term Contracts	45%	50%
Percent of Customer Satisfaction Attained	95%	95%
Percent of Complaints/Problems Resolved in 8 Working Hours	95%	95%
Cost of TEXAN Dedicated Circuits as Percent of Commercial Tariff Costs	58%	56%
Estimated Cost Savings Resulting From Use of Travel Contracts	26,000,000	26,000,000
A.1.1. Strategy: CENTRALIZED PURCHASING Administer a competitive purchasing system in a time-efficient, responsive manner that encourages HUB participation through bid solicitation process and through prime and subcontracting opportunities.	$ 3,449,759	$ 3,449,759
Outputs:		
Number of New Term Contracts Developed	10	10
Number of Awards Made to HUBs Based on State Term and Schedule Contracts	160	160
A.2.1. Strategy: CUSTODIAL SERVICES Offer state agencies different levels of custodial services from a variety of providers.	$ 4,260,582	$ 4,526,242
Outputs:		
Number of Facilities Using GSC Service	14	14
Efficiencies:		
Average Cost per Square Foot Provided Services	.085	.085
A.3.1. Strategy: CENTRAL OFFICE SERVICES Provide for the timely and cost-effective delivery of services relating to repairs, mail processing, and office supply inventory.	$ 4,135,998	$ 4,254,395
Outputs:		
Number of Pieces of Mail Delivered by Mail/Messenger	1,150,000	1,150,000
Explanatory:		
Presort and Barcode Savings Achieved (in Thousands)	191	210
A.4.1. Strategy: CAPITOL COMPLEX TELEPHONE Maintain and increase the capabilities of the Capitol Complex Telephone Systems.	$ 2,823,466	$ 2,612,099
Outputs:		
Work Orders Processed	28,000	28,000
Efficiencies:		
Average Time to Process Work Orders (Days)	3.5	3.5
A.5.1. Strategy: TEX-AN NETWORK SERVICES Maintain TEXAN III Network Services	$ 2,709,890	$ 2,681,789
Outputs:		
Number of Network Re-Configuration Studies Conducted	12	12
Efficiencies:		
Average Cost per Intrastate Day Minute on TEXAN	.106	.106
Average Cost per Interstate Day Minute on TEXAN	.084	.084

A.6.1. Strategy: FLEET MANAGEMENT Develop and maintain Statewide Vehicle Fleet Management System to provide detailed data on fleet use, to identify potential vehicle pooling or alternative fuel use opportunities, and to ensure efficient vehicle repair and maintenance services are provided.	$ 252,076	$ 240,311
Outputs:		
Number of Fleet Analyses Conducted	48	48
A.7.1. Strategy: TRAVEL MANAGEMENT Address the travel needs of all executive branch state agencies through services provided under the State Travel Management Plan.	$ 214,423	$ 214,423
Outputs:		
Number of Travelers Using Travel Contracts	37,000	37,000
Efficiencies:		
Average Cost per Trip	325	325
A.8.1. Strategy: COMPETITIVE GOVERNMENT Support the Council on Competitive Government and estimate the full economic cost to the state to operate those functions that have private sector equivalents.	$ 152,518	$ 152,518
Efficiencies:		
Cost per Competitive Cost Assessment/Evaluation	24,200	24,200
A.9.1. Strategy: FEDERAL SURPLUS PROPERTY Aggressively screen and procure federal surplus personal property suitable for donation to the public and eligible nonprofit agencies in Texas.	$ 2,224,605	$ 2,224,605
Outputs:		
Amount of Federal Surplus Personal Property Donated	37,500,000	38,500,000
Efficiencies:		
Average Amount of Surplus Personal Property Distributed per Certified Donee	12,906	12,222
Total, Goal A: GOODS AND SERVICES	$ 20,223,317	$ 20,356,141
B. Goal: FACILITIES MANAGEMENT To efficiently plan, provide, and manage state facilities.		
Outcomes:		
Percent Attained of the Applicable Performance Standards for Preventive Maintenance	80%	80%
Dollar Value of Deferred Maintenance Projects Remaining	28,500,000	18,500,000
Percentage of Leases Processed Within 90 Days	50%	50%
Cost Savings Achieved by Moving State Agencies From Leased Space to State-Owned Space	1,871,691	2,912,177
B.1.1. Strategy: FACILITIES OPERATION Maintain and operate commission facilities in an efficient, effective, and environmentally safe manner through preventive maintenance, asbestos management, grounds maintenance, and energy consumption.	$ 23,561,344	$ 24,462,052
Outputs:		
Ratio of Staff Hours Required to Staff Hours Available at Level of Actual Funding	45	45

Efficiencies:				
Utility Costs per Square Foot		1.46		1.46
Cost per Square Foot of All Building Activities (Except Utilities)		.97		.97
B.2.1. Strategy: DEFERRED MAINTENANCE Maintain infrastructure of state-owned buildings by eliminating deferred maintenance needs, improving mechanical systems reliability, and ensuring the safety of state property and its users.	$	11,920,237	$	U.B.
Efficiencies:				
Ratio of Dollar Value of Deferred Maintenance Projects (Base Year and New) to Area Maintained		3.9		2.5
B.3.1. Strategy: LEASING SERVICES Provide leasing services to state agencies, including specification development, proposal evaluation, and contract verification and negotiation.	$	465,492	$	465,492
Outputs:				
Number of Leases Processed		130		135
Efficiencies:				
Average Lease Processing Time (Days)		100		100
Cost per Square Foot Leased		9.25		9.25
B.4.1. Strategy: OFFICE SPACE MANAGEMENT Provide facilities for state agencies through space and construction management.	$	32,166,243	$	31,466,243
Outputs:				
Number of Construction Projects Managed		75		75
Efficiencies:				
Change Orders and Add-Ons as a Percent of Budgeted Project Construction Costs		4%		4%
B.4.2. Strategy: LEASE PAYMENTS Make lease payments on facilities financed through the Public Finance Authority.	$		$	
Total, Goal B: FACILITIES MANAGEMENT	$	68,113,316	$	56,393,787
C. Goal: ENERGY OFFICE To promote and develop energy efficiencies and energy technologies.				
Outcomes:				
Energy Dollars Saved		2,600,000		2,400,000
C.1.1. Strategy: ENERGY OFFICE Maximize utilization of Oil Overcharge funds and federally appropriated dollars.	$	14,266,000	$	14,266,000
Outputs:				
Number of Recipients Served		38		36
Efficiencies:				
Administrative Costs per Recipient		35,197		40,329
D. Goal: INDIRECT ADMINISTRATION				
D.1.1. Strategy: CENTRAL ADMINISTRATION	$	2,364,447	$	2,364,447
D.1.2. Strategy: INFORMATION RESOURCES	$	2,306,745	$	2,306,745

D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 932,894	$ 932,894
Total, Goal D: INDIRECT ADMINISTRATION	$ 5,604,086	$ 5,604,086
Grand Total, STATE GENERAL SERVICES COMMISSION	$ 108,206,719	$ 96,620,014
Method of Financing:		
General Revenue Fund	$ 42,880,699	$ 31,353,097
General Revenue - Dedicated		
Texas Department of Insurance Operating Account No. 036	1,030,083	1,030,083
Surplus Property Service Charge Fund Account No. 570	2,538,748	2,538,748
Subtotal, General Revenue - Dedicated	$ 3,568,831	$ 3,568,831
Federal Funds	13,850,000	13,850,000
Interagency Contracts	17,907,189	17,848,086
Bond Proceeds - Revenue Bonds	30,000,000	30,000,000
Total, Method of Financing	$ 108,206,719	$ 96,620,014
Number of Full-time Equivalent Positions (FTE)	818.0	818.0
Schedule of Exempt Positions		
Executive Director, Group 4	$78,000	$78,000
Deputy Director	(3) 77,571	(3) 77,571

1. **Information Listing of Appropriated Funds.** The appropriations made in this and other Articles of this Act to the General Services Commission for lease payments to the Texas Public Finance Authority, are subject to the following provision. The following amounts shall be used for the purpose indicated.

	For the Fiscal Year Ending August 31, 1998	August 31, 1999
Strategy B.4.2., Lease Payments	$ 40,405,600	$ 40,793,741 & U.B.
Method of Financing:		
General Revenue Fund	$ 37,577,397	$38,028,679
General Revenue Fund-Dedicated Department of Insurance Operating Account	2,828,203	2,765,062
Total, Method of Financing, Lease Payments	$ 40,405,600	$ 40,793,741

2. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated

above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Asbestos Abatement	$ 1,843,697	$ 1,843,697
(2) Deferred Maintenance Projects	$ 11,920,237	$ U.B.
Total, Repair or Rehabilitation of Buildings and Facilities	$ 13,763,934	$ 1,843,697
b. Acquisition of Capital Equipment and Items		
(1) PC Video and Integrated Services Digital Network	500,000	0
(2) Interactive Voice Response Equipment	0	300,000
(3) Computerized Paper Cutter (MLPP)	22,080	22,080
(4) Two-Color Offset Printing Press (MLPP)	0	104,166
(5) Imagesetter - Linotype - Drysetter (MLPP)	0	37,500
(6) Signature Collector - Global Collator (MLPP)	0	23,241
(7) X-Ray Machine	$ 30,000	$ 0
Total, Acquisition of Capital Equipment and Items	$ 552,080	$ 486,987
c. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Lease Payments (MLPP) for 1992-1993 Acquisitions	114,099	34,133
(2) Lease Payments (MLPP) for 1994-1995 Acquisitions	23,523	7,047
(3) Lease Payments (MLPP) for 1996-1997 Acquisitions	$ 508,066	$ 500,472
Total, Other Lease Payments to the Master Lease Purchase Program (MLPP)	$ 645,688	$ 541,652
Total, Capital Budget	$ 14,961,702	$ 2,872,336

Method of Financing (Capital Budget):

General Revenue Fund	$ 13,908,033	$ 1,877,830
Interagency Contracts	1,053,669	994,506
Total, Method of Financing	$ 14,961,702	$ 2,872,336

3. **Unexpended Balances of Bond Proceeds Appropriated.** All unexpended balances remaining as of August 31, 1997, in funds provided by Texas Public Finance Authority Revenue Bonds for construction projects are hereby appropriated to the General Services Commission for the 1998-99 biennium to complete the projects as authorized.

4. **Appropriation of Construction and Planning Fund.** All unexpended and unobligated balances in the Construction and Planning Fund Account No. 12, as of August 31, 1997, and all revenues accruing pursuant to Section 2166.157, Title 10, Government Code, during the biennium beginning with the effective date of this Act, (estimated to be $50,000), are hereby appropriated to the Commission for the purposes stated in Section 2166.157, Title 10, Government Code.

5. **Capitol Complex Emergency Repairs.** Any unobligated balances remaining as of August 31,1997, for property acquisition, repairs, and renovations are hereby appropriated for the same purpose and for any emergency repairs to facilities under the Commission's authority, including the State Capitol (estimated to be $1.2 million). The commission will notify the Legislative Budget Board and the Governor's Office of Budget and Planning of all expenditures for emergency repairs.

6. **Transfer Authority - Utilities.** In order to provide for unanticipated cost increases in purchased utilities during fiscal year 1998, the General Services Commission may transfer such amounts as may be necessary to cover such increases from appropriations made in fiscal year 1999 for utilities in B.1.1. Facilities Operation to amounts appropriated in fiscal year 1998 for utilities. Prior to transferring fiscal year 1999 funds into the 1998 fiscal year, notification shall be given to the Comptroller of Public Accounts of the amounts to be transferred and quarterly reports shall be filed with the Legislative Budget Board and the Governor's Office of Budget and Planning detailing the necessity for such transfers.

7. **Transfer Authority - Rent.** The Comptroller is hereby authorized to transfer necessary sums to the General Services Commission out of the appropriated funds of those agencies' funds which are located in combined office facilities for the purpose of paying office rent and utilities. All sums transferred are hereby appropriated to the commission for the stated purposes.

8. **Maintenance - Aircraft Pooling Board.** The General Services Commission shall be responsible for the maintenance of state owned real property and facilities acquired for use by the Aircraft Pooling Board.

9. **Approval of Space Leases and Bid Specifications.** All state office space leases and bid specifications must be approved by the Space Management Division of the General Services Commission before signed or published by an agency. Bid specifications and leases will be considered approved if no exception is taken by the Commission within 15 working days.

10. **Employee Testing.** Out of the funds appropriated herein, the General Services Commission is authorized to pay for medical testing for employees or prospective employees that work in the sensitive area of asbestos removal. Testing deemed necessary under this provision must be approved by the Executive Director and obtained for the safety of the employee or the general public.

11. **TEX-AN III Capital Budget Purchases.** The General Services Commission is hereby authorized to expend funds appropriated elsewhere in this Act to acquire equipment that may be necessary to facilitate cost savings associated with the TEX-AN III Statewide Telecommunications System. The General Services Commission shall coordinate any equipment acquisitions associated with the TEX-AN III Statewide Telecommunications System with the Department of Information Resources and the Office of the Comptroller of Public Accounts. The General Services Commission shall notify the Legislative Budget Board and the Governor's Office of Budget and Planning of any such acquisition.

12. **Office Notification Policy.** Before relocation of an office, execution of a contract for lease of a state office, or before implementing a change in policy which affects office location, the Legislative members for the respective district must be notified to the extent possible.

13. **Reimbursements, Federal Funds.** The General Services Commission is hereby authorized to return to the federal government, funds that were incorrectly included in its cost recovery billings to agencies that receive federal funds. Before a refund can be made to the federal government, a statement of fact must be provided to the State Auditor, and the State Auditor must approve the reimbursement before the State Comptroller can issue the refund.

14. **Cost Recovery, Reimbursement of General Revenue Funds.** In the event that the Leasing Services Program or any other function funded with general revenue in the above strategies, recovers operational costs through reimbursements from other agencies or entities, the General Services Commission shall reimburse the General Revenue Fund for the amounts expended. Upon reimbursement, the Comptroller shall transfer these funds to unappropriated general revenue balances.

15. **General Services Commission's Revolving Account.** It is the intent of the Legislature that the Comptroller of Public Accounts maintain the "General Services Commission's Revolving Account" to account for the expenditures, revenues, and balances of its full cost-recovery operations of Business Machine Repairs, Central Store, Print Shop, and Design/Construction Management. The expenditures, revenues, and balances for each operation shall be maintained separately by the General Services Commission within its accounting system. Any unobligated balances for these operations as of August 31,1997, are hereby appropriated to the General Services Commission for use during the 1998-99 biennium, along with any revenues received during the biennium. Any unobligated balances as of August 31, 1998, are reappropriated for the same use during fiscal year 1999.

16. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the operation of the Federal Surplus Property program cover, at a minimum, the cost of the appropriations made above for strategy item A.9.1., Federal Surplus Property, as well as the “other direct and indirect costs” associated with this program, appropriated elsewhere in this Act. “Other direct and indirect costs” for strategy item A.9.1., Federal Surplus Property are estimated to be $414,217 for fiscal year 1998 and $414,109 for fiscal year 1999. In the event that the actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided herein to be within the amount of fee revenue expected to be available.

17. **Oil Overcharge Settlement Funds.** All funds allocated to the State of Texas by Congressional Appropriations and Petroleum Violation Escrow Funds (Oil Overcharge Funds), including the interest earned on the Oil Overcharge Funds, accrued earnings, and loan repayments, are hereby appropriated to the General Services Commission State Energy Conservation Office (estimated to be $14.4 million), as the primary administration agency for Oil Overcharge Funds for the biennium beginning September 1, 1997. Any unexpended balances as of August 31, 1997 of Oil Overcharge Funds (estimated to be $17.4 million) are hereby appropriated to General Services Commission State Energy Conservation Office for the biennium beginning September 1, 1997. Any unexpended balances as of August 31, 1998 are hereby reappropriated to the General Services Commission State Energy Conservation Office for the fiscal year beginning September 1, 1998. Transfer of said funds to other General Services Commission budget categories is prohibited except for direct and indirect administrative costs as permitted by law.

    The General Services Commission State Energy Conservation Office shall allocate funds based on the designations listed below. The Office is granted the discretion to pro-rate Oil Overcharge funds based on these designations in the event that the total amount estimated by this allocation is not realized. The amounts below are hereby designated for the biennium beginning September 1, 1997 for the following purposes:

State Energy Conservation Office Programs

	FY 1998	FY 1999
Schools/Local Government Program	$1,000,000 & U.B.	$750,000 & U.B.
State Agencies/Higher Education Program	U.B.	$94,000 & U.B.
LoanStar Revolving Loan Program	$8,787,840 & U.B.	$2,300,000 & U.B.
Renewable Energy Program	$750,000 & U.B.	$250,000 & U.B.
Housing Partnership/Housing Trust Fund	$500,000 & U.B.	U.B.
State Energy Program Administration	$1,775,012 & U.B.	$750,000 & U.B.
Transportation Energy Program	U.B.	$150,000 & U.B.
Alternative Fuels Program	$500,000 & U.B.	$150,000 & U.B.
Department of Housing and Community Affairs		
ENTERP	$2,551,424 & U.B.	$1,000,000 & U.B.
Weatherization Assistance	$250,000 & U.B.	$250,000 & U.B.
Department of Transportation		
Public Transportation	$8,486,068 & U.B.	$1,006,000 & U.B.
Texas Energy Coordination Council	$500,000 & U.B.	U.B.

In addition to amounts designated above for Weatherization Assistance, the General Services Commission State Energy Conservation Office shall allocate any de-obligated Oil Overcharge funds, excluding LoanStar Revolving Loan Program funds, and any new Oil Overcharge settlement funds not included in the Comptroller's 1998-99 Biennial Revenue Estimate, to the Weatherization Assistance Program, not to exceed $2.5 million for the 1998-99 biennium.

18. **Unexpended Balances, Bidders List Fees.** The General Services Commission is hereby authorized to carry forward unexpended balances received from bidders list fees collected during fiscal year 1998 to fiscal year 1999 for the cost of maintaining a consolidated statewide bidders list.

19. **Electronic Purchasing Costs and Feasibility Study.** The General Services Commission (GSC) is authorized to establish an electronic purchasing service for all state agencies and institutions of higher education that choose to use it. This service may only be provided on a full cost recovery basis, such that agencies and institutions of higher education will pay for their share of the costs of this service. In addition, the GSC is authorized to charge vendors for their share of the costs related to electronic purchasing. Any such reimbursement amounts are hereby reappropriated to the GSC. As an alternative to charging vendors, GSC may enter into agreements with vendors so that payments for electronic purchasing costs are made by GSC and a vendor on a pro rata basis.

    The Seventy-fifth Legislature authorizes the General Services Commission to conduct a feasibility study for an electronic commerce networking system. The commission shall study

the feasibility of such a system for the purpose of maximizing the efficiencies in purchasing, fiscal management, records management as it relates to procurement functions, and other governmental operations identified by the commission. Each state agency shall provide the commission with the necessary cooperation and information required to complete the study.

20. **Capital Project Authorization, El Paso.** The General Services Commission is authorized to construct or purchase an office building in El Paso in accordance with Section 5 of Article 601d at an estimated cost of $21,400,000. The Texas Public Finance Authority is authorized to issue revenue bonds in accordance with Article 601d, Texas Revised Civil Statutes, to finance the project, including the costs of acquiring real property for new construction, but only to the extent that bonds are not issued for this purpose in the biennium ending August 31, 1997.

21. **Stand by Pay.** It is expressly provided that the General Services Commission, to the extent permitted by law, may pay compensation for on-call time at the following rates: credit for one hour worked for each day on-call during the normal work week, and 2 hours worked for each day on-call during weekends and on holidays. This credit shall be in addition to actual hours worked during normal duty hours and actual hours worked during on-call status. For employees subject to the Fair Labor Standards Act (FLSA) an hour of on-call service shall be considered to be an hour worked during the week for purposes of the FLSA only to the extent required by federal law.

22. **Appropriation: Unexpended Balances and Contingent Revenue.** Any unexpended balances as of August 31, 1997, in Fund 570 (Surplus Property Service Charge Fund Account) in excess of $779,842 and revenues collected in excess of $3,117,000 in fiscal year 1998 and $3,209,000 in fiscal year 1999 are hereby appropriated to the General Services Commission for costs associated with operations of the Federal Surplus Property Program. Any balances remaining on August 31, 1998 are appropriated for fiscal year 1999.

23. **Capitol Complex—Utilities.** Notwithstanding any other provision in this Act, the General Services Commission shall be responsible for the payment of all utility costs out of appropriated funds in Strategy B.1.1., Facilities Operation, for the Capitol, the Capitol Extension, the Historic Capitol Grounds, and the 1857 General Land Office Building.

24. **Robert E. Johnson Building Project.** Out of the funds appropriated in Strategy B.4.1., Office Space Management, the General Services Commission shall allocate $700,000 out of the General Revenue Fund for tenant finish-out and move-in costs associated with the Robert E. Johnson Building.

25. **Appropriation for Environmental Cleanup by TSTC.** In addition to appropriations made above, the General Services Commission is hereby appropriated $1.425 million out of the General Revenue Fund in order to reimburse the Texas State Technical College for environmental cleanup work performed at its former Amarillo site both prior to and during the 1998-99 biennium. Any unused funds from this appropriation shall lapse to the General Revenue Fund. Environmental cleanup costs in excess of this appropriation shall be funded out of appropriations provided elsewhere in this Act to the Texas State Technical College.

26. **Contingency Appropriation for Senate Bill 1301.** Contingent upon the enactment of legislation authorizing the issuance of revenue bonds for the construction of three parking garages in the capitol complex area, the estimated amount of $38,805,000 in bond proceeds is hereby appropriated to the General Services Commission for construction and construction-related expenditures. To provide debt service funding, the amounts of $1,681,551 in fiscal year 1998 and $3,465,875 in fiscal year 1999 out of the General Revenue Fund are hereby appropriated to the General Services Commission, contingent upon enactment of the legislation referred to above.

STATE GENERAL SERVICES COMMISSION
(Continued)

27. **Contingency Appropriation for House Bill 2877.** Contingent upon the enactment of legislation authorizing the issuance of revenue bonds for the relocation of the Aircraft Pooling Board, the estimated amount of $7,000,000 in bond proceeds is hereby appropriated to the General Services Commission for relocation-related expenditures. To provide debt service funding, the amounts of $605,000 fiscal year 1998 and $606,800 in fiscal year 1999 out of the General Revenue Fund are hereby appropriated to the General Services Commission, contingent upon enactment of the legislation referred to above.

28. **Contingency Appropriation for House Bill 3585.** Contingent upon the enactment of legislation authorizing the sale of the state's interest in property at Robert Mueller Municipal Airport for the relocation of the Aircraft Pooling Board, the estimated amount of $5,000,000 in property sale proceeds is hereby appropriated out of the General Revenue Fund to the General Services Commission for relocation-related expenditures.

OFFICE OF THE GOVERNOR

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: GOVERN THE STATE Formulation of Balanced State Policies		
A.1.1. Strategy: SUPPORT GOVERNOR & STATE Provide Support to Governor and State Agencies	$ 4,052,578	$ 4,052,330
A.1.2. Strategy: APPOINTMENTS Develop and Maintain System of Recruiting, Screening, and Training	$ 539,093	$ 539,118
A.1.3. Strategy: COMMUNICATIONS Maintain Open, Active and Comprehensive Communications, Scheduling and Correspondence Functions	$ 1,976,580	$ 1,975,381
A.1.4. Strategy: GOVERNOR'S MANSION Maintain and Preserve Governor's Mansion	$ 344,092	$ 344,157
Total, Goal A: GOVERN THE STATE	$ 6,912,343	$ 6,910,986
Grand Total, OFFICE OF THE GOVERNOR	$ 6,912,343	$ 6,910,986
Number of Full-time Equivalent Positions (FTE)	136.5	136.5
Schedule of Exempt Positions		
Governor, Group 5	$115,345	$115,345
Executive Assistant	125,000	125,000

1. **Capital Budget.** Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

OFFICE OF THE GOVERNOR
(Continued)

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Local Area Network	$ 70,368	$ 71,504
Total, Capital Budget	$ 70,368	$ 71,504

2. **Unexpended Balances.** Any unexpended balances as of August 31, 1998, in the appropriations made herein to the Office of the Governor are hereby reappropriated for the same purposes for the fiscal year beginning September 1, 1998.

3. **Designation of Exempt Positions.** Pursuant to the provisions of this Act and other state and federal legislation, and notwithstanding restrictions in this Act relative to the authority of the Governor to exempt positions from the Position Classification Act of 1961, the Governor may designate the title and compensation rate of exempt positions to be used by the Office of the Governor.

4. **Governor's Salary.** The salary provided by this Act for the governor is an annual salary and is not reduced during the governor's absence from the state.

5. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Office of the Governor is hereby authorized to direct agency resources, and transfer such amounts appropriated above between appropriation items. The Governor may transfer appropriations and FTEs within the Office of the Governor and for Trusteed Programs, and may assign appropriations and the corresponding FTEs for Trusteed Programs to other agencies.

6. **Unexpended Balances.** Any unexpended balances as of August 31, 1997 in appropriations made to the Office of the Governor, including appropriations for Trusteed Programs, estimated to be $1.5 million, are hereby reappropriated to the Office of the Governor for the biennium beginning September 1, 1997.

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: PROGRAMS ASSIGNED		
Administer Programs Assigned to the Governor		
Outcomes:		
Percentage of CJD Grants Complying with CJD Guidelines	96%	96%
Number of Texans Employed by Music Related Industries	57,500	60,000
Number of Public Entities Reporting ADA Compliance Actions for the First Time	175	129
A.1.1. Strategy: AGENCY GRANT ASSISTANCE	$ 3,250,000	$ 1,250,000 & U.B.
Provide Emergency and Deficiency Grants to State Agencies		

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR
(Continued)

A.1.2. Strategy: DISASTER FUNDS Provide disaster funding to units of local government and other eligible entities.	$	4,000,000	$	U.B.
A.1.3. Strategy: REGIONAL GRANT ASSISTANCE Provide Financial Grant Assistance to Regional Planning Commissions	$	2,497,618	$	2,497,618
A.1.4. Strategy: CRIMINAL JUSTICE Research, Provide Seed Money to, and Promote Replication of Measurably Successful Programs in Criminal Justice	$	87,522,228	$	85,122,228
Outputs:				
Number of Grants Currently Operating		1,100		1,100
Number of Technical Assistance Conferences and Workshops Offered		6		6
A.1.5. Strategy: FILM AND MUSIC MARKETING Market Texas as a Film Location and Promote the Texas Music Industry.	$	639,239	$	640,734
Outputs:				
Number of Staff Days Spent on Location Scouting Trips for Specific Film/Video Projects		200		250
Number of Texas Music Businesses Added to the TMO Business Referral Network		1,000		1,000
A.1.6. Strategy: ADA REQUIREMENTS Inform Organizations and General Public of Americans with Disabilities Act Requirements	$	311,693	$	313,888
Outputs:				
Number of Individuals Receiving Information and Technical Assistance		21,220		21,650
A.1.7. Strategy: WOMEN'S GROUPS Network Statewide Women's Groups in Texas	$	126,848	$	126,896
Outputs:				
Number of Women's and Community Outreach Activities Conducted		10		10
A.1.8. Strategy: NATIONAL GUARD Provide Funds and or Dispatch National Guard	$	1,000,000	$	1,000,000
A.1.9. Strategy: TEXAS ISSUES Make Texas Issues Known at Membership Meetings	$	666,099	$	666,099
A.1.10. Strategy: TX COUNCIL ON WORKFORCE Texas Council on Workforce and Economic Competitiveness	$	75,500	$	75,500
Total, Goal A: PROGRAMS ASSIGNED	$	100,089,225	$	91,692,963
Grand Total, TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR	$	100,089,225	$	91,692,963
Method of Financing:				
General Revenue Fund	$	11,732,507	$	7,033,978
General Revenue - Dedicated				
Criminal Justice Planning Account No. 421		19,000,000		19,000,000
Disaster Contingency Account No. 453		1,302,733		0
Crime Stoppers Assistance Account No. 5012		400,000		400,000
Subtotal, General Revenue - Dedicated	$	20,702,733	$	19,400,000

Federal Funds	67,578,485	65,183,485
Interagency Contracts	75,500	75,500
Total, Method of Financing	$ 100,089,225	$ 91,692,963
Number of Full-time Equivalent Positions (FTE)	62.0	62.0

1. **Capital Budget.** Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

	1998	1999
a. Acquisition of Information Resource Technologies		
(1) Local Area Network	$ 61,500	$ 60,000
Method of Financing (Capital Budget):		
General Revenue Fund	$ 29,000	$ 32,500
Federal Funds	32,500	27,500
Total, Method of Financing	$ 61,500	$ 60,000

2. **Emergency and Deficiency Grants.** Any unexpended balances as of August 31, 1997, in appropriations for deficiency and emergency grants made in House Bill 1, Seventy-fourth Legislature, Regular Session, estimated to be $6.6 million, are hereby reappropriated for the biennium beginning September 1, 1997. The purposes of these appropriations are for payments of claims arising prior to the convening of the next Legislature by the Governor in accordance with Section 403.075, Government Code, and for grants-in-aid in cases of disasters with the need for and the amount of such aid to be determined by the Governor, and for other purposes needed in the operations of State departments and agencies, including legal defense of officials and employees; and for emergency use in accordance with Sections 401.061-401.065, Government Code. Additionally, upon certification by the Governor that an emergency exists within the scope of the above cited provisions in an agency funded out of special funds, there are hereby appropriated amounts necessary from special funds to meet the deficiency or emergency and the Comptroller of Public Accounts shall transfer from the special fund to the necessary appropriation account the amount certified as necessary to meet the deficiency or emergency. Transfers made under this provision shall be made only when sufficient balances over appropriated amounts exist in the special fund. The Governor may, according to the terms of the deficiency or emergency award, require the agency to repay all or part of the award. The repayment may be accomplished by purchase voucher, journal entry, or other procedures established by the Governor's Office with the concurrence of the Comptroller of Public Accounts.

3. **Appropriation of Earned Federal Funds.** Any balances remaining as of August 31, 1997, plus any revenues received during the biennium beginning September 1, 1997 identified as earned federal funds are hereby appropriated to the Office of the Governor for use in the operations of the office.

4. **Use of Assistance to Regional Planning Commissions.** Funds appropriated above for Assistance to Regional Planning Commissions, are to provide assistance to metropolitan and rural regional planning commissions exercising the planning functions authorized by Chapter

570, Acts of the Fifty-ninth Legislature, Regular Session, 1965, as amended, and for administrative expenses (including salaries, professional fees and services, part-time and seasonal help, travel, consumable supplies and materials, current and recurring operating expenses, and capital outlay) relating to services to the regional planning agencies.

5. **Reporting Requirements, Assistance to Regional Planning Commissions.** Every recipient of funds appropriated for Assistance to Regional Planning Commissions, shall annually publish a complete financial statement, including a listing of receipts and expenditures by accounts, together with an enumeration of each employee of the recipient, by job title, and the annual compensation of each, and such financial statement shall be made available to each member of the Legislature, and other state officials in compliance with the Distribution of Reports listed in the General Provisions of this Act.

6. **Transfer Authority for Deficiency and Emergency Grants.** In accordance with applicable statutes and to facilitate current accounting and reporting procedures; the Governor's Office may transfer funds and/or budget authority via Journal Voucher or other similar means as may be prescribed by the Comptroller of Public Accounts from Strategy A.1.1., Agency Grant Assistance to recipient agencies.

7. **Unexpended Balances, Payments to National Guard Troops.** Any unexpended balances as of August 31, 1997, in Strategy A.1.8., National Guard, in House Bill 1, Seventy-fourth Legislature, Regular Session, estimated to be $56,000, are hereby reappropriated for the same purposes for the biennium beginning September 1, 1997.

8. **Oversight Related to Councils of Government.** The Office of the Governor shall adopt procedures and requirements related to the operation and oversight of councils of governments, including restrictions on the expenditures of funds, annual reporting requirements, annual audit requirements, and performance and productivity evaluations of the councils.

9. **Transfer of Surplus Capital Items from the Texas Council on Workforce and Economic Competitiveness.** Consistent with the appropriation for the Texas Council on Workforce and Economic Competitiveness specified above in Strategy A.1.10., certain capital items acquired prior to September 1, 1997 by the council will no longer be necessary. The Office of the Governor is directed to administer the identification and transfer of unnecessary capital items from the Texas Council on Workforce and Economic Competitiveness to the Texas Workforce Commission, or to any other appropriate agency, during fiscal year 1998. This transfer will be implemented in accordance with applicable federal law and rules. A report on the transfer required by this provision shall be submitted by the Office of the Governor to the Legislative Budget Board no later than August 31, 1998.

10. **Unexpended Balances.** Any unexpended balances as of August 31, 1998 in the appropriations made herein to the Trusteed Programs within the Office of the Governor are hereby reappropriated for the same purpose for the fiscal year beginning September 1, 1998.

HISTORICAL COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: HISTORICAL PRESERVATION Preserve our state's irreplaceable historic landmarks and artifacts for the enjoyment, education, and benefit of the public, and the enrichment of future generations.		
Outcomes:		
Percentage of the Property Owners, Agencies and Local Governments Assisted That Complete Documentation for Preservation Projects Annually	95%	95%
Number of Individuals Provided Training in Historic and Archeological Preservation	14,300	14,400
Number of Net New Jobs Created in Main Street Cities	1,600	1,600
Percent of Regional Tourism Attractions Developed	50%	55%
A.1.1. Strategy: DESIGNATION OF PROPERTIES Assist property owners, state and federal agencies, and local governments with identification, designation, and access to resources for the preservation of historic properties.	$ 328,497	$ 328,497
Outputs:		
Number of Property Owners Assisted	25,000	25,500
Efficiencies:		
Average Cost per Property Owner and Agency Assisted	6.68	6.44
A.1.2. Strategy: ARCHITECTURAL ASSISTANCE Provide technical and financial assistance to owners/ administrators for responsible rehabilitation and preservation of architectural properties.	$ 930,388	$ 558,818
Outputs:		
Number of Historic Building Owners/Administrators Provided With Technical Assistance, Monitoring, and Mandated Architectural Reviews.	10,246	11,271
Efficiencies:		
Average Cost Per Architectural Review	10	10
A.1.3. Strategy: PRESERVATION TRUST FUND Develop the Texas Preservation Trust Fund into a viable source of grant funding for preservation projects.	$ 2,825,000	$ 350,000
Outputs:		
Number of Grants Awarded	16	18
A.1.4. Strategy: ENVIRONMENTAL REVIEW Administer state and federally-mandated environmental impact review and historic property management programs.	$ 1,057,712	$ 507,712
Outputs:		
Number of Construction Projects Reviewed	8,800	9,000
Efficiencies:		
Percent of Construction Projects Reviewed in Less Than 30 Days	96%	96%
A.1.5. Strategy: LOCAL PRESERVATION Encourage public participation in local preservation efforts through training, coordination, and recognition.	$ 595,879	$ 543,804

Outputs:		
Number of Public Presentations and Workshops Given	66	66
A.1.6. Strategy: ARCHEOLOGICAL HERITAGE PROTECTION	$ 278,404	$ 278,404
Provide assistance and information to promote the protection of Texas' diverse archeological heritage through site evaluation, public outreach, and volunteer programs.		
Outputs:		
Number of Persons Provided Archeological and Preservation Assistance	85,000	85,000
A.2.1. Strategy: MAIN STREET ASSISTANCE	$ 330,139	$ 330,139
Encourage local private sector reinvestment in historic downtowns and commercial districts through Main Street technical assistance.		
Outputs:		
Number of Technical Assistance Consultations Provided to Main Street Cities	11,000	11,000
A.2.2. Strategy: REGIONAL TOURISM	$ 753,621	$ 753,621
Identify, assist and develop the interpretation of important regional tourism attractions.		
Outputs:		
Number of Property Owners Provided Technical Assistance	925	1,075
Total, Goal A: HISTORICAL PRESERVATION	$ 7,099,640	$ 3,650,995
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 795,555	$ 795,555
Grand Total, HISTORICAL COMMISSION	$ 7,895,195	$ 4,446,550
Method of Financing:		
General Revenue Fund	$ 5,879,289	$ 2,500,119
General Revenue Fund - Dedicated - Texas Preservation Trust Fund Account No. 664	325,000	350,000
Federal Funds	631,192	631,192
Other Funds		
Appropriated Receipts	256,239	315,239
Interagency Contracts	803,475	650,000
Subtotal, Other Funds	$ 1,059,714	$ 965,239
Total, Method of Financing	$ 7,895,195	$ 4,446,550
Number of Full-time Equivalent Positions (FTE)	87.0	85.5
Schedule of Exempt Positions		
* Executive Director, Group 2	$70,000	$70,000
* Deputy Director	53,000	53,000

HISTORICAL COMMISSION
(Continued)

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Restoration/Renovation of Historic Buildings	$ 226,947	$ 40,000
(2) ADA Compliance	$ 183,023	$ 0
Total, Repair or Rehabilitation of Buildings and Facilities	$ 409,970	$ 40,000
b. Acquisition of Information Resource Technologies		
(1) Personal Computers and Local Area Network	$ 45,000	$ 45,000
Total, Capital Budget	$ 454,970	$ 85,000

2. **Sam Rayburn House Caretaker.** A designated employee of the Texas Historical Commission may be provided the caretaker's cottage and utilities in return for living on the grounds of the Sam Rayburn House Museum in Bonham, Texas.

3. **Cost Recovery of Historical Markers.** It is the intent of the Legislature that the Historical Commission recover the full costs of historical markers.

4. **Unexpended Balances: Annual Conference.** Any balances on hand as of August 31, 1997 and August 31, 1998, not to exceed $4,000 in each fiscal year, collected from the Annual Conference are hereby appropriated to the Historical Commission for the fiscal years beginning September 1, 1997 and September 1, 1998, respectively.

5. **Preservation Trust Fund: Gifts, Donations, and Interest.** In addition to the amounts appropriated above, any gifts, donations, and interest earnings deposited to the Preservation Trust Fund dedicated account on or after September 1, 1997, in excess of $325,000 for fiscal year 1998 and in excess of $350,000 for fiscal year 1999, are hereby appropriated to the Historical Commission.

6. **Promotional Materials.** The Texas Historical Commission is hereby authorized to purchase promotional educational materials for resale or donation purposes during the biennium beginning September 1, 1997. Out of amounts appropriated above, all receipts received from the sale of these materials are appropriated to the Commission for the administration and operation of agency programs. Any unexpended balances on hand as of August 31, 1998, from the sale of these materials are appropriated for the fiscal year beginning September 1, 1998.

7. **Registration of Historic Cemeteries.** The Texas Historical Commission is hereby authorized to collect funds for the registration of historic cemeteries. Out of amounts appropriated above, fees collected pursuant to registration of historic cemeteries are appropriated for the biennium beginning September 1, 1997. Any unexpended balances on hand as of August 31, 1998, from

the collection of these fees are appropriated to the Texas Historical Commission for the fiscal year beginning September 1, 1998 for the purpose of administering the Historic Cemetery Program.

8. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committee: State Board of Review.

9. **Preservation Trust Fund.** Out of the amounts appropriated above in Strategy A.1.3., Preservation Trust Fund, $2.5 million in general revenue funds may be transferred to the Texas Preservation Trust Fund dedicated account in the General Revenue Fund and is hereby appropriated to the Preservation Trust Fund dedicated account.

10. **Tourism: Promotion of Historical Sites.** Out of amounts included above, the Texas Historical Commission, pursuant to V.T.C.A., Government Code, Chapter 481.172 and Chapter 442.005(s), shall expend $300,000 during the biennium beginning September 1, 1997, transferred from the Texas Department of Commerce to encourage travel to the state's historical attractions.

11. **Coordination of Tourism and Travel Promotion.** It is the intent of the Legislature that the Texas Historical Commission, the Texas Department of Commerce, the Texas Department of Parks and Wildlife, and the Texas Department of Transportation coordinate their efforts and spending related to tourism and travel promotion. The Texas Department of Commerce, the Texas Department of Parks and Wildlife, and the Texas Department of Transportation, in cooperation with the Texas Historical Commission, shall modify the existing memorandum of understanding relating to marketing and promoting Texas as a travel destination and providing services to travelers, to include the Texas Historical Commission.

12. **Cultural Diversity Scholarships.** Gifts and donations received by the Historical Commission, not to exceed $5,000 in each year of the biennium, may be expended for scholarships of up to $500 per recipient for travel expenses, including meals and lodging, in order to encourage diversity among participants at agency sponsored conferences, seminars, and workshops.

13. **Interagency Agreement:** Out of amounts included above in Strategy A.2.2., Regional Tourism, the Historical Commission shall expend $1 million during the biennium beginning September 1, 1997, transferred from the Texas Department of Transportation through interagency contract, to showcase Texas historical sites in order to promote tourism.

14. **Gilmer Lake Project:** The Historical Commission shall provide staff assistance and project direction to the City of Gilmer to aid in the documentation of archeological sites and to ensure the completion of the Gilmer Lake project.

15. **Cooperation with the General Services Commission:** The Historical Commission shall cooperate with the General Services Commission for all bidding and contracting related to capital construction improvements on buildings owned and maintained by the Historical Commission.

16. **Military Sites Program:** Included in amounts appropriated above in Strategy A.1.2., Architectural Assistance, is $45,000 in each year of the biennium for the purpose of developing a military sites program and restoring Texas military monuments in and outside the state. Appropriation of these amounts is contingent upon receipt by the Historical Commission of private contributions, gifts, and donations, for the same purpose, in the amount of $90,000 over the biennium. In the event that private contributions, gifts, and donations received by the Historical Commission total less than $90,000 over the biennium, the appropriation is reduced to an amount which equals the total contributions, gifts, and donations received. Any unexpended balances of these funds remaining as of August 31, 1998, are hereby appropriated

to the Historical Commission for the fiscal year beginning September 1, 1998, for the same purpose.

It is the intent of the Legislature that these funds be expended on the restoration of existing monuments before any amounts are expended on the establishment of new monuments, and that restoration of the military monument at Vicksburg, Mississippi take priority over other out of state monument restorations.

17. **La Salle Artifacts:** Included in amounts appropriated above in Strategy A.1.4., Environmental Review, is $500,000 in fiscal year 1998 for the purpose of preserving artifacts recovered from the La Salle shipwreck. Appropriation of these amounts is contingent upon receipt by the Historical Commission of private contributions, gifts, and donations, for the same purpose, in the amount of $500,000 over the biennium. In the event that private contributions, gifts, and donations received by the Historical Commission total less than $500,000 over the biennium, the appropriation is reduced to an amount which equals the total contributions, gifts, and donations received. Any unexpended balances of these funds remaining as of August 31, 1998, are hereby appropriated to the Historical Commission for the fiscal year beginning September 1, 1998 for the same purpose.

18. **Unexpended Balances: Gifts and Donations.** Any balances on hand as of August 31, 1997 and August 31, 1998 received as a gift or donation are hereby reappropriated to the Historical Commission for the fiscal years beginning September 1, 1997 and September 1, 1998 for the purpose specified by the donors.

19. **Appropriation of Receipts.** All fees that the Texas Historical Commission is authorized by statute to collect are hereby appropriated for the specific purpose named in the statute for the biennium beginning September 1, 1997.

20. **Management of the Historic Sites.** The Texas Historical Commission shall submit to the Parks and Wildlife Department written recommendations regarding the management of the historic sites under the Parks and Wildlife Department's control. In formulating a plan for preservation, development, and management of a historical area, the department may consider comments on the plan made by the Texas Historical Commission.

COMMISSION ON HUMAN RIGHTS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: ANTI-DISCRIMINATION LAWS To provide leadership in the development and effective administration of policies and laws designed to prohibit and reduce discrimination in Texas.		
Outcomes:		
Percent of Investigations Complying with the Commission's Quality Control Standards and the U.S. EEOC's Substantial Weight Review Standards	98%	98%
A.1.1. Strategy: INVESTIGATIONS Conduct all investigations in accordance with the commission's quality control standards and the U.S. EEOC and HUD substantial weight review standards,	$ 1,788,992	$ 1,898,292

automate the commission's complaint processing system, and increase effective utilization of alternative dispute resolution process.

Outputs:		
Number of Complaints Resolved	1,679	1,679
B. Goal: TRAINING & ASSISTANCE		
To prevent employment and housing discrimination in Texas by providing comprehensive training and technical assistance on laws prohibiting such discrimination and actively marketing such training.		
Outcomes:		
Percent Reduction per Year in Employment Discrimination Complaints Filed with the Commission Against State Agencies and Institutions of Higher Education Receiving Training	5%	5%
Percent Reduction per Year in Employment and Housing Discrimination Complaints Filed Against Employers and Housing Providers Receiving Training	40%	40%
B.1.1. Strategy: TRAINING	$ 327,057	$ 346,219
Provide technical assistance and comprehensive training on compliance with laws prohibiting discrimination.		
Outputs:		
Number of Voluntary Training Sessions Conducted	90	90
Efficiencies:		
Average Number of Days from Date of Request for EEO Training to Date of Delivery of Training	52	52
B.1.2. Strategy: MONITOR PERSONNEL POLICY	$ 149,854	$ 157,832
Review affirmative action plans of state agencies and institutions of higher education through technical assistance to ensure that such affirmative action plans are in compliance with the Texas Commission on Human Rights Act; and review and provide technical assistance on all personnel policies of those same entities.		
Outputs:		
Number of Reviews Conducted per Year	25	25
Number of State Agencies and Institutions of Higher Education Using Personnel Policies and Selection Procedures in Compliance with the TCHR Act	10	10
Total, Goal B: TRAINING & ASSISTANCE	$ 476,911	$ 504,051
Grand Total, COMMISSION ON HUMAN RIGHTS	$ 2,265,903	$ 2,402,343
Method of Financing:		
General Revenue Fund	$ 520,108	$ 487,539
Federal Funds	1,461,543	1,630,552
Appropriated Receipts	60,000	60,000
Interagency Contracts	224,252	224,252
Total, Method of Financing	$ 2,265,903	$ 2,402,343
Number of Full-time Equivalent Positions (FTE)	47.0	47.0
Schedule of Exempt Positions		
Executive Director, Group 2	$54,768	$54,768
Director of Administration and Special Projects	54,540	54,540

COMMISSION ON HUMAN RIGHTS
(Continued)

1. **Cash Flow Contingency.** Contingent upon the receipt of federal funds allocated under the annual fixed cost performance based contracts and special projects with the U.S. Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development, and upon the submission of monthly reports on all funds transfers and performance on all key measures to the Legislative Budget Board, Governor's Office of Budget and Planning, and Comptroller of Public Accounts, the Commission may temporarily utilize additional general revenue funds, pending the receipt of federal reimbursement, in an amount not to exceed 50 percent of the remaining estimated federal funds to be received in each year of the biennium adjusted to actual contract amounts. The general revenue amounts utilized above the general revenue method of finance must be repaid upon receipt of federal reimbursement and shall be utilized only for the purpose of temporary cash flow needs. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be in accordance with procedures established by the Comptroller. All transfers of the method of finance shall be reported by the Commission to the Legislative Budget Board.

2. **Travel Expenditures.** The Texas Commission on Human Rights is authorized to spend out of funds appropriated by this Act up to $1,500 per employee or commissioner for each year of the biennium for out-of-state travel. This limitation shall not apply to out-of-state travel required by the U.S. Equal Employment Opportunity Commission or the U.S. Department of Housing and Urban Development and the cost of such travel is reimbursed by the federal government.

3. **Limitation on Texas Fair Housing Act Investigations or Prosecutions.** No funds appropriated under this Act may be used to investigate or prosecute under the Texas Fair Housing Act any otherwise lawful activity, engaged in by one or more persons, that is engaged solely for the purpose of preventing action by a government official or court of competent jurisdiction.

TEXAS INCENTIVE AND PRODUCTIVITY COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of Appropriated Receipts:		
A. Goal: ENCOURAGE PARTICIPATION To encourage the development of productive and innovative state agencies and employees and to recognize employees for their efforts to save money, increase revenues, and improve services. Texas Civil Statutes, Government Code, 2108.022.		
Outcomes:		
Actual Total Savings/Revenues from Approved Suggestions	1,000,000	1,250,000
Actual Total Savings from Approved Productivity Plans	750,000	600,000
A.1.1. Strategy: EDUCATION AND PROMOTION Educate employees and program coordinators/contacts and conduct program promotional activities.	$ 94,758	$ 93,258
Outputs:		
Number of Training and Promotion Hours	3,320	3,320
Efficiencies:		
Average Cost per Training Hour	28	28

A.2.1. Strategy: PRODUCTIVITY PLAN REVIEW	$ 121,861	$ 123,361
Conduct staff review and commission consideration of employee suggestions, productivity plans, and productivity bonus applications within the specified timeframe.		
Outputs:		
Number of Suggestions Reviewed	1,290	1,370
Number of Productivity Plans Reviewed	15	13
Efficiencies:		
Average Cost to Process Suggestions	39	39
Average Cost to Process Productivity Plans	1,828	2,124
Total, Goal A: ENCOURAGE PARTICIPATION	$ 216,619	$ 216,619
Grand Total, TEXAS INCENTIVE AND PRODUCTIVITY COMMISSION	$ 216,619	$ 216,619
Number of Full-time Equivalent Positions (FTE)	6.0	6.0
Schedule of Exempt Positions		
Executive Director, Group 1	$42,534	$42,534

1. **Allocation of Net Annual Savings/Revenues.** Net annual savings/revenues realized from employee suggestions implemented by a state agency under the provisions of Texas Government Code, Chapter 2108, Subchapter B and rules promulgated by the Texas Incentive and Productivity Commission must be allocated by the state agency as follows:

   a. Transfer 20 percent of the annual net savings/revenues from amounts appropriated to the agency in the fiscal year(s) and strategy area(s) in which the savings/revenues were realized to the Texas Incentive and Productivity Commission.

   b. Lapse 40 percent of the annual net savings/revenues from amounts appropriated to the agency in the fiscal year(s) and strategy area(s) in which the savings/revenues were realized. The lapsed amount will be held in the fund from which the savings/revenues were realized for future appropriation by the Legislature.

   c. Retain 40 percent of the original annual net savings/revenues from amounts appropriated to the agency in the fiscal year(s) and strategy area(s) in which the savings/revenues were realized for merit pay increases. The merit increases awarded under this provision must fall within the guidelines of Article IX, Section 1 of this Act. Merit award money resulting from the annual net savings/revenues is hereby appropriated to the agency for the biennium for payment of merit awards.

   The Comptroller of Public Accounts shall develop rules for the above provisions.

2. **Allocation of Productivity Bonus Plan Funds.** Savings realized from productivity plans implemented by a state agency or division under the provisions of Texas Government Code, Chapter 2108, Subchapter C and rules promulgated by the Texas Incentive and Productivity Commission shall be transferred by the agency and must be allocated by the state agency and the Comptroller of Public Accounts as follows:

   a. Twenty-five percent of the amount in the agency's Savings Measurement Account to the Incentive and Productivity Commission.

   b. Seventy-five percent of the amount in the agency's Savings Measurement Account is further allocated as follows:

(1) An amount not to exceed 25 percent of the amount in the Savings Measurement Account shall be available for payment of employee bonuses and shall be subject to the provisions of Texas Government Code, Chapter 2108, Subchapter C, Sec. 2108.106 regarding maximum amount per employee. These funds are hereby appropriated to the implementing agency or division for such use.

(2) One-third of the amount remaining in the Savings Measurement Account shall be available for use by the agency during the subsequent fiscal year for further productivity improvements. These funds are hereby appropriated to the agency for such use. Any remaining balances in the Savings Measurement Account related to awards approved by the Commission in fiscal year 1997 are hereby reappropriated to the implementing agency for use during fiscal year 1998.

(3) Lapse the remainder of the balance in the Savings Measurement Account. The lapsed amount will be held in the fund from which the original transfer was made for future appropriation by the Legislature.

The Comptroller of Public Accounts shall develop rules for the above provisions.

3. **Net Savings/Revenues Encumbered and Reappropriated.** The net savings/revenues realized in a fiscal year are to be considered encumbered by the agency implementing the suggestion or productivity plan and the Texas Incentive and Productivity Commission for purposes of carrying out the transfers listed in Sections 1 and 2 above. The amounts encumbered shall be accounted for in the following manner:

   Upon implementation of an approved employee suggestion or productivity plan, an agency shall establish a Savings Measurement Account for that suggestion or productivity plan and transfer into this account the share of the projected net first-year savings/revenues attributable to the suggestion or productivity plan during that fiscal year. All balances in these accounts as of August 31, 1998 are reappropriated for fiscal year 1999. At the beginning of the following fiscal year, the agency shall transfer into the Savings Measurement Account the remaining share of the projected net savings/revenues for each approved suggestion or productivity plan.

   At the conclusion of the implementation period for an approved and implemented suggestion or productivity plan, the amount of net savings/revenues certified by the agency and the Texas Incentive and Productivity Commission shall be compared with the balance in the Savings Measurement Account for that employee suggestion or productivity plan. If the certified net savings/revenue amount exceeds the balances in the Savings Measurement Account, the additional funds shall be derived from that agency's current year appropriations. If the certified net savings/revenue amount is less than the balance in the Savings Measurement Account, the excess amount deposited is available to the agency for expenditures in the current fiscal year for the same purposes as the original source appropriations. The certified net savings/revenues shall be transferred in accordance with Sections 1 and 2 above.

   The Comptroller and the Texas Incentive and Productivity Commission shall jointly develop rules for the above provisions.

4. **Appropriation Source, Contributions.** Contributions accepted by the Texas Incentive and Productivity Commission from September 1, 1997 through August 31, 1999, along with contribution balances on hand at August 31, 1997 are hereby appropriated to the Commission for the biennium ending August 31, 1999 for purposes authorized by Texas Government Code, Chapter 2108.

5. **Appropriation Source, Net Annual Savings/Revenues.** Amounts transferred under Section 1.a. above are hereby appropriated to the Texas Incentive and Productivity Commission for the biennium ending August 31, 1999. The funds are to be utilized for awards made and

administrative costs incurred under Texas Government Code, Chapter 2108, provided that notwithstanding general provisions contained elsewhere in this Act, the amounts available for expenditure by the agency which are transferred under Section 1.a and Section 2.a, collectively do not exceed the appropriation amounts listed in the Method of Finance titled Appropriated Receipts. Should an award paid to an employee reach the maximum allowable amount, the remainder of the 10 percent share will be used to cover agency administrative costs.

6. **Appropriation Source, Productivity Bonus Program Amounts.** Amounts transferred under Section 2.a above are hereby appropriated to the Texas Incentive and Productivity Commission for the biennium ending August 31, 1999. The funds are to be utilized for administrative costs incurred under Texas Government Code, Chapter 2108, provided that notwithstanding general provisions contained elsewhere in this Act, the amounts available for expenditure by the agency which are transferred under Section 1.a and Section 2.a, collectively do not to exceed the appropriation amounts listed in the Method of Finance titled Appropriated Receipts.

7. **Usage and Reimbursement of General Revenue.** Pending receipt of funds from the Commission's share of transfers under the State Employee Incentive Program and the Productivity Bonus Program, the Commission may utilize general revenue funds. Upon receipt of funds from these sources, the Commission shall reimburse general revenue. In no event shall the general revenue funds available for loan exceed 50 percent of the total funds appropriated for the biennium from Appropriated Receipts.

8. **Sources and Amounts of the Net Savings/Revenues Transfers.** In the event that agencies identify statutory, federal or constitutional restrictions on the use of funds in accounts where savings/revenues were generated by approved employee suggestions, agencies are authorized to substitute other funding and appropriation sources for the 20 percent portion that is transferred to the Texas Incentive and Productivity Commission, and agencies are authorized to defer the transfer of the remaining 80 percent. All such deferrals for statutory, federal or constitutional restrictions shall be reviewed and approved by the Comptroller's Office before the deferral and substitution of 20 percent from other funds is adopted.

9. **Awards for Statewide Suggestions Approved Under the State Employee Incentive Program.** In the event that an employee suggestion approved under the State Employee Incentive Program results in savings or revenue increases in funds that are not appropriated to the agency that implemented the employee suggestion, the Comptroller shall transfer 20 percent of the savings or revenue increases from the fund or account that recognized the savings or revenue increases to the special fund established in Texas Government Code, Chapter 2108.038 to pay employee awards and administrative costs incurred by the Texas Incentive and Productivity Commission. Amounts transferred for awards are hereby appropriated and the remaining amounts transferred are available to fund the Commission's appropriation.

† 10. **Contingency Appropriation for Senate Bill 784.** Contingent upon passage of SB784 or similar legislation by the Seventy-fifth Legislature, Regular Session, funds are hereby appropriated according to the provisions contained therein to the Texas Incentive and Productivity Commission for administrative costs incurred under Texas Government Code Chapter 2108; riders 3,5,6,7, and 8 above are hereby eliminated; and riders 1 and 2 are hereby modified to authorize agencies whose savings have been certified by the Commission to pay employee awards as specified in Texas Government Code Chapter 2108. The Commission is also authorized to enter into interagency agreements with participating agencies and such funds are hereby appropriated for the purposes of conducting specialized agency activities to enhance participation and for implementing an on-line transmission system related to the Commission’s programs.

† *See Veto Proclamation.*

DEPARTMENT OF INFORMATION RESOURCES

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: ADVISE STATE LEADERS		
To assist the state leadership in achieving its goals through advice and recommendations on issues concerning the use and management of information resources.		
Outcomes:		
Percentage of State Agencies in Full Compliance With IRMA Reporting Requirements	98%	99%
A.1.1. Strategy: MAJOR PROJECTS REVIEW	$ 2,040,832	$ 1,800,593
Review state agency major information resources strategic and operating plans and plan amendments, and participate in review of major IR projects through the Quality Assurance Team. Produce the biennial statewide strategic plan for information resources, biennial statewide IR performance report, and annual QAT progress report.		
Outputs:		
Number of Projects	175	160
Number of IR Plans and Amendments	300	420
Efficiencies:		
Average Cost per IR Review	350	350
B. Goal: ASSIST STATE AGENCIES		
To assist state agencies in achieving their objectives through the appropriate use and management of information resources.		
Outcomes:		
DIR Costs for Direct Planning and Technical Services to Agencies/Institutions, as a Percentage of Comparable Private Industry Services Costs	70%	70%
B.1.1. Strategy: PLANNING ASSISTANCE	$ 1,564,636	$ 1,554,595
Assist state agencies in the planning for, and the most cost-effective acquisition and management of their information resources by providing planning assistance, technical advice and assistance, and, education and training.		
Outputs:		
Total Savings and Cost Avoidance Through Utilization of Cooperative Services	5,500,000	5,000,000
Number of Governmental Employees Trained	7,000	7,000
C. Goal: PROMOTE EFFICIENT SYSTEMS		
To promote a statewide environment to encourage efficient use and management of information resources.		
C.1.1. Strategy: STATE POLICY DEVELOPMENT	$ 1,834,163	$ 1,048,603
Establish statewide policy and direction for information resources architecture by developing technical standards, policies, and guidelines to promote interoperability, connectivity, sharing of information, security, and continuous availability of state information resources.		
Efficiencies:		
Average Cost per Standards Review	450	450
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 764,023	$ 776,233

D.1.2. Strategy: INFORMATION RESOURCES	$ 479,977	$ 489,159
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 397,568	$ 402,798
Total, Goal D: INDIRECT ADMINISTRATION	$ 1,641,568	$ 1,668,190
Grand Total, DEPARTMENT OF INFORMATION RESOURCES	$ 7,081,199	$ 6,071,981
Method of Financing:		
General Revenue Fund	$ 3,563,956	$ 3,327,493
Federal Funds	780,815	
Appropriated Receipts	1,368,214	1,372,243
Interagency Contracts	1,368,214	1,372,245
Total, Method of Financing	$ 7,081,199	$ 6,071,981
Number of Full-time Equivalent Positions (FTE)	110.5	110.5
Schedule of Exempt Positions		
* Executive Director, Group 3	$90,000	$90,000
* Project Manager II	85,007	85,007

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Acquisition of Information Resource Technologies	$ 94,000	$ 71,500
Method of Financing (Capital Budget):		
General Revenue Fund	$ 26,100	$ 44,600
Appropriated Receipts	33,950	13,450
Interagency Contracts	33,950	13,450
Total, Method of Financing	$ 94,000	$ 71,500

2. **DIR Clearing Fund Account.** The Comptroller shall establish in the state treasury the Department of Information Resources clearing account for the administration of cost recovery activities pursuant to authority granted under Sections 771, 791 and 2054, Government Code. The account shall be used:

   a. As a depository for funds received as payments from state agencies and units of local government for services provided;

   b. As a source of funds for the department to purchase, lease, or acquire in any other manner services, supplies, software products, and equipment necessary for carrying out the

department's duties relating to services provided to state agencies and units of local government for which the department receives payment from state agencies and local governmental units; and

c. To pay salaries, wages, and other costs directly attributable to the services provided to state agencies and units of local government for which the department receives payment from those agencies and governmental units.

The balance of the account shall not exceed more than 10 percent of the total revenue processed through the account. All balances as of August 31, 1997, and revenues accruing during the 1998-99 biennium to the Department of Information Resources clearing fund account are hereby appropriated for the 1998-99 biennium. As part of its Comprehensive Annual Financial Report showing the use of appropriated funds, the Department of Information Resources shall include information showing the costs avoided and/or savings obtained through its cooperative activities and a list of the agencies or units of local government for which the clearing fund account was used.

3. **Capital Purchases on Behalf of Other Government Entities.** Any capital items related to information resources technologies purchased by the Department of Information Resources for use by other state agencies and governmental entities for which the department is reimbursed do not apply to the department for the purpose of the capital budget rider limitations specified in Article IX, Limitation on Expenditures - Capital Budget, of the General Provisions of this Act.

4. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for the Department of Information Resources are made contingent on the continuation of the Department of Information Resources by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 1998 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

5. **Cash Flow Contingency.** Contingent upon receipt of reimbursements for state agencies and other governmental entities for procurements made through the Cooperative Contracts program, the department may temporarily utilize additional general revenue funds in an amount not to exceed 10 percent of projected annual sales or $4.0 million, whichever is greater. These funds shall be utilized only for the purpose of temporary cash flow needs. The transfer and reimbursement of funds shall be made under procedures established by the Comptroller of Public Accounts to ensure all borrowed funds are reimbursed to the Treasury on or before August 31, 1999.

6. **Reporting Requirements.** The Department of Information Resources shall notify the Governor, State Auditor's Office and the Legislative Budget Board of any agency which is out of compliance with the rules and statutes regarding the submittal of Information Resource Strategic Plans or Biennial Operating Plans.

7. **Lease/Purchase Study.** The Department of Information Resources shall conduct a study of the issue of lease versus purchase of information technologies. One of the requirements of the study is the development of guidelines for lease versus purchase of information technologies for use by state agencies in evaluating cost alternatives.

8. **Asset Management.** The Department of Information Resources shall examine alternatives to the "Buyways" notification system as it relates to information technologies. The study should include ways to facilitate efficient asset management and use of the state's resources by other state agencies and users of the system.

LIBRARY & ARCHIVES COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: DELIVERY OF SERVICES To improve the availability and delivery of library and information services for all Texans.		
Outcomes:		
Percent of the Population Living Outside of the Service Areas of Public Libraries	7.7%	7.8%
Percent of Eligible Population Registered For Talking Book Program Services	9.1%	9.2%
A.1.1. Strategy: LIBRARY RESOURCES Share library resources among libraries statewide through interlibrary loan, electronic library services, state publications clearinghouse and other projects.	$ 4,548,023	$ 4,615,498
Outputs:		
Number of Persons Provided Project-Sponsored Services By Shared Resources	995,410	1,120,715
A.1.2. Strategy: TEXAS LIBRARY SYSTEM Support the Texas Library System (TLS) by funding programs to improve regional groups of libraries, including purchasing materials and equipment, technical assistance and training, and other cooperative projects.	$ 8,357,486	$ 8,362,201
Outputs:		
Number of Persons Provided Project-Sponsored Services by the Texas Library System	2,266,000	2,263,000
A.1.3. Strategy: LOCAL LIBRARIES Provide services and grants to aid in the development of local libraries, including direct grants, continuing education and consulting, Texas Reading Club, and other services.	$ 1,219,954	$ 1,137,211
Outputs:		
Number of Persons Provided Local Library Project-Sponsored Services	489,000	490,500
A.2.1. Strategy: DISABLED SERVICES Provide direct library service by mail to Texas citizens with disabilities from a centralized collection of large-print, braille, and recorded books.	$ 1,275,190	$ 1,284,972
Outputs:		
Number of Persons Served	21,796	22,393
Number of Libraries Receiving Print Access Aids	90	90
Total, Goal A: DELIVERY OF SERVICES	$ 15,400,653	$ 15,399,882
B. Goal: GOV'T & PUBLIC ACCESS To improve the availability and delivery of information services to state government, and to persons seeking current and historical information from state government.		
Outcomes:		
Percent of Reference Questions Satisfactorily Answered	85.1%	85.1%

B.1.1. Strategy: ACCESS TO GOV'T INFORMATION Provide ready access to information in government publications, records, and other sources.	$ 1,045,759	$ 996,029
Outputs:		
Number of Reference Questions Satisfactorily Answered	97,460	97,460
C. Goal: MANAGE STATE-LOCAL RECORDS Provide for the cost-effective management of all state and local government records.		
Outcomes:		
Percent of State Agencies Administering Programs Based on Approved Records Schedules	91%	91%
C.1.1. Strategy: MANAGE STATE-LOCAL RECORDS Provide records management training, consulting, and storage services to state agencies and local government officials.	$ 2,087,013	$ 2,089,193
Outputs:		
Number of Cubic Feet Stored/Maintained	243,500	251,500
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 1,345,414	$ 1,345,364
Grand Total, LIBRARY & ARCHIVES COMMISSION	$ 19,878,839	$ 19,830,468
Method of Financing:		
General Revenue Fund	$ 10,436,112	$ 10,390,174
Earned Federal Funds	110,630	110,630
Federal Funds		
Federal Public Library Service Fund No. 118	7,719,391	7,715,288
Other Funds		
Appropriated Receipts	150,534	150,488
Interagency Contracts	1,462,172	1,463,888
Subtotal, Other Funds	$ 1,612,706	$ 1,614,376
Total, Method of Financing	$ 19,878,839	$ 19,830,468
Number of Full-time Equivalent Positions (FTE)	204.5	204.5
Schedule of Exempt Positions		
Director-Librarian, Group 3	$65,000	$65,000
Assistant Librarian	60,000	60,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Acquisition of Information Resource Technologies		
(1) Computer Resources/Network Maintenance	$ 224,634	$ 217,424
b. Acquisition of Capital Equipment and Items		
(1) Microfilm/Imaging Equipment	70,500	76,625
(2) Print Access Aid Equipment for the Visually Disabled	35,000	27,600
(3) Texas State Library Collections	117,364	115,668
(4) State Institutional Library Collections	$ 40,166	$ 39,046
Total, Acquisition of Capital Equipment and Items	$ 263,030	$ 258,939
c. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Lease Payments (MLPP) for 96/97 Acquisitions	$ 4,886	$ 4,843
Total, Capital Budget	$ 492,550	$ 481,206

Method of Financing (Capital Budget):

General Revenue Fund	$ 267,298	$ 254,109
Federal Public Library Service Fund No. 118	75,166	71,546
Appropriated Receipts	42,300	42,300
Interagency Contracts	107,786	113,251
Total, Method of Financing	$ 492,550	$ 481,206

2. **Disbursement of Library Development Funds.** The Texas State Library and Archives Commission is hereby authorized to disburse to major resource systems and regional systems those general revenue funds appropriated in Strategy A.1.2., Texas Library System, in a manner consistent with Section 441.138, Government Code V.T.C.A., in order to satisfy the requirements of the federal maintenance of effort provisions in the Museum and Library Services Act of 1996, and federal regulations developed pursuant to that Act. The Commission is also authorized to promulgate rules necessary to administer these disbursements.

3. **Appropriation of Imaging and Storage Fees.** The Library and Archives Commission is hereby authorized to collect fees from state agencies and local governments for the purpose of cost recovery of imaging state and local government records on film or electronic storage media, and from state agencies for the storage of state records. Those receipts are appropriated to the Texas State Library and Archives Commission for the biennium and their expenditure is hereby authorized.

4. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees:

   Library System Act Advisory Board
   Texas Historical Records Advisory Board
   Local Government Records Committee

5. **Assistance to Public Libraries.** Out of funds appropriated above in Strategy A.1.1., Library Resources, $1,250,000 each year shall be used to assist public libraries in gaining access to the Internet and electronic information.

6. **Contingency Appropriation for House Bill 2721.** Contingent upon the enactment of House Bill 2721, or similar legislation relating to the TexShare Library Consortium, by the Seventy-fifth Legislature, Regular Session, the State Library and Archives Commission is hereby appropriated $500,000 in each fiscal year of the biennium out of the General Revenue Fund for the purpose of implementing that Act. In addition to these amounts, and also contingent on enactment of House Bill 2721, or similar legislation, the State Library and Archives Commission shall expend $598,600 in fiscal year 1998 and $493,600 in fiscal year 1999, transferred from the Higher Education Coordinating Board, for the purpose of operating and maintaining the TexShare Consortium. The State Library and Archives Commission is hereby authorized to transfer the appropriation and transfer made pursuant to this provision to the appropriate strategy items listed above.

   Included in amounts transferred from the Higher Education Coordinating Board to the State Library and Archives Commission by this rider are $105,000 in fiscal year 1998 which shall be expended solely for capital budget purposes relating to the acquisition of information resource technologies for TexShare.

   Also contingent upon enactment of House Bill 2721, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by two in each fiscal year.

   The following incremental changes to key measure targets reflect funding levels contingent upon enactment of House Bill 2721, by the Seventy-fifth Legislature, Regular Session:

	1998	1999
A.1.1. Number of Persons Provided Project-Sponsored Services by Shared Resources	640,000	640,000

7. **Contingency Appropriation for House Bill 1673.** Contingent upon enactment of House Bill 1673, or similar legislation relating to the payment of per diem to members of the Texas State Library and Archives Commission by the Seventy-fifth Legislature, Regular Session, the per diem of commissioners shall not exceed $1,080 in each year of the biennium.

PENSION REVIEW BOARD

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SOUND RETIREMENT SYSTEMS Ensure that Texas Public Retirement Systems are actuarially sound and well managed in their administration and investments so that members receive their entitled benefits with a minimum expenditure of taxpayer dollars.		
Outcomes:		
Percent of Texas Public Retirement Systems That are Actuarially or Financially Sound	95%	95%
Percent of Plan Administrators Satisfied With PRB Educational Services	95%	95%

A.1.1. Strategy: RETIREMENT SYSTEM REVIEWS	$	144,184	$	67,723
Conduct reviews of Texas public retirement systems.				
Outputs:				
Number of Reviews Completed		270		260
Efficiencies:				
Percent of Compliance Actions Completed Within 60 Days		75%		75%
A.2.1. Strategy: TECHNICAL ASSISTANCE	$	104,300	$	218,934
Provide technical assistance to public retirement systems, examine legislation for potential impact on Texas' public retirement systems, and provide electronic access to public pension data.				
Outputs:				
Technical Assistance Reports Produced		250		275
Efficiencies:				
Percent of Technical Assistance Reports Issued Within 14 Days of Request		95%		95%
A.3.1. Strategy: RETIREMENT EDUCATION	$	14,915	$	15,102
Educate members of the public retirement systems, the Legislature, and the general public regarding pension law and current issues.				
Outputs:				
Number of Persons Participating in Public Pension Seminars		100		100
Total, Goal A: SOUND RETIREMENT SYSTEMS	$	263,399	$	301,759
Grand Total, PENSION REVIEW BOARD	$	263,399	$	301,759
Method of Financing:				
General Revenue Fund	$	203,399	$	241,759
State Pension Review Board Fund No. 662		60,000		60,000
Total, Method of Financing	$	263,399	$	301,759
Number of Full-time Equivalent Positions (FTE)		5.0		5.0
Schedule of Exempt Positions and Per Diem of Board Members				
Executive Director, Group 1		$47,786		$47,786
Per Diem of Board Members		1,400		2,520

PRESERVATION BOARD

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: PRESERVE & MAINTAIN CAPITOL BLDGS To preserve and maintain the State Capitol, the 1857 General Land Office Building, the Capitol Extension, their contents and their grounds, and to convey their historical importance to Capitol visitors.		
Outcomes:		
Percent of Identified Cleaning Services Provided	70%	80%
Percent of Identified Building Maintenance Provided	70%	80%
Percent of Identified Grounds Care Provided	70%	80%
A.1.1. Strategy: BUILDING MODIFICATIONS Preserve the buildings and grounds by using the Master Plan to review and authorize modifications.	$ 851,973	$ 851,973
Outputs:		
Number of Building Modification Requests Reviewed	10	15
A.1.2. Strategy: BUILDING MAINTENANCE Maintain the buildings and grounds through efficient use of state staffing and private outsourcing to provide quality care.	$ 3,600,000	$ 3,600,000
Efficiencies:		
Cost per Building Square Foot of Custodial Care Provided	2	2
Cost per Acre of Grounds Care Provided	8,500	8,500
A.2.1. Strategy: RESTORE HISTORICAL ITEMS Maintain, document and restore historical items.	$ 164,809	$ 164,809
Outputs:		
Number of Repairs and Restorations of Historical Items Completed	75	75
A.3.1. Strategy: MANAGE EDUCATIONAL PROGRAM Manage a comprehensive educational program focusing on the history of the buildings, their contents and their grounds by using exhibits, tours and educational materials, specifically targeting children.	$ 247,187	$ 247,187
Outputs:		
Number of School-age Tours Conducted at the Visitors Center	625	650
A.4.1. Strategy: MANAGE ACTIVITIES Manage Capitol Complex events, exhibits and activities, and operate profitable gift shops.	$ 56,620	$ 56,620
Total, Goal A: PRESERVE & MAINTAIN CAPITOL BLDGS	$ 4,920,589	$ 4,920,589
Grand Total, PRESERVATION BOARD	$ 4,920,589	$ 4,920,589
Number of Full-time Equivalent Positions (FTE)	75.5	75.5

Schedule of Exempt Positions

* Executive Director, Group 2	$77,760	$77,760

1. **Appropriation: Capitol Fund.** Any funds deposited during the biennium beginning September 1, 1997, and any balances remaining as of August 31, 1997 in the Capitol Fund, a fund held outside the Treasury, are hereby appropriated for the benefit of the Capitol and associated programs of the agency in accordance with the intentions of the donors and the Legislature.

2. **Appropriation: Fee Revenue.** All fees and revenues collected or earned in the Capitol Fund, a fund held outside the treasury, pursuant to V.T.C.S., Government Code 443.013, are hereby appropriated for the purposes specified within that Act.

3. **Appropriation of Unexpended Balance: Custodial and Maintenance Services.** There is hereby appropriated for the biennium beginning September 1, 1997 any unexpended balance as of August 31, 1997 from the Restoration and Repair of the Capitol and the Historic South Grounds Project, estimated to be $161,719. These funds shall be used to pay all outstanding construction claims. Any unencumbered balance, after payment of construction claims, may be spent on custodial, maintenance and grounds keeping costs for the Capitol, the Extension, the 1857 General Land Office Building and the Capitol Grounds.

4. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for the Preservation Board are made contingent on the continuation of the Preservation Board by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 1998 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

5. **Maintaining Paved Surfaces of Capitol Grounds.** Notwithstanding any other provision in law, the Texas Department of Transportation shall maintain paved surfaces on the State Capitol Grounds according to the Historic Capitol Grounds Master Plan adopted by the State Preservation Board.

6. **Unexpended Balance: Building Maintenance Strategy.** Any unexpended balance as of August 31, 1998, from the appropriations made above in Strategy A.1.2., Building Maintenance, is hereby appropriated to the State Preservation Board for the same purpose for the fiscal year beginning September 1, 1998.

7. **Maintenance and Custodial Services.** It is the intent of the Legislature that funds appropriated above in Strategy A.1.2., Building Maintenance, in the amount of $3.6 million each fiscal year, be expended for the long term preservation of the Capitol, the Capitol Extension, the Historic Grounds, and the 1857 General Land Office Building. It is further the intent of the Legislature that the level and quality of the maintenance and custodial services provided by the State Preservation Board exceed service levels previously provided by the General Services Commission. Specifically, the State Preservation Board shall implement and maintain preventative maintenance programs for the buildings; its contents, including historical and art items; as well as all major electrical and mechanical systems; and the Capitol grounds. In addition, the agency shall develop, implement and maintain a computerized system to track scheduled and required building and system maintenance.

8. **Capitol Complex Chapel.** The State Preservation Board shall identify an appropriate location in the Capitol complex to establish a chapel to serve as a place of worship for the public, state officials, and employees. The Board shall submit the proposed location for approval by the Texas Historical Commission.

9. **Capitol Construction of Museum.** The Texas Public Finance Authority may issue revenue bonds or other revenue obligations to finance construction, including construction project

management and equipping of the proposed Texas History Museum, for an estimated project cost of $80 million in accordance with Article 601d, Texas Revised Civil Statutes. From the proceeds of the issuance and sale of such bonds or other obligations such amounts as may be necessary to fund associated costs, including the cost of issuance, reasonably required reserved funds, capitalized interest, and other administrative costs are hereby appropriated to the Texas Public Finance Authority. From the remaining proceeds of the issuance and sale of such bonds or obligations, such amounts as may be necessary to fund the costs of the construction for the Texas History Museum are hereby appropriated to the State Preservation Board the fiscal biennium beginning September 1, 1997.

In addition to the appropriations made above, there is hereby appropriated from the General Revenue Fund the amounts of $447,179 for fiscal year 1998 and $2,279,047 for fiscal year 1999 to the State Preservation Board for lease payments to the Texas Public Finance Authority for debt service payments on the revenue bonds or other revenue obligations as authorized in this section.

10. **Trinity Artesian Well.** The State Preservation Board shall, in coordination with the Texas Water Development Board and the Texas Department of Health, determine the feasibility of restoring the Trinity Artesian Well on the State Capitol Grounds. The feasibility study shall include a determination of the cost of the restoration and the safety and usefulness of the water produced by the well. The State Preservation Board is authorized to expend up to $10,000 out of funds appropriated above for the restoration project if other public or private funds are available to cover the remaining costs of completing the project.

11. **Capitol Security System.** The State Preservation Board may expend from the parking facilities account in the Capitol Fund, a fund held outside the treasury, an amount not to exceed $900,000 for the biennium for the purpose of designing, purchasing, installing and maintaining electronic surveillance and other security devices to protect the occupants and the physical facilities of the Capitol Building, the Capitol Extension and the Capitol Extension Parking Garage.

SECRETARY OF STATE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: INFORMATION MANAGEMENT To provide accurate, reliable, and timely access to information; maximize the efficiency of document processing; and take actions to ensure compliance with laws and rules.		
Outcomes:		
Percent of Business Organization Document Filings and Public Information Request Responses Completed Within Three Days	74%	74%
Percent of Secured Transaction Document Filings and Public Information Request Responses Completed Within Three Days	96%	96%
Percent of Publication Costs Recovered Through Subscription Fees	47%	42%
A.1.1. Strategy: CORPORATE CHARTERS File or reject corporation, limited partnership, limited liability company, registered limited liability partnership, assumed name and trademark documents submitted for filing; and maintain and disseminate	$ 2,633,153	$ 2,633,153

information derived from those filings.				
Outputs:				
Number of Processed Requests for Information on Business Organizations		1,000,000		1,000,000
Efficiencies:				
Average Cost per Business Organization Filing		4.26		4.14
A.1.2. Strategy: UCC DOCUMENTS	$	2,233,506	$	2,233,506
File or reject Uniform Commercial Code documents, federal tax liens, and utility security agreements; and maintain and disseminate information derived from those filings.				
Outputs:				
Number of Requests Processed for Information on Secured Transactions		80,000		80,000
Efficiencies:				
Average Cost per Secured Transaction Filing		4.65		4.65
A.1.3. Strategy: NOTARY PUBLIC/MISC FILING	$	1,063,455	$	1,063,455
Commission notaries public and other appointed officials; accept substituted service of process; register athlete agents, business opportunities, health spas; file other documents required by statute; and take necessary enforcement actions.				
Efficiencies:				
Average Cost per Statutory Filing		7.63		7.63
A.1.4. Strategy: PUBLISH SESSION LAWS	$	207,862	$	7,862 & U.B.
Publish laws passed by the Legislature.				
A.2.1. Strategy: TEXAS REGISTER/ADMIN CODE	$	1,022,382	$	1,022,382 & U.B.
Publish the Texas Register and the Texas Administrative Code.				
Efficiencies:				
Average Cost per Texas Register Published		8,690		8,690
Average Cost per Texas Administrative Code Published		9,585		9,585
Total, Goal A: INFORMATION MANAGEMENT	$	7,160,358	$	6,960,358
B. Goal: ADMINISTER ELECTION LAWS				
To obtain and maintain uniformity and integrity in the conduct of elections statewide while overseeing the election process in the state.				
Outcomes:				
Percent of Election Officials Trained		87%		87%
B.1.1. Strategy: ELECTIONS ADMINISTRATION	$	2,615,811	$	2,615,811
Provide statewide elections administration.				
Efficiencies:				
Average Cost per Election Official Trained		25.1		25.1
B.1.2. Strategy: PRIMARY ELECTION FUNDS	$	11,454,954	$	454,955 & U.B.
Administer primary election funds.				
Efficiencies:				
Administrative Cost to Administer Primary Election Fund		63,000		63,000

B.1.3. Strategy: CONSTITUTIONAL AMENDMENTS	$ 623,588	$ 23,588 & U.B.
Publish and interpret constitutional amendments.		
Efficiencies:		
Average Cost per Amendment Published	56,000	0
B.1.4. Strategy: VOTER REGISTRATION POSTAGE	$ 530,700	$ 20,074 & U.B.
Reimburse counties for voter registration postage.		
Efficiencies:		
Administrative Cost to Reimburse Counties for Voter Registration Postage	25,500	25,500
Total, Goal B: ADMINISTER ELECTION LAWS	$ 15,225,053	$ 3,114,428
C. Goal: INTERNATIONAL PROTOCOL		
To provide protocol services, represent the State of Texas at meetings and events with international diplomatic corps, and act as liaison to foreign government officials and business leaders.		
C.1.1. Strategy: PROVIDE PROTOCOL SERVICES	$ 65,215	$ 65,215
To provide protocol services, represent the State of Texas at meetings and events with international diplomatic corps, and act as liaison to foreign government officials and business leaders.		
Outputs:		
Number of Meetings with International Diplomatic Officials, Foreign Government Officials, and Business Leaders	80	80
Grand Total, SECRETARY OF STATE	$ 22,450,626	$ 10,140,001
Method of Financing:		
General Revenue Fund	$ 20,994,553	$ 8,683,927
Appropriated Receipts	1,456,073	1,456,074
Total, Method of Financing	$ 22,450,626	$ 10,140,001
Number of Full-time Equivalent Positions (FTE)	242.5	242.5
Schedule of Exempt Positions		
Secretary of State, Group 4	$76,966	$76,966
Assistant Secretary of State	76,387	76,387

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Networking	$ 13,600	$ 13,600
(2) Mainframe	382,900	418,900
(3) Personal Computers/Workstations	$ 320,016	$ 284,016
Total, Capital Budget	$ 716,516	$ 716,516

2. **Appropriation of Receipts: Voting Systems; Vote Tabulation Center; Notary Fees; State Seal of Texas; Athlete Agents; Credit Card Fees; Telephone Solicitors; Law Enforcement Solicitors; Limited Liability Business Organizations; Veterans Organizations; and Restitution Liens.** The Secretary of State is hereby appropriated the funds received and revenue collected pursuant to V.T.C.A., Election Code, Chapter 122; V.T.C.A., Election Code, Chapter 68; V.T.C.A., Government Code, Section 406.007(a)(2); V.T.C.A., Business and Commerce Code, Section 17.08; V.T.C.S., Art. 8871; V.T.C.A., Government Code, Section 405.031(e); V.T.C.S., Art. 5069-18.01, et seq.; V.T.C.A., Art. 9023c; V.T.C.A., Business and Commerce, Section 36.11; V.T.C.S., Art. 9023b, and Code of Criminal Procedure, Art. 42.21, Section 7, for the purpose of implementing the provisions of those Acts. The Secretary of State is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategies listed above. (Estimated to be $100,000 in each year of the 1998-99 biennium).

3. **Contingency Appropriation, Constitutional Amendments.** There is hereby appropriated to the Secretary of State for the biennium beginning September 1, 1997, out of the General Revenue Fund, an amount equal to the actual costs of fulfilling the requirements of V.T.C.A., Election Code, Chapter 274, Subchapter B, and Article 17 Section 1 of the Texas Constitution for each proposed constitutional amendment and referendum item above ten (10) passed by the Legislature and submitted to the voters of the State of Texas. (Estimated to be $355,000 for the 1998-99 biennium)

4. **Travel Expenditures.** The Secretary of State is hereby authorized to expend funds from the above appropriations to reimburse state inspectors for travel expenses pursuant to V.T.C.A., Election Code, Section 34.003.

5. **Limitation, Primary Finance.** Of the funds appropriated in Strategy B.1.2., Primary Election Funds, not more than $250,000 may be distributed to the executive committees of the state parties for the operation of the primary and runoff elections. Funds distributed to the executive committees shall be distributed to the respective parties in the ratio of the total number of primary and runoff voters in the 1996 elections.

6. **Inaugural Receipts.** All contributions, receipts, and other deposits received pursuant to Chapter 401, Government Code, including the unexpended and unencumbered balances on hand on August 31, 1997, in the General Revenue Fund pursuant to Chapter 401, Government Code, are hereby appropriated to the Secretary of State for expenditures pursuant to Chapter 401, Government Code. Upon formation of the Inaugural Committee, all balances and receipts shall be transferred to the Committee and are hereby appropriated to the Inaugural Committee pursuant to Chapter 401, Government Code. Upon dissolution of the Inaugural Committee, all balances transferred to the Inaugural Endowment Fund pursuant to Chapter 401.011, Government Code, are hereby appropriated to the Inaugural Endowment Fund Committee. (Estimated to be $374,000 for the 1998-99 biennium.)

7. **Distribution of Session Laws.** None of the funds appropriated above may be expended for the printing or distribution of session laws except for the following: (1) one copy to the governor, (2) one copy to the lieutenant governor, (3) one copy to the speaker of the house, (4) one copy to each court of appeals, (5) one copy to each county law library, (6) 10 copies to the Texas Legislative Council, (7) 15 copies to the Legislative Reference Library, (8) 30 copies to the State Law Library, (9) 60 copies to the Texas State Library, and (10) one copy to each member of the Legislature upon request.

8. **Unexpended Balances.** Any unexpended balances as of August 31, 1997 and August 31, 1998 in the appropriations made in Strategy A.2.1., Texas Register/Texas Administrative Code, to the Office of the Secretary of State are hereby appropriated for the same purposes for the biennium beginning September 1, 1997 (estimated to be $20,000 for the 1998-99 biennium).

9. **Use of Excess Registration Fees Authorization.** Any registration fee collected by the Office of the Secretary of State to pay the expenses of a conference, seminar or meeting in excess of the actual costs of such conference, seminar or meeting may be used to pay the expenses of any other conference, seminar or meeting for which no registration fees were collected or for which registration fees collected were insufficient to cover the total expenses (estimated to be $6,000 for the 1998-99 biennium).

10. **Contingency Appropriation for House Bill 330.** Contingent upon the enactment of House Bill 330, or similar legislation relating to the form of ballot and related procedures in connection with certain voters voting on an affidavit, by the Seventy-fifth Legislature, Regular Session, the Office of the Secretary of State is hereby appropriated $307,949 in fiscal year 1998 out of general revenue funds for the purpose of implementing the provisions of that Act.

OFFICE OF STATE-FEDERAL RELATIONS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: INFLUENCE FEDERAL ACTION Increase the influence of the governor and the legislature over federal action that has a direct or indirect economic, fiscal, or regulatory impact on the state.		
Outcomes:		
Texas' Proportionate Share of Federal Funding	6.52%	6.52%
Texas' Proportionate Share of Funding From Federal Formula Allocations	6.48%	6.48%
Percent of Customers Satisfied with OSFR Services	80%	90%
A.1.1. Strategy: ACTION PLANS Monitor federal funding and regulatory issues; identify issues and recommend action; and develop and implement action plans.	$ 287,974	$ 279,075
Outputs:		
Number of Action Plans Implemented	30	30
A.1.2. Strategy: AD HOC REPORTS/BRIEFINGS Produce special reports for, initiate state-federal issues briefings with and respond substantively to information requests from state and federal executive and legislative officials while monitoring their	$ 163,309	$ 158,468

satisfaction.

OFFICE OF STATE-FEDERAL RELATIONS
(Continued)

Efficiencies:		
Percent of Responses Within Two Business Days	80%	85%
A.1.3. Strategy: REGULAR REPORTS	$ 111,671	$ 105,680
Distribute timely information on state-federal issues including action alerts, weekly summations of congressional actions, and special reports while monitoring customer satisfaction and using the most current information and communication technologies.		
Efficiencies:		
Cost per Newsletter Issue	1,250	1,250
Total, Goal A: INFLUENCE FEDERAL ACTION	$ 562,954	$ 543,223
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 544,586	$ 511,120
Grand Total, OFFICE OF STATE-FEDERAL RELATIONS	$ 1,107,540	$ 1,054,343
Method of Financing:		
General Revenue Fund	$ 993,540	$ 940,343
Interagency Contracts	114,000	114,000
Total, Method of Financing	$ 1,107,540	$ 1,054,343
Number of Full-time Equivalent Positions (FTE)	17.0	17.0
Schedule of Exempt Positions		
Executive Director, Group 3	$82,500	$82,500
Director, Austin Office	58,000	58,000

1. **Cost of Living Salary Supplement.** The Office of State Federal Relations (OSFR) is hereby authorized to pay a salary supplement, not to exceed $1,200 per month, to each OSFR employee whose duty station is located in Washington, D.C. This salary supplement shall be in addition to the salary rate authorized for that position by this Act.

   Any state agency or any institution which assigns an employee to work in the Washington, D.C., office of the OSFR on a permanent basis and which also designates that employee's duty station as Washington, D.C., is hereby authorized to pay such an employee a salary supplement not to exceed $1,200 per month. This salary supplement shall be in addition to the salary rate authorized by this Act.

   In the event that an employee so assigned works on a less than full-time basis, the maximum salary supplement shall be set in a proportionate basis.

2. **Information and Assistance Requirements.** It is the intent of the Legislature that funds appropriated above be expended in a manner which provides information and assistance to both the Legislative and Executive branches of Texas State Government and that the funds be used to operate the office in a manner which is politically non-partisan.

3. **Reports on Increasing Federal Funds.** It is the intent of the Legislature that the Office of State-Federal Relations work with state agencies to identify and report to the Legislature on possible changes in state laws which could increase the amount of federal funds received by the

state, and on changes to federal laws which could impact state funding of federal programs, or the state's receipt of federal funds.

4. **Interagency Contracts.** Consistent with the method of financing for the Office of State-Federal Relations (OSFR), state agencies and institutions of higher education that are represented by their employees in the Washington, DC office of the OSFR shall only be charged for their portion of the operating expenses, and not for rent or administrative staff costs.

VETERANS COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: ASSIST IN VETERANS CLAIMS To provide effective advocacy in claims representation and assistance to veterans, their dependents, and their survivors on obtaining veterans' benefits to which they are entitled.		
Outcomes:		
Amount of DVA Monetary Awards (in Millions of Dollars) Paid Because of Commission Advocacy in Claims Representation of Veterans With Service Disabilities	340	340
Amount of DVA Monetary Awards (in Millions of Dollars) Paid Because of Commission Advocacy in Claims Representation for Widows or Orphans of Veterans	160	160
A.1.1. Strategy: CLAIMS ASSISTANCE Provide outreach services and advocacy in claims by veterans, their widows, and their orphans by Texas Veterans Commission personnel and through Veterans County Service Officers.	$ 2,748,742	$ 2,748,741
Outputs:		
Number of Claims for Veterans Benefits Filed and Developed on Behalf of Veterans With Service-connected Disabilities	22,620	22,620
Number of Active Veterans Benefits Cases for Veterans, Their Widows, or Their Orphans Represented by the Texas Veterans Commission	101,000	101,000
Number of Appeals of Unfavorable DVA Decisions Filed on Behalf of Veterans, Their Widows, or Their Orphans	4,100	4,100
Grand Total, VETERANS COMMISSION	$ 2,748,742	$ 2,748,741
Method of Financing:		
General Revenue Fund	$ 2,733,742	$ 2,733,741
Interagency Contracts	15,000	15,000
Total, Method of Financing	$ 2,748,742	$ 2,748,741
Number of Full-time Equivalent Positions (FTE)	84.0	84.0
Schedule of Exempt Positions and Per Diem of Commission Members		
Executive Director, Group 2	$60,000	$60,000
Deputy Executive Director	57,600	57,600

Per Diem of Commission Members	3,000	3,000

1. **Veterans Cemeteries Facility Study.** Out of funds appropriated above, the Veterans Commission shall conduct a study of veterans cemeteries facilities in Texas. The study would identify the current availability and projected needs for veterans cemeteries in Texas into the year 2010, the potential funding sources and the operating costs. The Veterans Commission shall report the findings to the 76th Legislature and the Legislative Budget Board.

2. **Women in Military Service for America Memorial.** In addition to the amounts appropriated above, $79,800 in general revenue is appropriated to the Veterans Commission for the 1998-1999 biennium to make a donation to the Women in Military Service for America Memorial Foundation for the purpose of construction of The Women's Memorial in Arlington National Cemetery. The Veterans Commission is authorized to forward the sum of $79,800 to the Women in Military Service for America Memorial Foundation at such time that 70 percent of the estimated cost of construction of The Women's Memorial is collected or committed to the Women in Military Service for America Memorial Foundation, and upon receipt of documentation from the Foundation confirming that 70 percent of the estimated cost has been collected or committed.

Retirement and Group Insurance

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law; estimated	$ 18,226,496	$ 18,499,893
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees; estimated	$ 25,383,878	$ 25,891,556
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 43,610,374	$ 44,391,449
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 43,610,374	$ 44,391,449
Method of Financing:		
General Revenue Fund, estimated	$ 33,065,149	$ 33,678,966
General Revenue Fund - Dedicated, estimated	981,509	999,165
State Highway Fund No. 006, estimated	480,349	488,967
Federal Funds, estimated	9,013,136	9,152,878
Other Special State Funds, estimated	70,231	71,473
Total, Method of Financing	$ 43,610,374	$ 44,391,449

Social Security and Benefit Replacement Pay

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH -- EMPLOYER Provide an employer match for Social Security contributions; estimated	$ 22,744,364	$ 23,085,529
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees; estimated	$ 6,568,656	$ 5,959,294
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 29,313,020	$ 29,044,823
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 29,313,020	$ 29,044,823
Method of Financing:		
General Revenue Fund, estimated	$ 23,377,832	$ 23,235,919
General Revenue Fund - Dedicated, estimated	652,516	645,464
State Highway Fund No. 006, estimated	304,638	302,662
Federal Funds, estimated	4,923,324	4,806,808
Other Special State Funds, estimated	54,710	53,970
Total, Method of Financing	$ 29,313,020	$ 29,044,823

Lease Payments

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.	$ 16,853,344	$ 17,340,173 & U.B.
Grand Total, LEASE PAYMENTS	$ 16,853,344	$ 17,340,173

RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(General Revenue)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Aircraft Pooling Board	$	$ 34,196
Arts, Commission on the	4,265,129	4,265,129
Attorney General, Office of the	89,925,461	91,147,681
Workers' Compensation Payments	70,165,484	
Bond Review Board	530,619	530,619
Comptroller of Public Accounts	174,813,107	170,693,808
Rider Appropriations	5,831,608	831,608
Contingency Appropriations	4,335,872	431,254
Total	184,980,587	171,956,670
Fiscal Programs - Comptroller of Public Accounts	108,630,000	97,520,000
Ranger Pensions	14,160	14,160
Emergency Communications, Advisory Commission on State		
Employees Retirement System	4,850,000	4,850,000
Ethics Commission	1,104,571	1,104,571
Rider Appropriations	152,437	219,637
Total	1,257,008	1,324,208
Finance Authority, Texas Public		
Fire Fighters' Pension Commissioner	105,079	105,079
General Services Commission	42,880,699	31,353,097
Rider Appropriations	2,475,000	
Contingency Appropriations	7,286,551	4,072,675
Total	52,642,250	35,425,772
Governor, Office of the	6,912,343	6,910,986
Rider Appropriations	1,500,000	
Total	8,412,343	6,910,986
Trusteed Programs within the Office of the Governor	11,732,507	7,033,978
Rider Appropriations	6,656,000	
Total	18,388,507	7,033,978
Historical Commission	5,879,289	2,500,119
Human Rights, Commission on	520,108	487,539
Incentive and Productivity Commission		
Information Resources, Department of	3,563,956	3,327,493
Library and Archives Commission	10,546,742	10,500,804
Contingency Appropriations	500,000	500,000
Total	11,046,742	11,000,804
Pension Review Board, State	203,399	241,759

RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(General Revenue)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Preservation Board	4,920,589	4,920,589
Rider Appropriations	608,898	2,279,047
Total	5,529,487	7,199,636
Secretary of State	20,994,553	8,683,927
Rider Appropriations	123,000	103,000
Contingency Appropriations	662,949	
Total	21,780,502	8,786,927
State-Federal Relations, Office of	993,540	940,343
Veterans Commission	2,733,742	2,733,741
Rider Appropriations	79,800	
Total	2,813,542	2,733,741
Subtotal, General Government	$ 596,497,192	$ 458,336,839
Retirement and Group Insurance	33,065,149	33,678,966
Social Security and Benefit Replacement Pay	23,377,832	23,235,919
Subtotal, Employee Benefits	$ 56,442,981	$ 56,914,885
Lease Payments	16,853,344	17,340,173
TOTAL, ARTICLE I - General Government	$ 669,793,517	$ 532,591,897

RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(General Revenue - Dedicated)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Aircraft Pooling Board	$	$
Arts, Commission on the	205,000	205,000
Attorney General, Office of the	32,821,581	36,230,491
Contingency Appropriations	500,000	500,000
Total	33,321,581	36,730,491
Workers' Compensation Payments		
Bond Review Board		
Comptroller of Public Accounts		
Contingency Appropriations	900,000	1,103,000
Total	900,000	1,103,000
Fiscal Programs - Comptroller of Public Accounts		
Ranger Pensions		
Emergency Communications, Advisory Commission on		
State	13,671,432	13,671,432
Rider Appropriations	1,217,096	
Total	14,888,528	13,671,432
Employees Retirement System		
Ethics Commission		
Finance Authority, Texas Public		
Fire Fighters' Pension Commissioner		
General Services Commission	3,568,831	3,568,831
Rider Appropriations	25,100,344	6,700,000
Total	28,669,175	10,268,831
Governor, Office of the		
Trusteed Programs within the Office of the Governor	20,702,733	19,400,000
Historical Commission	325,000	350,000
Human Rights, Commission on		
Incentive and Productivity Commission		
Information Resources, Department of		
Library and Archives Commission		
Pension Review Board, State		
Preservation Board		
Secretary of State		
Rider Appropriations	355,000	19,000
Total	355,000	19,000
State-Federal Relations, Office of		
Veterans Commission		
Subtotal, General Government	$ 99,367,017	$ 81,747,754

RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(General Revenue - Dedicated)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Retirement and Group Insurance	981,509	999,165
Social Security and Benefit Replacement Pay	652,516	645,464
Subtotal, Employee Benefits	$ 1,634,025	$ 1,644,629
Lease Payments		
TOTAL, ARTICLE I - General Government	$ 101,001,042	$ 83,392,383

RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(Federal Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Aircraft Pooling Board	$	$
Arts, Commission on the	627,900	
Attorney General, Office of the	106,734,368	112,741,332
Workers' Compensation Payments		
Bond Review Board		
Comptroller of Public Accounts		
Fiscal Programs - Comptroller of Public Accounts		
Ranger Pensions		
Emergency Communications, Advisory Commission on State		
Employees Retirement System		
Ethics Commission		
Finance Authority, Texas Public		
Fire Fighters' Pension Commissioner		
General Services Commission	13,850,000	13,850,000
Governor, Office of the		
Trusteed Programs within the Office of the Governor	67,578,485	65,183,485
Historical Commission	631,192	631,192
Human Rights, Commission on	1,461,543	1,630,552
Incentive and Productivity Commission		
Information Resources, Department of	780,815	
Library and Archives Commission	7,719,391	7,715,288
Pension Review Board, State		
Preservation Board		
Secretary of State		
State-Federal Relations, Office of		
Veterans Commission		
Subtotal, General Government	$ 199,383,694	$ 201,751,849
Retirement and Group Insurance	9,013,136	9,152,878
Social Security and Benefit Replacement Pay	4,923,324	4,806,808
Subtotal, Employee Benefits	$ 13,936,460	$ 13,959,686
Lease Payments		
TOTAL, ARTICLE I - General Government	$ 213,320,154	$ 215,711,535

RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(Other Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Aircraft Pooling Board	$ 2,655,265	$ 2,655,265
Rider Appropriations	815,083	
Total	3,470,348	2,655,265
Arts, Commission on the	695,000	695,000
Attorney General, Office of the	11,524,932	11,524,932
Workers' Compensation Payments	1,100,000	
Bond Review Board		
Comptroller of Public Accounts	791,172	791,172
Fiscal Programs - Comptroller of Public Accounts		
Ranger Pensions		
Emergency Communications, Advisory Commission on State		
Employees Retirement System		
Ethics Commission	228,363	228,363
Finance Authority, Texas Public	673,450	679,769
Fire Fighters' Pension Commissioner	97,410	97,410
General Services Commission	47,907,189	47,848,086
Rider Appropriations	21,600,000	
Contingency Appropriations	45,805,000	
Total	115,312,189	47,848,086
Governor, Office of the		
Trusteed Programs within the Office of the Governor	75,500	75,500
Historical Commission	1,059,714	965,239
Rider Appropriations	4,000	
Total	1,063,714	965,239
Human Rights, Commission on	284,252	284,252
Incentive and Productivity Commission	216,619	216,619
Information Resources, Department of	2,736,428	2,744,488
Library and Archives Commission	1,612,706	1,614,376
Pension Review Board, State	60,000	60,000
Preservation Board		
Rider Appropriations	80,000,000	
Total	80,000,000	
Secretary of State	1,456,073	1,456,074
State-Federal Relations, Office of	114,000	114,000
Veterans Commission	15,000	15,000
Subtotal, General Government	$ 221,527,156	$ 72,065,545

RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(Other Funds)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Retirement and Group Insurance	550,580	560,440
Social Security and Benefit Replacement Pay	359,348	356,632
Subtotal, Employee Benefits	$ 909,928	$ 917,072
Lease Payments		
TOTAL, ARTICLE I - General Government	$ 222,437,084	$ 72,982,617

RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(All Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Aircraft Pooling Board	$ 2,655,265	$ 2,689,461
Rider Appropriations	815,083	
Total	3,470,348	2,689,461
Arts, Commission on the	5,793,029	5,165,129
Attorney General, Office of the	241,006,342	251,644,436
Contingency Appropriations	500,000	500,000
Total	241,506,342	252,144,436
Workers' Compensation Payments	71,265,484	
Bond Review Board	530,619	530,619
Comptroller of Public Accounts	175,604,279	171,484,980
Rider Appropriations	5,831,608	831,608
Contingency Appropriations	5,235,872	1,534,254
Total	186,671,759	173,850,842
Fiscal Programs - Comptroller of Public Accounts	108,630,000	97,520,000
Ranger Pensions	14,160	14,160
Emergency Communications, Advisory Commission on State	13,671,432	13,671,432
Rider Appropriations	1,217,096	
Total	14,888,528	13,671,432
Employees Retirement System	4,850,000	4,850,000
Ethics Commission	1,332,934	1,332,934
Rider Appropriations	152,437	219,637
Total	1,485,371	1,552,571
Finance Authority, Texas Public	673,450	679,769
Fire Fighters' Pension Commissioner	202,489	202,489
General Services Commission	108,206,719	96,620,014
Rider Appropriations	49,175,344	6,700,000
Contingency Appropriations	53,091,551	4,072,675
Total	210,473,614	107,392,689
Governor, Office of the	6,912,343	6,910,986
Rider Appropriations	1,500,000	
Total	8,412,343	6,910,986
Trusteed Programs within the Office of the Governor	100,089,225	91,692,963
Rider Appropriations	6,656,000	
Total	106,745,225	91,692,963

RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(All Funds)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Historical Commission	7,895,195	4,446,550
Rider Appropriations	4,000	
Total	7,899,195	4,446,550
Human Rights, Commission on	2,265,903	2,402,343
Incentive and Productivity Commission	216,619	216,619
Information Resources, Department of	7,081,199	6,071,981
Library and Archives Commission	19,878,839	19,830,468
Contingency Appropriations	500,000	500,000
Total	20,378,839	20,330,468
Pension Review Board, State	263,399	301,759
Preservation Board	4,920,589	4,920,589
Rider Appropriations	80,608,898	2,279,047
Total	85,529,487	7,199,636
Secretary of State	22,450,626	10,140,001
Rider Appropriations	478,000	122,000
Contingency Appropriations	662,949	
Total	23,591,575	10,262,001
State-Federal Relations, Office of	1,107,540	1,054,343
Veterans Commission	2,748,742	2,748,741
Rider Appropriations	79,800	
Total	2,828,542	2,748,741
Subtotal, General Government	$ 1,116,775,059	$ 813,901,987
Retirement and Group Insurance	43,610,374	44,391,449
Social Security and Benefit Replacement Pay	29,313,020	29,044,823
Subtotal, Employee Benefits	$ 72,923,394	$ 73,436,272
Lease Payments	16,853,344	17,340,173
TOTAL, ARTICLE I - General Government	$ 1,206,551,797	$ 904,678,432
Number of Full-time Equivalent Positions (FTE)	9,069.5	9,037.0

ARTICLE II

HEALTH AND HUMAN SERVICES

Section 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated health and human services agencies.

DEPARTMENT ON AGING

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: PREVENTIVE/LONG-TERM CARE To enable older Texans to live dignified, independent, and productive lives within a safe living environment through an accessible, locally-based, comprehensive and coordinated continuum of preventive care and long-term care.		
Outcomes:		
Percent of Older Population Receiving Services Who are Hispanic	18.5%	18.5%
Percent of Older Population Receiving Services Who are African-American	13%	13%
Percent of Older Population Receiving Services Who are Low-income	70%	70%
Percent of Older Population Receiving Services Who are Moderately to Severely Impaired	25.8%	25.8%
Percent of Substantiated Ombudsman Complaints Resolved to the Satisfaction of the Resident	75%	75%
A.1.1. Strategy: INFORMATION/ASSISTANCE Provide a statewide, locally-based system of information and assistance, ombudsman services, legal assistance, case management, and "Options for Independent Living".	$ 7,139,777	$ 7,139,777
Outputs:		
Number of Nursing Home Beds per Ombudsman	143	124
Number of Hours of Legal Assistance Provided	42,325	42,325
Number of Hours of Case Management Provided	46,100	46,100
Number of People Assisted Through the Options for Independent Living Program	5,100	5,100
Efficiencies:		
TDOA Cost per Hour of Legal Assistance	26.3	26.3
TDOA Cost per Case Management Hour	46.65	46.65
TDOA Cost per Client Assisted Through Options for Independent Living	296	296
A.1.2. Strategy: NUTRITION SERVICES Provide a statewide, locally-based system of nutrition services that includes meals, counseling, and education designed to promote good health and to prevent illness.	$ 37,787,122	$ 37,787,122
Outputs:		
Number of Congregate Meals Served	7,096,249	7,096,249
Number of Home-Delivered Meals Served	6,385,055	6,385,055
Number of Meals Reimbursed by USDA	16,000,000	16,000,000

Efficiencies:		
TDOA Cost per Congregate Meal	2.37	2.37
TDOA Cost per Home-delivered Meal	1.79	1.79
USDA Reimbursement Rate per Meal	.5969	.5969
Explanatory:		
Unit Cost per Congregate Meal	3.6	3.6
Unit Cost per Home-delivered Meal	4.09	4.09
A.1.3. Strategy: INDEPENDENCE/PRODUCTIVITY	$ 10,867,336	$ 10,867,336
Provide a statewide, locally-based system of services designed to maintain personal independence through the provision of supportive services, transportation, and senior center activities; and provide opportunities for increased personal productivity through community service volunteering.		
Outputs:		
Number of Hours of Homemaker Service Provided	286,659	286,659
Number of Hours of Personal Assistance Provided	75,326	75,326
Number of One-way Trips (Demand-response Transportation Services)	2,392,901	2,392,901
Number of RSVP Volunteers	29,075	29,075
Efficiencies:		
Cost per Homemaker Hour	5.27	5.27
Cost per Personal Assistance Hour	6.37	6.37
TDOA Cost per One-way Trip	1.68	1.68
Total, Goal A: PREVENTIVE/LONG-TERM CARE	$ 55,794,235	$ 55,794,235
B. Goal: DIR & INDIR ADM/SUPP COST		
Direct and Indirect Administrative and Support Costs		
B.1.1. Strategy: DIR & INDIR ADM/SUPP COST	$ 2,150,693	$ 2,149,743
Direct and Indirect Administrative and Support Costs		
Grand Total, DEPARTMENT ON AGING	$ 57,944,928	$ 57,943,978
Method of Financing:		
General Revenue Fund	$ 6,762,141	$ 6,762,141
Earned Federal Funds	19,000	18,050
Subtotal, General Revenue Fund	$ 6,781,141	$ 6,780,191
Federal Funds	51,163,787	51,163,787
Total, Method of Financing	$ 57,944,928	$ 57,943,978
Number of Full-time Equivalent Positions (FTE)	35.0	35.0
Schedule of Exempt Positions and Per Diem of Commission Members		
Executive Director, Group 2	$55,697	$55,697
Per Diem of Commission Members	4,400	4,400

1. **Data on RSVP Matching Funds Required.** It is the intent of the Legislature that the Department on Aging maintain data on the amount of matching funds required for federal grants to local retired senior volunteer programs. The department shall submit to the Legislative Budget Board and the Governor's Budget Office by October 1 of each fiscal year, a report in such detail as the two budget offices may require.

DEPARTMENT ON AGING
(Continued)

2. **Unit Cost Reporting Required.** It is the intent of the Legislature that the Texas Department on Aging maintain a reporting system that clearly and accurately identifies the unit cost of each service provided by each Area Agency on Aging for all strategies, except for volunteer services in A.1.3., and that the results of this unit cost reporting be provided to the Legislative Budget Board and the Governor's Budget Office semi-annually and in a form that the two budget offices may require.

3. **Memorandum of Agreement: Options for Independent Living Program.** It is the intent of the Legislature that, in establishing the Options for Independent Living program, the Texas Department on Aging will maintain a Memorandum of Agreement with the Texas Department of Human Services which specifies that there will be no duplication of services to elderly clients served by the "Options" program and elderly clients served by the Texas Department of Human Services.

4. **Expenditure Authority.** The Texas Department on Aging is authorized to expend all funds collected from September 1, 1997 through August 31, 1999, and placed in a special account established by the Texas Housing Finance Corporation. The funds shall be expended for the purposes stated within Section 394.902, Local Government Code, and Section 101.022, Human Resources Code, as amended.

5. **Area Agencies on Aging.** It is the intent of the Legislature that if the Department on Aging plans to alter local planning and service areas in effect on September 1, 1997, that the department receive approval from the Health and Human Services Commission and that the Governor and the Legislative Budget Board be notified before the adoption of such plans.

COMMISSION ON ALCOHOL AND DRUG ABUSE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SERVICES DISTRIBUTION Provide for the delivery of substance abuse prevention and treatment services based on need throughout the state.		
Outcomes:		
Percent of Youth Completing Treatment Programs Who Report They Are Abstinent When Contacted Following Discharge	62%	62%
Percent of Adults Completing Treatment Programs Who Report They Are Abstinent When Contacted Following Discharge	78%	78%
Percent of Unemployed Adults Completing Treatment Programs Who Report They Are Employed When Contacted Following Discharge	51%	51%
Percent of Youth Completing Treatment Programs Who Report They Are Not Rearrested When Contacted Following Discharge	96%	96%
Percent of Adult Problem Gamblers	3%	3%
A.1.1. Strategy: PREVENTION SERVICES Implement community and family based prevention services to increase resilience and reduce the risk of chemical use, abuse and dependency in Texas.	$ 37,261,725	$ 37,064,774
Outputs:		
Number of Adults Served in Prevention Programs	390,470	390,470
Number of Youth Served in Prevention Programs	618,255	618,255

Efficiencies:		
Average Cost per Youth for Prevention Services	30.74	30.74
Average Cost per Adult for Prevention Services	32.78	32.78
A.1.2. Strategy: TREATMENT SERVICES	$ 81,627,572	$ 77,945,470
Implement a continuum of community and family based treatment and related services for chemically dependent persons.		
Outputs:		
Percent of Adults Completing Treatment Programs	59%	59%
Percent of Youth Completing Treatment Programs	42%	42%
Percent of Juvenile Justice Clients Completing Treatment Programs	75%	75%
Efficiencies:		
Average Cost per Adult Completing Treatment Programs	1,804	1,804
Average Cost per Youth Completing Treatment Programs	6,475	6,475
Average Cost per Juvenile Justice Client Completing Treatment Programs	4,219	4,219
Average Cost per Dual Diagnosis Client	5,000	5,000
Explanatory:		
Number of Adults Served in Treatment Programs	31,061	29,531
Number of Youth Served in Treatment Programs	3,289	3,098
Number of Juvenile Justice Clients Served in Treatment Programs	647	647
Number of Dual Diagnosis Clients Served	500	500
A.1.3. Strategy: CRIMINAL JUSTICE TREATMENT	$ 6,500,000	$ 6,500,000
Provide criminal justice based chemical dependency services.		
A.2.1. Strategy: COMPULSIVE GAMBLING	$ 375,000	$ 375,000
Provide problem gambling awareness, prevention and treatment services.		
Outputs:		
Number of Persons in Gambling Prevention Programs	52,696	52,696
Total, Goal A: SERVICES DISTRIBUTION	$ 125,764,297	$ 121,885,244
B. Goal: QUALITY ASSURANCE		
Ensure value, safety and accountability of substance abuse prevention and treatment services.		
Outcomes:		
Percent of Programs in Compliance with State and Federal Mandates	87%	87%
B.1.1. Strategy: COMPLIANCE	$ 3,752,676	$ 3,752,676
Verify and enforce compliance with regulatory and funding requirements.		
Outputs:		
Number of Field Audits Performed	75	75
Number of Awards on Which Suspension or Termination Was Initiated	97	97
Efficiencies:		
Average Cost per Audit	5,821	5,821
B.1.2. Strategy: PERFORMANCE MANAGEMENT	$ 2,318,235	$ 2,318,235
Optimize performance quality and cost efficiency through the funding, managing, and monitoring of services.		
Outputs:		
Number of Provider Performance Reviews Conducted	552	552
Efficiencies:		

COMMISSION ON ALCOHOL AND DRUG ABUSE
(Continued)

Average Cost per Provider Performance Review	312	312
Total, Goal B: QUALITY ASSURANCE	$ 6,070,911	$ 6,070,911
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 2,386,634	$ 2,386,634
C.1.2. Strategy: INFORMATION RESOURCES	$ 845,242	$ 760,242
C.1.3. Strategy: OTHER SUPPORT SERVICES	$ 619,541	$ 619,541
C.1.4. Strategy: REGIONAL ADMINISTRATION	$ 450,995	$ 450,995
Total, Goal C: INDIRECT ADMINISTRATION	$ 4,302,412	$ 4,217,412
Grand Total, COMMISSION ON ALCOHOL AND DRUG ABUSE	$ 136,137,620	$ 132,173,567
Method of Financing:		
General Revenue Fund	$ 27,196,968	$ 27,196,968
Federal Funds	107,169,197	103,205,144
Appropriated Receipts	80,000	80,000
Interagency Contracts	1,691,455	1,691,455
Subtotal, Other Funds	$ 1,771,455	$ 1,771,455
Total, Method of Financing	$ 136,137,620	$ 132,173,567
Number of Full-time Equivalent Positions (FTE)	231.5	231.5
Schedule of Exempt Positions		
Executive Director, Group 4	$85,000	$85,000
Assistant Director	(3) 71,190	(3) 71,190

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

   Expenditure of funds for automation efforts in “a. Acquisition of Information Resource Technologies” are limited to savings recognized in Goal C: Indirect Administration.

	1998	1999
Out of Federal Funds:		
a. Acquisition of Information Resource Technologies		
(1) Integrated Management System	$ 450,000	$ 376,000
b. Acquisition of Capital Equipment and Items		
(1) Modular Furniture (MLPP Payments for 1996-97 Acquisitions)	$ 116,750	$ 116,750
Total, Capital Budget	$ 566,750	$ 492,750

2. **Screening of Alcoholics and Drug Abusers Authorized.** From funds appropriated above, the Texas Commission on Alcohol and Drug Abuse may grant, through contract, funds to support the screening of alcoholics and drug abusers prior to institutionalization in a state facility. The Commission may furthermore develop new alternatives to the institutionalization of alcoholics and drug abusers through services provided by community mental health centers and alcohol and drug abuse providers.

3. **Data Collection Required.** The Commission is required to collect billing, services, and client information from contractors on a monthly basis. Data shall be collected on the services provided to minority populations, including Native Americans. The Commission also shall document the expenditure of funds for training of personnel, staff development, public information, and other services that cannot be measured by direct client outcome.

4. **Agreements With Native American Population Authorities.** The Texas Commission on Alcohol and Drug Abuse shall enter into agreements with Native American population authorities for the provision of substance abuse programs aimed at dealing with the prevention and treatment of alcoholics and drug abusers among the Indian population.

5. **Priority Populations Defined.** The Legislature designates the following priority populations of the Commission:

   - youth who currently abuse, have abused, or are at risk of abusing substances including youth in or referred by the juvenile justice system;

   - people who have or are at risk of having human immunodeficiency virus infection through substance abusing behavior;

   - substance abusers who have now, or who have at one time, entered the criminal justice system;

   - substance abusers who are at risk of institutionalization or who currently are served in mental health facilities;

   - substance abusers who have had children placed under the conservatorship of the Department of Protective and Regulatory Services;

   - youth at-risk of selling controlled substances; and

   - women with children or women of child bearing years.

6. **Youth At-Risk of Selling Controlled Substances.** Out of funds appropriated above, the Commission shall plan, develop, coordinate, evaluate, and implement constructive methods and programs to provide wholesome alternatives for youth at-risk of selling controlled substances.

7. **Coordination of Support Services.** Out of the funds appropriated above, the Commission is directed to enter into formal agreements with other health and human service agencies to facilitate referral and access for its clients to other needed ancillary services as determined by the client's treatment plan. Each client's treatment plan is to contain complete and appropriate medical, educational and/or vocational objectives that meet the needs of clients. The Commission shall provide technical aids and assistance to ensure that clients are provided or are referred to appropriate services. The Commission shall monitor its contractors to gauge the performance of its contractors regarding the provision and/or referral of clients to appropriate services. The Commission shall evaluate the impact that supportive services may have upon achieving successful treatment outcomes.

8. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for the licensing and regulation of chemical dependency counselors and chemical dependency treatment facilities in strategy item B.1.1., Compliance, as well as the “other direct and indirect costs” associated with this function, appropriated elsewhere in this Act. “Other direct and indirect costs” for the licensing and regulation of chemical dependency counselors and chemical dependency treatment facilities are estimated to be $87,873 for fiscal year 1998 and $87,601 for fiscal year 1999. In the event that actual and/or projected fee revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

9. **Medicaid Programs - Revenue Enhancement.** Out of the funds appropriated above, local mental health authorities are encouraged to use these state funds to match federal Medicaid funds entitled rehabilitation services under the State Medicaid Plan, for those Medicaid eligible clients receiving substance abuse services by the local mental health authority. These funds may be expended on persons with co-occurring mental and substance abuse disorders.

10. **Dual Diagnosis Clients.** Out of the funds appropriated above, substance abuse services purchased by the Commission can be provided to persons who have co-occurring substance abuse and mental disorders.

11. **HIV Contracting At TCADA.** The contracting of HIV services at the Texas Commission on Alcohol and Drug Abuse shall be as comprehensive as those at the Texas Department of Health and shall include, but is not limited to:

    a. definitions of health services and support services to be provided;

    b. requirements for licensure of facilities or service providers;

    c. budgets, financial status reports, and standards for financial reports;

    d. performance measures and standards;

    e. fee schedules, where applicable; and

    f. restrictions/limitations on the use of contract funds.

12. **Public/Private Partnership.** It is the intent of the Legislature that the Commission shall partner with private and other public entities to the greatest extent possible for the purpose of conserving state general revenue appropriations.

13. **Compulsive Gambling Prevention Programs.** Out of the funds appropriated above in Strategy A.2.1., Compulsive Gambling, the Commission shall maintain the Problem Gambler's Helpline.

14. **Criminal Justice/Substance Abuse Initiative.** The Commission shall transfer $6,500,000 each year of the biennium for the TAIP program to the Department of Criminal Justice for the provision of substance abuse treatment programs for probationers.

15. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for the Texas Commission on Alcohol and Drug Abuse are made contingent on the continuation of the Texas Commission on Alcohol and Drug Abuse by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 1998 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

16. **Stipends for Students.** Stipends will be provided to students of the Addiction Training Center project only through federal funds or to the extent of gifts, grants, and donations received. None of the funds appropriated by this Act to the Commission on Alcohol and Drug Abuse, other than appropriated federal funds or gifts, grants, and donations, shall be expended for the purpose of providing stipends to students of the Addiction Training Center.

17. **Use of Carryforward for Alcohol and Drug Abuse Councils.** Out of federal grant funds appropriated by this Act, the Commission on Alcohol and Drug Abuse shall expend $500,000 in each fiscal year of the biennium to fund the Alcohol and Drug Abuse Councils targeting prevention services for youth populations.

18. **Dual Diagnosis Initiative.** It is the intent of the Legislature that the Commission on Alcohol and Drug Abuse and the Department of Mental Health and Mental Retardation shall enter into an agreement for a Dual Diagnosis Initiative to provide services for clients with both a substance abuse and a mental health diagnosis.

19. **Use of Carryforward for Dual Diagnosis.** Out of federal grant funds appropriated by this Act, the Commission on Alcohol and Drug Abuse shall expend $2,500,000 in each fiscal year of the biennium to provide services for clients with both a substance abuse and mental health diagnosis under the Dual Diagnosis Initiative between the Commission on Alcohol and Drug Abuse and the Department of Mental Health and Mental Retardation.

20. **Notification of Regional Funds Distribution.** The Commission on Alcohol and Drug Abuse shall notify the Senate Finance Committee, House Appropriations Committee, Legislative Budget Board and the Governor’s Office of Budget and Planning of the allocation methodology or formula used to allocate funds. This report shall include development of a statewide plan for substance abuse delivery services which:

    i) provides for reasonable geographic access to services;
    ii) is based upon equitable funding;
    iii) selects providers on a competitive basis; and
    iv) presents an impact analysis of any changes from the previous year’s formula or percentage allocations, by public health region.

    The report shall be submitted at least 30 days prior to allocations made out of funds appropriated above.

COMMISSION ON ALCOHOL AND DRUG ABUSE
(Continued)

21. **Substance Abuse Funds.** Out of the funds appropriated above for Strategy A.1.1., Prevention Services, funds equal to $2,093,868 shall be transferred to the Juvenile Probation Commission via an interagency transfer from the Texas Commission on Alcohol and Drug Abuse each year of the 1998-99 biennium for the purpose of funding substance abuse grants to local juvenile probation departments.

22. **Offenders with Substance Abuse Diagnoses.** The Texas Department of Criminal Justice, in collaboration with the Texas Commission on Alcohol and Drug Abuse, shall develop a plan for addressing the needs of offenders with substance abuse diagnoses. This plan may take the form of a memorandum of understanding between the two agencies and must be completed not later than August 31, 1998. Upon completion, the department shall submit the interagency agreement to the Legislative Budget Board and the Governor's Office of Budget and Planning.

COMMISSION FOR THE BLIND

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: INDEPENDENT LIVING To assist Texans who are blind or visually impaired to live as independently as possible consistent with their capabilities.		
Outcomes:		
Percent of Consumers Whose Dependent Living Risk Was Diminished	94%	94%
Percent of Consumers Achieving Goals Who Were Satisfied With Services	85%	85%
Percent of Consumers Successfully Completing Services Who Were Satisfied With Services	85%	85%
A.1.1. Strategy: INDEPENDENT LIVING SKILLS To provide a program of developing independent living skills.	$ 1,185,658	$ 1,183,942
Outputs:		
Number of Consumers Served	1,685	1,685
A.2.1. Strategy: HABILITATIVE SERVICES To provide habilitative services to blind and visually impaired children.	$ 2,604,047	$ 2,604,047
Outputs:		
Number of Children Receiving Habilitative Services	7,600	7,600
Total, Goal A: INDEPENDENT LIVING	$ 3,789,705	$ 3,787,989
B. Goal: MAINTAIN EMPLOYMENT To assist Texans who are blind or visually impaired to secure or maintain employment in careers consistent with their skills, abilities, and interests.		
Outcomes:		
Percent of Consumers Successfully Rehabilitated Who Were Satisfied With Services	85%	85%
Percent of Consumers Successfully Employed With Increased Earnings	70%	71%
Average Earnings per Consumer Employed	35,500	35,500

COMMISSION FOR THE BLIND
(Continued)

B.1.1. Strategy: VOCATIONAL REHABILITATION To provide vocational rehabilitation services to persons who are blind or visually impaired.	$ 32,687,975	$ 33,875,747
Outputs:		
Number of Consumers Served	13,566	13,919
B.1.2. Strategy: EMPLOYMENT OPPORTUNITIES To provide employment opportunities in the food service industry for persons who are blind and visually impaired.	$ 1,829,047	$ 1,829,047
Outputs:		
Number of Consumers Employed	130	130
Total, Goal B: MAINTAIN EMPLOYMENT	$ 34,517,022	$ 35,704,794
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 1,646,567	$ 1,646,836
C.1.2. Strategy: INFORMATION RESOURCES	$ 803,076	$ 801,945
C.1.3. Strategy: OTHER SUPPORT SERVICES	$ 525,277	$ 538,224
Total, Goal C: INDIRECT ADMINISTRATION	$ 2,974,920	$ 2,987,005
Grand Total, COMMISSION FOR THE BLIND	$ 41,281,647	$ 42,479,788
Method of Financing:		
General Revenue Fund	$ 8,597,425	$ 8,856,169
Earned Federal Funds	150,000	150,000
Subtotal, General Revenue Fund	$ 8,747,425	$ 9,006,169
General Revenue Fund - Dedicated - Business Enterprise Program Account No. 492	1,456,382	1,456,382
Federal Funds, estimated	30,872,148	31,811,545
Blind Commission Endowment Fund No. 493, estimated	28,000	28,000
Appropriated Receipts	107,692	107,692
Interagency Contracts	70,000	70,000
Subtotal, Other Funds	$ 205,692	$ 205,692
Total, Method of Financing	$ 41,281,647	$ 42,479,788
Number of Full-time Equivalent Positions (FTE)	588.0	610.5
Schedule of Exempt Positions		
Executive Director, Group 3	$65,166	$65,166
Deputy Director	(2) 59,892	(2) 59,892

COMMISSION FOR THE BLIND
(Continued)

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Acquisition of Information Resource Technologies		
(1) Halon Replacement	$ 30,000	$ 0
b. Acquisition of Capital Equipment and Items		
(1) Establish and Refurbish Food Service Facilities	$ 283,200	$ 283,200
Total, Capital Budget	$ 313,200	$ 283,200

Method of Financing (Capital Budget):

General Revenue Fund - Dedicated - Business Enterprise Program Account No. 492	$ 283,200	$ 283,200
Federal Funds	30,000	0
Total, Method of Financing	$ 313,200	$ 283,200

2. **Central Supply Revolving Fund.** The Commission for the Blind may, under such rules and regulations as deemed necessary, maintain and operate on a reimbursable basis a Central Supply Revolving Fund in order to contribute to the efficiency and economy of the Commission under its control and management. The Central Supply Revolving Fund may be established and operated from funds appropriated to the Commission in such amounts as shall be necessary. All receipts deposited to this Fund are appropriated for the purchase of necessary operating supplies and materials for the biennium ending August 31, 1999. To reimburse the funds from which expenditures are made, the Commission may make fund transfers from the appropriations which receive the supplies, or may submit purchase vouchers through the office of the State Comptroller.

3. **Employee Work Assignments.** Employees assigned to the Criss Cole Rehabilitation Center or to special project facilities operated by the agency may, to the extent required for the effective direct provision of services to clients, be excepted from usual state policies regarding working hours, working days, and holidays. Insofar as possible, the work days and work hours of such employees shall be determined according to a system comparable to that used by other state-operated special schools, hospitals, institutions or other facilities providing residential services to eligible individuals.

4. **Reimbursement of Services.** In order to reimburse equitably the appropriation items hereinabove made from which expenditures are made for services to employees and guests of the Criss Cole Rehabilitation Center or other residential facilities operated by the Commission for the Blind, the Commission for the Blind shall establish such reimbursement rates and rules as might be necessary to assure reimbursement at rates not less than the rates of reimbursement required by institutions, agencies or offices under the jurisdiction of the Board of Health, Board of Mental Health and Mental Retardation and the Texas Youth Commission.

5. **Appropriation of Federal Medicaid Receipts.** The Commission for the Blind shall certify and/or transfer appropriated state funds to the Texas Medicaid Single State Agency so that federal financial participation can be claimed for Medicaid services. Such federal receipts are hereby appropriated to the commission to provide rehabilitative services to blind and visually impaired children.

6. **Fund Transfer.** The Texas Commission for the Deaf and Hard of Hearing and the Texas Commission for the Blind shall develop an interagency contract for the provision of administrative services to the TCDHH by TCB. General revenue funds in the amount of $70,000 in FY 1998 and $70,000 in FY 1999 shall be transferred from the TCDHH to TCB in accordance with the interagency contract.

7. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for Advisory Committee Members, out of funds appropriated above, is limited to the following advisory committees: State Independent Living Council, Elected Committee of Managers, Optometric Advisory Committee, Medical Advisory Council, and Consumer Advisory Committee.

8. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for strategy item B.1.2., Employment Opportunities, as well as the "other direct and indirect costs" associated with this strategy, appropriated elsewhere in this Act. "Other direct and indirect costs" for strategy item B.1.2., Employment Opportunities, are estimated to be $145,699 for fiscal year 1998 and $145,841 for fiscal year 1999. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

9. **Appropriation of Balances: Endowment Fund.** Any unobligated balances in the Commission for the Blind Endowment Fund Account No. 493 as of August 31, 1997 and any revenue and receipts deposited to the Endowment Fund are hereby appropriated to the Commission for the Blind for the 1998-99 biennium. Such amounts are estimated to be $165,000 in 1998 and $19,000 in 1999. Additional federal matching funds of $610,500 and $70,300 are estimated for 1998 and 1999, respectively.

CANCER COUNCIL

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: CANCER SERVICES To ensure that all Texans have prompt access to quality cancer prevention and control information and services in order to increase the number of Texans surviving or never developing cancer.		
A.1.1. Strategy: ENHANCE CANCER SERVICES Mobilize and assist public, private, and volunteer sector agencies and individuals to enhance the availability and quality of cancer prevention and control services and policies.	$ 3,665,878	$ 3,663,515
Outputs:		
Number of Statewide, Regional, and Local Strategic Planning Initiatives Promoted by Direct Council Intervention or Contracts	25	25
Number of Reports on Cancer Resources, Policies, and Statistics Produced	21	21
Number of People Directly Served by Council-funded Cancer Prevention and Control Activities	500,000	500,000
Number of Health Care and/or Education Professionals Who Receive Council-funded Training or Materials	100,000	100,000
Efficiencies:		
Average Cost per Health Care and/or Education Professional Trained	33.5	33.5
B. Goal: DIRECT AND INDIRECT ADMINISTRATION		
B.1.1. Strategy: DIRECT AND INDIRECT ADMINISTRATION	$ 336,666	$ 358,029
Grand Total, CANCER COUNCIL	$ 4,002,544	$ 4,021,544
Number of Full-time Equivalent Positions (FTE)	8.0	8.0
Schedule of Exempt Positions Executive Director, Group 2	$57,691	$57,691

1. **Unexpended Balances.** Any unexpended balances in the appropriations for the fiscal year ending August 31, 1998, may be carried forward into fiscal year 1999 and such balances are hereby appropriated.

2. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S. Article 6252-33, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committee: Texas Cancer Plan Advisory Committee.

CHILDREN'S TRUST FUND OF TEXAS COUNCIL

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: CHILD ABUSE PREVENTION To promote and provide opportunities so that Texas children can grow to responsible and productive adulthood, free of threats to their dignity, physical safety, and emotional well-being.		
Outcomes:		
Percent Change in Attitudes, Knowledge, Parenting Skills, Perceived Norms and/or Risk Factors of Individuals in Statewide Survey		1.5%
A.1.1. Strategy: GRANTS & PUBLIC AWARENESS Provide community grants, technical assistance, and public awareness on the prevention of child abuse and neglect.	$ 3,310,993	$ 3,033,208
Outputs:		
Number of Programs Funded by CTF	99	100
Number of Adult Participants in CTF-Funded Programs and Services	8,425	7,425
Number of Child Participants in CTF-Funded Programs and Services	6,650	5,800
Efficiencies:		
Average Cost per Participant in CTF-Funded Programs	114.44	112.29
Grand Total, CHILDREN'S TRUST FUND OF TEXAS COUNCIL	$ 3,310,993	$ 3,033,208
Method of Financing:		
General Revenue Fund - Dedicated - Children's Trust Fund of Texas Council Operating Account No. 541	$ 1,911,707	$ 1,911,708
Federal Funds	1,397,786	1,120,000
Appropriated Receipts	1,500	1,500
Total, Method of Financing	$ 3,310,993	$ 3,033,208
Number of Full-time Equivalent Positions (FTE)	7.0	7.0
Schedule of Exempt Positions		
Executive Director, Group 2	$51,840	$51,840

1. **Unexpended Balances.** All unexpended balances appropriated for the fiscal year ending August 31, 1998, are hereby appropriated for the same purposes for the fiscal year beginning September 1, 1998.

2. **Additional FTE Positions.** None of the funds appropriated above may be used to pay for any full-time equivalent (FTE) position that exceeds the Target established above unless the following conditions are met and written approval is obtained from the Legislative Budget Board:

   a. The agency shall submit to the Legislative Budget Board a written justification for the new position that includes a job description, salary and budget considerations, and program

outcome measures associated with the new position. The Legislative Budget Board may request and the agency shall provide additional information as needed.

b. The agency shall submit a written status report to the Legislative Budget Board on a semi-annual basis that describes how the new position was used and progress toward attaining the program outcome measures associated with the new position.

c. The agency shall demonstrate full accountability for the use of funds and staff.

d. The agency shall cooperate fully with the Legislative Budget Board in developing new performance measures that clearly delineate the outcomes, outputs, and efficiencies expected from the agency's programs.

3. **Texas Children's Memorial.** All gifts, grants, and donations made to the Children's Trust Fund of Texas Council for the purpose of the Texas Children's Memorial in excess of the amounts appropriated above are hereby appropriated to the Council for the purpose of building the Texas Children's Memorial. Unless funds are specifically donated for the purpose of the Texas Children's Memorial, funds may not be expended for that purpose. No revenue received pursuant to marriage license fees or the interest on those fees, and no federal funds, shall be used for the Texas Children's Memorial.

4. **Provision of Direct Services.** The Children's Trust Fund of Texas Council's state plan for expending funds to prevent child abuse and neglect shall emphasize funding for programs that provide direct services such as mentoring, parenting skills, early intervention and prevention, services for high-risk parents, and services to families in crisis.

5. **Limitation on Expenditures.** The Children's Trust Fund of Texas Council's expenditures for public awareness efforts relating to child abuse and neglect, including commemoratives and broad-based public relations campaigns, shall be limited to no more than fifteen percent of all funds appropriated to and available for expenditure by the Council during the fiscal year.

6. **Notification of Contracts.** The Children's Trust Fund of Texas Council shall notify the Governor's Office of any contracts at least 60 days prior to the contract being enacted. The Governor's Office shall have 60 days from notification to disapprove any contracts and to notify the Children's Trust Fund of Texas Council that the contract has not been approved. None of the funds appropriated above may be expended on the contract if the contract is disapproved by the Governor's Office. If notification from the Governor's Office is not received, the Children's Trust Fund of Texas Council may proceed with the contract. The Children's Trust Fund of Texas Council shall not contract with any individual or organization that is a registered lobbyist, nor shall the agency contract with any individual or organization to provide legislative monitoring, bill tracking, or any other service involving the legislature.

7. **Notification of Travel.** The Children's Trust Fund of Texas Council shall notify the Legislative Budget Board and the Governor's Office of Budget and Planning in writing prior to any employees of the agency and members of the Council traveling outside of the state of Texas on official business. None of the employees or members of the Children's Trust Fund of Texas Council shall be allowed to travel out of the country for the purpose of conducting business of the agency.

COMMISSION FOR THE DEAF AND HARD OF HEARING

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SERVICES TO INDIVIDUALS To promote and regulate an effective system of services to individuals who are deaf or hard of hearing.		
Outcomes:		
Percent Increase in the Number of Kinds of Services Accessible to People Who Are Deaf or Hard of Hearing	10%	10%
A.1.1. Strategy: CONTRACT SERVICES Contract for or provide services for persons who are deaf or hard of hearing to include but not limited to services or training in: communication access, communication access coordination, advocacy, information and referral, coping skills, nutrition, aging issues, reading, parenting, leadership, assistive listening devices, early intervention, and prevention of hearing loss.	$ 467,892	$ 468,050
Outputs:		
Number of Hours of Communication Access Provided	6,388	6,388
Efficiencies:		
Average Cost for Administration of Contract	32.17	32.17
A.1.2. Strategy: TRAINING & EDUCATION Ensure the quality of programs and services for persons who are deaf and hard of hearing through training and educational programs and advocacy and ombudsman services.	$ 315,198	$ 315,198
Outputs:		
Number of Consumers Involved in Planning, Monitoring, or Other Agency Activities	415	415
Efficiencies:		
Average Time for Complaint Resolution	60	60
A.2.1. Strategy: INTERPRETER LICENSING License and regulate interpreters and regulate the use of interpreters.	$ 180,773	$ 160,773
Outputs:		
Number of Licenses Issued	1,261	1,261
Efficiencies:		
Average Time Between Date of Application and Date of Testing	110	110
A.2.2. Strategy: INTERPRETER TRAINING Monitor, regulate, and fund training programs for interpreters throughout Texas.	$ 50,000	$ 50,000
Total, Goal A: SERVICES TO INDIVIDUALS	$ 1,013,863	$ 994,021
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 210,708	$ 210,708
Grand Total, COMMISSION FOR THE DEAF AND HARD OF HEARING	$ 1,224,571	$ 1,204,729

COMMISSION FOR THE DEAF AND HARD OF HEARING
(Continued)

Method of Financing:		
General Revenue Fund	$ 818,633	$ 798,791
Appropriated Receipts	129,938	129,938
Interagency Contracts	276,000	276,000
Total, Method of Financing	$ 1,224,571	$ 1,204,729
Number of Full-time Equivalent Positions (FTE)	9.0	9.0
Schedule of Exempt Positions		
* Executive Director, Group 2	$60,000	$60,000

1. **Capital Budget**. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditures for other purposes. Amounts appropriated above have been identified in this provision as appropriations either for "Lease payments to Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Transportation Items		
(1) Replacement Vehicle	$ 20,000	$ 0
Total, Capital Budget	$ 20,000	$ 0

2. **Fund Transfer.** The Texas Commission for the Deaf and Hard of Hearing and the Texas Commission for the Blind shall develop an interagency contract for the provision of administrative services to the TCDHH by TCB. General revenue funds in the amount of $70,000 in fiscal year 1998 and $70,000 in fiscal year 1999 shall be transferred from the TCDHH to TCB in accordance with the interagency contract.

3. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for Advisory Committee Members is limited to the following advisory committees:

   Board of Evaluation of Interpreters;
   Hard of Hearing Task Force;
   Deafness Task Force;
   Trilingual Interpreting; and
   Educational Interpreting Task Force.

4. **Appropriation: Unexpended Balances in Summer Camp Program.** Any unexpended and unobligated balances remaining as of August 31, 1997 in the appropriation made to the Commission for the Deaf and Hard of Hearing by House Bill 1, Seventy-fourth Legislature, Regular Session, in provision 3, Solicitation of Grants, Gifts, and Donations, page II-18, are hereby reappropriated to the Commission, in an amount not exceed $20,000, for the biennium beginning September 1, 1997 for the purpose of expenses related to the Commission's Summer Camp Program.

5. **Contingency Appropriation: Senate Bill 667.** Contingent on the enactment of Senate Bill 667 or similar legislation relating to the creation and administration of a program to assist individuals who are deaf, hearing impaired or speech impaired, the Commission for the Deaf and Hard of Hearing is hereby appropriated $110,000 from the General Revenue Fund for 1998 and reimbursements received from the locally held Universal Service Fund for the biennium. The commission's use of these appropriations shall be limited to costs authorized to be reimbursed from the Universal Service Fund, including 2 additional full time equivalent positions above the agency's FTE cap of 9. Any unobligated and unexpended reimbursements on August 31, 1998 are hereby reappropriated to the commission for the same purposes for the fiscal year ending August 31, 1999. Of the reimbursements, such amounts as necessary not to exceed $110,000 are restricted and shall be used by the end of the biennium to reimburse the General Revenue Fund for expenses during fiscal year 1998.

	1998	1999
Number of Applications Received for Specialized Telecommunications Equipment	17,500	30,000
Percentage of Applications for Specialized Telecommunications Equipment Approved	95%	95%

INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: CHILDREN AT RISK OF DELAY To ensure that all children in Texas who are below the age of three and have developmental needs or are at risk of developmental delay receive comprehensive services that are provided in partnerships with families, within community contexts.		
Outcomes:		
Percent of the Targeted Eligible Population Enrolled	89.3%	85.7%
A.1.1. Strategy: ELIGIBILITY AWARENESS Conduct a statewide public awareness and child find component in accordance with the federal regulations to ensure that families of eligible infants and toddlers are identified and advised of the importance of early intervention and know how to access services.	$ 553,200	$ 539,674
Outputs:		
Number of Referrals Made to Local Programs Through Coordination of Case Management Services With Other Agencies	21,734	22,603
A.1.2. Strategy: MILESTONES PROGRAMS Establish transitional service programs for high priority infants on a statewide basis.	$ 1,470,000	$ 1,470,000
Outputs:		
Number of Children Served in Milestones Programs	3,400	3,400

A.1.3. Strategy: RESOURCE COORDINATION Administer and supervise a statewide system of services through the coordination of federal, state, and community resources to ensure that services are provided in partnerships with families, within community contexts.	$ 65,394,920	$ 62,257,714
Outputs:		
Number of Children Served Through Comprehensive Services	22,603	21,633
Efficiencies:		
Cost per Child Served Within Comprehensive Services	6,400	6,400
A.1.4. Strategy: QUALITY ASSURANCE Ensure the quality of services through a system of training and technical assistance, personnel standards, and procedural safeguards.	$ 775,563	$ 772,794
Outputs:		
Number of Training and Technical Assistance Events Provided	200	200
Total, Goal A: CHILDREN AT RISK OF DELAY	$ 68,193,683	$ 65,040,182
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 826,323	$ 823,120
Grand Total, INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION	$ 69,020,006	$ 65,863,302
Method of Financing:		
General Revenue Fund	$ 32,367,062	$ 32,367,062
General Revenue Match for Medicaid	780,414	780,414
Total, General Revenue Fund	$ 33,147,476	$ 33,147,476
Federal Funds	32,741,405	29,584,701
Interagency Contracts	3,131,125	3,131,125
Total, Method of Financing	$ 69,020,006	$ 65,863,302
Number of Full-time Equivalent Positions (FTE)	66.0	66.0
Schedule of Exempt Positions		
Executive Director, Group 3	$61,380	$61,380
Deputy Executive Director	54,584	54,584

1. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S. Article 6252-33, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committee: Advisory Committee to the Interagency Council on Early Childhood Intervention.

DEPARTMENT OF HEALTH

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: PREVENTION AND PROMOTION Assure that prevention and health promotion are integral parts of all services. Maximize the use of primary prevention, as well as early detection and management of care, in providing public health services. Promote individual and community commitment to the importance of good personal and environmental health.		
Outcomes:		
Percentage of Inspected Entities in Compliance with Statutes and/ or Rules	76.3%	76.3%
Percentage of Eligible WIC Population Served	71%	75%
Percentage of Reported AIDS Cases Living Two Years After Diagnosis	70.1%	70.1%
Incidence Rate of Indigenous Measles	.036	.034
Percentage of Tuberculosis Cases that Completed Therapy Within 12 Months	92.7%	93.9%
A.1.1. Strategy: BORDER HEALTH & COLONIAS Develop and implement a program designed to assist in the reduction of consumer, environmental, occupational and community health hazards along the Texas/Mexico border and in the "colonias" in a binational effort that coordinates with local providers and community leaders.	$ 1,041,660	$ 1,041,660
Outputs:		
Number of Consultations Provided	1,610	1,610
A.1.2. Strategy: FOOD (MEAT) & DRUG SAFETY Implement uniform and effective safety programs for food, drugs, and medical devices.	$ 16,007,644	$ 16,007,644
Outputs:		
Number of Licenses/Registrations Issued	34,465	34,465
Efficiencies:		
Average Cost per Investigation/Inspection	213.05	213.05
A.1.3. Strategy: ENVIRONMENTAL HEALTH Develop and implement risk assessment and risk management programs in the areas of radiation control, consumer products, occupational and environmental health, and community sanitation.	$ 11,957,309	$ 11,957,309
Outputs:		
Number of Enforcement Actions Taken	11,687	11,687
Number of Citizen/Community Activities Implemented	6,500	6,500
Efficiencies:		
Average Cost per Investigation/Inspection	372.23	372.23
A.2.1. Strategy: WIC FOOD & NUTRITION To provide nutrition services including food benefits to eligible low income (WIC) clients, nutrition education and counseling, and training on nutrition topics for health professionals.	$ 438,924,068	$ 438,924,068
Outputs:		
Number of WIC Participants Provided Nutritious Food Supplements per Month	695,000	710,000

Efficiencies:		
Average Food Costs per Person Receiving Services	26.28	27.13
Explanatory:		
Incidence (Percent) of Low Birth Weight Babies Born to Women, Infants and Children Nutrition (WIC) Program Mothers	6%	6%
A.3.1. Strategy: SEXUALLY TRANSMITTED DISEASES (HIV)	$ 55,008,642	$ 55,022,031
Provide HIV and STD education to prevent the spread of infection, diagnose individuals with STD/HIV, and link HIV/STD patients to health and social service providers for intervention.		
Outputs:		
Number of Persons Provided Pre-Test and Post-Test Counseling	134,000	134,000
A.3.2. Strategy: IMMUNIZATIONS	$ 37,362,757	$ 37,362,757
Implement programs to immunize Texas residents.		
Outputs:		
Number of Doses Administered	6,021,324	5,172,914
A.3.3. Strategy: PREVENTABLE DISEASES	$ 53,217,147	$ 55,867,147
Implement programs to effectively reduce the incidence of preventable diseases such as zoonotic, chronic, communicable, (including tuberculosis) and dental disease, and enhance epidemiological activities to track reductions.		
Outputs:		
Number of Surveillance Activities and Field Investigations Conducted	66,935	67,782
Number of Diabetes-related Technical and Educational Consultations and Clinical Preventive Activities Provided	113,524	113,524
Efficiencies:		
Average Cost per Surveillance Activity and Field Investigation Conducted	1,400	1,367
A.3.4. Strategy: CHRONIC DISEASE SERVICES	$ 18,357,843	$ 18,357,843
Provide prompt service and/or referral of all eligible applicants for chronic disease services.		
Outputs:		
Number of Technical and Educational Consultations Provided to Alzheimers Patients	45,000	45,000
Efficiencies:		
Average Cost per Chronic Disease Service	1,019	976
Total, Goal A: PREVENTION AND PROMOTION	$ 631,877,070	$ 634,540,459
B. Goal: MEDICAID SERVICES		
Develop a comprehensive approach to client health.		
Outcomes:		
Percent of Eligible Clients Receiving Acute Care Services	89%	89%
Percent of 100% Poverty Population Covered by Acute Care Services	59.7%	60.9%
Percent of Clients in Managed Care	23.48%	28.7%
Number of Medicaid Births in Texas	160,844	162,453
Percent of Managed Care Enrolled Children Aged Less Than 12 Months Receiving at Least One Comprehensive EPSDT Screen	55%	60%
Percent of Managed Care Enrolled Children Aged 24 Months Fully Immunized as Appropriate for Age	55%	60%

Percent of Adults Aged 21 and Older Enrolled in Managed Care Receiving an Adult Annual Health Examination	12%	14%
Percent of Managed Care Enrolled Pregnant Women Receiving a Minimum of Ten Prenatal Visits, Scheduled as Appropriate for Gestational Age	45%	50%
Emergency Room Visits per 1000 Member Months per Year	765	670
B.1.1. Strategy: PREMIUMS: AGED & DISABLED	$ 1,390,927,950	$ 1,420,828,913
Provide medically necessary health care in the most appropriate, accessible, and cost effective setting to: Medicaid Aged and Medicare related persons, and Medicaid Disabled and Blind Persons.		
Outputs:		
Average Aged and Medicare Related Recipient Months per Month: Managed Care	66,323	68,227
Average Aged and Medicare Related Recipient Months Per Month: Non-Managed Care	247,573	249,525
Average Disabled and Blind Recipient Months per Month: Managed Care	12,151	18,768
Average Disabled and Blind Recipient Months per Month: Non-Managed Care	187,680	181,716
Efficiencies:		
Average Aged and Medicare Related Premium per Recipient Month: Non-Managed Care	76.25	78.79
Average Disabled and Blind Premium per Recipient Month: Managed Care	510.46	515.38
Average Disabled and Blind Premium per Recipient Month: Non-Managed Care	455.29	458.79
B.1.2. Strategy: PREMIUMS: TANF (AFDC) FAMILIES	$ 711,242,561	$ 708,309,758
Provide medically necessary health care in the most appropriate, accessible, and cost effective setting to: TANF (formerly AFDC) adults and TANF (formerly AFDC) related children.		
Outputs:		
Average TANF Adult Recipient Months per Month: Managed Care	53,029	76,998
Average TANF Adult Recipient Months per Month: Non-Managed Care	129,202	96,851
Average TANF Children Recipient Months per Month: Managed Care	157,015	242,639
Average TANF Children Recipient Months per Month: Non-Managed Care	325,812	219,882
Efficiencies:		
Average TANF-Adult Premium per Recipient Month: Managed Care	172.21	173.82
Average TANF-Adult Premium per Recipient Month: Non-Managed Care	157.24	163.72
Average TANF-Children Premium per Recipient Month: Managed Care	69.59	72
Average TANF-Children Premium per Recipient Month: Non-Managed Care	56.43	53.69
B.1.3. Strategy: PREMIUMS: PREGNANT WOMEN	$ 494,246,618	$ 504,257,806
Provide medically necessary health care in the most appropriate, accessible, and cost effective setting to: Medicaid eligible pregnant women.		
Outputs:		
Average Pregnant Women Recipient Months per Month: Managed Care	20,702	33,544
Average Pregnant Women Recipient Months per Month: Non-Managed Care	62,307	49,465

Efficiencies:		
Average Pregnant Women Premium per Recipient Month: Managed Care	601.86	583.68
Average Pregnant Women Premium per Recipient Month: Non-Managed Care	458.82	450.88
B.1.4. Strategy: PREMIUMS:CHILDREN/MEDICALLY NEEDY	$ 1,059,341,472	$ 1,069,397,070
Provide medically necessary health care in the most appropriate, accessible, and cost effective setting to: Newborn Infants and Medicaid Eligible Children above the TANF (AFDC) income eligibility criteria, and Medically Needy Persons.		
Outputs:		
Average Newborn Recipient Months per Month: Managed Care	39,583	61,554
Average Newborn Recipient Months per Month: Non-Managed Care	65,692	46,680
Average Expansion Children Recipient Months per Month: Managed Care	85,010	130,100
Average Expansion Children Recipient Months per Month: Non-Managed Care	209,652	146,832
Average Federal Mandate Children Recipient Months per Month: Managed Care	75,860	139,714
Average Federal Mandate Children Recipient Months per Month: Non-Managed Care	188,830	150,586
Average Medically Needy Recipient Months per Month: Non-Managed Care	17,326	16,470
Efficiencies:		
Average Newborn Premium per Recipient Month: Managed Care	495.71	470.72
Average Newborn Premium per Recipient Month: Non-Managed Care	389.75	365.37
Average Expansion Children Premium per Recipient Month: Managed Care	84.44	84.17
Average Expansion Children Premium per Recipient Month: Non-Managed Care	78.88	77.23
Average Federal Mandate Children Premium per Recipient Month: Managed Care	49.58	49.38
Average Federal Mandate Children Premium per Recipient Month: Non-Managed Care	30.07	26.89
Average Medically Needy Premium per Recipient Month: Non-Managed Care	553.15	578.8
B.1.5. Strategy: MEDICARE PAYMENTS	$ 418,213,284	$ 450,594,649
Provide accessible premium-based health services to certain Title XVIII Medicare eligible recipients.		
Outputs:		
Supplemental Medical Insurance Part B (SMIB) Recipient Months per Month	350,000	361,360
Part A Recipient Months per Month	44,400	45,500
Number of Qualified Medicare Beneficiaries (QMBs)	42,000	42,300
Efficiencies:		
Average SMIB Premium per Month	45.07	46.9
Average Part A Premium per Month	324.28	349.24
Average Qualified Medicare Beneficiaries Cost per Month	108.99	108.99
B.1.6. Strategy: EPSDT-COMPREHENSIVE CARE	$ 127,452,383	$ 91,886,469
Provide diagnostic/treatment services for federally allowable Medicaid services for conditions identified through an EPSDT screen or other health care encounter but not covered or provided under the State Medicaid Plan.		

Efficiencies:		
Average Cost of Clients Receiving Extended Benefits Through EPSDT-CCP	525.09	530.34
B.1.7. Strategy: COST REIMBURSED SERVICES	$ 135,651,554	$ 139,402,554
Provide medically necessary health care to Medicaid eligibles for services not covered under the insured arrangement including: federally qualified health centers, undocumented aliens, school health and related services.		
Outputs:		
Number of Enrolled Federally Qualified Health Centers	36	36
Number of Undocumented Aliens Served	3,275	3,275
Efficiencies:		
Average Undocumented Alien Cost per Month	2,691	2,761
B.1.8. Strategy: VENDOR DRUG PROGRAM	$ 802,297,513	$ 850,968,914
Provide prescription medication to Medicaid eligible recipients as prescribed by the treating physician.		
Outputs:		
Annual Medicaid Prescriptions Incurred	25,056,126	25,080,430
Efficiencies:		
Average Cost per Prescription	31.59	33.5
B.1.9. Strategy: MEDICAL TRANSPORTATION	$ 27,204,893	$ 29,221,255
Provide non-ambulance transportation for eligible Medicaid recipients to and from providers of Medicaid services.		
Outputs:		
Recipient One-Way Trip	2,100,951	2,174,654
Efficiencies:		
Average Cost per One-Way Trip	11.13	11.68
Total, Goal B: MEDICAID SERVICES	$ 5,166,578,228	$ 5,264,867,388
C. Goal: HEALTH CARE STANDARDS		
Assure availability of highest quality services to all Texans across the care continuum. Promote recruitment and retention of competent health care professionals. Remain flexible in responding to the public's needs and concerns.		
Outcomes:		
Percentage of Licensed or Certified Professionals Out of Compliance With State Regulations	.6%	.6%
C.1.1. Strategy: HEALTH CARE STANDARDS	$ 15,533,395	$ 15,533,395
Implement program to ensure timely, accurate issuance of licenses, registration, certifications, permits and placing on a registry for health care professionals and implement cost-effective, efficient, consistent plan to license/certify and provide technical assistance to health care facilities.		
Outputs:		
Number of Health Care Professionals Licensed, Permitted, Certified, or Registered	98,643	98,643
Number of Complaint Investigations Conducted	1,500	1,500
Number of Facility Surveys Conducted	6,200	6,200

C.2.1. Strategy: LABORATORY	$ 18,203,225	$ 18,203,226
Operate a state-of-the-art reference laboratory to provide essential support to disease prevention and other TDH associateship programs in the isolation, identification, detection and verification of living/ nonliving agents which cause disease and disabilities.		
Outputs:		
Work Time Units Produced	16,443,000	16,443,000
C.2.2. Strategy: LABORATORY-BOND DEBT SVC	$ 3,096,000	$ 3,096,000
Reference laboratory - bond debt service		
Total, Goal C: HEALTH CARE STANDARDS	$ 36,832,620	$ 36,832,621

D. Goal: PROMOTE EQUITABLE ACCESS

Minimize disparities in health status among all population groups. Promote reduction in disease and conditions which disproportionately affect minority populations. Allocate public health resources in a rational and equitable manner. Promote equitable access to quality medical care whether through private providers, public clinics, and/or private-public cooperative ventures. Work to obtain the support and commitment of elected officials at all levels to maintain and enhance the public's health.

Outcomes:		
Number of Infant Deaths per Thousand Live Births (Infant Mortality Rate)	6	5.8
Percentage of Low Birth Weight Births	7.1%	7.1%
Number of Pregnant Females Age 13-19 per Thousand (Teen Pregnancy Rate)	71.5	70.9
Percent Reduction in the Number of Pregnancies to Teens Age 13-17 in Communities Funded for Abstinence Education Programs of Children Who Participate in Program.	0%	10%
Percent of Eligible Population Screened	80%	80%
D.1.1. Strategy: MATERNAL AND CHILD HEALTH SERVICES	$ 42,451,137	$ 42,451,137
Provide easily accessible maternal and child health services to low income women, infants, children and adolescents.		
Outputs:		
Number of Infants and Children Age 1-20 Provided Services	51,956	51,956
Number of Women Provided Services	45,846	45,846
Efficiencies:		
Average Cost per Client Visit for Regional Maternal and Child Health Services	81.36	81.36
D.1.2. Strategy: FAMILY PLANNING	$ 93,389,290	$ 93,389,292
Increase family planning services throughout Texas for teens and adult women.		
Outputs:		
Number of Women and Adolescents Receiving Family Planning Services	468,420	419,146
Efficiencies:		
Average Annual Cost per Family Planning Client	179.48	189.17

D.1.3. Strategy: MEDICALLY DEPENDENT CHILDREN WAIVER	$	16,415,402	$	16,494,627
Administer the Medically Dependent Children's Waiver Program (MDCP).				
Outputs:				
MDCP Clients Per Month		673		673
Efficiencies:				
MDCP Cost per Month		1,898.36		1,908.17
D.1.4. Strategy: SPECIAL NEEDS CHILDREN (CIDC)	$	45,872,175	$	45,872,175
Administer the Chronically Ill and Disabled Children's program/ Children with Special Health Care Needs program.				
Outputs:				
Number of Paid Hospital Days for CIDC Clients		8,600		8,600
D.1.5. Strategy: ABSTINENCE BASED EDUCATION	$	5,000,000	$	5,000,000
Outputs:				
Number of Persons Served in Abstinence Education Programs		100,000		100,000
D.2.1. Strategy: TEXAS HEALTH STEPS (EPSDT) MEDICAL	$	70,075,982	$	70,361,501
Provide access to quality preventive and comprehensive diagnostic/ treatment services for eligible clients by maximizing the use of primary prevention, early detection and management of health care in accordance with all federal mandates.				
Outputs:				
Number of EPSDT Medical Screens Performed		957,787		859,373
Number of Medical Providers		2,948		3,520
Efficiencies:				
Average Cost per Client		115.43		119.43
D.2.2. Strategy: TEXAS HEALTH STEPS (EPSDT) DENTAL	$	121,250,256	$	122,182,588
Provide dental care in accordance with all federal mandates.				
Outputs:				
Number of EPSDT Dental Treatments Performed		4,911,394		5,410,078
Efficiencies:				
Average Cost per Dental Treatment		24.63		22.52
D.3.1. Strategy: COMMUNITY HEALTH SERVICES	$	17,191,929	$	17,191,930
Develop systems of primary and preventive health care delivery to alleviate the lack of health care in underserved areas of Texas; and develop and implement program policies that are sensitive and responsive to minority populations.				
Outputs:				
Number of COPC Eligible Patients Provided a Health Care Home		140,875		140,875
D.3.2. Strategy: RURAL HEALTH CARE ACCESS	$	1,755,293	$	1,755,293
Develop programs to alleviate the lack of access to primary and preventive health care in rural areas of Texas.				

Outputs:		
Number of Primary Care Practitioners Recruited to Rural Communities	140	175
Number of Loan Reimbursements Made to Rural Physician Assistants	25	25
Efficiencies:		
Average Cost per Primary Care Practitioner Recruited	3,461	3,461
Total, Goal D: PROMOTE EQUITABLE ACCESS	$ 413,401,464	$ 414,698,543
E. Goal: COORDINATED HEALTH SYSTEM Establish a coordinated, unified statewide system of public health. Provide for effective public health policy leadership in every area of the state. Be involved with other health, human services, and environmental agencies, the private sector and the public in the development of policy and delivery of services.		
E.1.1. Strategy: VITAL STATISTICS Provide for a cost-effective, timely and secure system for recording, certifying, and disseminating information relating to births, fetal deaths, marriages, and divorces occurring in this state.	$ 3,363,475	$ 3,363,475
Outputs:		
Number of Birth/Death Records Matched	31,359	31,359
Efficiencies:		
Average Number of Days to Certify or Verify Records	10	10
E.1.2. Strategy: HEALTH DATA & POLICY Collect, analyze and distribute data concerning health trends, status, and systems as tools for decision-making and policy-setting.	$ 2,015,008	$ 2,015,008
Outputs:		
Number of Requests for Statistics Completed	4,375	4,525
E.1.3. Strategy: HEALTH CARE & OUTCOMES Collect, analyze and distribute health care data concerning charges, utilization, provider quality, and outcomes.	$ 1,253,596	$ 1,253,597
E.2.1. Strategy: COUNTY INDIGENT HEALTH Provide support activities to local governments that provide county indigent health care services.	$ 5,691,784	$ 5,691,784
Outputs:		
Counties Receiving State Matching Funds	17	17
Efficiencies:		
Average State Expenditure per County	327,498	343,873
E.2.2. Strategy: HEALTH CARE COORDINATION Provide support activities to local governments that provide county indigent health care services; develop and enhance regionalized emergency health care systems; and guide coordinated activities among the regions and local health departments.	$ 9,696,840	$ 9,696,840
Outputs:		
Number of Contractors Given Sexual Assault Funds	65	65

E.2.3. Strategy: TDH HOSPITALS	$ 23,776,531	$ 23,776,531
Provide for more than one level of care for tuberculosis, infectious diseases and chronic respiratory disease patients, provided in systematic coordination among the two hospitals, public health regions, medical schools, and private health care providers.		
Outputs:		
Number of Inpatient Days, Texas Center for Infectious Disease	31,000	31,000
Number of Inpatient Days, South Texas Hospital	21,900	21,900
Number of Outpatient Visits, Texas Center for Infectious Disease	14,000	14,000
Number of Outpatient Visits, South Texas Hospital	32,000	32,000
Efficiencies:		
Average Cost per Patient Day, Texas Center for Infectious Disease	475	475
Average Cost per Patient Day, South Texas Hospital	530	530
Average Cost per Outpatient Visit, Texas Center for Infectious Disease	100	100
Average Cost per Outpatient Visit, South Texas Hospital	37	37
Total, Goal E: COORDINATED HEALTH SYSTEM	$ 45,797,234	$ 45,797,235
F. Goal: CONTINGENCY APPROPRIATIONS		
F.1.1. Strategy: CONTINGENCY, HB 1534	$ 0	$ 117,600
Contingency Appropriation, HB 1534		
F.1.2. Strategy: CONTINGENCY, SB 291	$ 95,949	$ 78,278
Contingency Appropriation, SB 291		
F.1.3. Strategy: CONTINGENCY, SB 388	$ 0	$ 76,970
Contingency Appropriation, SB 388		
F.1.4. Strategy: CONTINGENCY, SB 407	$ 79,352	$ 61,400
Contingency Appropriation, SB 407		
F.1.5. Strategy: CONTINGENCY, SB 908	$ 304,909	$ 418,355
Contingency Appropriation, SB 908		
F.1.6. Strategy: CONTINGENCY, SB 1247	$ 489,875	$ 595,475
Contingency Appropriation, SB 1247		
F.1.7. Strategy: CONTINGENCY, SB 1284	$ 146,831	$ 144,139
Contingency Appropriation, SB 1284		
F.1.8. Strategy: CONTINGENCY, HB 2192	$ 100,000	$ 100,000
Contingency Appropriation, HB 2192		
Total, Goal F: CONTINGENCY APPROPRIATIONS	$ 1,216,916	$ 1,592,217
G. Goal: INDIRECT ADMINISTRATION		
G.1.1. Strategy: CENTRAL ADMINISTRATION	$ 14,437,335	$ 14,437,335
G.1.2. Strategy: INFORMATION RESOURCES	$ 7,434,202	$ 7,434,202
G.1.3. Strategy: OTHER SUPPORT SERVICES	$ 9,552,786	$ 9,552,786
G.1.4. Strategy: REGIONAL ADMINISTRATION	$ 9,127,552	$ 9,127,552
Total, Goal G: INDIRECT ADMINISTRATION	$ 40,551,875	$ 40,551,875
Grand Total, DEPARTMENT OF HEALTH	$ 6,336,255,407	$ 6,438,880,338

DEPARTMENT OF HEALTH
(Continued)

Method of Financing:

General Revenue Fund	$ 234,663,054	$ 237,290,822
GR Match for Medicaid	1,804,466,266	1,988,385,124
General Revenue U.B. from FY 1997	150,000,000	0
Premium Credits (State Share), estimated	35,748,000	35,748,000
Vendor Drug Rebates (State Share), estimated	50,728,711	55,461,234
Earned Federal Funds, estimated	16,981,757	16,981,757
Total, General Revenue Fund	$ 2,292,587,788	$ 2,333,866,937
General Revenue Fund - Dedicated		
Vital Statistics Account No. 019	2,403,627	2,403,627
Hospital Licensing Account No. 129	1,014,265	1,127,711
Food and Drug Fee Account No. 341	812,233	812,233
Bureau of Emergency Management Account No. 512	907,588	907,588
Department of Health Public Health Services Fee Account No. 524	3,857,284	3,857,285
Sexual Assault Program Account No. 5010	56,445	56,445
Asbestos Removal Licensure Account No. 5017	1,957,022	1,957,022
Home Health Services Account No. 5018	2,685,126	2,790,726
Workplace Chemicals List Account No. 5020	590,360	590,360
Certificate of Mammography Systems Account No. 5021	373,372	490,972
Oyster Sales Account No. 5022	134,198	134,198
Food and Drug Registration Account No. 5024	3,426,118	3,426,118
WIC Rebates Object No. 3597	126,000,000	127,000,000
Health Department Laboratory Financing Fees Object No. 3561	3,096,000	3,096,000
Crippled Children Account No. 5009	200,000	200,000
Regional Poison Control Services Account	0	76,970
Bedding Regulation Account	146,831	144,139
Total, General Revenue Fund - Dedicated	$ 147,660,469	$ 149,071,394
Federal Funds	3,861,225,878	3,921,160,735
Other Funds		
State Highway Fund No. 006	1,550,000	1,550,000
Interagency Contracts	11,117,526	11,117,526
Appropriated Receipts	194,378	194,378
State Chest Hospital Fees and Receipts	6,056,174	6,056,174
Appropriated Receipts, Medicaid Reimbursements	15,863,194	15,863,194
Total, Other Funds	$ 34,781,272	$ 34,781,272
Total, Method of Financing	$ 6,336,255,407	$ 6,438,880,338
Number of Full-time Equivalent Positions (FTE)	5,793.0	5,793.0
Schedule of Exempt Positions		
Commissioner of Health, Group 6	$148,683	$148,683
* Executive Deputy Commissioner (M.D.), Group 5	126,000	126,000
Deputy Commissioner	86,148	86,148
Associate Commissioner	(6) 82,027	(6) 82,027

LIMITATIONS ON EXPENDITURES

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Permanent Structure Housing	$ 600,000	$ 0
(2) Renovation and Repairs - TDH Chest Hospitals	$ 675,000	$ 675,000
Total, Repair or Rehabilitation of Buildings and Facilities	$ 1,275,000	$ 675,000
b. Acquisition of Information Resource Technologies		
(1) Telemedicine/Teleconferencing System	500,000	0
(2) Statewide Electronic Document Imaging	200,000	0
(3) Development of Electronic Death Registration	100,000	100,000
(4) EMS Optical Imaging System	30,000	0
(5) Family Health Services Computer Equipment	$ 50,000	$ 0
Total, Acquisition of Information Resource Technologies	$ 880,000	$ 100,000
c. Transportation Items		
(1) EMS Ambulance	75,000	0
(2) WIC Vehicles	$ 26,000	$ 27,000
Total, Transportation Items	$ 101,000	$ 27,000
d. Acquisition of Capital Equipment and Items		
(1) Laboratory Equipment	2,839,000	806,000
(2) Microfilm Camera	25,000	0
(3) Copiers	105,000	0
(4) X-Ray Equipment	85,000	35,000
(5) Laboratory Equipment for new Laboratory (MLPP)	$ 0	$ 920,000
Total, Acquisition of Capital Equipment and Items	$ 3,054,000	$ 1,761,000
Total, Capital Budget	$ 5,310,000	$ 2,563,000

Method of Financing (Capital Budget):

General Revenue Fund	$ 50,000	$ 920,000
State Highway Fund No. 006	75,000	0
General Revenue Fund - Dedicated - Bureau of Emergency Management Account No. 512	30,000	0
Federal Funds	4,280,000	968,000
State Chest Hospital Fees and Receipts	675,000	675,000
General Revenue Fund - Dedicated - Home Health Services Account No. 5018	200,000	0
Total, Method of Financing	$ 5,310,000	$ 2,563,000

2. **Limitation: Medicaid Transfer Authority**. Notwithstanding any other provision of this Act, none of the funds appropriated by this Act to the Texas Department of Health for

   (1) Medicaid Strategies in Goal B;
   (2) D.1.2. Family Planning;
   (3) D.1.3. Medically Dependent Children;
   (4) D.2.1. EPSDT Medical; and
   (5) D.2.2. EPSDT Dental

   may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated, however, transfers may be made between Medicaid Strategies in accordance with other provisions in this Act.

3. **Transfer Authority**. Subject to the limitations contained in provisions number 2, Limitation: Medicaid Transfer Authority, number 4, Management of Funds in the CIDC Program and number 5, Laboratory Project, and notwithstanding any other provision, appropriations contained in this Act to the Department of Health may be transferred from one appropriation item to another appropriation item in amounts not to exceed 25 percent for the fiscal year, upon approval by the Board of Health and upon request of the Commissioner, subject to the following reporting requirements:

   a. At least 14 days prior to a meeting of the Board of Health to consider or take action on any transfer of funds between items of appropriation notification shall be made to the Governor's Office of Budget and Planning and the Legislative Budget Board.

   b. At least 14 days prior to a meeting of the Board of Health to consider any program expansion, notification shall be made to the Governor's Office of Budget and Planning and the Legislative Budget Board. Program expansion is defined as any modification of current policy that would result in an increase in services delivered or clients served, including any increase in funds budgeted in the program.

   c. Notifications shall include information regarding the source of funds to be transferred; any changes in federal funds related to the proposed transfer; the strategy from which the transfer is to be made and the strategy to which the transfer is to be made; the need which was to be served through the original appropriation and the basis for the decrease in need; the need to be served in the strategy receiving the funds and the basis for such selection and the amounts of funds to be spent on direct client services as opposed to both general and operating support costs. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; source of funding; and impact on existing programs.

4. **Management of Funds in the CIDC Program**. Amounts appropriated above to the Department of Health in Strategy D.1.4., Special Needs Children/Chronically Ill and Disabled Children's (CIDC) Program may only be transferred to Strategy D.1.1., Maternal and Child Health Services, or Strategy B.1.4., Premiums: Children/Medically Needy. Transfers into Strategy B.1.4. may only be made if general revenue is made available by CIDC-eligible children becoming eligible for Medicaid. Any transfers pursuant to this provision are subject to prior notification to the Legislative Budget Board and the Governor's Office of Budget and Planning that such a transfer is to take place. Funds may not be transferred from D.1.4., Special Needs Children/Chronically Ill and Disabled Children's Program, if such a transfer would result in a loss of or reduction in services or a loss of or reduction of persons otherwise eligible for CIDC services. Notwithstanding any other provisions contained in this Act, no transfers shall be made out of Strategy D.1.1., Maternal and Child Health Services. Further, the department shall make expenditures from Strategy D.1.4., Special Needs Children/Chronically Ill and Disabled Children's Program, from state funds in proportion to the source of funds budgeted for the strategy. The department shall report quarterly on compliance with this provision to the Legislative Budget Board and the Governor's Office of Budget and Planning. The Comptroller of Public Accounts shall monitor compliance with these provisions and establish additional procedures, if necessary.

5. **Laboratory Project.**

   a) Proceeds generated from the sale of the revenue bonds authorized by House Bill 2022 of the Seventy-fourth Legislature for the laboratory and office facilities project for the Department of Health are hereby appropriated to the Texas Department of Health, in an aggregate amount not to exceed $42.3 million, for the purposes specified in that Act.

   b) Funds appropriated pursuant to this section may be transferred to the General Services Commission for project planning and construction.

   c) All receipts generated by the Texas Department of Health from laboratory fees and related earned federal funds are hereby appropriated to the Texas Department of Health for transfer to the Texas Public Finance Authority for the payment of debt services on the project revenue bonds.

   d) Appropriations made out of the General Revenue Fund to the Texas Department of Health in Goal G, Indirect Administration, may be transferred for bond debt service payments only if laboratory fees and earned federal funds generated by the laboratory are insufficient to support the bond debt service, subject to prior approval of the Governor's Office of Budget and Planning and the Legislative Budget Board. No funds appropriated to the Department of Health by this Act may be transferred into Goal G, Indirect Administration.

6. **Appropriations Limited to Revenue Collections**. It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made for the programs listed in the table below, as well as the "other direct and indirect costs" associated with these programs, appropriated elsewhere in this Act. "Other direct and indirect costs" for these programs are estimated to be $5,713,928 for fiscal year 1998 and $5,712,719 for fiscal year 1999. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available. This rider shall apply to revenues generated in the following strategies and deposited under the following revenue codes or account numbers:

Strategy	**Revenue Code or Account**
B.1.2. Food (Meat) and Drug Safety	341 Food & Drug Retail Fee
	5022 Oyster Sales
	5024 Food & Drug Registration
	Fees deposited into 001 to support Food (Meat) and Drug Safety, including fees deposited under the following revenue codes: 3123 (Glue and Paint Sales Permit); 3142 (Food Service Worker Training); 3180 (Health Regulation Fees for Tattoo Parlors, Tanning Facility Fees, and Narcotic Treatment Fees); 3400 (Business Fees-Agriculture, for Renderers Licenses and Milk Industry Products); 3414 (Agriculture Inspection Fees, for Meat Inspection); 3554 (Food and Drug Fees, for Medical Device Wholesalers, Food Drug and Cosmetic Sales, and Frozen Desserts);
B.1.3. Environmental Health	5017 Asbestos Removal Licensure
	5020 Workplace Chemical List
	5021 Certificate of Mammography Systems
	Fees deposited into 001 to support B.1.3. Environmental Health, including fees deposited under the following revenue codes: 3140 (Bedding Tax); 3141 (Bedding Permit Fees); 3175 (Professional Fees, for Code Enforcement Officers); 3555 (Hazardous Substance Manufacture); 3562 (Health Related Professions Fees, for Sanitarian Registration); 3573 (Health Licenses for Camps, for Migrant Camps and Youth Camps); and 3589 (Radioactive Materials/Equipment Registration).
C.1.1. Health Care Standards	129 Hospital Licensing
	512 Emergency Management
	5018 Home Health Services

Strategy	Revenue Code or Account
	Fees deposited into 001, Revenue Codes: 3175 (Professional Fees, for Health Services Providers, Athletic Trainers); 3180 (Health Regulation Fees, for Special Care Facilities and Health Maintenance Organizations); 3557 (Health Care Facilities Fees, for Abortion Clinics, Nursing Facility Administrators, Ambulatory Surgical Centers, Birthing Centers); 3560 (Medical Examination and Registration, for Perfusionists, Medical Radiologic Technicians); 3562 (Health Related Profession Fees, for Medical Physicists, Hearing Aid Dispensers, Marriage and Family Therapists, Massage Therapists, Respiratory Care Practitioners, Professional Counselors, Dispensing Opticians, Speech Pathologists, Dieticians); and 3616 (Social Worker Regulation).
E.1.1 Vital Statistics	019 Vital Statistics

7. **Vendor Drug Rebates**. The Department of Health is authorized to expend Medicaid rebate revenues pursuant to the federal requirements of the Omnibus Budget and Reconciliation Act of 1990. Expenditures shall be made from rebates anticipated in fiscal years 1998 and 1999. As rebates are generated, expenditures shall be made from rebate revenues as a first source and general revenue as a second source to support the Vendor Drug Program. Once the Department of Health has generated and expended the amounts identified in the method of finance as Vendor Drug Rebates above for each fiscal year, the department is appropriated and authorized to expend additional amounts generated, subject to the following requirements:

   a. Amounts available shall be expended prior to utilization of any general revenue available for the same purposes;

   b. In the event general revenue has been expended prior to the receipt of vendor drug rebates, the department shall reimburse general revenue through the cost allocation process authorized in Article IX of this Act. This process shall be completed on a monthly basis in order maintain a minimum monthly balance on hand from the vendor drug rebate program; and

   c. The department shall report monthly to the Legislative Budget Board, the Governor's Office of Budget and Planning, and the Comptroller's Office on vendor drug receipts, expenditures, and anticipated revenues and balances.

8. **Medicaid and Other Reporting Requirements.**

   a. None of the funds appropriated by this Act to the Texas Department of Health may be expended or distributed by the department unless:

(1) the department submits to the Legislative Budget Board and the Office of the Governor a copy of each report submitted to the federal government relating to the Medicaid program, the Maternal and Child Health Block Grant (Title V of the Social Security Act), and the WIC program (Child Nutrition Act of 1966, as amended). This shall include, but is not limited to:

i. expenditure data;
ii. caseload data;
iii. premium credit, rebates or refunds;
iv. interest earnings;
v. WIC and Vendor Drug rebates;
vi. State plan amendments;
vii. State plan waivers.

Such reports shall be submitted to the Legislative Budget Board and the Office of the Governor no later than the date the respective report is submitted to the federal government, and

(2) the department submits to the Legislative Budget Board and Office of the Governor at the end of each month: i.) a report detailing the Medicaid and Medicare caseload figures and related expenditure amounts for the preceding month; ii.) a report projecting the anticipated Medicaid and Medicare caseloads for the 36 months period beginning with first month after the report is due; and iii.) a report detailing the CIDC caseload figures and related expenditure amounts for the preceding month.

b. Each report submitted to the Legislative Budget Board and the Office of the Governor pursuant to this provision must be accompanied by supporting documentation detailing the sources and methodologies utilized to develop any caseload or cost projections contained in each respective report and any other supporting materials as specified by the Legislative Budget Board and the Office of the Governor.

c. Each report submitted pursuant to this provision must contain a certification by the person submitting the report, that the information provided is true and correct based upon information and belief together with supporting documentation.

d. The Comptroller of Public Accounts shall not allow the expenditure of funds appropriated by this Act to the Texas Department of Health if the Legislative Budget Board and the Office of the Governor certifies to the Comptroller of Public Accounts that the Department of Health is not in compliance with this provision.

9. **Earned Federal Funds**. The authority to receive and expend earned federal fund balances in excess of those appropriated above is subject to the following limitations:

a. At least 14 days prior to any expenditure of any earned federal funds, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor's Office of Budget and Planning, and Health and Human Services Commission. At least 14 days prior to any meeting of the Board of Health to consider a budget adjustment of any use of earned federal funds above levels indicated in the appropriation above or to consider any program expansion, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor's Office of Budget and Planning, and Health and Human Services Commission.

b. Notifications shall include information regarding the need which will be served with the additional revenue. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; and impact on existing programs.

c. The report shall include the information detailed in "b" and identify the impact on established performance targets, measures, and full-time equivalents positions.

10. **Use of Additional Premium Credits**. The Department of Health is authorized to receive and spend premium credits and interest earnings generated from fund balances with the Risk Stabilization Reserve as defined in the contractual agreement with the fiscal agent and/or insurance carrier for purchased health services except for those interest earnings related to the Cash Management Improvement Act (CMIA). The department is also authorized to receive and spend experience rebates generated in accordance with its contractual agreements with health maintenance organizations who participate in Medicaid managed care. Expenditures shall be made from credits, managed care rebates, and interest earnings received in 1998 and 1999. The use of the credits, managed care rebates, and interest earnings is limited to funding services for Medicaid clients. Premium credits shall be expended as they are received as a first source, and general revenue shall be used as a second source, to support the Medicaid program. In the event that these revenues should be greater than the amounts identified in the method of finance above as Premium Credits, the department is hereby appropriated and authorized to expend these state funds thereby made available, subject to the following requirements:

a. Amounts available shall be expended prior to utilization of any general revenue available for the same purposes;

b. In the event general revenue has been expended prior to the receipt of premium credits, the department shall reimburse general revenue through the cost allocation process authorized in Article IX of this Act. This process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess premium credits; and

c. The department shall report monthly to the Legislative Budget Board, the Governor's Office of Budget and Planning, and the Comptroller's Office on premium credit receipts, expenditures, and anticipated revenues and balances.

11. **WIC Electronic Benefits Transfer**. Not later than January 31, 1998, the Texas Department of Health shall make a report with recommendations to the Legislative Budget Board on the cost, benefit, and feasibility of a statewide WIC EBT system. The department shall develop this report in cooperation with the Department of Information Resources and the Office of the State Comptroller. No capital funds appropriated in this Act can be expended on a WIC EBT system without the specific authorization of the Legislative Budget Board.

12. **Funding for Abstinence-Based Sexual Education**. Funds appropriated above in Strategy D.1.5., Abstinence Based Education, are appropriated contingent upon certification by the Comptroller that federal funds are available for this purpose and upon certification by the Texas Department of Health to the Comptroller that if additional matching funds are required by the federal government, local funds would be available to serve as match for the federal funds.

It is the intent of the Legislature that funds appropriated in Strategy D.1.5., Abstinence Based Education, be utilized for the purpose of developing and implementing abstinence-based sexual education programs to reduce the need for future family planning services for unwed minors. Abstinence-based education means materials and instruction which:

a. present abstinence from sexual activity as the preferred choice of behavior for unmarried persons and;

b. emphasize that abstinence from sexual activity, used consistently and correctly, is the only method that is 100 percent effective in preventing pregnancy, sexually transmitted disease, and infection with human immunodeficiency virus or acquired immune deficiency syndrome.

13. **Prohibition on Abortions.** It is the intent of the Legislature that no state funds appropriated under Strategy D.1.2. may be used to pay the direct or indirect costs of abortion procedures provided by contractors of the Department. The Department shall include in its audit a review of the use of state funds to ensure compliance with this section.

14. **Family Planning.** Of funds appropriated under Strategy D.1.2., Family Planning, no state funds may be used to dispense prescription drugs to minors without parental consent.

BUDGET POLICY AND APPROPRIATION MANAGEMENT

15. **Authorization to Receive, Administer, and Disburse Federal Funds**. The appropriations made herein may be used to match federal funds granted to the state for the payment of personal services and other necessary expenses in connection with the administration and operation of a state program of health services. Notwithstanding the General Provisions of this Act, the Texas Board of Health is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state and retain their character as federal funds for such purposes, and to receive, administer, and disburse federal funds for federal regional programs in accordance with plans agreed upon by the Department of Health and the responsible federal agency, and such other activities as come under the authority of the Texas Board of Health, and such moneys are hereby appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned federal funds are not considered to be federal funds for the purpose of this section.

16. **Medical Assistance Payments and Unexpended Balances**. Funds for Medical Assistance payments appropriated hereinabove out of the General Revenue Fund for Medicaid services shall be payable in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 1998 to fiscal year 1999, and such funds are reappropriated to the department for the 1998-99 biennium.

17. **Risk Stabilization Reserve**. Upon termination of a contract with the fiscal agent or insurance carrier for purchased health insurance, the state's share of the unexpended balance in the risk stabilization reserve shall be deposited into the General Revenue Fund and such funds are not reappropriated to the Department of Health.

18. **Transfers for Funds Consolidation.** For the purpose of funds consolidation and Medicaid payments, federal funds may be transferred into the General Revenue Fund from Department of Health Account 0273. The initial deposit of Medicaid federal funds shall be made into Account 0273 but no direct expenditures for the Medicaid program shall be made from this account.

    Laboratory fees from the Early and Periodic Screening, Diagnosis, and Treatment fee in excess of 1994 levels deposited into Account 0273 may be transferred into Account 0524 for the purpose of financing the Texas Department of Health laboratory facility.

19. **Accounting of Support Costs**. The Comptroller of Public Accounts shall establish separate accounts from which certain support costs shall be paid. The Department of Health is hereby authorized to make transfers into these separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include but are not limited to: postage, occupancy costs,

equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs and salary and travel costs of staff whose function supports several programs. The department shall be responsible for monthly allocations of these costs to the original strategies.

20. **WIC (Special Supplemental Program for Women, Infants, and Children) Rebates**. The Department of Health is authorized to receive and expend WIC rebates and interest earnings associated with WIC rebates and such funds are appropriated to the Department of Health. The department shall only expend WIC rebates and interest earnings for the purposes of the WIC program.

BUDGET POLICY AND APPROPRIATION MANAGEMENT, HOSPITAL RELATED

21. **Payment of Hospital Providers**. At the hospital's option, all payments from funds appropriated for acute care services made to hospitals with 100 or fewer licensed beds may be reimbursed under a cost-reimbursement methodology authorized by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), using the most current available cost figures. Hospitals reimbursed under TEFRA cost principles shall be paid without the imposition of the TEFRA cap.

    At initial cost settlement of the hospital's fiscal year, the Department of Health shall determine the amount of reimbursement the hospital would have been paid under TEFRA cost principles, and if the amount of reimbursement under the TEFRA principles is greater than the amount of reimbursement received by the hospital under the prospective payment system, the Department of Health shall reimburse the hospital the difference.

22. **Payments to Rural Hospitals Under Medicaid Managed Care.** All payments from funds appropriated for acute care services made to rural hospitals with 100 or fewer licensed beds in counties with fewer than 50,000 persons that are in a Medicaid managed care program must be reimbursed at a rate calculated using the higher of the prospective payment system rate or cost-reimbursement methodology authorized under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Hospitals reimbursed under TEFRA cost principles shall be paid without the imposition of the TEFRA cap. Under a full-risk managed care pilot project, the participating managed care organizations shall reimburse the hospitals. This section applies only to a managed care contract that is entered into or renewed on or after September 1, 1997.

23. **Payments to Rural Physicians Under Medicaid Managed Care.** All payments made to physicians who practice in rural counties with fewer than 50,000 persons and who participate in a Medicaid managed care program must be reimbursed at the Medicaid fee schedule, or in the case of a full-risk managed care model, at a rate using the current Medicaid fee schedule, including negotiated fee for service. Under a primary care case management system model, primary care physicians also shall be paid a monthly case management fee. This section applies only to a managed care contract that is entered into or renewed on or after September 1, 1997.

24. **Disposition of Appropriation Transfers from State-Owned Hospitals**. The Department of Health shall use the sums transferred from state owned hospitals as provided elsewhere in the Act as necessary to apply for appropriate matching federal funds and to provide the state's share of disproportionate share payments due to state owned hospitals. Any amounts of such transferred funds not required for disproportionate share payments shall be deposited by the Department of Health to the General Revenue Fund as unappropriated revenue. At the beginning of each fiscal year, the Department of Health shall present a schedule of projected transfers and payments to the Comptroller of Public Accounts, the Governor, and the Legislative Budget Board for their approval. Subsequent to approval of the projected schedule, the Comptroller of Public Accounts shall approve all payments and transfers.

25. **Transfers of Appropriations—State-Owned Hospitals**. The State Chest Hospitals shall transfer from non-Medicaid state appropriated funds $22,838,050 in fiscal year 1998 and $22,750,458 in fiscal year 1999 to the Department of Health. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Department of Health. The Governor and the Legislative Budget Board are authorized to adjust the amounts of such transfers as necessary to match available federal funds.

26. **Disproportionate Share Hospital Eligibility**. A hospital that provides health care to indigents pursuant to an agreement or contract with a state agency or department, at no cost to the state, may be eligible as a disproportionate share hospital under Chapter 61, Health and Safety Code, and the Texas Medicaid program. Such hospital's total expenditures for indigent health care, according to such agreement or contract, may be credited as local revenue to be used to determine disproportionate share eligibility.

27. **State Chest Hospital Provisions**. The State Chest Hospitals operated by the Department of Health are the South Texas Hospital and the Texas Center for Infectious Disease. The provisions applying to the State Chest Hospitals are as follows:

    a. In addition to salary, the Hospital Directors of the State Chest Hospitals are authorized a house, utilities, and supplement from the department's Medical Services Trust Fund.

    b. The professional liability insurance premiums may be paid for physicians employed by the State Chest Hospitals out of the appropriations from the fees for physician services.

    c. It is the intent of the Legislature that the Department of Health develop interagency agreements with the Texas Department of Mental Health and Mental Retardation (TDMHMR) so that medical and surgical services, auxiliary services, pharmacy and laboratory services and other support services of TDMHMR facilities are provided to the extent possible by the two State Chest Hospitals. The Texas Center for Infectious Disease shall provide utilities and inpatient treatment and care services to the San Antonio State Hospital and the San Antonio State School without reimbursement.

    d. Out of the funds appropriated above the South Texas Hospital shall support medical education through the South Texas Family Practice Residency Program-McAllen with the cooperation of the University of Texas Health Science Center at San Antonio.

    e. Third party collections (appropriated receipts) collected by the Department of Health Chest Hospitals are hereby appropriated to E.2.3. TDH Hospitals for the provision of services.

    f. It is expressly provided that the State Chest Hospitals, to the extent permitted by law, may pay FLSA exempt and FLSA non-exempt employees on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions.

EXPENDITURES SPECIFICALLY AUTHORIZED

28. **Immunization of Employees**. Moneys appropriated above may be expended for any immunization which is required of employees at risk in the performance of their duties.

29. **EMS Grants**. Funds appropriated above include $3,100,000 for the biennium from the State Highway Fund 006 which are appropriated to the Department of Health to improve emergency medical services through grants to local emergency medical services providers and related activities. Criteria used to select grant recipients shall include factors designed to maximize the degree to which the recipients represent all geographic areas of the state.

30. **Professional Liability Insurance Premiums**. From the appropriations made above, the department may also pay the professional liability premiums for those physicians, dentists, hygienists, nurses, and other medical personnel involved in providing medical and dental care in the department's clinical operations.

31. **Reimbursement of Advisory Committee Members**. Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees: Family Planning Advisory Council, State Preventive Health Advisory Committee, Oral Health Advisory Committee, and the Texas Radiation Board Committee.

ADDITIONAL APPROPRIATION AUTHORITY

32. **Appropriation of Radiation and Perpetual Care Security Trust Account**. Any revenue collected and deposited in the Radiation and Perpetual Care Security Trust Account during this biennium or any biennium is hereby appropriated beginning with the effective date of this Act.

33. **Appropriation of Receipts: Civil Monetary Damages and Penalties**. Out of funds appropriated above related to civil monetary damages and penalties under Health and Safety Code Section 431.047, there are appropriated to the department amounts equal to the costs of the investigation and collection proceedings conducted under that section, and any amounts collected as reimbursement for claims paid by the department.

34. **Outstanding Rural Scholar Appropriations**. Out of funds appropriated above, community financial support received by the Department of Health and deposited into the General Revenue Fund during this biennium or any previous biennium is hereby appropriated to the department with the effective date of this Act for the purposes specified in Health and Safety Code Section 106. In the event that these revenues should be less than $500,000 in the 1998-99 biennium, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to the available.

35. **Contingent Revenue, Health Care Standards**. Of the amounts appropriated above in Strategy C.1.1., the amount of $594,348 for 1998 and $594,348 for 1999 is contingent on the Texas Department of Health assessing fees sufficient to generate, during the biennium, $1,415,762 in excess of the estimate for account 5018, contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998 and 1999. The Texas Department of Health, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas Board of Health minutes and other information supporting the estimated revenues to be generated for the 1998-99 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

36. **Unexpended Balances - Prevention and Promotion**. Subject to the approval of the Board of Health, all unexpended balances not otherwise restricted from appropriations to Goal A: Prevention and Promotion, at the close of the fiscal year ending August 31, 1998, are hereby appropriated for the fiscal year beginning September 1, 1998.

37. **Appropriation of FY 1997 Unexpended Balances**. Any unexpended and unobligated balances remaining as of August 31, 1997, in the appropriations made to the Texas Department of Health for Fiscal Year 1997 by House Bill 1, Seventh-fourth Legislature, Regular Session, are hereby reappropriated, in an amount not to exceed $150,000,000, to the Texas Department of Health for the biennium beginning September 1, 1997. The appropriation made by this provision is included in the method of financing above and identified as "General Revenue U.B. from FY 1997."

38. **Contingent Appropriation: Drug Reimbursement for Certain Health Care Programs.** The Texas Department of Health is hereby appropriated $862,000 is fiscal year 1998 and $177,137 in fiscal year 1999 contingent upon the Department generating additional revenues of $2,357,137 for the biennium through the consolidation of the drug claims processing, program monitoring procedures, pharmacy network and reimbursement rates of the Kidney Health Care (KHC) program and the Chronically Ill and Disabled Children's (CIDC) program with the Vendor Drug Program. In addition, the Department shall pursue the establishment of a drug manufacturer rebate program for the KHC and CIDC programs. Notwithstanding other limitations on capital budget expenditures contained in this Act, funds appropriated above may be expended for capital budget purchases. Upon the consolidation of the drug claims functions, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby decreased by 4.5 in fiscal year 1999.

OTHER PROVISIONS

39. **Genetic Counseling Service**. The Department of Health is authorized to charge for genetic counseling services at a rate not to exceed the actual cost of providing such services. The department shall develop a fee structure to allow full recovery of cost to the maximum extent possible. However the fee structure shall be based on ability to pay in order to insure that indigent individuals are not denied services. The proceeds from such charges shall be retained and used by the department for the continued provision of such preventative services.

40. **Cost-Recovery Through Fee Revenue**. The Board of Health shall review all of the fee schedules within its authority on an annual basis. It is the intent of the Legislature that fees be set to recover the cost of providing services to the extent feasible. The Department of Health shall provide a copy of the report summarizing this review to the Legislative Budget Board and Governor's Office of Budget and Planning no later than October 31 of each year in the biennium.

41. **HIV Grants**. In the process of determining recipients of HIV grants, the department must establish a procedure for scoring and evaluating grant applications. The procedure must have clear and consistent guidelines and use quantitative and qualitative evaluation tools that are explicitly stated to applicants prior to the beginning of the grant cycle. The procedure that is initially developed may not be altered throughout the same grant cycle. In the event of a tie in the scoring and evaluating of grant applications, the grant will be awarded to the public health entity.

42. **Childhood Lead Registry.** Out of funds appropriated above in Strategy A.3.3., Preventable Diseases, a total of $80,700 in total funds and $65,000 in general revenue funds each fiscal year of the 1998-99 biennium shall be used for the Childhood Lead Registry.

43. **Performance of Licensing Entities**. The Department of Health shall provide performance information to the Legislative Budget Board and the Governor's Office of Budget and Planning no later than December 1 of each year for each board or other entity that licenses, certifies, or registers health professionals attached to or within the purview of the Department of Health. For each board or other entity, the department shall provide the following for the previous fiscal year:

    - Number of Professionals Licensed/Certified/Placed on a Registry;
    - Number of New License/Certificate Applications Received;
    - Total Number of Complaints Received;
    - Total Number of Jurisdictional Complaints Resolved; and
    - Total Number and Type of Disciplinary Actions Taken.

44. **Long-Range Plan for TDH Hospitals**. The Department of Health shall develop a long-range plan for addressing inpatient and outpatient needs currently provided by the TDH hospitals. The

plan should address the following: a cost benefit analysis of the use of the facilities as inpatient and outpatient sites, including an evaluation of whether options other than maintaining the hospitals should be pursued; identify services currently provided at the hospitals, including numbers of persons served and the need for these services; and evaluate service needs that should be addressed by the tuberculosis clinic services Medicaid state plan amendment. A copy of this plan shall be submitted to the Governor's Office of Budget and Planning and to the Legislative Budget Board no later than June 1, 1998.

45. **Performance Reporting for TDH Hospitals**. The Department of Health shall submit to the Legislative Budget Board and to the Governor's Office of Budget and Planning the following information on a quarterly basis regarding hospital performance: revenue collections at the hospitals, by payor type; number of inpatient patients served on a monthly basis, by type of service provided; and number of outpatient patients served on a monthly basis, by type of service provided.

46. **Notification of Regional Funds Distribution.** The Department of Health shall notify the Legislative Budget Board and the Governor's Office of Budget and Planning of the allocation methodology or formula used to allocate funds and provide an impact analysis of any changes from the previous year's formula or percentage allocations, by public health region, at least 30 days prior to allocations made out of funds appropriated above in Strategy D.1.1., Maternal and Child Health.

47. **WIC Program Operations.** The Department of Health shall develop reimbursement contracts, with local agencies, to provide incentives to clinics that increase participation in the Special Supplemental Nutrition Program for Women, Infants, and Children. The contracts must also require that: i) at least 20 percent of clinic operations are outside of the traditional work day with emphasis on Saturday service, or in the event that Senate Bill 938, Seventy-fifth Legislature, is enacted into law, services be provided during extended hours, as defined by the Department of Health; ii) local clinics are encouraged to issue three months of food vouchers per visit to mothers of children between ages one and five; and iii) that co-location with the Department of Human Services Food Stamp, Medicaid, and Temporary Assistance to Needy Families eligibility staff be achieved where possible if the co-location would support and promote extended hours of operation. The Department of Health shall cooperate with the Department of Human Services to identify current recipients of Food Stamps and Temporary Assistance to Needy Families benefits and target those persons for program expansion efforts. The Department of Health shall provide a progress report on these items to the Legislative Budget Board and the Governor's Office of Budget and Planning no later than September 1, 1998.

48. **Contract Improvements.** The Department of Health should report to the Legislative Budget Board and the Governor's Office of Budget and Planning on progress made toward contract improvements in the Chronically Ill and Disabled Children's Services Program no later than December 1, 1997. The report should evaluate the feasibility of contracting for all claims processing and other services for greater efficiency in the program, and it should summarize measures taken to ensure that contract provisions include maximum efficiencies.

49. **Transfer for Health Professions Council.** Out of funds appropriated above in Strategy C.1.1., Health Care Standards, an amount equal to $10,896 each year (1998 and 1999) shall be used for transfer to, and expenditure by, the Health Professions Council as the pro-rated assessment of the Health Licensing Division of the Department of Health.

50. **Pediatric Emergency Services System.** Out of funds appropriated above, in Strategy E.2.2., Health Care Coordination, an amount not to exceed $50,000 in fiscal year 1998 and $50,000 in fiscal year 1999 shall be allocated to implement a pediatric Emergency Services System. This system shall include the development of: 1) guidelines for categorization of a facility's pediatric capability; 2) triage, transfer and transportation policies; 3) guidelines for pre-hospital

management and pre-hospital and hospital equipment standards; and 4) guidelines for pediatric emergency equipment and training in long-term care facilities. Guidelines developed under this section shall be promulgated no later than January 1, 1999.

51. **Graduate Medical Education Payments.** In order to maintain Medicaid graduate medical education funding to teaching hospitals or hospital-affiliated clinics, the Department of Health shall enter into a memorandum of understanding with the Commissioner of the Health and Human Services Commission to separate all identified inpatient graduate medical education funds from the Medicaid reimbursement formulas and make separate and direct payments to hospitals or hospital-affiliated clinics that have accredited graduate medical education training programs or which have affiliation agreements with accredited graduate medical education training programs. The payments shall reimburse each hospital or hospital-affiliated clinic's expenditure on graduate medical education, taking into consideration Medicaid volume and number of filled positions in accredited medical residency programs.

52. **Donations, Vendor Drug Program.** Contingent upon the establishment of a fund of private donations and certifications of indigent dollars by private corporations and public entities expended on Medicaid eligible populations, the Texas Department of Health shall seek any necessary Medicaid waiver or state plan amendment to maximize federal matching dollars for the Texas Medicaid Vendor Drug Program.

53. **End Stage Renal Disease Program.** The Texas Department of Health, Health Facility Licensing Division shall establish a task force by September 1, 1997, to review the implementation of the end stage renal disease (ESRD) facility licensing rules in order to identify problems and recommend rule changes. The task force shall review survey outcomes and costs associated with administering the ESRD licensing program and clarify the function of a licensed vocational nurse in an ESRD facility. The task force shall not exceed 12 members and shall include representatives from ESRD patient population, the ESRD Network of Texas, Inc., the health professionals involved in the provision of ESRD services, for-profit, not-for-profit, independent, chain-operated, and hospital-based ESRD facilities, and the department.

54. **HIV Medications Pilot Program.** It is the intent of the Legislature that the Department of Health develop a pilot program to expend donated funds in Strategy A.3.1., Sexually Transmitted Diseases (HIV), for new HIV medications and coinsurance payments for HIV positive persons.

55. **Healthy Kids Pilot Project.** Out of the funds appropriated above it is the intent of the Legislature that the Department of Health spend $150,000 each year of the biennium to continue the Healthy Kids Pilot Project in Laredo. The data from this project shall be used to help assist in the implementation of House Bill 3.

56. **Increase Immunization.** The Department of Health (TDH) shall report to the Legislature during each biennium on current and future plans to increase immunization of Texans.

57. **Medicaid Support and Information Services.** Out of the funds appropriated above in Goal B: Medicaid Services, $500,000 for fiscal year 1998 and $500,000 for fiscal year 1999 is allocated for the purpose of implementing the support and information services for Medicaid recipients enrolled in managed care plans as authorized under Section 531.021, Texas Government Code. It is the intent of the Legislature that, under the authority of the Commissioner of Health and Human Services, the Department of Health shall implement this service.

58. **Osteoporosis Education Program.** Out of funds appropriated above in Strategy A.3.3., Preventable Diseases, $250,000 in each fiscal year of the biennium shall be used to implement a program to educate the public regarding the causes and detection of, and treatment for, osteoporosis. At least 50 percent of the operating budget shall be dedicated for public service announcements and other means of public communication.

59. **Non-emergency Ambulance Transportation and Durable Medical Equipment.** It is the intent of the Legislature that this rider implement the savings in *Disturbing the Peace: The Challenge of Change in Texas Government* recommendation FR 2. By October 1, 1997 the Texas Department of Health shall implement a state Medicaid Plan amendment permitting the use of a prime vendor in the purchase of durable medical equipment and supplies for Medicaid recipients. By October 1, 1997 the Texas Department of Health shall adopt a rule requiring prior authorization of Medicaid funded non-emergency ambulance transportation and durable medical equipment. The general revenue appropriations made above to the Texas Department of Health out of the General Revenue Fund are hereby reduced by $1,871,769 for fiscal year 1998 and $1,889,691 for fiscal year 1999.

60. **Rabies Control.** Out of amounts appropriated above, $2.5 million is appropriated in fiscal year 1999 to Strategy A.3.3., Preventable Diseases, for rabies control.

61. **Adjustment to Exempt Position.** If the Deputy Commissioner position contained in the schedule of exempt positions is required to be filled by a medical doctor, the not-to-exceed salary level for this position is to be $116,145.

CONTINGENCY APPROPRIATIONS

62. **Contingency for House Bill 1534.** The appropriation of funds made above in item F.1.1., Contingency Appropriation, House Bill 1534, is hereby made contingent upon the enactment of House Bill 1534, or similar legislation relating to the certification of mammography systems, by the Seventy-fifth Legislature, Regular Session. Funds appropriated in that item may be transferred to other appropriate strategies for the purpose of implementing House Bill 1534. In no event shall the amount expended out of, or transferred from, item F.1.1., Contingency Appropriation, House Bill 1534, exceed the amount of additional revenues generated pursuant to House Bill 1534.

63. **Contingency for Senate Bill 291.** The appropriation of funds made above in item F.1.2., Contingency Appropriation, Senate Bill 291, is hereby made contingent upon the enactment of Senate Bill 291, or similar legislation relating to the regulation of orthotists and prosthetists, by the Seventy-fifth Legislature, Regular Session. Funds appropriated in that item may be transferred to other appropriate strategies for the purpose of implementing Senate Bill 291. In no event shall the amount expended out of, or transferred from, item F.1.2., Contingency Appropriation, Senate Bill 291, exceed the amount of additional revenues generated pursuant to Senate Bill 291.

64. **Contingency for Senate Bill 388.** The appropriation of funds made above in item F.1.3., Contingency Appropriation, Senate Bill 388, is hereby made contingent upon the enactment of Senate Bill 388, or similar legislation relating to the provision of Texas Poison Control Center Network services to other jurisdictions, by the Seventy-fifth Legislature, Regular Session. Funds appropriated in that item may be transferred to other appropriate strategies for the purpose of implementing Senate Bill 388. In no event shall the amount expended out of, or transferred from, item F.1.3., Contingency Appropriation, Senate Bill 388, exceed the amount of additional revenues generated pursuant to Senate Bill 388.

65. **Contingency for Senate Bill 407.** The appropriation of funds made above in item F.1.4., Contingency Appropriation, Senate Bill 407, is hereby made contingent upon the enactment of Senate Bill 407, or similar legislation relating to the minimum standards, records, suspension, or revocation of a license and administrative penalties for abortion facilities, by the Seventy-fifth Legislature, Regular Session. Funds appropriated in that item may be transferred to other appropriate strategies for the purpose of implementing Senate Bill 407. In no event shall the amount expended out of, or transferred from, item F.1.4., Contingency Appropriation, Senate Bill 407, exceed the amount of additional revenues generated pursuant to Senate Bill 407.

66. **Contingency for Senate Bill 908.** The appropriation of funds made above in item F.1.5., Contingency Appropriation, Senate Bill 908, is hereby made contingent upon the enactment of Senate Bill 908, or similar legislation relating to the licensure and inspection of certain hospitals, by the Seventy-fifth Legislature, Regular Session. Funds appropriated in that item may be transferred to other appropriate strategies for the purpose of implementing Senate Bill 908. In no event shall the amount expended out of, or transferred from, item F.1.5., Contingency Appropriation, Senate Bill 908, exceed the amount of additional revenues generated pursuant to Senate Bill 908.

67. **Contingency for Senate Bill 1247.** The appropriation of funds made above in item F.1.6., Contingency Appropriation, Senate Bill 1247, is hereby made contingent upon the enactment of Senate Bill 1247, or similar legislation relating to the regulation of a home and community support services agency, by the Seventy-fifth Legislature, Regular Session. Funds appropriated in that item may be transferred to other appropriate strategies for the purpose of implementing Senate Bill 1247. In no event shall the amount expended out of, or transferred from, item F.1.6., Contingency Appropriation, Senate Bill 1247, exceed the amount of additional revenues generated pursuant to Senate Bill 1247.

68. **Contingency for Senate Bill 1284.** The appropriation of funds made above in item F.1.7., Contingency Appropriation, Senate Bill 1284, is hereby made contingent upon the enactment of Senate Bill 1284, or similar legislation relating to the regulation of new or renovated bedding, by the Seventy-fifth Legislature, Regular Session. Funds appropriated in that item may be transferred to other appropriate strategies for the purpose of implementing Senate Bill 1284. In no event shall the amount expended out of, or transferred from, item F.1.7., Contingency Appropriation, Senate Bill 1284, exceed the amount of additional revenues generated pursuant to Senate Bill 1284.

69. **Contingency for Senate Bill 1857.** Contingent upon the enactment of Senate Bill 1857, or similar legislation relating to the transfer of certain responsibilities of the Texas Natural Resource Conservation Commission related to certain radioactive materials to the Texas Department of Health, all appropriations for the biennium that begins September 1, 1997, made to the Texas Natural Resource Conservation Commission (TNRCC) and related to the following are transferred to the Department of Health: for activities relating to licensing and regulation of radioactive source material recovery and processing, including recovery, processing, or disposal of by-product material, or the long-term care of decommissioned sites for the disposal of by-product material, and the unexpended and unobligated balance of the appropriations to the TNRCC for the biennium beginning September 1, 1995, for activities described above. Appropriations to be transferred for the 1998-99 biennium are estimated to be $287,786 in 1998 and $287,786 in 1999. The full-time equivalents projected to be transferred are 5.5 in 1998 and 1999.

    Also contingent upon the enactment of Senate Bill 1857, full-time equivalent positions, equipment, information, documents, facilities, and other property relating to the provisions of Senate Bill 1857 are transferred from the Texas Natural Resource Conservation Commission to the Department of Health.

70. **Contingency for House Bill 2192.** The appropriation of funds made above in item F.1.8., Contingency Appropriation, House Bill 2192, is hereby made contingent upon the enactment of House Bill 2192, or similar legislation relating to establishing a Health Service Corps Program for Medically Underserved Areas, by the Seventy-fifth Legislature, Regular Session. Funds appropriated in that item may be transferred to other appropriate strategies for the purpose of implementing House Bill 2192.

71. **Contingency Appropriation: House Bill 1759 or House Bill 1144.** Contingent upon the enactment of House Bill 1759 or House Bill 1144 or similar legislation relating to the public health pesticide use and application program, there is hereby appropriated $108,015 for fiscal

year 1998 and $149,046 for fiscal year 1999 out of the General Revenue Fund for the purpose of implementing this Act. In no event shall the amount expended out of, or transferred from, appropriations identified by this provision exceed the amount of additional revenues generated pursuant to House Bill 1759 or House Bill 1144.

† 72. **Contingency for Senate Bill 1857 (SB1898).** Contingent on the enactment of Senate Bill 1857 or similar legislation by the 75th Legislature, Regular Session, 1997, relating to the transfer of certain responsibilities of the Texas Natural Resource Conservation Commission related to certain radioactive materials to the Texas Department of Health, the Texas Department of Health is appropriated, out of additional revenues collected under Senate Bill 1857, the amounts of $300,000 for the fiscal year beginning September 1, 1997, and $300,000 for the fiscal year beginning September 1, 1998, for the purpose of implementing that Act.

† 73. **Contingency for House Bill 1875.** Contingent on the enactment of House Bill 1875 or similar legislation by the 75th Legislature, Regular Session, 1997, relating to the imposition and use of certain fees imposed on certain milk and milk products, the Texas Department of Health is appropriated, out of additional revenues collected under House Bill 1875, the amounts of $420,000 for the fiscal year beginning September 1, 1997, and $420,000 for the fiscal year beginning September 1, 1998, for the purpose of dairy regulation.

HEALTH AND HUMAN SERVICES COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: COORDINATE SERVICES The Health and Human Services Commission will facilitate and enforce coordinated delivery of health and human services in a manner that uses an integrated system to determine client eligibility; that maximizes the use of federal, state and local funds; that emphasizes coordination, flexibility and decision-making at the local level; and that promotes self-reliance.		
Outcomes:		
The Percent (Weighted by Client) of Programs Using a Process That Assesses Potential Client Eligibility for Health and Human Services Programs At More Than One Agency	41%	41%
Number of Interagency Administrative Support Initiatives	5	4
HUB Compliance for Health and Human Services Agencies	20.8	21.4
Percent of Offices Co-located	56%	57%
Percent of Available Empowerment Zone and Enterprise Community (EZ/EC) Grant Funds Drawn	32.3%	39.1%
Percent of Existing HHS Agency Caseloads Included in HHSC Forecasting Reports	45%	55%
A.1.1. Strategy: SYSTEM INTEGRATION Direct and evaluate the improvement of operations, resource utilization, and delivery of health and human services.	$ 2,091,693	$ 2,091,692
Outputs:		
Number of Co-located Offices	625	635
Percent (Weighted by Client) of Health and Human Services Programs Whose Client Records Are Identified By An Integrated Electronic Index That Provides Access to Selected		

† *As amended by Senate Bill 1898, Regular Session, 1997.*

Client Information Across Health and Human Service Agencies	81.8%	81.8%
Number of Providers Excluded from Medicaid Program As a Result of Sanction	296	311
Number of Investigations Initiated Against Medicaid Providers	1,106	1,161
Efficiencies:		
Total Dollars Recovered as a Percent of the Medicaid Sanctions Unit Budget	308%	356%

A.1.2. Strategy: GRANTS MANAGEMENT With grant funding, collaborate with other agencies and programs to improve efficiency and effectiveness of health and human services and to maximize resources.	$ 5,683,328	$ 5,683,328
Outputs:		
Number of Transportation Coordination Projects	10	10
Efficiencies:		
Average Cost of Grant Administration per Month	120,322	120,322
A.1.3. Strategy: STATE MEDICAID OFFICE Set the overall policy direction of the state Medicaid program, manage interagency initiatives to maximize federal dollars and improve quality of services by serving as the single state Medicaid agency.	$ 856,580	$ 856,580
Outputs:		
Number of Interagency Medicaid Projects	5	5
Number of Medicaid Program Changes, Initiatives and Issues Monitored by Staff	31	31
Total, Goal A: COORDINATE SERVICES	$ 8,631,601	$ 8,631,600
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 1,154,252	$ 1,154,252
Grand Total, HEALTH AND HUMAN SERVICES COMMISSION	$ 9,785,853	$ 9,785,852
Method of Financing:		
General Revenue Fund	$ 1,554,593	$ 1,554,592
General Revenue Match for Medicaid	819,076	819,076
Earned Federal Funds	696,633	696,633
Subtotal, General Revenue Fund	$ 3,070,302	$ 3,070,301
Federal Funds, estimated	5,362,156	5,362,156
Appropriated Receipts	717,731	717,731
Interagency Contracts, estimated	635,664	635,664
Subtotal, Other Funds	$ 1,353,395	$ 1,353,395
Total, Method of Financing	$ 9,785,853	$ 9,785,852
Number of Full-time Equivalent Positions (FTE)	79.5	79.5
Schedule of Exempt Positions		
Commissioner, Group 6	$156,014	$156,014
Executive Deputy Commissioner	83,394	83,394
Chief Financial Officer	95,000	95,000
State Medicaid Director	81,500	81,500

1. **Capital Budget.** Contingent upon enactment of Senate Bill 30, or similar legislation, by the Seventy-fifth Legislature, Regular Session, none of the funds identified may be expended for capital budget items except as listed below. The amounts shown below shall be expended only

for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	For the Fiscal Year Ending August 31, 1998	August 31, 1999
a. Acquisition of Information Technologies:		
(1) Fraud Detection System	$ 105,000	$ 57,000
b. Acquisition of Capital Equipment and Items:		
(1) Office Set-up	69,000	39,000
Total, Capital Budget	$ 174,000	$ 96,000
Method of Financing:		
General Revenue Match for Medicaid	$ 87,000	$ 48,000
Federal Funds	87,000	48,000
Total, Method of Financing	$ 174,000	$ 96,000

2. **Federal Funds Appropriated.** The Health and Human Services Commission is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal funds that are made available to the Commission, and to receive, administer, and disburse funds for federal programs in accordance with plans agreed upon by the Commission and the responsible federal agency, and such funds are appropriated to the Health and Human Services Commission to the specific purpose or purposes for which they are granted or otherwise made available.

3. **Budget Authority for Estimated Pass-through Funds.** In addition to the amounts appropriated above for the Health and Human Services Commission, the commission may establish additional budget authority with Comptroller of Public Accounts to reflect other estimated income except from the General Revenue Fund.

4. **Audit of Medicaid Funds.** All transactions involving the transfer or investment of any funds of the Title XIX Medicaid program, held in trust or reserve for the state by any non-governmental entity shall be subject to audit by the State Auditor's Office.

5. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees: Hospital Payment Advisory Committee, Medical Care Advisory Committee, Head Start Collaboration Task Force, and Information and Referral Project Advisory Committee.

6. **Appropriation of Receipts: Civil Monetary Damages and Penalties.** Out of funds collected as civil monetary damages and penalties under Human Resources Code Section 32.039, there are appropriated to the Health and Human Services Commission amounts equal to the costs of the investigation and collection proceedings conducted under the authority of that section.

7. **Long-Term Services Study.** In conjunction with its review of health and human service agencies for presentation to the Seventy-sixth Legislature, the Sunset Commission shall study

approaches to streamline and coordinate long-term care services and programs across agencies under review. The Sunset Commission shall consider the approaches in developing its recommendations for continuation of the health and human service agencies reviewed prior to the Seventy-sixth Legislature.

8. **Support for Community Resource Coordination Groups (CRCG).** The Health and Human Services Commission (HHSC) is authorized to enter into interagency contracts with health and human services agencies, Texas Youth Commission, and the Texas Education Agency to support the operation of the state office of CRCG. Transfers will be from funds identified by the agencies, based on a formula developed by HHSC. Funds will be transferred at the beginning of each fiscal year.

9. **Contingency Appropriation: Senate Bill 586.** Contingent upon the enactment of Senate Bill 586, or similar legislation relating to the creation of a Guardianship Advisory Board, by the Seventy-fifth Legislature, Regular Session, the Texas Health and Human Services Commission is hereby appropriated $118,169 for fiscal year 1998 and $134,869 for fiscal year 1999 out of the General Revenue Fund for the purpose of implementing that Act. The Texas Health and Human Services Commission is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Also contingent upon enactment of Senate Bill 586, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is increased by one for fiscal year 1998 and by one for fiscal year 1999.

10. **Contingency Appropriation: House Bill 2777.** Contingent upon passage of House Bill 2777, and subject to approval by the Legislative Budget Board and Governor, the Health and Human Services Commission may transfer, from agencies whose programs are included in the plan for integrated enrollment and service delivery developed under House Bill 2777, an amount necessary for development of the plan. The Health and Human Services Commission must specify in the plan developed under House Bill 2777 any further amounts to be transferred for implementation of the plan, including the specified uses of such amounts. Funds proposed for transfer in the plan may not exceed the projected savings identified in the plan. The transfer of general revenue amounts may not exceed $7,000,000 for the biennium.

    Contingent upon passage of House Bill 2777, and contingent upon approval by the Legislative Budget Board and Governor of a plan for integration of services authorized by House Bill 2777, the Texas Public Finance Authority may issue revenue bonds or other revenue obligations to finance the design, development, acquisition, and implementation of automated data processing systems to support the plan for integration of services authorized by House Bill 2777, Seventy-fifth Legislature, Regular Session, at an estimated project cost of $70,000,000. As provided by Article 601d, Vernon's Texas Civil Statutes, in recognition that cost estimates are not final at the time that the project is authorized for financing and that bonds may be issued to fund associated costs, including reasonably required reserve funds, capitalized interest, administrative costs of the authority and issuing expenses, the principal amount of any issuance of bonds for this purpose may be in an amount not to exceed one and one-half the amount of the expected cost for the project being financed. From the proceeds of the issuance and sale of such bonds or obligations, such amounts as may be necessary to fund the associated costs of issuance are hereby appropriated to the Texas Public Finance Authority for the fiscal biennium beginning September 1, 1997. From any funds transferred to the Health and Human Services Commission for the purpose of implementing the plan approved under House Bill 2777 and from any funds appropriated to the Health and Human Services Commission, an amount not to exceed $7,000,000 for the biennium in all funds is appropriated and may be used for paying debt service on the obligations issued by the Texas Public Finance Authority on behalf of the commission for the above-mentioned project. From the remaining proceeds of the issuance and sale of such bonds, and subject to approval by the Legislative Budget Board and Governor, such amounts as may be necessary to fund any costs relating to the design, development, acquisition, and implementation of automated data processing systems to support the plan developed by the Texas Health and Human Services Commission for the integration of services authorized by

House Bill 2777, Seventy-fifth Legislature, Regular Session, are hereby appropriated to the commission for the fiscal biennium beginning September 1, 1997, to be expended in accordance with the plan developed under House Bill 2777. The capital project authorized in this section is not subject to limitations on capital budget expenditures included elsewhere in this Act.

11. **Required Participation of Certain Managed Care Organizations in Community-wide Needs Assessments.** Contingent on the enactment of House Bill 2384 or similar legislation requiring nonprofit hospitals to consult with certain entities in determining the community-wide needs assessments required under Section 311.044(b), Health and Safety Code, a managed care organization that participates in the state Medicaid program and whose input and participation in determining the community-wide needs assessment are sought by a nonprofit hospital under that legislation must participate in the needs assessment to continue to participate in the Medicaid program.

DEPARTMENT OF HUMAN SERVICES

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: LONG TERM CARE CONTINUUM To provide appropriate care based on individual needs ranging from in-home and community-based services for elderly people and people with disabilities who request assistance in maintaining their independence and increasing their quality of life, to institutional care for those who require that level of support, seeking to ensure health and safety and to maintain maximum independence for the client while providing the support required.		
Outcomes:		
Percent of At-risk Population Served in the Community	18.85%	19.7%
Percent of Long-term Care Clients Served in Community Settings	59.22%	60.61%
Percent of Facilities Complying With Standards at Time of Inspection	85%	87%
Percent of Facilities Correcting Adverse Findings by Time of First Follow-up Visit After Inspection	87%	90%
A.1.1. Strategy: COMMUNITY CARE SERVICES Provide assistance with daily needs in homes and community settings which will enable elderly persons, persons with disabilities, and others to maintain their independence and prevent institutionalization.	$ 728,398,648	$ 784,005,342
Outputs:		
Number of Clients Served per Month: Medicaid Non-Waiver Community Care	69,192	72,344
Number of Clients Served per Month: Medicaid Nursing Facility Waivers (excluding CLASS)	18,275	22,275
Number of Clients Served per Month: Medicaid Nursing Facility Waiver (CLASS)	1,052	1,052
Number of Clients Served Per Month: Non-Medicaid Community Care	17,126	17,126
Average Number of Home-Delivered Meals Provided per Month	248,321	248,321
Efficiencies:		
Average Monthly Cost per Client Served: Medicaid Non-waiver Community Care	475.17	469.29
Average Monthly Cost per Client Served: Medicaid Nursing Facility Waivers (excluding CLASS)	1,042.85	1,040.84
Average Monthly Cost per Client Served: Medicaid Nursing Facility Waiver (CLASS)	2,393.44	2,393.44
Average Monthly Cost per Client Served: Non-Medicaid Community Care	355.09	354.84
Average Cost per Home-Delivered Meal	2.87	2.87
A.1.2. Strategy: IN-HOME & FAMILY SUPPORT Provide cash subsidy and provide reimbursement for capital improvements, purchase of equipment, and other expenses to enable elderly persons and persons with disabilities to maintain their independence and prevent institutionalization.	$ 6,500,000	$ 6,500,000
Outputs:		
Number of Clients Receiving In-Home/Family Support (IHFS) Cash Subsidy per Month	2,950	2,950
Number of Clients Receiving Capital Expenditure Reimbursement Annually	936	936

Efficiencies:		
Average Monthly Cost of IHFS per Client	145.25	145.25
Average Cost per Capital Expenditure	1,448	1,448
A.1.3. Strategy: LTC ELIGIBILITY & SERVICE PLANNING	$ 85,776,015	$ 85,796,921
Provide timely and accurate eligibility determination for all individuals who apply and service planning and referral for all elderly persons and persons with disabilities who qualify for services.		
Outputs:		
Number of Persons Eligible: Nursing Facilities	68,949	69,108
Number of Persons Eligible: Community Care	104,927	111,916
Efficiencies:		
Monthly Cost per Case: Nursing Facilities	16.93	17.19
Monthly Cost per Case: Community Care	35.84	37.09
A.1.4. Strategy: NURSING FACILITY & HOSPICE PAYMENTS	$ 1,569,801,096	$ 1,649,967,708
Provide payments which will promote quality care for clients with medical problems that require nursing facility or hospice care.		
Outputs:		
Average Number of Persons Receiving Medicaid-funded Nursing Facility Services per Month	65,522	65,116
Average Number of Clients Receiving Co-paid Medicaid/ Medicare Nursing Facility Services per Month	4,930	5,499
Average Number of Clients Receiving Hospice Services per Month	2,283	2,678
Efficiencies:		
Net Nursing Facility Cost per Medicaid Resident per Month	1,811.81	1,893.77
Average Net Payment per Client per Month for Hospice	2,022.08	2,110.18
A.2.1. Strategy: SURVEY AND CERTIFICATION	$ 29,998,557	$ 30,156,339
Provide training, inspection, and certification services to residential facilities and individuals to ensure compliance with state and federal standards.		
Outputs:		
Average Number of Inspections Completed per Month	275	282
Average Number of Complaint and Incident Investigations Completed per Month	925	950
Average Number of Substantiated Complaints and Incidents per Month	317	326
Total Dollar Amount Collected from Fines	521,639	537,288
Efficiencies:		
Average Cost per Facility Visit	2,178	2,122
Total, Goal A: LONG TERM CARE CONTINUUM	$ 2,420,474,316	$ 2,556,426,310

B. Goal: SUPPORT SELF-SUFFICIENCY

To provide prompt, accurate, comprehensive, and effective support and preventive services to low-income families that encourage self-sufficiency and long term independence from assistance.

Outcomes:		
Percent of Total Children in Poverty Receiving TANF	22.2%	20.77%
Number of Families on TANF for 0 to 24 Months	76,817	70,385
Number of Families on TANF for 24 Months or Greater	127,536	125,709
Unduplicated Number of TANF Adult Clients per Year Who Have Exhausted Their Time-Limited Benefits	7,590	8,585

Percent of Poverty Met by TANF-Basic, Food Stamps and Medicaid Benefits/Family of Three	74.8%	74.8%
Percent of Potential Eligible Population Receiving School Lunch and Breakfast Services	9.65%	9.78%
Percent of Potential Eligible Population Receiving Summer Food Services	8.94%	9.12%
B.1.1. Strategy: TANF GRANTS (FORMERLY AFDC)	$ 381,094,949	$ 362,407,713
Provide Temporary Assistance to Needy Families Grants (TANF, formerly AFDC).		
Outputs:		
Average Number of TANF-Basic Recipients per Month	479,000	457,135
Average Number of TANF-UP Recipients per Month	64,885	66,082
Average Number of TANF-Basic Cases Denied per Month Due to Child Support Payments	616	653
Efficiencies:		
Average Monthly Grant--TANF-Basic	57.46	57.46
Average Monthly Grant--TANF-UP	49.76	49.49
B.1.2. Strategy: CLIENT SELF-SUPPORT ELIGIBILITY	$ 357,705,271	$ 359,250,310
Provide accurate and timely eligibility and issuance services for financial assistance, medical benefits, and food stamps through the use of new technology, improved management practices, and implementation of sufficient staff levels.		
Outputs:		
Average Number of Families Determined Eligible Monthly - TANF	35,403	34,472
Average Number of Households Determined Eligible Monthly - Food Stamps	156,320	152,208
Average Number of Cases Determined Eligible Monthly - Children, Pregnant Women, and Medically Needy Program (CPW Medicaid)	76,868	74,846
Average Number of Recipients per Month: Food Stamps	1,852,202	1,755,133
Average Number of Recipients per Month: Children, Pregnant Women, and Medically Needy Program (CPW Medicaid)	671,569	689,557
Average Number of Families Receiving Benefits Through Electronic Benefits Transfer (EBT) per Month	755,655	698,692
Average Number of TANF and Medicaid Recipients Who Receive Family Health or Health Education Services per Month	1,946	1,946
Efficiencies:		
Average Cost per Eligibility Determination	41.43	41.43
Average Number of Cases per Worker: TANF	147.7	147.7
Average Number of Cases per Worker: Food Stamps	225.1	225.1
Average Number of Cases per Worker: Children, Pregnant Women, and Medically Needy Program (CPW Medicaid)	285.7	285.7
B.1.3. Strategy: NUTRITION ASSISTANCE	$ 152,368,080	$ 163,220,556
Increase the availability of federal nutrition assistance by providing reimbursement for nutritious meals, food distribution, and nutrition education.		
Outputs:		
Average Number of Meals Served Through DHS School Lunch and Breakfast Program per Day	30,045	30,128
Average Number of Meals Served Through Summer Food Services per Day	159,965	163,164
Average Number of Meals Served Through Child and Adult Care Food Program per Day	190,680	196,019

B.1.4. Strategy: REFUGEE ASSISTANCE	$ 13,064,605	$ 13,179,157
Assist refugees and immigrants in attaining self-sufficiency through financial, medical, and social services, and disseminate information to interested individuals.		
Outputs:		
Number of Refugees Receiving Financial and Medical Assistance per Month	2,053	2,053
Total, Goal B: SUPPORT SELF-SUFFICIENCY	$ 904,232,905	$ 898,057,736
C. Goal: FAMILY VIOLENCE SERVICES		
To protect adult victims and their children from family violence.		
Outcomes:		
Percent of Adult Victims of Domestic Violence Requesting Shelter Who Could Not Receive Shelter Due to Lack of Space	19.04%	19.04%
C.1.1. Strategy: FAMILY VIOLENCE SERVICES	$ 10,868,981	$ 10,868,983
Provide emergency shelter and support services to victims of family violence and their children, educate the public, and provide training and prevention support to institutions and agencies.		
Outputs:		
Number of Women Receiving Shelter	10,705	10,705
Number of Children Receiving Shelter	14,889	14,889
Number of Women Receiving Non-resident Services	19,348	19,348
Number of Children Receiving Non-resident Services	6,069	6,069
Efficiencies:		
DHS Average Cost per Participating Program/Shelter	159,776	159,776
DHS Average Cost per Person Receiving Emergency Shelter and/or Non-resident Services	213.33	213.33
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 19,941,546	$ 19,941,547
D.1.2. Strategy: INFORMATION RESOURCES	$ 32,213,182	$ 32,583,213
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 8,090,784	$ 8,090,785
D.1.4. Strategy: REGIONAL ADMINISTRATION	$ 10,151,019	$ 10,151,019
Total, Goal D: INDIRECT ADMINISTRATION	$ 70,396,531	$ 70,766,564
Grand Total, DEPARTMENT OF HUMAN SERVICES	$ 3,405,972,733	$ 3,536,119,593
Method of Financing:		
General Revenue Fund	$ 125,547,047	$ 128,521,465
General Revenue Match for Medicaid	892,821,096	995,037,082
General Revenue U.B. from FY 1997	50,000,000	0
General Revenue: Temporary Assistance for Needy Families	179,495,839	172,344,287
Earned Federal Funds, estimated	1,403,672	1,403,672
Subtotal, General Revenue Fund	$ 1,249,267,654	$ 1,297,306,506
Federal Funds	2,151,660,026	2,233,666,553
Appropriated Receipts	5,045,053	5,146,534
Total, Method of Financing	$ 3,405,972,733	$ 3,536,119,593

Number of Full-time Equivalent Positions (FTE) -		
Funded by Agency Appropriations	15,581.5	15,581.5
Number of Full-time Equivalent Positions (FTE) -		
Funded by Interagency Contracts	260	260
Schedule of Exempt Positions		
* Commissioner, Group 5	$105,000	$105,000
Executive Deputy Commissioner	83,208	83,208
Chief Financial Officer	75,749	75,749
Deputy Commissioner	(5) 75,749	(5) 75,749

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below or as specified in Article V, Section 106. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Acquisition of Information Resource Technologies		
(1) Lease Payments to the Master Lease Purchase Program (1992/1995)	$ 10,448,403	$ 2,994,602
(2) Federal Welfare Reform Automation	2,800,000	0
(3) Finger-Imaging Eligibility Determination	2,820,000	4,980,000
(4) Temporary Emergency Assistance	$ 1,000,000	$ 0
Total, Capital Budget	$ 17,068,403	$ 7,974,602
Method of Financing (Capital Budget):		
General Revenue Fund	$ 5,282,757	$ 1,505,192
Federal Funds	11,425,646	5,029,410
GR Match for Medicaid	360,000	1,440,000
Total, Method of Financing	$ 17,068,403	$ 7,974,602

2. **Medical Assistance Payments.** General revenue funds appropriated hereinabove for all Medicaid services shall be payable in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 1998 to fiscal year 1999, and such funds are reappropriated to the department for the 1998-99 biennium.

3. **Federal Funds Appropriated.** The appropriations herein made may be used to match federal funds granted to the state for the payment of personal services, travel and other necessary expenses in connection with the administration and operation of a state program of public welfare services. The Texas Department of Human Services is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state

and retain their character as federal funds for such purposes and all fees authorized by federal law, and to receive, administer, and disburse federal funds for federal programs in accordance with plans agreed upon by the Department of Human Services and the responsible federal agency, and such other activities as come under the authority of the Department of Human Services, and such moneys are appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned federal funds are not considered to be federal funds for the purpose of this section.

4. **Federal, State and Local Funds Appropriated.** The Department of Human Services is hereby authorized to accept all moneys appropriated by the federal or state governments, or by the Commissioners' Court of any county, or by any political subdivisions, as provided by Section 11.003 of the Human Resources Code, as amended, for any purpose including but not limited to the cost of distributing foods to needy people, institutions, school lunch programs, or otherwise as provided by the laws of the United States and the rules and regulations issued pursuant thereto for the distribution of commodities as they now read or as they may be hereafter amended, and to deposit said moneys in the State Treasury. All of said funds are hereby appropriated to the Texas Department of Human Services for the purposes for which they were granted.

5. **Reappropriation of Federal and Local Funds.** All funds received by the department from counties, cities, federal agencies and from any other local source and all balances from such sources as of August 31, 1997, are hereby appropriated for the biennium ending August 31, 1999, for the purpose of carrying out the provisions of this Act.

6. **Food Stamp Program Funds Appropriated.** The Texas Department of Human Services is hereby designated as the state agency to establish and operate a statewide Food Stamp Program and to accept all moneys appropriated for this purpose by the federal or state governments, by the Commissioners' Court of any county, by any political subdivisions of the state, or received from any other source as provided for herein and in Chapter 33, Human Resources Code. The Texas Department of Human Services is authorized to expend such funds for welfare purposes, including the cost of distributing foods to needy people, institutions, school lunch programs, or otherwise as provided by the laws of the United States and the rules and regulations issued pursuant thereto, for the establishment and operation of a statewide Food Stamp Program, and for the employment of essential personnel who shall be employed under a merit system basis comparable to the merit rules and regulations applicable to all other personnel of the department.

7. **Nursing Home Program Provisions.**

   a. Nursing Home Income Eligibility Cap. It is the intent of the Legislature that the income eligibility cap for nursing home care shall be maintained at the federal maximum level of 300 percent of Supplemental Security Income (SSI). Further, it is the intent of the Legislature that any cost-of-living increase in social security or other benefits sponsored by the federal government or that any increase in other pension plans should not result in the termination of Title XIX benefits for persons already eligible for services. The Department of Human Services is hereby authorized to expend general revenue funds to the extent necessary to insure the continuation of benefits to persons eligible.

   b. Limitation on Per Day Cost of Alternate Care. No funds shall be expended by the Department of Human Services for alternate care where the cost per patient per day exceeds the average Medicaid Nursing Facility rate or the patient's nursing facility rate, whichever is greater, except for cases individually exempted by the Board of Human Services.

   c. Establishment of a Swing-bed Program. Out of the funds appropriated above for nursing home vendor payments, the department shall maintain a "swing-bed" program, in

accordance with federal regulations, to provide reimbursement for skilled nursing patients who are served in hospital settings in counties with a population of 100,000 or less. If the swing beds are used for more than one 30-day length of stay per year per patient, the hospital must comply with the regulations and standards required for nursing home facilities.

d. Nursing Home Bed Capacity Planning. It is the intent of the Legislature that the department shall establish by rule procedures for controlling the number of Medicaid beds and for the decertification of unused Medicaid beds and for reallocating some or all of the decertified Medicaid beds. The procedures shall take into account a facility's occupancy rate.

e. Nursing Facility Competition. It is the intent of the Legislature that the department encourage competition among contracted nursing facilities.

8. **Appropriation of Receipts: Civil Monetary Damages and Penalties.** Out of funds collected by the department as civil monetary damages and penalties under Human Resources Code Section 32.039, there are appropriated to the department amounts equal to the costs of the investigation and collection proceedings conducted under that section, and any amounts collected as reimbursement for claims paid by the department.

9. **Salaries of Probationary Employees.** It is provided that funds herein appropriated may be expended at rates established by the Department of Human Services for the salaries of employees who are newly hired, transferred or promoted into bona fide administrative or professional jobs and who are participating in a formalized training program in conjunction with their period of probationary service. At the successful conclusion of the probationary period these employees will be moved into regular classified positions.

10. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for the Personal Care Facility Licensing program in strategy item A.2.1., Survey and Certification, as well as the "other direct and indirect costs" associated with this program, appropriated elsewhere in this Act. "Other direct and indirect costs" for the Personal Care Facility Licensing program are estimated to be $16,460 for fiscal year 1998 and $16,305 for fiscal year 1999. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

11. **Accounting of Support Costs.** The State Comptroller shall establish separate accounts from which certain support costs shall be paid. The Department of Human Services is hereby authorized to make transfers into these separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include, but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs, and salary and travel costs of staff whose function supports several programs. The department shall be responsible for monthly allocations of these costs to the original strategies.

12. **Fund Transfers for Funds Consolidation.** For the purpose of funds consolidation, federal and other funds may be transferred into the General Revenue Fund from the Department of Human Services Fund 117. The initial deposit of federal funds shall be made into Fund 117 and no direct expenditures shall be made from this fund.

13. **Pediatric Care in Nursing Facilities.** In determining the appropriate placement for children who currently receive care in nursing facilities, the Department shall, within the requirements of federal law, consider the requests of parents concerning either a continued stay in a nursing facility providing skilled pediatric care or an alternate placement.

14. **Limitation: Transfer Authority.** Notwithstanding any other provision of this Act, none of the funds appropriated by this Act to the Texas Department of Human Services for

    i. A.1.1. Community Care Services;
    ii. A.1.3. Long Term Care Eligibility;
    iii. A.1.4. Nursing Facility Payments;
    iv. A.2.1. Survey and Certification; and
    v. B.2.2. Client Self Support

    may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated, however, transfers may be made between Medicaid Strategies in accordance with other provisions in this Act.

15. **Additional Funding Sources, Medicaid.** If the appropriations provided by this Act for

    i. A.1.1. Community Care Services;
    ii. A.1.3. Long Term Care Eligibility;
    iii. A.1.4. Nursing Facility Payments;
    iv. A.2.1. Survey and Certification; and
    v. B.2.2. Client Self Support

    are not sufficient to provide for expenditures mandated by either state or federal law, after accounting for any appropriations made to the Department and available for transfer to these programs, the Legislative Budget Board and the Office of the Governor may provide for and are hereby authorized to direct the transfer of sufficient amounts of funds to the Department from appropriations made elsewhere in this Act.

16. **Medicaid and Other Reporting Requirements.**

    a. None of the funds appropriated by this Act to the Texas Department of Human Services may be expended or distributed by the Department unless:

        (1) the Department submits to the Legislative Budget Board and the Office of the Governor a copy of each report submitted to the federal government relating to the Medicaid program. This shall include, but is not limited to:

            i. expenditure data; and
            ii. caseload data;

        Such reports shall be submitted to the Legislative Budget Board and the Office of the Governor no later than the date the respective report is submitted to the federal government, and

        (2) the Department submits to the Legislative Budget Board and the Office of the Governor at the close of each month i.) a report detailing the Medicaid and Medicare caseload figures and related expenditure amounts for the preceding month and ii.) a report projecting the anticipated Medicaid and Medicare caseloads for the 36 months period beginning with first month after the report is due.

    b. Each report submitted to the Legislative Budget Board and the Office of the Governor pursuant to this provision must be accompanied by supporting documentation detailing the sources and methodologies utilized to develop any caseload or cost projections contained in each respective report and any other supporting material as specified by the Legislative Budget Board and the Office of the Governor.

c. Each report submitted pursuant to this provision must contain a certification by the person submitting the report that the information provided is true and correct based upon information and belief together with supporting documentation.

d. The Comptroller of Public Accounts shall not allow the expenditure of funds appropriated by this Act to the Texas Department of Human Services if the Legislative Budget Board and the Office of the Governor certifies to the Comptroller of Public Accounts that the Department of Human Services is not in compliance with this provision.

17. **Reduction in Error Rates.** The Texas Department for Human Services shall set progressive goals for improving error rates for eligibility determination of Food Stamps and Temporary Assistance to Needy Families benefits, with a specific schedule for meeting those goals. The department shall submit a quarterly status report beginning September 1, 1997 to the Governor's Office and the Legislative Budget Board. The status report will identify the progress made towards achieving those goals.

18. **Earned Federal Funds.** The authority to receive and expend earned federal fund balances in excess of those appropriated above is subject to the following limitations:

a. At least 14 days prior to any expenditure of any earned federal funds, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor's Office of Budget and Planning, and Health and Human Services Commission. At least 14 days prior to any meeting of the Board of Human Services to budget any use of earned federal funds above levels indicated in the appropriation above or to consider any program expansion, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor's Office of Budget and Planning, and Health and Human Services Commission.

b. Notifications shall include information regarding the need which will be served with the additional revenue. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; and impact upon existing programs.

c. The report shall include the information detailed in "b" and identify the impact on established performance targets, measures, and full-time equivalent positions.

19. **Leases.** No funds under this Act may be expended on or after November 1, 1997, for leased office space, previously occupied by the Department of Human Services and not actually occupied by that agency as of November 1, 1997.

20. **Appropriation of FY 1997 Unexpended Balances.** Any unexpended and unobligated balances remaining as of August 31, 1997, in the appropriations made to the Texas Department of Human Services for fiscal year 1997 by House Bill 1, Seventy-fourth Legislature, Regular Session, are hereby reappropriated, in an amount not to exceed $50,000,000, to the Texas Department of Human Services for the biennium beginning September 1, 1997. The appropriation made by this provision is included in the method of financing above and identified as “General Revenue U.B. from FY 1997.”

21. **Child Support Supplemental Payments.** Out of the funds appropriated above in Item B.1.1., TANF Grants, and child support collections from the Child Support Trust Fund, the Department shall make supplemental payments to families receiving welfare who would be eligible to receive child support “pass through” and “first excess” payments under the Social Security Act Title IV-D child support distribution requirements prior to passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. These payments shall equal the amount of the “pass through” and “first excess” payment the family would have received

under prior law, using child support collections for 37.44 percent of the total payment. If child support "pass through" or "first excess" payment distribution requirements are modified by federal law after enactment of this provision, the Department, in cooperation with the Office of the Attorney General, shall adjust the supplemental payments as necessary to be consistent with federal law and to not exceed the total the family would have received prior to welfare reform. The Department shall report any change to child support supplemental payments to the Governor and Legislative Budget Board.

22. **EBT Point-of-Sale Pilot Project.** The Texas Department of Human Services, in coordination with the Comptroller, is directed to perform a feasibility study and pilot project in conjunction with its Electronic Benefits Transfer (EBT) and finger-imaging projects. The department shall perform a feasibility study to determine the most effective method of utilizing finger-imaging technology at the point of sale (POS) when collecting EBT benefits. The study shall include, but not be limited to, specifying the basic functionality requirements, establishing system design configurations and concepts, and determining the appropriate pilot sites.

    The pilot shall be implemented with no cost to participating retailers. The department, in coordination with the Comptroller, shall use the Electronic Benefit Transfer Merchant Advisory Committee to obtain retailer input on the pilot. Pursuant to state law, the department shall implement the project out of appropriations of general revenue and federal funds made elsewhere in this Act and private funds. Implementing the pilot shall be contingent upon the availability of federal funds.

    The department shall use the pilot project to demonstrate the practicality of using finger-images to replace the traditional Personal Identification Number (PIN). The pilot should incorporate the digital representation of a finger-image on a Lone Star EBT card. The cardholder's finger-image should be matched to the finger-image on the card automatically to eliminate the use of a PIN and the possibility of individuals using cards that are not theirs.

    The department shall evaluate the feasibility of statewide implementation of finger-imaging at POS. The department shall provide an interim report on the pilot to the Comptroller by September 1, 1998. The department, in cooperation with the Comptroller, shall report to the Governor, Lieutenant Governor, and Speaker by February 1, 1999 on the feasibility of and process to transition to using EBT point of sale equipment with other private and public applications for implementing this project statewide.

23. **Temporary Emergency Assistance for Families At-Risk of Welfare Dependency.** Out of funds appropriated above in Strategy B.1.1., TANF Grants, the department shall implement and make necessary automation changes, including related system development costs, to provide a one-time emergency assistance payment to applicants for Temporary Assistance to Needy Families (TANF) who are likely to be employed within a short period of time, without referral to the Job Opportunities and Basic Skills (JOBS) program. The department shall follow the provisions of House Bill 1863, Seventy-fourth Legislature, Regular Session, in designing the program. It is the intent of the Legislature that the program be phased in beginning with areas of the state where the targeted applicants are most represented.

24. **Assistance Registration and Eligibility Determination.** To the extent possible it is the intent of the Legislature that if the Texas Workforce Commission and/or the Department of Human Services require applicants for Temporary Assistance for Needy Families (TANF) assistance to register with the commission before the Department of Human Services can determine their eligibility for benefits, then the registration/orientation for TANF applicants shall be provided at the Department of Human Services offices where the eligibility determination of TANF recipients occurs.

25. **Increase Recoveries of Medicaid Nursing Home Overpayments.** It is the intent of the Legislature that the Department of Human Services should conduct Texas Index for Level of

Effort (TILE) reviews for the purpose of recovering Medicaid nursing home overpayments. The General Revenue Fund appropriations to the Department of Human Services are hereby reduced by $1,700,000 for fiscal year 1998 and $3,400,000 for fiscal year 1999 to account for the increase in recoveries of overpayments which will occur with implementation of this provision.

26. **Implement Quality Monitoring System Pilot Project.** It is the intent of the Legislature that the Department of Human Services use up to $100,000 of recovered nursing home overpayments appropriated above to implement the Quality Monitoring System on a pilot basis for Texas nursing homes. It is further the intent of the Legislature that expenditures of recovered overpayments be matched on a dollar for dollar basis by nursing home providers to implement the Quality Monitoring System pilot project. If matching funds from nursing home providers are not received, the Department of Human Services shall expend no funds on the pilot project.

27. **Unexpended Balances, Federal Welfare System Changes.** Contingent upon enactment of an emergency appropriation bill by the Seventy-fifth Legislature for the purpose of automated system changes related to federal welfare reform, any unexpended balances from such emergency appropriation are hereby reappropriated to the Department of Human Services for the same purpose. In the event that such monies are carried forward, the agency shall report those amounts and the status of the system changes to the Governor and Legislative Budget Board by September 15, 1997.

28. **Contingency Appropriation from the Compensation to Victims of Crime Fund for Family Violence Services.** Contingent upon passage of Senate Bill 987, House Bill 2628, or similar legislation, the Department of Human Services is hereby appropriated $1,800,000 for fiscal year 1998 and $1,800,000 for fiscal year 1999, in addition to amounts appropriated elsewhere in this Act, out of the Compensation to Victims of Crime Fund, for the purposes of funding Strategy C.1.1., Family Violence Services.

29. **Contingency Allocation: Senate Bill 1060.** Contingent on the passage of Senate Bill 1060, the Department of Human Services shall transfer out of funds appropriated above for Strategy A.1.4., Nursing Facility and Hospice Payments, to the Texas Veterans Land Board the amount of $1,250,000 general revenue for each Veterans Home for which federal approval has been received, subject to the limitation that not more that $2,500,000 is to be transferred per year.

30. **Contingency Appropriation: Senate Bill 190.** Contingent upon enactment of Senate Bill 190 Seventy-fifth Legislature, or similar legislation, in addition to amounts appropriated above, any amounts collected by the department during the 1998-99 biennium that are in excess of the following comptroller's estimates:

    a. Licensing Fee for Adult Day Care Facilities (Object Code 3557) $5,172 per year;
    b. Administrative Penalties (Object Code 3180) $46,697 per year;
    c. Licensing Fee for Medication Aides (Object Code 3180) $169,577 per year; and
    d. Licensing Fees for Nursing Home and MR Facilities (Object Code 3180) $194,437 per year;

    are hereby appropriated to Strategy A.2.1., Survey and Certification, to provide additional support for the regulation of facilities considered under Health and Safety Code Chapter 242, including nursing homes.

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: COMMUNITY MENTAL HEALTH SERVICES		
To increase the abilities of persons with mental illness to lead successful lives in their communities.		
Outcomes:		
Percent of MH Customers Served in Community Hospitals Who Are Not Admitted to State Facilities	87%	87%
Percent of Adult Customers Receiving MH Community Services Whose Functional Level Stabilized or Increased	83%	83%
Percent of Adults Served Who Are Satisfied With MH Services	90%	90%
Percent of Children Receiving MH Community Based Services Whose Functional Level is Stabilized or Increased	95%	95%
Percent of Parents Who are Satisfied with MH Services Delivered to Their Children	90%	90%
Percent of Customers Served in the Community Out of Total Customers Receiving Mental Health Services Through the MHA (TXMHMR System)	97%	97%
A.1.1. Strategy: ASSESSMENT & COORDINATION	$ 63,523,119	$ 63,523,119
To assess individual needs and assure timely access to appropriate services.		
Outputs:		
Average Monthly Number of MH Customers Served in the Community	83,718	83,718
Efficiencies:		
Average Monthly Cost per MH Customer Served in the Community	257	257
A.1.2. Strategy: TRAINING AND SUPPORTS	$ 100,520,136	$ 100,598,113
To provide supports and services so that people with mental illness can live independently.		
Outputs:		
Average Monthly Number of Adults Receiving Assertive Community Treatment (ACT)	1,200	1,200
Average Monthly Number of Customers Receiving MH Supported Employment Services	1,360	1,850
Average Monthly Number of Customers Receiving MH Supported Housing Services	2,000	2,000
Number of Customers Receiving MH In-Home and Family Support	3,671	3,671
Efficiencies:		
Average Monthly Cost per Adult Receiving Assertive Community Treatment (ACT)	465	465
Average Monthly Cost per Customer Receiving MH Supported Employment Services	230	230
Average Monthly Cost per Customer Receiving MH Supported Housing Services	305	305
Average Grant per Customer Receiving MH In-Home and Family Support	1,500	1,500
A.1.3. Strategy: TREATMENT	$ 127,531,280	$ 127,531,280
To provide crisis, medical, and counseling services in the community.		
Outputs:		
Average Monthly Number of MH Crisis Resolution Beds	325	325
Average Monthly Number of Customers Receiving MH Counseling and Medication Related Services	61,522	61,522

Efficiencies:		
Average Monthly Cost per MH Crisis Residential Bed	6,500	6,500
Average Monthly Cost per Person Receiving Special Medications	245	245
A.1.4. Strategy: COMMUNITY HOSPITALS	$ 41,464,251	$ 41,464,251
Provide inpatient and outpatient treatment, crisis assessment, and medical services to persons served in community hospitals.		
Outputs:		
Average Monthly Number of Community Hospital Residential Services Occupied Beds	307	307
Efficiencies:		
Average Monthly Cost per Community Hospital Residential Services Occupied Beds	9,050	9,050
A.1.5. Strategy: CHILDREN'S MH PLAN	$ 33,564,455	$ 33,564,454
To develop and provide coordinated services for emotionally disturbed children and their families through the Texas Children's Mental Health Plan.		
Outputs:		
Average Monthly Number of Children Receiving Treatment Services	16,066	16,066
Efficiencies:		
Average Monthly Cost per Child Receiving Treatment Services	265	265
Total, Goal A: COMMUNITY MENTAL HEALTH SERVICES	$ 366,603,241	$ 366,681,217
B. Goal: MH SPECIALIZED SERVICES		
To promote the recovery and abilities of persons with mental illness requiring specialized or long-term treatment not available in community settings.		
Outcomes:		
Percent of Customers Receiving MH Campus Services Whose Functional Level Stabilized or Increased	95%	95%
B.1.1. Strategy: STATE HOSPITAL SERVICES	$ 191,894,869	$ 190,312,025
To provide specialized assessment, treatment and medical services in state hospital and state center campus programs.		
Outputs:		
Average Monthly Census of State Hospital Campus Based Services	2,575	2,575
Average Monthly Census of State Center MH Campus Based Services	95	95
Efficiencies:		
Average Monthly Cost per State Hospital Campus Occupied Bed	7,210	7,210
Average Monthly Cost per State Center MH Campus Occupied Bed	7,815	7,815
B.1.2. Strategy: STATE HOSPITAL ADMINISTRATION	$ 34,191,513	$ 34,159,513
To administer and support specialized assessment, treatment, and medical services in state hospital and state center campus programs.		
Total, Goal B: MH SPECIALIZED SERVICES	$ 226,086,382	$ 224,471,538

C. Goal: COMMUNITY MR SERVICES
To support the abilities of persons with mental retardation to lead successful lives in their communities.

Outcomes:				
Number of Customers Moved from MR Campus to Community		275		275
Percent of Customers with MR Who Received Services in a State Hospital, were Recommended for Discharge, and Received an Appropriate Placement in the Required (RAJ Settlement) Time Period		97%		97%
C.1.1. Strategy: ASSESSMENT & COORDINATION To assess individual needs and assure timely access to appropriate mental retardation services.	$	41,373,005	$	40,555,634
Outputs:				
Average Monthly Number of Customers Served in MR Community Services		19,250		19,250
Efficiencies:				
Average Monthly Cost per Customer Served Through MR Community Services		880		880
C.1.2. Strategy: VOCATIONAL SERVICES To provide mental retardation vocational services and supports.	$	50,893,020	$	48,863,020
Outputs:				
Average Monthly Number of Customers Receiving MR Vocational Services		8,700		8,700
Average Monthly Number of Customers Receiving MR Supported/Competitive Employment Services		2,800		3,600
Efficiencies:				
Average Monthly Cost per Customer Receiving MR Vocational Services		475		475
Average Monthly Cost per Customer Receiving MR Supported/Competitive Employment Services		483		483
C.1.3. Strategy: TRAINING SERVICES To provide mental retardation training services.	$	53,442,370	$	53,389,741
Outputs:				
Average Monthly Number of Customers Receiving MR Training Services		4,900		4,900
Efficiencies:				
Average Monthly Cost per Customer Receiving MR Training Services		325		325
C.1.4. Strategy: MR COMMUNITY RESIDENTIAL To provide residential services and supports for persons with mental retardation in the community.				
Outputs:				
Average Number of Persons in Community ICF/MR Medicaid Beds per Month		7,624		7,624
Average Monthly Number of Customers Served in HCS		4,586		5,017
Number of Customers Receiving MR In-Home and Family Support		5,200		5,200
Average Number of Community ICF/MR Medicaid Beds per Month, Total		8,025		8,025
Efficiencies:				
Average Monthly Cost per Customer Served in HCS		3,429		3,474
Average Grant per Customer Receiving MR In-Home and Family Support		2,250		2,250
Monthly Cost per Community ICF/MR Medicaid Eligible Customer, ICF/MR-RC Beds		3,310		3,305

C.1.4.1. Sub-Strategy: HCS WAIVER	$ 188,676,327	$ 209,166,853
C.1.4.2. Sub-Strategy: ICF-MR/RC PAYMENTS	$ 302,827,478	$ 302,319,603
C.1.4.3. Sub-Strategy: IN-HOME & FAMILY SUPPORT	$ 13,030,493	$ 13,030,493
C.1.4.4. Sub-Strategy: NURSING HOME TRANSITION	$ 2,229,085	$ 2,229,085
C.1.4.5. Sub-Strategy: TRANSITIONAL FUNDING	$ 54,571,311	$ 52,757,839
Total, Strategy C.1.4: MR COMMUNITY RESIDENTIAL	$ 561,334,694	$ 579,503,873
Total, Goal C: COMMUNITY MR SERVICES	$ 707,043,089	$ 722,312,268
D. Goal: MR SPECIALIZED SERVICES		
To promote the well being and abilities of persons with mental retardation who require the most intensive, specialized long-term care.		
Outcomes:		
Average Number of Days MR Campus Residents Recommended for Community Placement Wait for Placement	900	900
D.1.1. Strategy: STATE SCHOOL SERVICES	$ 249,082,911	$ 242,647,044
To provide specialized assessment, treatment support, and medical services in state school and state campus programs.		
Outputs:		
Average Monthly Census of State School Campus Based Services	5,213	5,038
Average Monthly Census of State Center MR Campus Based Services	210	210
Efficiencies:		
Average Monthly Cost per State School Occupied Bed	4,700	4,700
Average Monthly Cost per State Center MR Occupied Bed	4,700	4,700
D.1.2. Strategy: STATE SCHOOL ADMINISTRATION	$ 38,477,462	$ 37,268,720
To administer and support specialized assessment, treatment/support, and medical services in state school and state campus programs.		
Total, Goal D: MR SPECIALIZED SERVICES	$ 287,560,373	$ 279,915,764
E. Goal: IMPROVE SYSTEM QUALITY		
Improve the infrastructure of state facilities		
E.1.1. Strategy: CAPITAL CONSTRUCTION	$ 35,150,895	$ 4,892,254 & U.B.
To construct and renovate facilities for the delivery of care in state facilities.		
F. Goal: INDIRECT ADMINISTRATION		
F.1.1. Strategy: CENTRAL ADMINISTRATION	$ 12,544,057	$ 12,544,057
F.1.2. Strategy: INFORMATION RESOURCES	$ 6,607,182	$ 6,607,182
F.1.3. Strategy: OTHER SUPPORT SERVICES	$ 10,028,745	$ 10,028,745
Total, Goal F: INDIRECT ADMINISTRATION	$ 29,179,984	$ 29,179,984
Grand Total, DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION	$ 1,651,623,964	$ 1,627,453,025

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
(Continued)

Method of Financing:		
General Revenue Fund	$ 602,480,676	$ 602,573,687
General Revenue Match for Medicaid	327,421,885	331,359,136
Subtotal, General Revenue Fund	$ 929,902,561	$ 933,932,823
General Revenue Fund - Dedicated - Texas Capital Trust Fund Account No. 543	9,130,895	U.B.
Federal Funds, estimated	637,679,544	644,900,985
Bond Proceeds - General Obligation Bonds	26,020,000	U.B.
Appropriated Receipts, estimated	42,885,022	42,613,275
Interagency Contracts, estimated	6,005,942	6,005,942
Subtotal, Other Funds	$ 74,910,964	$ 48,619,217
Total, Method of Financing	$ 1,651,623,964	$ 1,627,453,025
Number of Full-time Equivalent Positions (FTE)	24,029.5	23,119.5
Schedule of Exempt Positions		
* Commissioner, Group 6	$135,000	$135,000
* Assistant Commissioner	85,000	85,000
* Chief Financial Officer	85,000	85,000
Medical Director	145,748	145,748

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Repair or Rehabilitation of Buildings and Facilities		
(1) MLPP Payments for 1992-95 Acquisitions	$ 367,781	$ 95,502
(2) Repairs or Rehabilitation of Buildings and Facilities	$ 35,150,895	$ U.B.
Total, Repair or Rehabilitation of Buildings and Facilities	$ 35,518,676	$ 95,502
b. Acquisition of Information Resource Technologies		
(1) MLPP Payments for 1992-95 Acquisitions	1,880,426	254,668
c. Transportation Items		
(1) MLPP Payments for 1992-95 Acquisitions	1,472,373	123,943
d. Acquisition of Capital Equipment and Items		
(1) MLPP Payments for 1992-95 Acquisitions	3,128,258	1,233,504
(2) MLPP Payments for 1998-99 Acquisitions	$ 0	$ 6,217,269
Total, Acquisition of Capital Equipment and Items	$ 3,128,258	$ 7,450,773
Total, Capital Budget	$ 41,999,733	$ 7,924,886

Method of Financing (Capital Budget):

General Revenue Fund	$ 6,848,838	$ 7,924,886
General Revenue Fund - Dedicated - Texas Capital Trust Fund Account No. 543	9,130,895	U.B.
Bond Proceeds - General Obligation Bonds	26,020,000	U.B.
Total, Method of Financing	$ 41,999,733	$ 7,924,886

2. **Federal Funds Appropriated**. The appropriations herein made may be used to match federal funds granted to the state for the payment of personal services, travel and other necessary expenses in connection with the administration and operation of a state program of health and human services. The Texas Department of Mental Health and Mental Retardation is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal monies that are made available (including grants, earnings, allotments, refunds, and reimbursements) to the state for such purposes and all fees authorized by federal law, and to receive, administer, and disburse federal funds for federal programs in accordance with plans agreed upon by the Department of Mental Health and Mental Retardation and the responsible federal agency, and such other activities as come under the authority of the Department of Mental Health and Mental Retardation, and such monies are appropriated to the specific purpose or purposes for which they are granted or otherwise made available.

3. **Reappropriation of Federal and Local Funds**. All funds received by the department from counties, cities, federal agencies and from any other local source and all balances from such sources as of August 31, 1997, are hereby appropriated for the biennium ending August 31, 1999, for the purpose of carrying out the provisions of this Act.

4. **Medical Assistance Payments and Unexpended Balances**. General revenue funds appropriated hereinabove for all Medicaid services shall be payable in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 1998 to fiscal year 1999, and such funds are reappropriated to the department for the 1998-99 biennium.

5. **Transfers of Appropriation - State Owned Hospitals**. The Department of Mental Health and Mental Retardation shall transfer from non-Medicaid state appropriated funds the following amounts to the Department of Health for the Disproportionate Share Hospital Reimbursement Program:

	1998	1999
State Mental Hospitals	$ 362,977,422	$ 314,578,401
Harris County Psychiatric Center	26,522,187	26,522,187
	$ 389,499,609	$ 341,100,588

The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Department of Health. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds. The department shall also transfer non-Medicaid state appropriated funds as necessary for other qualifying state-funded community hospitals.

6. **Community Hospital Medicaid Services**. The Harris County Psychiatric Center, the El Paso Psychiatric Center and the Lubbock Psychiatric Center shall certify appropriated state funds to the Health and Human Services Commission or its designee for the state share of Medicaid reimbursement for the following services:

a. Inpatient psychiatric services for children.

b. Inpatient psychiatric services for age 65 and over (Institute for Mental Disease option).

7. **Medicaid Funding for Special Needs Offenders Served by Community Mental Health and Mental Retardation Authorities**. Within appropriations made above, the Department of Mental Health and Mental Retardation should maximize Medicaid funding for offenders with mental illness and/or mental retardation who receive services from community Mental Health and Mental Retardation Authorities. The department shall accomplish this goal by:

   a. ensuring that when services are delivered to a Medicaid-eligible special needs offender by means of a state or local interagency contract between an MHMR center and a criminal justice agency, the criminal justice agency's share of the service cost constitutes no more than the state share of the cost of the Medicaid services.

   b. executing, by December 1, 1997, an interagency agreement with the Department of Criminal Justice (in coordination with the Council on Offenders with Mental Impairments) that standardizes interagency policy on contracts between criminal justice agencies and MHMR authorities. The interagency agreement should specify that both agencies will use Medicaid funding for special needs services whenever possible and that the criminal justice agency's share of the service cost will constitute no more than the state share of the cost of the Medicaid services. Copies of the interagency agreement shall be filed with the Governor’s Office of Budget and Planning and the Legislative Budget Board.

8. **Home and Community-Based Services (HCS) Waiver Program**. It is the intent of the Legislature that the provisions of 1915(c) of the Social Security Act or other Medicaid waiver program shall be utilized in order to maximize funds available for home and community-based services. The Department of Mental Health and Mental Retardation shall certify and/or transfer appropriated state funds to the Medicaid single state agency or its designee so that it can claim federal financial participation.

   The department shall ensure the cost-effectiveness of the HCS program by limiting the average annual HCS expenditure per client to an amount not to exceed 80 percent of the average annual per client ICF-MR expenditure. Expenditures for individual clients may exceed this cap as long as the overall average expenditure for HCS clients remains below. The department shall provide data on HCS and ICF-MR expense to the Legislative Budget Board as requested. When documenting this cost comparison, the department may exclude the costs for any supported employment services covered under the HCS program.

9. **Residential Services Funded by General Revenue**. The Department of Mental Health and Mental Retardation shall refinance, with Medicaid funding, residential services to Medicaid-eligible clients that are currently funded with general revenue. This refinancing effort shall include both public and private general revenue-funded programs. The department shall accomplish this refinancing through the use of the Home and Community-based Services (HCS) waiver program, other Medicaid waiver programs, or, if necessary, the Intermediate Care Facility for the Mentally Retarded program. The department shall submit an annual report to the Legislative Budget Board that documents the number of persons and residential sites converted to Medicaid funding.

10. **Employee Meals**. Notwithstanding any other provision in this Act, the Department of Mental Health and Mental Retardation may provide free meals to employees who are required to eat meals with clients.

11. **Maximum Security Salaries**. As a specific exception to the General Provisions of this Act governing salary rates of classified positions, funds are included above for Rusk State Hospital and Vernon State Hospital, to pay those of their employees working in the Skyview Unit of the Department of Criminal Justice or the Maximum Security Units of Vernon State Hospital, a two step increase over those salary rates provided by the General Provisions.

12. **Revolving Fund Services.**

a. Central Services. The Department of Mental Health and Mental Retardation may maintain and operate revolving funds on a reimbursable basis for central services that contribute to the efficiency and economy of the facilities under its control and management. All receipts deposited to such central service funds are appropriated for all costs necessary for the operation of these services. Any balances remaining in such funds at the end of a fiscal year are reappropriated for any expenses necessary to the operation of these services for the second year of the biennium. To reimburse the funds from which expenditures are made, the department may make fund transfers from the appropriations of the facilities and agencies which receive the services and supplies, or may submit purchase vouchers through the Office of the State Comptroller.

b. Canteen Services. Each of the facilities under control and management of the Department of Mental Health and Mental Retardation, except the Central Office, may establish, maintain and operate a canteen for the convenience of its patients. Any balances remaining in each canteen operation fund at the end of each fiscal year, plus all receipts deposited to its credit, are appropriated for all costs necessary for the operation of a canteen for the next fiscal year. Each of the facilities under control and management of the department that contracts with the Commission for the Blind for the operation of its canteen shall deposit the amount of monies originally appropriated for its Canteen Operation Fund into the General Revenue Fund. The balance remaining in the facility's Canteen Operation Fund, after the amount originally appropriated is deposited to the General Revenue Fund, shall be deposited to the Benefit Fund created at the facility under the provisions of Health and Safety Code V.T.C.A., § 551.004.

c. Motor Pool Services. The Department of Mental Health and Mental Retardation is hereby authorized to utilize the services of its motor pool to transfer and deliver the household goods and effects of its employees transferred from one place of employment to another within the department when such service to such employee is deemed to be in the best interest of the state, however, this service shall not be extended to any new employee.

d. United States Surplus Property and Commodities Services. It is the intent of the Legislature that the funds hereby appropriated for a central supply service are to be used to finance on a reimbursable basis, the obtaining, storing, handling and distribution of the United States surplus property and commodities to various facilities under the jurisdiction of the Department of Mental Health and Mental Retardation.

e. Supply Revolving Fund. From funds herein appropriated, the Department of Mental Health and Mental Retardation may authorize each facility under its control and management to establish, maintain, and operate on a reimbursable basis, a Supply Revolving Fund to contribute to the efficiency and economy of such facilities.

The department shall approve the amount necessary to implement the revolving funds and shall establish rules to avoid depletion of the funds. To reimburse the revolving funds, facilities may transfer funds from the programs and activities for which supplies are provided.

f. Sheltered Workshops. Any balances remaining in the sheltered workshop funds at the end of each fiscal year, together with receipts deposited to their credit are appropriated for use in the operation of sheltered workshops for the next fiscal year.

13. **Petty Cash Fund**. Each facility under the Department of Mental Health and Mental Retardation may establish a petty cash fund not to exceed $5,000 out of funds appropriated above. These funds shall be maintained in cash or at a local bank and shall be used by case managers or community services staff only for the purpose of making emergency purchases of medication, basic life support necessities, or other services without which would place clients served by said staff at risk of being placed in a more restrictive environment.

14. **Barber and Cosmetology Services**. The Department of Mental Health and Mental Retardation may charge fees for barber and cosmetology services provided the fees charged are consistent with an individual's ability to pay. These fees are appropriated to the department to

offset the cost of providing barber and cosmetology services. The department may also use patient benefit funds to offset the cost of these services for indigent clients.

15. **Children's Heart Institute**. It is the intent of the Legislature that the Texas Department of Mental Health and Mental Retardation (TXMHMR) continue to fund the Children's Heart Institute in an amount not to exceed $150,000 for each year of the biennium for services to children with mental disabilities who also have congenital heart defects. A contract shall be developed between TXMHMR and the Children's Heart Institute to ensure that appropriate medical services will be provided and that relevant documentation on performance will be submitted to TXMHMR.

16. **Cash Flow Contingency**. Contingent upon the receipt of federal funds allocated from the Medicaid Program, the department may temporarily utilize additional general revenue funds, pending receipt of federal reimbursement, in an amount not to exceed the anticipated reimbursement, in each year of the biennium. The general revenue amounts utilized above the general revenue method of finance must be repaid upon receipt of federal reimbursement and shall be utilized only for the purpose of temporary cash flow needs. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be in accordance with procedures established by the Comptroller. All transfers of the method of finance shall be reported by the department to the Legislative Budget Board.

17. **Reimbursement of Advisory Committee Members**. Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for advisory committee members, out of the funds appropriated above, is limited to the following advisory committees:

    Mental Health Planning and Advisory Committee
    Public Responsibility Committees
    Citizen's Planning Advisory Committee
    Medical Advisory Committee
    Mental Retardation Planning and Advisory Committee
    Treatment Methods Advisory Committee
    MI/Deaf Advisory Committee
    State Advisory Committee - Texas Children's Mental Health Plans
    Quality Services Council
    Quality Improvement Councils (NTE 1 per facility)
    Ethics Committees (NTE 1 per facility)

    None of the funds for reimbursement shall come from the direct provision of services to the clients of MHMR.

18. **Unexpended Construction Balances**. Any unexpended construction, repair, or renovation balances from previous appropriations are hereby reappropriated to the Texas Department of Mental Health and Mental Retardation for the same purposes, provided that the expenditure of such reappropriated funds shall require the approval of the Board of Mental Health and Mental Retardation and that copies of such approval should be filed with the Governor and the Legislative Budget Board.

19. **Disposition of Construction Appropriation**. Construction appropriations may be used to pay salaries and travel expenses of department engineers and architects and administrative expenses of construction projects (but shall not exceed $350,000 in a fiscal year that are paid out of G.O. Bonds); architect's and engineer's fees; and the actual travel expenses incurred by them or their representatives in making trips of inspection at the discretion of the department during construction, renovation, or repair of buildings and systems or the installation of fixed equipment. Job titles and rates of pay for such salaried positions of department personnel paid from construction appropriations shall conform with the Position Classification Plan and Classification Salary Schedule.

20. **Unexpended Balances**. Except as otherwise provided, unexpended and unobligated balances, not to exceed $10 million, remaining from appropriations for the first year of the biennium to the Department of Mental Health and Mental Retardation are reappropriated to the department

for the purpose of complying with Joint Commission for the Accreditation of Healthcare Organizations (JCAHO) standards and Intermediate Care Facilities for the Mentally Retarded (ICF-MR) standards dealing with residential, non-residential, and community based mental health and mental retardation services. This paragraph does not apply to those unexpended and unobligated balances remaining from appropriations for the first year of the biennium that the department is authorized by this act to retain for specific purposes in the second year of the biennium.

21. **Payment for Compensatory Time**. It is expressly provided that the Department of Mental Health and Mental Retardation, to the extent permitted by law, may pay FLSA exempt and FLSA non-exempt employees on a straight time basis for work on a holiday or for regular compensatory time hours when taking of regular compensatory time off would be disruptive to normal business functions.

22. **Copyright of Training Materials and Patent of Technologies Developed by the Department**. In addition to the amounts appropriated above, the Department of Mental Health and Mental Retardation is hereby authorized to collect the following fees: a) fees collected from the sale of written training materials, video tapes, audio tapes and in the form of electronic media, such materials having been developed in part or whole by the department; and b) licensing fees collected by the department in exchange for allowing individuals and companies to use any patented technology developed, in part or in whole, by the department. The department is authorized to license the use of any copyright-protected material, trademark, trade secrets, and any patented technology. This does not include any mineral royalties. Fees collected in the sale of training materials described above may be in excess of the actual reproduction cost incurred by the department and shall be used to recoup the costs associated with developing the training materials. Fifty percent (50%) of the fees collected in licensing of any patented technology shall be devoted to further research and development of technologies reasonably believed to be of assistance to the department's priority population. The remaining 50 percent shall be deposited to the General Revenue Fund.

23. **Fire Prevention and Safety**. In instances in which regular employees of facilities located in remote areas are assigned extra duties in fire prevention programs, the following payments are authorized in addition to the salary rates stipulated by the General Provisions on this Act relating to the position classifications and assigned salary ranges:

Fire Chief	$ 75 per month
Assistant Fire Chief	$ 65 per month
Fire Brigade Member	$ 50 per month

24. **Patient or Student Assistance**. Subject to the approval of rules and regulations of the governing board of the Department of Mental Health and Mental Retardation, patients or students in any state facility who are assisting in the operation of the facility as part of their therapy, may receive compensation out of any funds available to the respective facilities.

25. **Surplus Property**. In order to conserve funds appropriated, surplus personal property may be transferred from one facility to another with or without reimbursement. The Department of Mental Health and Mental Retardation may transfer surplus personal property to community MHMR centers with or without reimbursement. Surplus personal property belonging to any facility may be sold; provided, however, that such transfers or sales shall be made under the same procedure as provided by Article 601b, Section 9.01, Vernon's Annotated Civil Statutes. In making such transfers or sales, the agency may do so without the necessity of contracts, as required by V.T.C.A., Government Code, Section 771, known as the Interagency Cooperation Act.

26. **Road Construction and Maintenance at State Facilities**. Notwithstanding any other provision in law, the Texas Department of Transportation shall construct, repair, and maintain roads in and providing access to and from Texas Department of Mental Health and Mental Retardation facilities.

27. **Dual Diagnosis Clients**. Out of funds appropriated above, mental health services purchased by the Department of Mental Health and Mental Retardation can be provided to persons who have co-occurring substance abuse and mental disorders.

28. **Limitation of Specific Strategy Transfers.** The transfer of funds from Strategy B.1.1., State Hospital Services, to any other strategy is limited to 10 percent and the transfer of funds from Strategy D.1.1., State School Services, to any other strategy is limited to 10 percent without the prior approval of the Legislative Budget Board and the Governor's Office of Budget and Planning.

29. **Workers' Compensation Payments.**
    a. Notwithstanding other provisions in this Act, the Department of Mental Health and Mental Retardation shall have the first $16.0 million per year in workers' compensation payments paid in full from appropriations made for Workers' Compensation Payments for the purpose of paying workers' compensation claims and liabilities. The Department of Mental Health and Mental Retardation shall transfer to the appropriation item in the Workers' Compensation Payments the amounts necessary to pay 100 percent of workers' compensation liabilities in excess of $16.0 million each year.

    b. Contingent upon enactment of House Bill 2133, Seventy-fifth Legislature, or similar legislation authorizing the State Office of Risk Management to allocate or apportion the appropriations made by this Act for workers' compensation payments, none of the funds appropriated by this Act to the Texas Department of Mental Health and Mental Retardation may be expended for the payment of workers' compensation benefit payments unless the total amount of benefit claims paid for the benefit of employees of the Department of Mental Health and Mental Retardation during a fiscal year exceeds $16.0 million, in which case the amount of the excess shall be paid out of appropriations made above to the Department of Mental Health and Mental Retardation and out of no other source.

30. **Dual Diagnosis Initiative.** It is the intent of the Legislature that the Department of Mental Health and Mental Retardation and the Commission on Alcohol and Drug Abuse shall enter into an inter-agency agreement for a Dual Diagnosis Initiative to provide services for clients with both a substance abuse and a mental health diagnosis.

31. **Contingent Revenue, Texas Capital Trust Account.** Out of funds appropriated above in E.1.1., Capital Construction, the amount of $9,130,895 is contingent upon the Department of

Mental Health and Mental Retardation raising revenue from real estate transactions during the 1998-99 biennium, $10,000,000 in excess of the estimate for Account 543 contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998 and 1999. The Department of Mental Health and Mental Retardation, upon completion of necessary actions to increase the revenue, shall furnish copies of the Board of Mental Health and Mental Retardation minutes and other information supporting the estimated revenues to be generated for the 1998-99 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriations shall be made available for the intended purposes.

32. **Enhanced Equity.** It is the intent of the Legislature that the Department of Mental Health and Mental Retardation continue its policy of enhancing equity in community services by taking into consideration population density (particularly sparsely populated areas), poverty, and need in its allocation methodology. Allocations to local mental health and mental retardation authorities shall not be reduced for the purpose of redistribution to other authorities to enhance equity.

33. **Audit of Dallas County Community MHMR Center.** The State Auditor's Office, in collaboration with the Department of Mental Health and Mental Retardation, shall conduct an audit of the Dallas County Community MHMR Center. This programmatic and financial audit must focus on the impact of the community center's reorganization on service delivery and needs assessment; the center's employment, contracting, and consulting practices; and the center's capital purchases, renovations, and requirements. A report of the findings of the audit shall be submitted to the Legislative Budget Board and the Governor's Office of Budget and Planning.

34. **Report on Local Authorities.** To ensure that the Legislature and Governor's office are kept informed of the process and effects of delegating to a local mental health authority or local mental retardation authority (local authority) the responsibility of planning, coordination, and oversight of mental health and/or mental retardation services in that area, the department shall submit a report in February and September of each year describing such implementation. The department shall report its methods that ensure accountability on the part of local authorities, in addition to reporting criteria to ensure the elimination of conflicts of interest. The report shall include feedback from stakeholders, the percent of services historically provided by a local authority now being provided through service contracts, the anticipated efficiencies resulting from contracting for services, and the quality of services provided. The report shall also address the degree to which planning, policy development, and resource allocation and development are being done by local authorities.

35. **Autistic Adult Program.** Out of the funds appropriated above, the Department of Mental Health and Mental Retardation shall establish an autistic adult program to meet the needs for continuing care for adults with autism.

36. **Gulf Coast Center Regional Community Psychiatric Hospital.** Out of the funds appropriated above in item B.1.1., State Hospital Services, $1,200,000 in each year of the biennium shall be used for the operation of a community psychiatric hospital to be developed and managed by the Gulf Coast Center and the University of Texas Medical Branch at Galveston.

37. **State School Funding.** It is the intent of the Legislature that the Department implement a single funding methodology for state schools which funds all state schools equitably and at a level which is adequate to maintain compliance with applicable federal standards. The methodology should be based on the number of residents in each school and the needs of those residents.

38. **Community Mental Health and Mental Retardation Centers.** If the Department determines that a community mental health and mental retardation center is unable or unwilling to fulfill its contractual obligations to provide services or to exercise adequate control over expenditures and assets, the Department may take necessary steps, including the appointment of a management team, to protect the funds appropriated under this Act and ensure the continued provision of services.

39. **New Generation Medications.** Out of funds appropriated above in Strategy A.1.3., Treatment, the Department of Mental Health and Mental Retardation shall expend in the 1998-99 biennium, to provide New Generation medications (anti-psychotic drugs), an amount not less than $5,000,000 more than was expended for that purpose during the 1996-97 biennium.

40. **Residential Providers.** It is the intent of the Legislature that individuals seeking residential services for a person with mental retardation have a choice of available providers. To ensure choice, the agency shall inform individuals seeking residential services of all the service options available, including large and small congregate living arrangements and waiver services.

41. **Language Interpreter Services.** In order to compensate employees for assuming the duty of providing interpretation services to consumers whose primary language is not English, facilities of the Texas Department of Mental Health and Mental Retardation, upon written authorization of the Commissioner or his designee, may, from funds appropriated above, increase the salary of classified employees by an amount equal to a one step increase, or 3.4 percent, so long as the resulting salary rate does not exceed the rate designated as the maximum rate for the applicable salary group. This increase shall be granted only for the regular provision of interpreter services above and beyond the regular duties of the position, and shall be removed when these services are, for whatever reason, no longer provided by the employee or when that are not longer needed by the facility. Salary increases provided for this purpose are not merit increases and shall not affect an employee's eligibility to receive a merit increase.

42. **Performance Contracts.** Funds in Strategy A.1.4., Community Hospitals, shall be allocated through performance contracts with local mental health authorities.

43. **Intensive Community-Based Services Options.** Out of the funds appropriated above, the Texas Department of Mental Health and Mental Retardation is authorized to conduct a pilot study on the effectiveness of intensive community-based services options for children and families in decreasing the use of and/or length of stay in residential treatment. The pilot will examine the costs, efficacy and benefits to children and families, and will be evaluated in collaboration with the Health and Human Services Commission and the Department of Protective and Regulatory Services.

    The Texas Department of Mental Health and Mental Retardation shall complete a report on the findings of the pilot study with recommendations for future development, estimated costs, and recommended statutory changes necessary to more effectively serve families with intensive needs. The report shall be submitted to the Governor and the Legislature by January 1, 1999.

44. **State-Owned Housing Authorized.** As of September 1, 1998, the Superintendent, Medical Director, Assistant Superintendent for Programs, and Director of Plant Maintenance at each facility are authorized to live in state-owned housing at a rate determined by the department. Other department employees may live in state-owned housing as set forth in Article IX, Section 178, Recovery Housing Costs, of this Act. Fees for employee housing are hereby reappropriated to be used for maintaining employee housing.

DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: PROTECTIVE SERVICES To protect children, elderly adults, persons with disabilities, and victims of family violence from abuse, neglect and/or exploitation through development and efficient management of an integrated service delivery system.		
Outcomes:		
Confirmed Incidence of Child Abuse/Neglect per 1,000 Children Under the Age of 18	8.4	8.4
Percent of Children in State Conservatorship for Whom Permanency Was Achieved Within 24 Months	88%	88%
Percent of Children Adopted From State Conservatorship Within 24 Months of Termination of Parental Rights	78.1%	78.9%
Percent of STAR Youth With Positive Outcomes 90 Days After Termination	66%	66%
Incidence of Abuse/Neglect/Exploitation per 1,000 Elderly Persons and Persons With Disabilities	13.1	13.1
Percent of Validated Occurrences Where Children are Placed at Serious Risk	29%	29%
A.1.1. Strategy: AUTOMATED INTAKE SYSTEM Provide a comprehensive and consistent system with automation support for receiving reports of children suspected to be at risk of abuse/neglect and assign for investigation those reports that meet the Texas Family Code definition of child abuse/neglect.	$ 5,715,914	$ 5,715,914
Outputs:		
Number of CPS Reports of Child Abuse/Neglect	125,146	125,146
Efficiencies:		
Average Cost per CPS Child Abuse/Neglect Report	45.67	45.67
A.1.2. Strategy: CHILD AND FAMILY SERVICES Provide a comprehensive and consistent system for the delivery of investigations, in-home services, out-of-home care, and permanency planning by direct services to children who are at risk of abuse/neglect and their families.	$ 143,254,387	$ 143,363,467
Outputs:		
Number of Completed CPS Investigations	107,591	107,591
Number of Confirmed Cases of Child Abuse/Neglect	29,328	29,328
Average Number of Open Child Protective Service Cases per Month	33,737	33,737
Number of Children in State Conservatorship Who Are Adopted	837	870
Efficiencies:		
Average Monthly Cost per Open CPS Investigation	145.5	145.61
Average Monthly Cost per Child Protective Service Case	205.54	205.69
A.1.3. Strategy: PURCHASED SERVICE SYSTEM Provide purchased services to treat children who have been abused or neglected, to enhance the safety and well-being of children at risk of abuse and neglect, and to enable families to provide safe and nurturing home environments for their children.	$ 34,830,843	$ 35,430,843

Outputs:				
Average Number of Children Receiving Purchased Services While Living at Home per Month		7,619		7,619
Efficiencies:				
Average Cost per Child for Purchased Services		218.5		218.5
A.1.4. Strategy: INTENSIVE FAMILY PRESERVATION	$	17,776,812	$	17,776,812
To provide intensive family preservation services to prevent unnecessary removal from their homes of children at risk of abuse and neglect, and to enable the early and safe reunification of children from out-of-home care.				
Outputs:				
Average Number of Families Receiving Intensive Family Preservation Services per Month		1,147		1,147
Efficiencies:				
Average Cost per Family for Intensive Family Preservation Services		644.56		644.56
A.1.5. Strategy: FOSTER CARE/ADOPTION PAYMENTS	$	250,251,157	$	264,627,981
Provide funding for foster care services and adoption subsidies for children who need them.				
Outputs:				
Average Number of Days per Month of Foster Care for All Levels of Care		372,929		388,789
Average Number of Children (FTE) Served in Paid Foster Care per Month		11,804		12,306
Average Number of Children Provided Adoption Subsidy per Month		8,080		9,040
Efficiencies:				
Average Expenditures for Foster Care per Month for All Levels of Care		16,764,811		17,477,009
Average Copayment for Foster Care per Month for All Levels of Care		721,935		752,603
Average Monthly Payment per Child (FTE) in Paid Foster Care		1,420.27		1,420.2
Average Monthly Payment per Adoption Subsidy		395.33		395.3
A.1.6. Strategy: ALTERNATIVE SERVICES	$	25,297,708	$	28,697,708
Provide funding for alternative services, including but not limited to anti-gang, truancy, and runaway services, to children who need them.				
Outputs:				
Average Number of STAR Youth Served per Month		5,301		6,275
Number of Youth Receiving CYD Services		1,948		1,948
Efficiencies:				
Average Monthly PRS Cost per STAR Youth Served		265		265
Average PRS Cost per CYD Youth Served		265		265
A.1.7. Strategy: HOPE CENTER	$	1,823,881	$	1,823,881
Provide alternate treatment for youth through contract with Hope Center.				
Outputs:				
Number of Children Served by Hope Center Monthly		78		78

A.2.1. Strategy: ADULT PROTECTIVE SERVICES Provide a comprehensive and consistent system for the investigation of reports of abuse, neglect, and exploitation of vulnerable adults and provide services to alleviate and prevent the recurrence of cases of maltreatment.	$	24,285,661	$	25,220,486
Outputs:				
Number of Completed APS Investigations		58,153		62,147
Number of Confirmed APS Cases		47,175		50,145
Average Number of Open Adult Protective Service Cases per Month		1,423		1,520
Efficiencies:				
Average Monthly Cost per APS Investigation		67.32		64.73
Average Monthly Cost per Adult Protective Services Case		446.94		428.55
A.2.2. Strategy: MHMR INVESTIGATIONS Provide a comprehensive and consistent system for the investigation of reports of abuse, neglect, and exploitation of persons receiving services through MHMR facilities and community MHMR centers.	$	4,504,263	$	4,504,262
Outputs:				
Number of Completed Investigations: MHMR Facilities		6,782		6,782
Number of Completed Investigations: Community MHMR Centers		1,145		1,145
Number of Confirmed Reports: MHMR Facilities		1,473		1,473
Number of Confirmed Reports: Community MHMR Centers		393		393
Efficiencies:				
Average Monthly Cost per MHMR Investigation		560.51		560.51
A.3.1. Strategy: CHILD CARE REGULATION Provide a comprehensive system of consultation, licensure, and regulation which ensures the maintenance of minimum standards by day care facilities, residential child care facilities, registered family homes, child-placing agencies, and residential child care facility administrators.	$	14,635,954	$	14,755,790
Outputs:				
Number of New Licenses, Certifications, and Registrations Issued		5,194		5,339
Number of Licenses, Certifications, and Registrations		31,141		31,630
Number of Licensed Day Care Facilities		10,493		10,783
Number of Registered Family Homes		12,192		12,192
Number of Inspections		37,392		38,263
Number of Complaints Investigated		11,794		12,184
Efficiencies:				
Average Cost per Issuance		710.31		696.11
Average Cost per Inspection		211.05		207.76
Average Cost per Investigation		263.73		257.3
A.4.1. Strategy: MAINTAIN AUTOMATED SYSTEM Maintain a comprehensive automated system to support investigations and the delivery of protective services.	$	7,024,422	$	7,024,422
Outputs:				
Number of Automated Workstations		6,384		6,384
Total, Goal A: PROTECTIVE SERVICES	$	529,401,002	$	548,941,566
B. Goal: INDIRECT ADMINISTRATION				
B.1.1. Strategy: CENTRAL ADMINISTRATION	$	7,297,708	$	7,297,708

B.1.2. Strategy: INFORMATION RESOURCES	$ 7,998,507	$ 7,998,507
B.1.3. Strategy: OTHER SUPPORT SERVICES	$ 1,803,973	$ 1,803,973
B.1.4. Strategy: REGIONAL ADMINISTRATION	$ 6,286,184	$ 6,298,152
Total, Goal B: INDIRECT ADMINISTRATION	$ 23,386,372	$ 23,398,340
Grand Total, DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES	$ 552,787,374	$ 572,339,906
Method of Financing:		
General Revenue Fund	$ 182,799,912	$ 190,919,445
General Revenue Match for Medicaid	23,262,566	23,259,427
General Revenue: Temporary Assistance for Needy Families	24,196,744	30,988,336
Earned Federal Funds	904,884	904,884
Subtotal, General Revenue Fund	$ 231,164,106	$ 246,072,092
Federal Funds	317,096,305	321,724,946
Appropriated Receipts	2,585,748	2,601,653
Interagency Contracts	1,941,215	1,941,215
Subtotal, Other Funds	$ 4,526,963	$ 4,542,868
Total, Method of Financing	$ 552,787,374	$ 572,339,906
Number of Full-time Equivalent Positions (FTE)	6,216.0	6,257.0
Schedule of Exempt Positions		
* Executive Director, Group 4	$90,000	$90,000
Deputy Director	(5) 77,500	(5) 77,500

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) ISAS and USPS Implementation (MLPP)	$ 373,039	$ 286,702
(2) ISAS and USPS Implementation	629,098	0
(3) Automated Equipment Upgrade or Replacement (MLPP)	$ 462,863	$ 1,155,487
Total, Acquisition of Information Resource Technologies	$ 1,465,000	$ 1,442,189

b.	Repair or Rehabilitation of Buildings and Facilities	$ 35,000	$ 57,811
	Total, Capital Budget	$ 1,500,000	$ 1,500,000

2. **Substitute Care Permanency Goal.** In order to comply with P.L. 96-272, it is the intent of the Legislature that the Department of Protective and Regulatory Services actively seek permanent homes for the children who are in the department's substitute care program for long periods. To this end, the department shall seek to limit the number of children under the department's responsibility who are in substitute care for a period longer than 24 months. With respect to children in paid placements, for fiscal years 1998-99, the goal for such children is forty-five percent (45%) of the total number of children in the department's foster care program at any time during the year.

   Further, it is the intent of the Legislature that whenever possible, the department shall utilize state and/or federal funds currently being expended for substitute care to cover the cost of assuring permanent homes where appropriate for foster children.

3. **Limitation on Expenditures for Conservatorship Suits.** To the extent allowed by federal regulation, federal funds may be used by the department in conjunction with funds provided by counties with which the department has child welfare contracts, to pay for legal representation for children or their parents in suits in which the department is seeking to be named conservator. No general revenue funds appropriated to the department may be used to make such payments.

4. **Reappropriation of Funds.** All funds received by the department from counties, cities, and/or federal agencies and from any other local source and all balances from such sources as of August 31, 1997, are hereby appropriated for the biennium ending August 31, 1999, for the purpose of carrying out the provisions of this Act. Any unexpended balances in earned federal funds as of August 31, 1997, are hereby reappropriated for the biennium ending August 31, 1999, provided that the department shall only use such funds for direct delivery caseworkers in Strategy A.1.2., Child and Family Services. (Estimated to be $0).

5. **Accounting of Support Costs.** The State Comptroller shall establish separate accounts from which certain support costs shall be paid. The Department of Protective and Regulatory Services is hereby authorized to make transfers into separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs, and salary and travel costs of staff whose function supports several programs. The department shall be responsible for monthly allocations of these costs to the original strategies.

6. **Tertiary Prevention of Child Abuse Programs.** From the amounts appropriated above, the Department of Protective and Regulatory Services shall allocate $120,000 each fiscal year of the biennium for continuation of a statewide network of community-based, volunteer-driven programs for prevention, intervention, and aftercare services of abused children.

7. **Foster Care Rates.** It is the intent of the Legislature that the Department of Protective and Regulatory Services not reduce foster care rates during the 1998-99 biennium. The department may transfer funds into Strategy A.1.5., Foster Care/Adoption Payments, for the purpose of maintaining foster care rates. The department may not transfer funds out of Strategy A.1.5., Foster Care/Adoption Payments, except to Strategy A.1.2., Child and Family Services.

The department may also use funds in Strategy A.1.5., Foster Care/Adoption Payments, to recommend alternate service provision beyond intake and investigation that will consider expansion of contract services, regional planning, service outcomes, and appropriate funding mechanisms to be tested in a pilot project. Such pilot approaches to innovative service delivery shall be designed in conjunction with providers, approved by the Health and Human Services Commission, and funded at no increased cost to the State. If the department implements a pilot utilizing an innovative payment structure designed in conjunction with providers, approved by the Health and Human Services Commission, and funded at no increased cost to the State, such a pilot may include a modification of rates.

The department shall notify the Legislative Budget Board and the Governor's Office of Budget and Planning prior to any transfer of funds authorized by this provision.

8. **Fund Transfers for Funds Consolidation.** For the purpose of funds consolidation, federal and other funds may be transferred into the General Revenue Fund from Department of Protective and Regulatory Services Fund 37. The initial deposit of federal funds shall be made into Fund 37 and no direct expenditures shall be made from this fund.

9. **Reimbursement of Advisory Committees.** Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committee: Texas Multidisciplinary Task Force on Children's Justice.

10. **Appropriation of Earned Federal Funds.**

    The authority to receive and expend earned federal fund balances in excess of those appropriated above is subject to the following limitations:

    a. At least 14 days prior to any expenditure of any earned federal funds, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor's Office of Budget and Planning, and Health and Human Services Commission. At least 14 days prior to any meeting of the Board of Protective and Regulatory Services to consider a budget adjustment of any use of earned federal funds above levels indicated in the appropriation above or to consider any program expansion, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor's Office of Budget and Planning, and Health and Human Services Commission.

    b. Notifications shall include information regarding the need which will be served with the additional revenue. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; and impact upon existing programs.

    c. The report shall include the information detailed in "b" and identify the impact on established performance targets, measures, and full-time equivalent positions.

11. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for the Department of Protective and Regulatory Services are made contingent on the continuation of the Department of Protective and Regulatory Services by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 1998 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

12. **Contract Quality Assurance.** The department is hereby authorized to expend an amount not to exceed $500,000 in each year of the biennium from funds appropriated above in A.1.3 Purchased Service System and A.1.5 Foster Care/Adoption Payments for the purpose of

verifying, monitoring, and enforcing compliance with federal, state, and agency contract performance requirements.

13. **Intensive Services to Parents.** Out of funds appropriated above in Strategy A.1.3., Purchased Service System, it is the intent of the Legislature that the agency provide family support services and parenting skills education. The agency shall contract with existing organizations and established pilot projects to provide comprehensive and intensive early intervention and in-home parenting education.

    The outcomes should include but are not limited to preventing developmental delay, child abuse and neglect, school failure and other negative consequences for children.

14. **Minimum Training for Caseworkers.** In addition to the minimum training currently conducted by the Department of Protective and Regulatory Services, the department shall incorporate law enforcement training. The purpose of including a law enforcement agency in training is to assure that caseworkers are trained to be effective investigators.

    It is the intent of the Legislature that the Department of Protective and Regulatory Services utilize the Texas Commission on Law Enforcement Officer Standards and Education in addition to the University of Texas Graduate School of Social Work to provide training for caseworkers.

15. **Reappropriation for Alternative Service.** Any unexpended balances in Strategy A.1.6., Alternative Youth Services, as of August 31, 1997, are hereby reappropriated for the purpose of extending services in existing Community Youth Development Programs. (Estimated to be $1,000,000, including $250,000 in general revenue funds and $750,000 in federal funds).

16. **Alternative Services.** Out of the funds appropriated above in item A.1.6., Alternative Services, in each year of the biennium the department shall allocate not less than $10,182,071 for the STAR Program; and not less than $6,195,451 for Community Youth Development Grants.

    The department shall maintain an interagency steering committee to approve guidelines and oversee the Community Youth Development Grants program. It is the intent of the Legislature that the department shall maintain the Services to Runaways and At-Risk Youth (STAR) programs to meet the need of high risk youth and maintain community youth development grants targeting youth who are at high risk of entering the juvenile justice system based on demographics of the populations in the juvenile justice system.

17. **Creation of Emergency Shelter in Laredo.** It is the intent of the Legislature that the Department of Protective and Regulatory Services work with existing providers, recruit qualified emergency shelter foster homes or otherwise provide emergency shelter services for those children under the age of ten years old requiring such services in Laredo, Texas. A report describing the services to be provided shall be submitted to the Legislative Budget Board and the Governor's Office of Budget and Planning by December 31, 1997.

18. **Burial Expenses.** From funds appropriated above, the department is authorized to expend up to $50,000 in fiscal year 1998 and up to $50,000 in fiscal year 1999 for the purpose of paying funeral and other burial expenses for deceased children formerly residing in a department facility or in a foster home receiving funds from the department. The department is authorized to accept gifts, grants and donations for the purpose of paying these funeral and other burial expenses.

19. **Contingent Transfer Authority.** Contingent upon the passage of Senate Bill 34, Senate Bill 181, Senate Bill 359 or similar legislation providing for the mandatory resolution of PRS conservatorship cases within twelve months, and notwithstanding other restrictions on transferability established in this Act, the department is hereby authorized to transfer $3,582,493 from the amounts appropriated above in Strategy A.1.5., Foster Care/Adoption

Payments, for fiscal year 1999 to Strategy A.1.2., Child and Family Services, for fiscal years 1998 and 1999, or such other strategy as may be required for fiscal years 1998 and 1999, including contracts for the representation of the department pursuant to Section 264.009 of the Family Code, for purposes of implementing such legislation. It is specifically provided that these funds may be expended for such reasonable costs as are determined by the department to be necessary to implement the legislation.

20. **Improved Performance in Child Protective Services.** It is the intent of the Legislature that the Department of Protective and Regulatory Services review the delivery system for Child Protective Services in its new automated environment with a goal toward maximizing efficient and cost effective delivery of case related services. Such review should include the adequacy of current performance measures; ratios of caseworkers to supervisors, caseworkers to clerical, and caseworkers to other direct services support positions; "model" approaches to service delivery in urban and rural areas; and the most efficient and effective method of delivery of other indirect services. A report of the findings and recommendations should be made to the Legislative Budget Board and the Governor's Office of Budget and Planning by December 1, 1998.

21. **Allocation of Additional Resources.** It is the intent of the Legislature that:

    a. Additional resources provided above the fiscal year 1997 operating level for Child Protective Services be targeted primarily for caseworkers and be allocated to the regions of the Department of Protective and Regulatory Services using historical workload data on investigations, conservatorship, and caseload per worker in a manner that ensures the provision of resources to those regions experiencing the highest caseload per worker.

    b. Additional resources provided above the fiscal year 1997 operating level for Child Care Regulation be targeted primarily for workers placed in regions throughout the state.

22. **Contingent Reduction and Appropriation: Senate Bill 412.**

    (1) Contingent upon the enactment of Senate Bill 412, or similar legislation that implements the recommendation *Disturbing the Peace: The Challenge of Change in State Government* HHS 33 which increases federal reimbursement under Title IV-E and Medicaid, the appropriations made above to the Department of Protective and Regulatory Services from the General Revenue Fund are hereby reduced by $4,649,000 for fiscal year 1999.

    (2) Contingent upon the enactment of Senate Bill 412, or similar legislation that implements the recommendation *Disturbing the Peace: The Challenge of Change in State Government* HHS 33 which increases federal reimbursement under Title IV-E and Medicaid, by the Seventy-fifth Legislature, Regular Session, the Department of Protective and Regulatory Services is hereby appropriated $2,730,403 for fiscal year 1998 and $670,646 for fiscal year 1999 out of the General Revenue Fund.

    (3) Supplemental Capital Budget. The funds appropriated by this provision may be expended only for the purposes shown below and are not available for expenditure for other purposes. Amounts appropriated by this provision and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		

(1)	ISAS and USPS Implementation	$ 1,253,662	$ 72,770
(2)	ISAS and USPS Implementation (MLPP)	0	131,230

(3) Child Care Licensing (MLPP)	359,741	459,457
(4) MHMR Phase III	1,114,000	0
Total, Acquisition of Information Resource Technologies	$ 2,727,403	$ 663,457
b. Repair or Rehabilitation of Buildings and Facilities	$ 3,000	$ 7,189
Total, Supplemental Capital Budget	$ 2,730,403	$ 670,646

23. **Contingency Appropriation Reduction for Senate Bill 359: Permanency Planning.** Contingent upon the enactment of Senate Bill 359, or similar legislation relating to permanency planning for children in the temporary managing conservatorship of the Department of Protective and Regulatory Services, by the Seventy-fifth Legislature, Regular Session, the General Revenue appropriations to the Department of Protective and Regulatory Services shall be reduced by $360,917 for fiscal year 1998 and $12,516,010 for fiscal year 1999.

† 24. **Contingency Appropriation for Senate Bill 359: Background and Criminal History Checks.** Contingent upon the enactment of Senate Bill 359, or similar legislation requiring background and criminal history checks for certain individuals associated with child-care facilities and family homes, by the Seventy-fifth Legislature, Regular Session, the Department of Protective and Regulatory Services is hereby appropriated $145,381 for fiscal year 1998 and $145,381 for fiscal year 1999 out of the General Revenue Fund for the purpose of implementing that Act. The Department of Protective and Regulatory Services is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. The appropriation made pursuant to this provision shall have no effect if Senate Bill 1539, or similar legislation requiring more frequent (biennial) background and criminal history checks for individuals associated with child-care facilities and family homes, is enacted by the Seventy-fifth Legislature, Regular Session.

25. **Contingency Appropriation for Senate Bill 1539.** Contingent upon the enactment of Senate Bill 1539, or similar legislation requiring background and criminal history checks when a child-care facility applies for licensure or a family home applies for registration and at least once every 24 months thereafter, by the Seventy-fifth Legislature, Regular Session, the Department of Protective and Regulatory Services is hereby appropriated $638,119 for fiscal year 1998 and $755,902 for fiscal year 1999 out of the General Revenue Fund for the purpose of implementing that Act. The Department of Protective and Regulatory Services is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Also contingent on the enactment of Senate Bill 1539, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 4.0 for fiscal year 1998 and by 4.0 for fiscal year 1999.

† *See Veto Proclamation.*

REHABILITATION COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SERVICE DELIVERY SYSTEM To provide an integrated system of service delivery options which promotes informed client choice in the delivery of services leading to employment of choice, living as independently as possible, and accessing high quality services.		
Outcomes:		
Percent of Eligible People With Disabilities Placed in Competitive Employment or Other Appropriate Settings Who Are Served by Vocational Rehabilitation Services	60%	60%
Percent of Employed Rehabilitants Earning at Least Minimum Wage	88%	88%
Percent of People With Disabilities in Need of Vocational Rehabilitation Services Receiving Services	9.7%	9.8%
Percent of Clients Served Who Have Severe Disabilities	75%	75%
Percent of Clients Responding to a Survey That They are Satisfied with the Quality of Services They Received	85%	85%
A.1.1. Strategy: REHABILITATION SERVICES Rehabilitate and place people with disabilities in competitive employment or other appropriate settings, consistent with informed consumer choice and abilities.	$ 146,578,577	$ 151,773,363
Outputs:		
Number of Eligible Clients Provided Vocational Rehabilitation Services	97,114	100,586
Number of Eligible Clients Rehabilitated and Employed	22,711	23,370
Efficiencies:		
Cost per Client Rehabilitated and Employed	6,448	6,500
A.2.1. Strategy: EXTENDED REHABILITATION Provide Extended Rehabilitation Services (ERS) which emphasize community integrated employment and strive to expand employment opportunities for Texans with disabilities who need ongoing support to obtain and maintain employment offering competitive wages and benefits consistent with consumer choice.	$ 3,902,054	$ 3,902,317
Outputs:		
Number of Extended Rehabilitation Services Clients Working in Community Integrated Employment	761	763
Number of Extended Rehabilitation Services Clients Working in Alternative Sheltered Employment	540	540
Average Hourly Wage of Extended Rehabilitation Services Clients	3.35	3.35
Efficiencies:		
Average Cost per Job	2,894	2,894
Percent of Clients Working in Community Integrated Employment	58.2%	58.2%
A.2.2. Strategy: PERSONAL ATTENDANT Provide consumer-driven Personal Attendant Services to support people with disabilities in competitive employment statewide.	$ 1,187,000	$ 1,187,000
Outputs:		
Number of People Receiving Personal Attendant Services	162	163

Efficiencies:				
Cost per Person Receiving Personal Attendant Services		7,092		7,092
A.3.1. Strategy: INDEPENDENT LIVING CENTERS	$	1,434,283	$	1,434,283
Work with Independent Living Centers and the State Independent Living Council (SILC) to establish the centers as financially and programmatically independent from TRC and financially and programmatically accountable for achieving independent living outcomes with their clients.				
Outputs:				
Number of People Receiving Services From TRC Supported Independent Living Centers		3,068		3,068
Efficiencies:				
Cost per Person Served by TRC Supported Independent Living Centers		467		467
A.3.2. Strategy: INDEPENDENT LIVING SERVICES	$	2,742,392	$	2,742,804
Provide consumer-driven and TRC counselor-supported Independent Living Services to people with severe disabilities statewide.				
Outputs:				
Number of People Receiving TRC Supported Independent Living Services		1,761		1,761
Efficiencies:				
Cost per Person Receiving TRC Supported Independent Living Services		1,563		1,563
A.3.3. Strategy: COMPREHENSIVE REHABILITATION	$	10,524,710	$	10,424,830
Provide consumer-driven and counselor-supported Comprehensive Rehabilitation Services for people with traumatic brain injuries or spinal cord injuries.				
Outputs:				
People Receiving Comprehensive Rehabilitation Services		600		600
Efficiencies:				
Cost per CRS Client		17,442		17,442
A.3.4. Strategy: DEAF-BLIND	$	4,113,433	$	4,113,433
Provide an array of consumer-driven services to people who are deaf-blind with multiple disabilities so they can live as independently as possible, and expand parent/family training efforts.				
Outputs:				
Number of Persons Receiving Individualized Residential Services		100		100
Efficiencies:				
Cost per Deaf-Blind Multiple Disabilities Client Served		36,134		36,134
A.4.1. Strategy: TRANSITIONAL PLANNING	$	401,705	$	401,705
Provide a Transition Planning Program for students with disabilities.				
Outputs:				
Number of Students Referred by School Districts to TRC Programs		3,305		3,305
Total, Goal A: SERVICE DELIVERY SYSTEM	$	170,884,154	$	175,979,735

B. Goal: DISABILITY DETERMINATION Enhance service to persons with disabilities by achieving accuracy and timeliness within the Social Security Administration disability program guidelines and improving the cost-effectiveness of the decision-making process in the Disability Determination Services.		
Outcomes:		
Percent of Case Decisions That Are Accurate	94.8%	94.8%
Number of Case Processing Days Below Target	35	35
B.1.1. Strategy: DDS DETERMINATION Enhance cost-effective methods in administering disability determination services.	$ 64,392,166	$ 65,844,920
Outputs:		
Number of Cases Determined	225,270	225,290
Efficiencies:		
Cost per Case Determination	286	290
C. Goal: PROGRAM INITIATIVES Strengthen our continuum of direct service programs with legislative and strategic initiatives which promote innovation in meeting the needs of Texans with disabilities and emphasize effective interaction with consumers and advocates.		
Outcomes:		
Percent of Total Developmental Disabilities Plan Activities Initiated	85%	85%
C.1.1. Strategy: PROMOTE INDEPENDENCE Promote the independence, productivity, and integration of people with developmental disabilities in Texas.	$ 3,953,685	$ 3,953,685
Outputs:		
Number of State Plan Activities Initiated	39	39
Efficiencies:		
Administrative Costs as Percent of All Costs	4.8%	4.8%
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 7,754,615	$ 7,835,629
D.1.2. Strategy: INFORMATION RESOURCES	$ 5,220,494	$ 5,461,341
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 4,195,902	$ 4,396,057
Total, Goal D: INDIRECT ADMINISTRATION	$ 17,171,011	$ 17,693,027
Grand Total, REHABILITATION COMMISSION	$ 256,401,016	$ 263,471,367
Method of Financing:		
General Revenue Fund	$ 42,788,580	$ 43,582,801
General Revenue Match for Medicaid	1,549,164	1,549,164
Subtotal, General Revenue Fund	$ 44,337,744	$ 45,131,965
General Revenue Fund - Dedicated - Comprehensive Rehabilitation Account No. 107	10,669,881	10,669,881

Federal Funds, estimated	201,198,391	207,474,521
Interagency Contracts	195,000	195,000
Total, Method of Financing	$ 256,401,016	$ 263,471,367
Number of Full-time Equivalent Positions (FTE)	2,461.5	2,461.5
Schedule of Exempt Positions and Per Diem of Commission Members		
* Commissioner, Group 4	$95,000	$95,000
Per Diem of Commission Members	4,960	4,960
Executive Deputy Commissioner	78,631	78,631
Deputy Commissioner	(4) 70,833	(4) 70,833

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended for the purposes shown and are not available for expenditures for other purposes. The amounts authorized for Disability Determination are contingent upon receipt of federal funds for this purpose and upon written approval from the Department of Information Resources. Documentation of the federal receipts and DIR approval shall be submitted to the Governor's Office and the Legislative Budget Board. Amount appropriated above have been identified in this provision as appropriations either for "Lease payments to Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S. Article 601d, Sec. 9A.

	1998	1999
Out of Federal Funds:		
a. Acquisition of Information Resource Technologies		
(1) Existing Operations	$ 3,345,474	$ 2,720,474
(2) Growth and Expansion	3,014,228	3,595,153
(3) Disability Determination	$ 4,065,000	$ 4,065,000
Total, Capital Budget	$ 10,424,702	$ 10,380,627

2. **Texas Traumatic Brain Injury Advisory Board.** Out of funds appropriated above in A.3.3., Comprehensive Rehabilitation, $20,000 is allocated to fund the Texas Traumatic Brain Injury Advisory Council.

3. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for Advisory Committee Members, out of funds appropriated above, is limited to the following advisory committees: State Independent Living Council, Texas Rehabilitation Advisory Council, Planning Council for Developmental Disabilities, Medical Consultation Committee, Deaf-Blind Advisory Committee, Comprehensive Rehabilitation Advisory Committee, Community Rehabilitation Advisory Committee, Regional Consumer Advisory Committee, and Texas Traumatic Brain Injury Advisory Board.

4. **Authority to Exceed FTE CAP.** The Texas Rehabilitation Commission is authorized to exceed the full-time equivalent (FTE) position cap established for fiscal years 1998 and 1999 for Strategy B.1.1., DDS Disability Determination Services, which total 843.5 and 829.5, respectively. This authorization shall not exceed 917 FTEs per fiscal year and is limited to additional positions fully funded by federal receipts from the Social Security Administration.

5. **Appropriation: Subrogation Receipts.** In addition to amounts appropriated above, any subrogation receipts collected as of August 31, 1997 are hereby appropriated to the Rehabilitation Commission for the 1998-99 biennium. Such appropriations are estimated to be $50,000 annually.

Retirement and Group Insurance

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law; estimated	$ 81,635,542	$ 82,407,175
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees; estimated	$ 191,103,751	$ 194,978,612
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 272,739,293	$ 277,385,787
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 272,739,293	$ 277,385,787
Method of Financing:		
General Revenue Fund, estimated	$ 163,908,625	$ 167,015,300
General Revenue Fund - Dedicated, estimated	1,730,642	1,762,006
State Highway Fund No. 006, estimated	12,323	12,545
Federal Funds, estimated	107,085,420	108,593,607
Other Special State Funds, estimated	2,283	2,329
Total, Method of Financing	$ 272,739,293	$ 277,385,787

Social Security and Benefit Replacement Pay

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH -- EMPLOYER Provide an employer match for Social Security contributions; estimated	$ 101,433,140	$ 102,402,219

Social Security and Benefit Replacement Pay
(Continued)

A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees; estimated	$ 44,458,451	$ 40,262,915
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 145,891,591	$ 142,665,134
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 145,891,591	$ 142,665,134
Method of Financing:		
General Revenue Fund, estimated	$ 85,554,124	$ 83,803,978
General Revenue Fund - Dedicated, estimated	1,168,325	1,148,105
State Highway Fund No. 006, estimated	9,225	9,027
Federal Funds, estimated	59,155,181	57,699,727
Other Special State Funds, estimated	4,736	4,297
Total, Method of Financing	$ 145,891,591	$ 142,665,134

Bond Debt Service Payments

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE Make general obligation bond debt service payments in compliance with bond covenants.	$ 17,806,565	$ 17,840,005 & U.B.
Grand Total, BOND DEBT SERVICE PAYMENTS	$ 17,806,565	$ 17,840,005
Method of Financing:		
General Revenue Fund	$ 17,572,474	$ 16,799,283
General Revenue Fund - Dedicated - Texas Capital Trust Fund Account No. 543		869,105
Current Fund Balance	234,091	171,617
Total, Method of Financing	$ 17,806,565	$ 17,840,005

Lease Payments

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS	$ 6,379,977	$ 6,375,872 & U.B.
Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.		
Grand Total, LEASE PAYMENTS	$ 6,379,977	$ 6,375,872

SPECIAL PROVISIONS RELATING TO ALL HEALTH AND HUMAN SERVICES AGENCIES

Sec. 2. **Special Provisions.** The following special provisions, unless otherwise specified, shall apply to all health and human service agencies covered by this article.

1. **Night Shift Differential**. The Department of Mental Health and Mental Retardation, the Department of Health, and the Health and Human Services Consolidated Print Shop are authorized to pay an additional night shift salary differential not to exceed 10 percent of the monthly pay rate to personnel who work the 3 p.m. to 11 p.m. or the 11 p.m. to 7 a.m. shift or its equivalent.

2. **Services to Employees**. Out of the appropriations authorized, the Department of Mental Health and Mental Retardation and Department of Health may expend funds for the provision of first aid or other minor medical attention for employees injured in the course and scope of their employment and for the repair and/or replacement of employees' items of personal property which are damaged or destroyed in the course and scope of their employment so long as such items are medically prescribed equipment. Expenditures for such equipment may not exceed $500 per employee per incident.

3. **Charges to Employees and Guests**. Collections for services rendered employees and guests shall be made by a deduction from the recipient's salary or by cash payment in advance. Such deductions and other receipts for these services from employees and guests are hereby reappropriated to the facility. Refunds of excess collections shall be made from the appropriation to which the collection was deposited.

   a. As compensation for services rendered and notwithstanding any other provision in this Act, any facility under the jurisdiction of the respective governing boards may provide free meals for food service personnel and volunteer workers, and may furnish housing facilities, meals and laundry service in exchange for services rendered by interns, chaplains in training, and student nurses.

4. **New or Additional Facilities**. No funds appropriated may be spent for constructing new or additional facilities or for the purchase of sites therefor, without specific authorization of the Legislature. All facilities shall be kept where they are located by the Legislature, and all new buildings to be constructed shall be on these sites unless otherwise specifically authorized by the Legislature. For the purpose of this subsection, specific authorization may be granted either by basic statute or special authorization in this act.

5. **Revolving Petty Cash Funds**. Each facility under the Board of Health and Board of Mental Health and Mental Retardation may establish a petty cash fund to be maintained in cash or at a local bank. The petty cash fund, not to exceed $25,000, shall be used only for making emergency payments and small purchases which will increase the efficiency of the operation; for payments to client workers on a regular payday basis; for use as change funds in specific locations where financial activities of the agency require a change fund, and for supplies and equipment purchases for sheltered workshops.

6. **Out-patient Clinics**.

   a. Unless otherwise restricted, the Board of Health and Board of Mental Health and Mental Retardation shall charge for treatment and medication to patients treated on an out-patient basis at rates not to exceed the actual cost. An additional charge may be made for medication dispensed to patients at a rate not to exceed the cost to the State. Fee schedules for services and medications provided shall be reviewed on an annual basis. All fee schedules shall be based on the ability to pay on a sliding scale basis.

   b. Unless otherwise restricted, proceeds from the sale of medications and from treatment are hereby reappropriated to the respective out-patient clinics or facilities.

7. **Data Processing Personnel**. The Department of Health, Department of Human Services, Department of Mental Health and Mental Retardation, and the Department of Protective and Regulatory Services may pay an evening or night shift salary differential not to exceed fifteen percent (15%) of the monthly pay rate to personnel in data processing operations who work the 3:00 p.m. to 11:00 p.m. shift or 11:00 p.m. to 7:00 a.m. shift, or their equivalents. A weekend shift salary differential not to exceed five percent (5%) of the monthly pay rate may be paid to persons who work weekend shifts. The evening or night shift salary differential may be paid in addition to the weekend shift salary differential for persons working weekend, evening or night shifts.

8. **Interagency Transfers**. As an exception to other provisions of this Act, the Commissioner of Health and Human Services is authorized to transfer funds between the health and human services agencies listed in Section 531.001, Government Code, subject to prior approval of the Governor and the Legislative Budget Board. No one transfer action may exceed 5% of the total yearly appropriation amount of the agency from which funds are being transferred. All transfers pursuant to this provision made shall be reported to the Governor's Office of Budget and Planning, and the Legislative Budget Board within 14 days of the transfer action.

9. **Approval of Transfers of Medicaid - Title XIX Funds**. As an exception to other provisions of this Act, a transfer that exceeds $1 million of funds appropriated for Medicaid - Title XIX purposes between strategies of an agency receiving appropriations in this article cannot be made without the prior approval of the Commissioner of Health and Human Services established in Chapter 531 of the Government Code. The Commissioner shall establish procedures that expedite the approval process. Within 14 days of the transfer, agencies are to submit a report to the Legislative Budget Board, Governor's Office of Budget and Planning, and the Comptroller of Public Accounts. The report shall include information regarding affected strategies; method

of finance; performance measure changes; and full-time equivalent positions due to the transfer of Medicaid funding.

10. **Annual Report - Professional Fee Exemption**. It is the intent of the Legislature that the Annual Report required by the General Provisions of this Act shall not include professional fees paid for routine or special examinations for the purpose of determining eligibility of individuals for any of the programs administered by the agencies in this article, professional fees for treatment, services or care for individual recipients, or for providing special needs or appliances for individual recipients, but shall include fees for professional services or consultative services rendered for the general administration of the department.

11. **Disposition of State Funds Available Resulting from Federal Match Ratio Change**. In the event the Federal Medical Assistance Percentage should be greater than 62.28 percent for federal fiscal year 1999, the following departments shall be authorized to expend the state funds thereby made available only to the extent authorized in writing by the Legislative Budget Board and Governor's Office of Budget and Planning: Department of Health; Department of Human Services; Department of Mental Health and Mental Retardation; and Department of Protective and Regulatory Services. A copy of such authorization shall be provided to the Comptroller of Public Accounts to assist in monitoring compliance with this provision.

12. **Costs Related to Co-location of Services and to Inter-agency Sharing of Support Functions and Services**. To provide an efficient and effective method of paying common support costs related to co-location of human services as required pursuant to the provision of Chapter 531 of the Government Code, and/or costs of performing support functions for multiple agencies, funds may be transferred between agencies for payment of such costs and agencies are authorized to deposit those funds into separate accounts for the purpose of paying shared costs including, but not limited to, postage, occupancy costs, equipment repair, telephones and telephone system costs, office printing costs, supplies, freight and transport costs, electronic data processing systems, or other business functions. Each agency shall be responsible for monthly allocations of these costs to the original strategies.

13. **Contracts for Purchase of Client Services**. No funds appropriated to an agency covered by this article may be utilized for contracts for the purchase of program-related client services unless:

    a. such contracts include clearly defined goals, outputs, and measurable outcomes which directly relate to program objectives;

    b. such contracts include clearly defined sanctions or penalties for noncompliance with contract terms and conditions;

    c. such contracts specify the accounting, reporting, and auditing requirements applicable to funds received under the contract;

    d. the agency has implemented a formal program using a risk assessment methodology to monitor compliance with financial and performance requirements under the contract, including a determination of whether performance objectives have been achieved; and

    e. the agency has implemented a formal program to obtain and evaluate program costs information to ensure that all costs, including administrative costs, are reasonable and necessary to achieve program objectives.

14. **Attorney General Representation.** The Attorney General and the respective agency head of an agency identified in this provision are hereby authorized to jointly select one or more Assistant Attorneys General to be assigned to the respective agency. The following agencies are subject

to this provision: Department of Health, Department of Human Services, Department of Mental Health and Mental Retardation, Health and Human Services Commission, and Department of Protective and Regulatory Services.

15. **Funding for the Interagency Council on Early Childhood Intervention.** Within the biennium, if it becomes necessary in order to continue to qualify for federal funds, the Executive Director of the Interagency Council on Early Childhood Intervention shall certify, by February 1 of each fiscal year of the biennium, to the Commissioner of Health and Human Services that revenues needed to continue to serve all eligible children will exceed available revenue. The Commissioner of Health and Human Services shall evaluate the projected need and make a determination as to whether a transfer of funds will be necessary within 30 days.

    The total amount transferred pursuant to this provision shall not exceed $6,000,000 for the biennium. All transfers made shall be subject to prior approval of the Governor's Office of Budget and Planning and the Legislative Budget Board.

16. **Medicaid Managed Care Contracts.** The Health and Human Services Commission, Department of Health, Department of Human Services and the Department of Mental Health and Mental Retardation shall include and award value added points in the scoring of applications submitted for Medicaid managed care contracts. At a minimum, the following considerations are to be considered as items for value added points:

    i. Continuity of care for the Medicaid client;
    ii. Graduate Medical Education as part of the delivery system; and
    iii. Amount of charity care provided by the party applying for a contract award.

17. **Medicaid Fraud Detection.** Contingent upon the enactment of Senate Bill 30, Seventy-fifth Legislature, Regular Session, or similar legislation to implement *Disturbing the Peace* recommendation FR 1 requiring the use of neural network and other intelligent technologies to detect Medicaid fraud, the Department of Health general revenue appropriation shall be reduced by $1,500,000 in fiscal year 1998 and $4,500,000 in fiscal year 1999. The Department of Human Services general revenue appropriation shall be reduced by $500,000 in fiscal year 1998 and $2,500,000 in fiscal year 1999. The Health and Human Services Commission is hereby appropriated from general revenue funds $1,230,000 in fiscal year 1998 and $1,575,000 in fiscal year 1999 to match federal funds to operationalize a computerized Medicaid fraud detection system and hire or contract for additional investigative and enforcement staff.

    a. The Health and Human Services Commission is hereby appropriated and shall have the authority to expend 15 percent of amounts recovered or recouped, from its fraud and abuse detection investigations, to enhance the Commission's fraud and abuse detection efforts funded in Strategy A.1.1., System Integration, not to exceed $2 million for this biennium. This appropriation limitation shall prevail over any other provision in this Act regarding refunds, recoveries, subrogations, or similar revenues. In no event shall the Commission expend or transfer funding generated through this source to support any other function of the Commission.

    b. The Commission shall report to the Legislative Budget Board and the Comptroller of Public Accounts quarterly the referral source of each investigation opened by HHSC, the status of each open case including those referred to the Office of the Attorney General for further action and the amounts recovered including monetary and civil penalties collected.

18. **Office of Investigations and Enforcement.** Contingent upon the enactment of Senate Bill 30, Seventy-fifth Legislature, Regular Session, or similar legislation to implement *Disturbing the Peace* recommendation FR 1 creating an Office of Investigations and Enforcement within the Health and Human Services Commission, all general revenue and federal funds associated with

65 FTEs transferring from the Department of Human Services and 11 FTEs from the Department of Health, Policy and Analysis Group, for the purposes of improving Medicaid and Welfare investigation and enforcement activities shall transfer to the Health and Human Services Commission no later than September 1, 1997. Should a dispute arise regarding the transfers from the Department of Human Services or the Department of Health to the Health and Human Services Commission, the Comptroller of Public Accounts would make the final determination on the timing and amount of the transfers involved.

19. **Continued Medicaid Coverage for Individuals Affected by Welfare Reform.** The Health and Human Services Commission and its related Medicaid-operating agencies are authorized to expend Medicaid funds for Medicaid eligibility coverage for poor aged and disabled individuals under the provisions of Sections 1902(a)(10)(A)(ii)(X) and 1902(m) of the Social Security Act, as amended, or other provisions as authorized by federal law. In setting an income eligibility standard for this coverage group, the Health and Human Services Commission shall set a level that includes the maximum number of affected individuals but which, in the case of Medicaid expenditures at the Texas Department of Health, does not exceed general revenue appropriations of $79,163,097 for the 1998-99 biennium. The income standard for this eligibility group may not exceed the level for Supplemental Security Income and may be set at a lower standard, as needed.

    In the event that federal matching funds are not available for affected legal immigrants, the Health and Human Services Commission and the Texas Department of Health are authorized to provide limited health care services to this group, with expenditures not to exceed general revenue funds of $79,163,097 at the Department of Health.

    The Health and Human Services Commission shall submit semiannual reports to the Legislative Budget Board on utilization and expenditures for this group of legal immigrants and for children affected by changes in SSI criteria pursuant to federal welfare legislation.

20. **Reduce Medicaid Overpayments.** It is the intent of the Legislature that the Texas Performance Review recommendation FR 3 in *Disturbing the Peace: The Challenge of Change in Texas Government* be implemented by requiring the Texas Department of Health (TDH) to conduct an automated review of physician, laboratory, and radiology services to identify unbundled services. TDH shall review and match Medicaid claims against Veterans Administration and nursing home data to identify and prevent duplicate billings. Further, the TDH shall identify Medicaid claims for which a 90 percent enhanced federal match is available and then seek the enhanced match for those services to the extent allowed by federal law. The Health and Human Services Commission's State Medicaid Office shall include a State Medicaid Plan amendment in the state's Medicaid State Plan to limit Medicare Part A co-insurance and deductible payments to the amount the state would have paid had Medicaid paid for those services. Due to reduced expenditures for Medicaid services resulting from implementation of these recommendations, the appropriations made to the Texas Department of Health out of the General Revenue Fund shall be reduced by $12,332,000 for fiscal year 1998 and $12,332,000 for fiscal year 1999.

21. **Erroneously Paid Public Assistance Benefits.** It is the intent of the Legislature that this rider implement savings related to *Disturbing the Peace: The Challenge of Change in Texas Government* recommendation FR 16. The Health and Human Services Commission shall set goals for the recovery of erroneously paid food stamps and Aid to Families with Dependent Children/Temporary Assistance for Needy Families benefits for the Texas Department of Human Services based on federally identified overpayments. Due to the increased collections, the appropriations made to the Texas Department of Human Services out of the General Revenue Fund is hereby reduced by $1,700,000 for fiscal year 1998 and $2,800,000 for fiscal year 1999.

22. **Subrogation Collection Efforts.** To implement *Disturbing the Peace* HHS 23, the Health and Human Services Commission is directed to report to the Legislature by September 1, 1998 on their progress in improving and coordinating subrogation and third party reimbursements at health and human service agencies and the adequacy of lien and subrogation statutes, contracts, claims processing, and any other related matters necessary to improve collections. The appropriations made to the Texas Department of Health out of the General Revenue Fund are hereby reduced by $517,000 for fiscal year 1998 and by $1,034,000 for fiscal year 1999. Other provisions of this Act concerning appropriations of recoveries, refunds or similar receipts shall not apply to amounts received pursuant to receipts under this section. All such recovered amounts shall be deposited into the General Revenue Fund and the Texas Department of Health is hereby appropriated any amounts of such recoveries necessary to pay any outside parties contracted to assist in such recoveries. From the remaining receipts, there is hereby appropriated to TDH an amount not to exceed $1,550,000 for the biennium beginning September 1, 1997. Fifty percent of recoveries, after payments of any contractors under this provision and the amount appropriated to the TDH, are hereby appropriated to the Commission in an amount not to exceed $1,000,000 for the biennium beginning September 1, 1997.

23. **Contingency Reduction: House Bill 897.** Contingent upon the enactment of House Bill 897, or similar legislation implementing the recommendations of WF 4 in *Disturbing the Peace: The Challenge of Change in Texas Government:*

    a. the sums appropriated out the General Revenue Fund for the Department of Human Services in Strategy B.1.1., TANF Grants, shall be reduced by $491,000 for the biennium beginning September 1, 1997, and

    b. the sums appropriated out the General Revenue Fund to the Department of Health in Goal B, Medicaid Services, shall be reduced by $284,000 for the biennium September 1, 1997.

24. **Statewide Implementation of Finger-imaging.** Out of funds appropriated in this act $360,000 in FY 1998 and $1,440,0000 in FY 1999 of general revenue match for Medicaid appropriated to the Texas Department of Health is hereby reduced to reflect the savings to the Medicaid program for statewide implementation of finger-imaging. Appropriations of general revenue match for Medicaid to the Department of Human Services are hereby increased by these same amounts for implementation of the statewide finger-imaging system and other pilot projects. The Department of Human Services may use up to $2,100,000 of Temporary Assistance for Needy Families funds per year appropriated to the Department for implementation of the statewide finger-imaging system. The Department of Human Services shall begin implementation of the statewide finger-imaging system September 1, 1997. If the costs of statewide finger-imaging exceed the amounts specified in this provision, the Department may delay statewide implementation until such time as adequate funds are available.

† 25. **Contingency Appropriation for House Bill 2385.** Contingent upon the enactment of House Bill 2385, or similar legislation, by the Seventy-fifth Legislature, Regular Session, the Health and Human Services Policy Council is hereby appropriated $250,000 for fiscal year 1999 out of the General Revenue Fund. In addition, the Health and Human Services Commission is hereby directed to transfer three full-time equivalent positions and $170,000 from funds appropriated elsewhere in this Act to the Health and Human Services Policy Council in fiscal year 1999. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

26. **Functional Assessment for Disability Services: Contingency Appropriation.** Contingent upon passage of House Bill 663 or similar legislation by the Seventy-fifth Legislature requiring development of single functional assessment for all disability services, the health and human service agencies that provide long-term care programs based on a determination of disability as an eligibility criteria shall contribute from amounts appropriated in this Article a total of

† *See Veto Proclamation.*

$250,000 to the Health and Human Services Commission for development of the assessment tool. The Health and Human Commission shall determine the amounts to be contributed by each agency.

27. **Contingency Appropriation for Senate Bill 84.** Contingent upon the enactment of Senate Bill 84, or similar legislation, by the 75th Legislature, Regular Session, the Department of Human Services is hereby appropriated $357,095 for fiscal year 1998 and $357,095 for fiscal year 1999 out of the General Revenue Fund for the purpose of implementing that Act. Also contingent upon enactment of Senate Bill 84, or similar legislation, the appropriation of general revenue to the Department of Health for Strategy C.1.1., Health Care Standards and Goal G Indirect Administration, shall be reduced by a total of $357,095 in fiscal year 1998 and $357,095 in fiscal year 1999. The Department of Human Services is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed elsewhere in this Act or to create a unique strategy for Nursing Home Administrators. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

    Funds are also appropriated contingent upon the continued generation of revenues sufficient to support the program.

    Also contingent upon the enactment of Senate Bill 84, or similar legislation, the “Number of Full-time Equivalent Positions (FTE)” figure indicated elsewhere in this Act for the Department of Human Services is hereby increased by seven for fiscal year 1998 and by seven for fiscal year 1999 with a corresponding decrease to the FTE figure for the Department of Health of seven positions each year of the biennium.

RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(General Revenue)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Aging, Department on	$ 6,781,141	$ 6,780,191
Alcohol and Drug Abuse, Commission on	27,196,968	27,196,968
Blind, Commission for the	8,747,425	9,006,169
Cancer Council	4,002,544	4,021,544
Children's Trust Fund of Texas Council		
Deaf and Hard of Hearing, Commission for the	818,633	798,791
Contingency Appropriations	110,000	
Total	928,633	798,791
Early Childhood Intervention, Interagency Council on	33,147,476	33,147,476
Health, Department of	2,292,587,788	2,333,866,937
Rider Appropriations	-1,009,769	-1,712,554
Contingency Appropriations	828,015	869,046
Total	2,292,406,034	2,333,023,429
Health and Human Services Commission	3,070,302	3,070,301
Contingency Appropriations	118,169	134,869
Total	3,188,471	3,205,170
Human Services, Department of	1,249,267,654	1,297,306,506
Rider Appropriations	-1,700,000	-3,400,000
Contingency Appropriations	236,000	236,000
Total	1,247,803,654	1,294,142,506
Mental Health and Mental Retardation, Department of	929,902,561	933,932,823
Protective and Regulatory Services, Department of	231,164,106	246,072,092
Rider Appropriations	250,000	
Contingency Appropriations	3,152,986	-15,593,081
Total	234,567,092	230,479,011
Rehabilitation Commission	44,337,744	45,131,965
Rider Appropriations	50,000	50,000
Total	44,387,744	45,181,965
Subtotal, Health and Human Services	$ 4,833,059,743	$ 4,920,916,043
Retirement and Group Insurance	163,908,625	167,015,300
Social Security and Benefit Replacement Pay	85,554,124	83,803,978
Subtotal, Employee Benefits	$ 249,462,749	$ 250,819,278
Bond Debt Service Payments	17,572,474	16,799,283
Lease Payments	6,379,977	6,375,872
Subtotal, Debt Service	$ 23,952,451	$ 23,175,155

RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(General Revenue)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Article II, Special Provisions		
Rider Appropriations	-13,549,000	-14,616,000
Contingency Appropriations	-545,000	-4,175,000
Total	-14,094,000	-18,791,000
TOTAL, ARTICLE II - Health and Human Services	$ 5,092,380,943	$ 5,176,119,476

RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(General Revenue - Dedicated)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Aging, Department on	$	$
Alcohol and Drug Abuse, Commission on		
Blind, Commission for the	1,456,382	1,456,382
Cancer Council		
Children's Trust Fund of Texas Council	1,911,707	1,911,708
Deaf and Hard of Hearing, Commission for the		
Early Childhood Intervention, Interagency Council on		
Health, Department of	147,660,469	149,071,394
Health and Human Services Commission		
Human Services, Department of		
Contingency Appropriations	1,800,000	1,800,000
Total	1,800,000	1,800,000
Mental Health and Mental Retardation, Department of	9,130,895	
Protective and Regulatory Services, Department of		
Rehabilitation Commission	10,669,881	10,669,881
Subtotal, Health and Human Services	$ 172,629,334	$ 164,909,365
Retirement and Group Insurance	1,730,642	1,762,006
Social Security and Benefit Replacement Pay	1,168,325	1,148,105
Subtotal, Employee Benefits	$ 2,898,967	$ 2,910,111
Bond Debt Service Payments		869,105
Lease Payments		
Subtotal, Debt Service	$	$ 869,105
Article II, Special Provisions		
TOTAL, ARTICLE II - Health and Human Services	$ 175,528,301	$ 168,688,581

RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(Federal Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Aging, Department on	$ 51,163,787	$ 51,163,787
Alcohol and Drug Abuse, Commission on	107,169,197	103,205,144
Blind, Commission for the	30,872,148	31,811,545
Rider Appropriations	610,500	70,300
Total	31,482,648	31,881,845
Cancer Council		
Children's Trust Fund of Texas Council	1,397,786	1,120,000
Deaf and Hard of Hearing, Commission for the		
Early Childhood Intervention, Interagency Council on	32,741,405	29,584,701
Health, Department of	3,861,225,878	3,921,160,735
Rider Appropriations	-3,093,135	-3,120,093
Total	3,858,132,743	3,918,040,642
Health and Human Services Commission	5,362,156	5,362,156
Human Services, Department of	2,151,660,026	2,233,666,553
Rider Appropriations	-2,809,284	-5,613,786
Total	2,148,850,742	2,228,052,767
Mental Health and Mental Retardation, Department of	637,679,544	644,900,985
Protective and Regulatory Services, Department of	317,096,305	321,724,946
Rider Appropriations	750,000	
Contingency Appropriations		4,649,000
Total	317,846,305	326,373,946
Rehabilitation Commission	201,198,391	207,474,521
Subtotal, Health and Human Services	$ 7,393,024,704	$ 7,547,160,494
Retirement and Group Insurance	107,085,420	108,593,607
Social Security and Benefit Replacement Pay	59,155,181	57,699,727
Subtotal, Employee Benefits	$ 166,240,601	$ 166,293,334
Bond Debt Service Payments		
Lease Payments		
Subtotal, Debt Service	$	$
Article II, Special Provisions		
Rider Appropriations	-21,233,228	-22,068,782
Contingency Appropriations	-75,040	-7,982,794
Total	-21,308,268	-30,051,576
TOTAL, ARTICLE II - Health and Human Services	$ 7,537,957,037	$ 7,683,402,252

RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(Other Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Aging, Department on	$	$
Alcohol and Drug Abuse, Commission on	1,771,455	1,771,455
Blind, Commission for the	205,692	205,692
Rider Appropriations	165,000	19,000
Total	370,692	224,692
Cancer Council		
Children's Trust Fund of Texas Council	1,500	1,500
Deaf and Hard of Hearing, Commission for the	405,938	405,938
Rider Appropriations	20,000	
Total	425,938	405,938
Early Childhood Intervention, Interagency Council on	3,131,125	3,131,125
Health, Department of	34,781,272	34,781,272
Health and Human Services Commission	1,353,395	1,353,395
Human Services, Department of	5,045,053	5,146,534
Mental Health and Mental Retardation, Department of	74,910,964	48,619,217
Protective and Regulatory Services, Department of	4,526,963	4,542,868
Rehabilitation Commission	195,000	195,000
Subtotal, Health and Human Services	$ 126,513,357	$ 100,172,996
Retirement and Group Insurance	14,606	14,874
Social Security and Benefit Replacement Pay	13,961	13,324
Subtotal, Employee Benefits	$ 28,567	$ 28,198
Bond Debt Service Payments	234,091	171,617
Lease Payments		
Subtotal, Debt Service	$ 234,091	$ 171,617
Article II, Special Provisions		
TOTAL, ARTICLE II - Health and Human Services	$ 126,776,015	$ 100,372,811

RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(All Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Aging, Department on	$ 57,944,928	$ 57,943,978
Alcohol and Drug Abuse, Commission on	136,137,620	132,173,567
Blind, Commission for the	41,281,647	42,479,788
Rider Appropriations	775,500	89,300
Total	42,057,147	42,569,088
Cancer Council	4,002,544	4,021,544
Children's Trust Fund of Texas Council	3,310,993	3,033,208
Deaf and Hard of Hearing, Commission for the	1,224,571	1,204,729
Rider Appropriations	20,000	
Contingency Appropriations	110,000	
Total	1,354,571	1,204,729
Early Childhood Intervention, Interagency Council on	69,020,006	65,863,302
Health, Department of	6,336,255,407	6,438,880,338
Rider Appropriations	-4,102,904	-4,832,647
Contingency Appropriations	828,015	869,046
Total	6,332,980,518	6,434,916,737
Health and Human Services Commission	9,785,853	9,785,852
Contingency Appropriations	118,169	134,869
Total	9,904,022	9,920,721
Human Services, Department of	3,405,972,733	3,536,119,593
Rider Appropriations	-4,509,284	-9,013,786
Contingency Appropriations	2,036,000	2,036,000
Total	3,403,499,449	3,529,141,807
Mental Health and Mental Retardation, Department of	1,651,623,964	1,627,453,025
Protective and Regulatory Services, Department of	552,787,374	572,339,906
Rider Appropriations	1,000,000	
Contingency Appropriations	3,152,986	-10,944,081
Total	556,940,360	561,395,825
Rehabilitation Commission	256,401,016	263,471,367
Rider Appropriations	50,000	50,000
Total	256,451,016	263,521,367
Subtotal, Health and Human Services	$ 12,525,227,138	$ 12,733,158,898
Retirement and Group Insurance	272,739,293	277,385,787
Social Security and Benefit Replacement Pay	145,891,591	142,665,134
Subtotal, Employee Benefits	$ 418,630,884	$ 420,050,921

RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(All Funds)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Bond Debt Service Payments	17,806,565	17,840,005
Lease Payments	6,379,977	6,375,872
Subtotal, Debt Service	$ 24,186,542	$ 24,215,877
Article II, Special Provisions		
Rider Appropriations	-34,782,228	-36,684,782
Contingency Appropriations	-620,040	-12,157,794
Total	-35,402,268	-48,842,576
TOTAL, ARTICLE II - Health and Human Services	$ 12,932,642,296	$ 13,128,583,120
Number of Full-time Equivalent Positions (FTE)	55,112.0	54,264.0

ARTICLE III

EDUCATION

Section 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated agencies and institutions of education.

TEXAS EDUCATION AGENCY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: STANDARDS OF ACHIEVEMENT AND EQUITY The Texas Education Agency will build the capacity of the state public education system to ensure each student demonstrates exemplary performance in reading and the foundation subjects of English language arts, mathematics, science, and social studies by developing and communicating standards of student achievement and district and campus accountability.		
Outcomes:		
Percent of Students Whose Assessment Results are Included in the Accountability System	88%	89%
Percent of Students Passing All Tests Taken	70%	72%
Percent of Special Education Students Whose Assessment Results are Included in the Accountability System	50%	52%
Percent of Limited English-Proficient Students Whose Assessment Results are Included in the Accountability System	55%	55%
Percent of African-American Students Passing All Tests Taken	58%	60%
Percent of Hispanic Students Passing All Tests Taken	58%	60%
Percent of White Students Passing All Tests Taken	80%	82%
Percent of Asian-American Students Passing All Tests Taken	86%	88%
Percent of Native American Students Passing All Tests Taken	71%	73%
Percent of Economically Disadvantaged Students Passing All Tests Taken	58%	60%
Annual Statewide Dropout Rate for All Students	1.7%	1.65%
Percent of Students Achieving Academic Recognition in Reading	20%	21%
Percent of Students Achieving Academic Recognition in Mathematics	17%	18%
Percent of Students Reading at Grade Level	75%	82%
Percent of Campuses Rated Exemplary or Recognized	28%	28%
Percent of Campuses Rated Low-performing	1%	1%
Percent of Alternative Campuses Rated Acceptable	60%	65%
Percent of Students Completing Coursework for High School Graduation	90%	90%
Percent of African American Students Completing Course Work for High School Graduation	83%	84%
Percent of Hispanic Students Completing Course Work for High School Graduation	83%	84%
Percent of Economically Disadvantaged Students Completing Course Work for High School Graduation	83%	84%
Percent of Annual Unaccounted Student Withdrawals	9%	9%
Percent of Equalized Revenue in the Foundation School Program	98%	98%
Percent of Students in Districts with Substantially Equal Access to Revenues	87.1%	87.2%

A.1.1. Strategy: ASSESSMENT	$ 32,000,000	$ 50,000,000
Provide a basis for evaluating and reporting the extent to which the Texas educational system is achieving its goals for student performance.		
Outputs:		
Students Tests Administered	6,100,000	6,100,000
A.1.2. Strategy: ACCOUNTABILITY SYSTEM	$ 2,500,000	$ 2,500,000
Develop and implement standards of district and campus accountability for the achievement of all students.		
Outputs:		
Number of Alternative Campuses Rated Needing Peer Review	85	80
Number of Campuses with Combined Student Unaccounted Withdrawal and Dropout Rates in Excess of 15%	200	200
Efficiencies:		
Average Amount of Principal- or Campus-Level Awards for Academic Achievement	3,600	3,600
† **A.2.1. Strategy:** FOUNDATION SCHOOL PROGRAM	$ 8,720,956,497	$ 8,979,271,632
Develop and implement an efficient and equitable school finance system, disburse Foundation School Program formula funding to school districts, and ensure that formula allocations are accounted for in an accurate and appropriate manner.		
Outputs:		
Total Average Daily Attendance (ADA)	3,598,657	3,677,788
Students Served by Special Education Services	481,198	502,341
Students Served by Compensatory Education Programs and Services	1,450,000	1,450,000
Students Served by Career and Technology Education Courses	630,000	635,000
Students Served by Bilingual Education/English as a Second Language Programs	486,575	511,575
Students Served by Gifted and Talented Programs	278,606	284,613
Efficiencies:		
State Aid Per Pupil	2,357	2,327
Local Revenue Per Pupil	2,805	2,860
Explanatory:		
Special Education Full-time Equivalents (FTEs)	157,546	162,720
Compensatory Education ADA	1,987,601	2,089,446
Career and Technology Education FTEs	134,165	140,200
Bilingual Education/ESL ADA	414,924	439,125
Gifted and Talented ADA	177,042	180,429
Reduction in Net State Costs Tied to Chapter 41 Wealth-sharing Option (Millions)	393	397.3
† **A.2.2. Strategy:** MAXIMIZING SCHOOL FACILITIES	$ 100,000,000	$ 100,000,000 & U.B.
Implement an equalized school facilities program and disburse facilities funds.		
Outputs:		
Number of Districts Receiving Facilities Aid	435	160
Efficiencies:		
Average Cost Per Square Foot of Construction Funded With Facilities Grants	60	60
A.3.1. Strategy: INSTRUCTIONAL MATERIALS	$ 432,865,427	$ 111,016,987 & U.B.
Provide students equitable access to instructional materials supporting the state's essential knowledge and skills.		

† *As amended in House Bill 4, Regular Session, 1997.*

Outputs:		
Textbooks and Electronic Learning Systems Purchased From Conforming Lists	6,591,222	6,662,694
Textbooks and Electronic Learning Systems Purchased From Nonconforming Lists		350,668
Efficiencies:		
Average Cost Per Textbook/Learning System Purchased	26.58	24.07
A.3.2. Strategy: TECHNOLOGY	$ 6,600,000	$ 6,600,000
Maintain and expand the technological capabilities of the state public education system, increase access to educational data, and encourage school districts to implement technologies that increase the effectiveness of student learning, instructional management, professional development, and administration.		
Outputs:		
Students Provided Access to Sites Connected to On-line Library Services	1,000,000	2,000,000
Number of Students Receiving Course Credit Through Distance Learning	2,000	3,000
A.3.3. Strategy: IMPROVING EDUCATOR PERFORMANCE	$ 10,549,817	$ 10,549,818
Develop and implement a statewide professional development initiative that ensures all educators access to training and evaluation tied to the essential knowledge and skills of the state's foundation and enrichment curriculum.		
Outputs:		
Number of Educators Receiving Reimbursements Under the Advanced Placement/International Baccalaureate Program	725	870
Total, Goal A: STANDARDS OF ACHIEVEMENT AND EQUITY	$ 9,305,471,741	$ 9,259,938,437

B. Goal: LOCAL EXCELLENCE AND ACHIEVEMENT

Foster local innovation, support local authority, and encourage regional and district efforts to ensure each student demonstrates exemplary performance in reading and the foundation subjects of English language arts, mathematics, science, and social studies.

Outcomes:		
Percent of Students Retained in Grade	4%	3.5%
Percent of Students With a Concentration in Career and Technology Education Placed on the Job or in a Postsecondary Program	85%	85%
Percent of Limited English-Proficient Students Exempted from TAAS	28%	28%
Percent of Students Exiting Bilingual/English as a Second Language Programs Successfully	60%	62%
Percent of Students With Auditory Impairment in Regional Day Schools for the Deaf Who Graduate from High School	89%	89%
Percent of Adult Learners Who Complete the Level in Which They Are Enrolled	36%	36%
Percent of Incarcerated Students Enrolled in Beginning Level Programs (Grade Equivalents 0-3.9 or ESL) Who Complete That Level	30%	33%
Percent of Incarcerated Students Enrolled in Advanced Level Programs (Grade Equivalents 6 and Above) Who Complete That Level	55%	58%

Percent of Parents Participating in AVANCE Programs Earning GED		65%		65%
Percent of Educators Trained With Staff Development Grants		6%		6.5%
Percent Increase in Parent/Guardian Involvement in Schools Receiving Investment Capital Fund Grants		25%		33%
Percent of Expelled Students Enrolled in an Alternative Education Program				
B.1.1. Strategy: INSTRUCTIONAL EXCELLENCE Build the capacity of school districts to plan and implement challenging academic, advanced academic, career and technology education and bilingual/English as a second language education programs to ensure all Texas students are prepared to gain entry level employment in a high-skill, high-wage job or continue their education at the postsecondary level.	$	113,178,211	$	113,178,211
Outputs:				
Number of Students in Tech-prep Programs		70,000		80,000
Students Served in Summer School Programs for Limited English-Proficient Students		27,697		28,597
Number of Students Eligible for Awards Under the Texas Advanced Placement Incentive Program		28,500		34,125
B.2.1. Strategy: PROGRAM AND FUNDING FLEXIBILITY Develop and implement, with Regional Education Service Centers and school districts, accelerated instruction programs that take full advantage of Texas' status as an Ed-Flex state.	$	744,375,176	$	744,152,405
Outputs:				
Number of Districts Receiving Programmatic Ed-Flex Waivers		382		509
Number of Families Served by Even Start Family Literacy Programs		2,100		2,100
B.2.2. Strategy: STUDENTS WITH DISABILITIES Build the capacity of regional education service centers, school districts, and service providers to develop and implement programs that ensure students with disabilities attain the state's goals of exemplary academic performance and are prepared to successfully enter the workplace.	$	293,636,179	$	294,524,693
Outputs:				
Students Served by Regional Day Schools for the Deaf		4,446		4,446
Students Served by Statewide Programs for the Visually Impaired		6,110		6,435
Students With Disabilities Who Complete High School		14,011		14,711
B.2.3. Strategy: SUPPORT PROGRAMS Build the capacity of the state public education system to develop and implement the academic support, counseling, and support services programs necessary for all students to demonstrate exemplary academic performance.	$	35,872,327	$	35,872,327
Outputs:				
Campuses Providing Comprehensive Counseling Programs, Prekindergarten Through 12th Grade		840		988
Pregnant Teens and Teen Parents Served by Teen Pregnancy and Parenting Programs		25,000		25,700

Efficiencies:		
Average Cost Per Student in Teen Pregnancy/Parenting Programs	516	516
B.2.4. Strategy: CHILD NUTRITION PROGRAMS	$ 633,270,471	$ 669,829,471
Build the capacity of the state public education system by implementing and supporting efficient state child nutrition programs.		
Outputs:		
Average Number of School Lunches Served Daily	2,076,057	2,120,158
Average Number of School Breakfasts Served Daily	715,696	746,900
Efficiencies:		
Average Federal Funds Reimbursement Per School Lunch Served	1.2	1.2
Average Federal Funds Reimbursement Per School Breakfast Served	1.1	1.1
B.2.5. Strategy: ADULT EDUCATION	$ 29,463,320	$ 29,863,320
Build the capacity of the state public education system by encouraging school districts and service providers to develop and implement effective adult education and literacy programs.		
Outputs:		
Students Served Through State Adult Education Cooperatives	212,000	212,000
B.2.6. Strategy: WINDHAM SCHOOL SYSTEM	$ 57,712,213	$ 57,712,213
Build the capacity of the Windham School System to ensure students are provided effective instructional and support services.		
Outputs:		
Inmates Served in Vocational Programs Offered by the Windham School System	17,238	17,238
Inmates Served in Academic Programs Offered by the Windham School System	56,911	56,911
Contact Hours Received by Inmates Within the Windham School System	18,076,782	18,076,782
Efficiencies:		
Average Cost Per Contact Hour in the Windham School System	3.2	3.2
B.3.1. Strategy: REGIONAL TRAINING AND DEVELOPMENT	$ 39,491,253	$ 39,791,253
Facilitate effective instruction and efficient school operations by providing core services, technical assistance, and program support through Regional Education Service Centers based on the needs and objectives of the school districts they serve.		
Outputs:		
Schools Participating in ESC-based Campus Improvement Initiatives	2,749	3,095
Campuses Assisted Prior to/after an Accreditation Visit	690	700
Number of Children Served by Dyslexia and Related Disorders Services		183,889
Number of Educators Receiving ESC-based Training in Technology	51,546	58,578

B.3.2. Strategy: DEREGULATION/SCHOOL RESTRUCTURING	$ 89,918,102	$ 93,909,625
Encourage educators, parents, and community members to increase involvement in education, improve student learning, and develop and implement programs that meet local needs.		
Outputs:		
Schools with Approved State-funded Optional Extended-year Programs	2,000	2,000
Number of Students in Juvenile Justice Alternative Education Programs	4,000	4,280
Number of Students Served by State-funded Optional Extended-year Programs	60,000	60,000
Number of Families Served by AVANCE Programs	2,143	2,171
Explanatory:		
Number of Campus Charter Schools or Programs	30	30
Number of Open Enrollment Charter Schools	20	20
Total, Goal B: LOCAL EXCELLENCE AND ACHIEVEMENT	$ 2,036,917,252	$ 2,078,833,518
C. Goal: TEXAS EDUCATION AGENCY OPERATIONS		
Build the capacity of the Texas public education system to ensure each student demonstrates exemplary performance in reading and the foundation subjects of English language arts, mathematics, science, and social studies.		
C.1.1. Strategy: ACCOUNTABILITY OPERATIONS	$ 9,477,686	$ 9,671,285
Develop and implement standards of district and campus accountability for the achievement of all students, conduct research, report results, and respond to districts and campuses not meeting state standards.		
Outputs:		
Number of Campuses Receiving Sanctions as a Result of Second-year Accreditation Status	30	30
Number of Campuses Receiving Sanctions as a Result of Third-year Accreditation Status	10	15
Number of Special Education Campuses/Programs Receiving Onsite Monitoring Visits	200	200
School Practitioners Recruited and Trained Through the Texas School Improvement Initiative (TSII)	1,550	1,650
Complaint Investigations Conducted	22,000	22,500
Number of Campuses Investigated for Exemption Rates	120	120
Efficiencies:		
Percent of Low-performing Campuses Visited	100%	100%
Average Cost of Accreditation Onsite Review	11,395	11,395
Explanatory:		
Education Professionals Serving on Peer Review Teams	750	750
C.1.2. Strategy: SCHOOL FINANCE SYSTEM OPERATIONS	$ 13,946,304	$ 13,923,038
Efficiently manage the state and federal funds in the Foundation School Program and increase the principal value of the Permanent School Fund and the manual rate of deposit to the Available School Fund.		
Outputs:		
Growth in Permanent School Fund Book Value	512	533
Available School Fund Income	571	493
Amount of Recovered ADA Funds (In Millions)	7.5	7.5

Efficiencies:		
Percent of PSF Portfolio Managed by External Managers	35%	39%
Average Percent of Equity Holdings in the PSF	55%	59%
Number of Basis Points Above the Median (Internal Managers)	200	200
Number of Basis Points Above the Median (External Managers)	250	250
C.1.3. Strategy: IMPROVING INSTRUCTION OPERATIONS	$ 8,489,041	$ 8,513,174
Align the statewide student assessment program, skills and instructional materials with the state's essential knowledge and skills, provide equitable access to instructional materials for the state's foundation and enrichment curriculum; develop, communicate, and provide training in the state's essential knowledge and skills; maintain and expand the technological capabilities of the public education system; and increase access to educational data.		
Outputs:		
Textbooks and Electronic Learning Systems Bid and Reviewed	160	114
Number of ESC/TEA Meetings Conducted via TETN	612	735
C.2.1. Strategy: LOCAL AUTHORITY OPERATIONS	$ 4,603,888	$ 4,830,127
Foster program and funding flexibility, support regional training and development at the education service centers, and encourage educators, parents, and community members to develop programs that increase involvement in education, improve student learning, and meet local needs.		
Outputs:		
Waiver Applications Received by ESC and Agency Staff	2,000	2,000
C.2.2. Strategy: SPECIAL POPULATIONS OPERATIONS	$ 9,086,945	$ 8,206,255
Support access by all students to instructional programs based on the state's essential knowledge and skills.		
Outputs:		
Certificates of High School Equivalency (GED) Issued	60,000	62,000
Total, Goal C: TEXAS EDUCATION AGENCY OPERATIONS	$ 45,603,864	$ 45,143,879
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 7,322,177	$ 7,106,301
D.1.2. Strategy: INFORMATION RESOURCES	$ 7,880,971	$ 7,925,033
Total, Goal D: INDIRECT ADMINISTRATION	$ 15,203,148	$ 15,031,334
Grand Total, TEXAS EDUCATION AGENCY	$11,403,196,005	$11,398,947,168

Method of Financing:

General Revenue Funds		
General Revenue Fund	$ 63,942,535	$ 82,296,205
Available School Fund No. 002, estimated	808,418,107	1,132,246,136
State Textbook Fund No. 003	433,949,284	112,099,945
† Foundation School Fund No. 193, estimated	6,512,388,255	6,312,918,615
GED Fees	533,082	532,312
Earned Federal Funds	2,927,349	2,896,100
Lottery Proceeds	1,425,664,000	1,559,403,000
Subtotal, General Revenue Funds	$ 9,247,822,612	$ 9,202,392,313
Federal Funds		
Federal Health, Education and Welfare Fund No. 148	1,146,400,673	1,146,458,410
Federal School Lunch Fund No. 171	621,957,967	658,382,294
Federal Funds	7,414,753	7,814,151
Subtotal, Federal Funds	$ 1,775,773,393	$ 1,812,654,855
Other Funds		
Telecommunications Infrastructure Fund No. 345	14,600,000	14,600,000
† Appropriated Receipts - Attendance Credits, estimated	365,000,000	369,300,000
Subtotal, Other Funds	$ 379,600,000	$ 383,900,000
Total, Method of Financing	$11,403,196,005	$11,398,947,168
Number of Full-time Equivalent Positions (FTE)	834.0	834.0
Schedule of Exempt Positions		
Commissioner of Education, Group 6	$156,014	$156,014
Executive Administrator of Permanent School Fund	125,000	125,000
Deputy Commissioner	112,800	112,800
Deputy Commissioner	107,628	107,628

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below: The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purposes of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Acquisition of Information Resource Technologies		
(1) Microcomputer Hardware and Software	$ 78,431	$ 138,431
(2) Data Center Equipment	80,830	80,830
(3) Microcomputer Hardware/Software for Training	46,798	46,798
(4) Microcomputer Hardware/Software (LAN)	$ 38,526	$ 38,525
Total, Acquisition of Information Resource Technologies	$ 244,585	$ 304,584

† *Modified per changes in House Bill 4, Regular Session, 1997.*

b. Acquisition of Capital Equipment and Items		
(1) Reproduction Equipment	50,000	
(2) Enterprise Online Documentation		100,000
(3) Convert/Upgrade CNPIMS to Internet Application	$	$ 200,000
Total, Acquisition of Capital Equipment and Items	$ 50,000	$ 300,000
Total, Capital Budget	$ 294,585	$ 604,584

Method of Financing (Capital Budget):

General Revenue Fund	$ 199,504	$ 256,733
Available School Fund No. 002	7,591	49,874
State Textbook Fund No. 003	8,944	9,910
Federal Health, Education and Welfare Fund No. 148	56,723	63,481
Federal School Lunch Fund No. 171	9,480	210,792
Foundation School Fund No. 193	10,605	11,859
GED Fees	1,708	1,902
Interagency Contracts	30	33
Total, Method of Financing	$ 294,585	$ 604,584

† 2. **Chapter 42 Formula Funding.** Out of the funds appropriated above, a total of $9,446,047,543 in fiscal year 1998 and $9,729,018,051 in fiscal year 1999 shall represent the sum-certain appropriation to the Foundation School Program under Section 42.253 of the Texas Education Code. The Foundation School Fund Budget Committee is authorized to adjust the amounts of the basic and special allotments in accordance with Section 42.256 of the Texas Education Code, but the total appropriation may not exceed the sum-certain amount. The Commissioner shall make allocations to local school districts under Section 42.253 based on the March 1997 estimates of average daily attendance and local district tax rates as determined by the Legislative Budget Board and the Final 1996 property values. Property values shall be increased by 2.46 percent for 1999, as estimated by the Comptroller of Public Accounts.

3. **Transportation Cost Allotment.** Pursuant to Section 42.155 of the Texas Education Code, the appropriation for funding regular transportation programs for the 1997-98 and 1998-99 school years shall be calculated on the following basis:

Linear Density Grouping	Allocation Per Mile of Approved Route
2.40 and above	$1.43
1.65 to 2.40	1.25
1.15 to 1.65	1.11
.90 to 1.15	.97
.65 to .90	.88
.40 to .65	.79
up to .40	.68

Pursuant to Section 42.155 of the Texas Education Code, the maximum mileage rate for special education transportation shall be $1.08 per mile. Private transportation rates shall be $0.25 per mile or a maximum of $816 per pupil for both special education and isolated areas as defined in sub-sections 42.155(g) and 42.155(e).

† *Modified per changes in House Bill 4, Regular Session, 1997.*

4. **Education Service Centers.** The Commissioner shall furnish reports as required by Section 8.102 of the Texas Education Code to the State Board of Education for transmittal, along with recommendations for change, modification, or improvement, to the Legislative Budget Board and the Governor's Budget and Planning Office. Regional Education Service Centers shall be prohibited from purchasing land and acquiring buildings without prior authorization from the Commissioner of Education.

5. **Windham Schools.** The funds appropriated above in Item B.2.6., Windham School System, are to be expended only for academic and vocational educational programs approved by the Texas Education Agency. The Commissioner of Education shall allocate funds to the Windham Schools based on contact hours for the best 180 of 210 school days in each year of the biennium. The contact hour rates for the 1998-99 biennium are the following: $3.23452 for academic education, $2.88743 for vocational education, $5.65945 for special education, and $0.62265 for bilingual education.

6. **Windham School System Selection Criteria.** It is the intent of the Legislature that the Windham School System target its programs to serve those inmates whose participation will help achieve the goals of reduced recidivism and increased success of former inmates in obtaining and maintaining employment.

7. **Audit Adjustments.** When reviews and audits of allocations to school districts reveal the allocations previously made were greater or less than the amounts found to be due, the Texas Education Agency is authorized to recover or pay the sums necessary to adjust to the correct amounts. All such amounts recovered shall become a part of the Foundation School Fund or General Revenue Fund, and the amounts necessary to make such additional payments to the school districts are hereby appropriated from the Foundation School Fund or General Revenue Fund.

8. **State Textbook Fund.** Any amount expended for Textbook Administration, including new textbooks, rebinding, and other related expenses, shall be paid out of the State Textbook Fund. A transfer of funds from the Available School Fund to the State Textbook Fund is authorized in an amount which, together with other revenues of the State Textbook Fund, is sufficient to finance the sum-certain appropriation from the State Textbook Fund for each fiscal year, including a $30 per student technology allotment as provided for in Section 31.021(2) of the Texas Education Code.

9. **Day-care Expenditures.** It is expressly provided that the pre-school day care programs, such as the Early Childhood Program for Educationally Disadvantaged Children and Special Education and Training for Pre-School Children with Disabilities administered by the Texas Education Agency, are day-care programs. The funds expended in those programs on behalf of children meeting eligibility requirements in accordance with interagency contracts with the Texas Education Agency under the day care program of the Social Security Act shall be considered as expenditures for day care.

10. **Loss Due to Property Value Decline.** The Commissioner of Education is authorized to distribute no more than $26,000,000 in each fiscal year under Section 42.252(e) of the Texas Education Code, to the extent that excess funds are available under the Foundation School Program. It is the intent of the Legislature that, in expending these funds by making adjustments in the local share, the Commissioner shall consider only the amount of property value decline in each school district that is in excess of four percent in taxable values. To the extent that calculated amounts under 42.252(e) exceed appropriated amounts, the Commissioner shall reduce adjustments using the same formula for proration of state aid under section 42.253 of the Texas Education Code.

11. **Governor's School.** Out of funds appropriated for Item B.1.1., Instructional Excellence, $98,730 in each fiscal year is allocated to the Governor's School Program, which is a residential program designed to meet the needs of gifted secondary students in the state. These allocated funds are contingent upon the deposit in the State Treasury of contributions or donations in the amount of $98,730 by June 1, 1998, for fiscal year 1998, and in the amount of $98,730 by June 1, 1999, for fiscal year 1999. In the event that contributions or donations deposited in the State Treasury for each fiscal year total less than $98,730, the allocation is reduced to an amount which equals the total contributions or donations received.

12. **Grants for Education Service Centers.** From the general revenue related funds appropriated in Item B.3.1., Regional Training and Development, the Commissioner may use no more than $1,480,950 in each fiscal year is allocated for distribution as competitive grants for regional education service centers for innovative regional strategies or programs and emergency grants to small and isolated school districts for core services under Section 8.124 of the Texas Education Code.

13. **Professional Staff Development.** Out of the funds appropriated above in Item A.3.3., Improving Educator Performance:

    - $1,000,000 in each fiscal year shall be used for the elementary, middle and high school mentor program;

    - $250,000 in each fiscal year shall be used for the Superintendents Leadership Training Academy at Lamar University.

    The Commissioner shall evaluate any program funded under this section and programs that do not demonstrate a positive effect on administrator, teacher or student performance shall be discontinued.

14. **Training Programs for School Personnel and Parents of Students With Autism.** It is the intent of the Legislature that the Texas Education Agency continue to implement a program of staff development for school personnel and parents of students with autism. A sum not to exceed $50,000 in each fiscal year shall be expended for this purpose.

15. **Student Testing Program.** In accordance with the provisions of sections 42.152 and Chapter 39, Subchapter B of the Texas Education Code, the funds appropriated from the Foundation School Fund for the compensatory education allotment may be used to cover the cost of preparing, administering and grading assessment instruments in the student testing program. The expenditure of such funds shall not be subject to the limitation in Rider 26, Limitation on Transferability.

16. **Use of Administrative Funds for School Nutrition Programs.** It is the intent of the Legislature that federal administration funds allocated to Texas for the administration of child nutrition programs not be permitted to lapse. The Texas Education Agency shall explore all possible uses of such funds, including efforts to (a) serve a higher percentage of eligible students with the school breakfast program and (b) increase the number of districts that participate in the summer food program.

17. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S. 6552-33, reimbursement of expenses for advisory committee members, out of the funds appropriated above, is limited to the following advisory committees:

    - Educational Technology Advisory Committee
    - Environmental Education Advisory Committee
    - Investment Advisory Committee on the Permanent School Fund
    - Committee on Teacher Appraisal and Assessment
    - State Textbook Committee
    - Charter School Proposal Evaluation Committee

    None of the funds appropriated in this Act may be used to reimburse any other advisory committee of the Texas Education Agency unless the Commissioner of Education notifies the Comptroller of Public Accounts and the Legislative Budget Board in writing that a specific advisory committee is essential to the mission of the Texas Education Agency pursuant to Texas Education Code 7.055(a)(11).

18. **Vacation Leave for Commissioner of Education.** Notwithstanding any provision of the General Appropriations Act to the contrary, the Commissioner of Education is entitled to accrue and carry forward vacation leave at the highest rate authorized for employees by the General Provisions of this Act.

19. **Limits on Allocations and Expenditures.** The Commissioner of Education is authorized to transfer any of the funds appropriated for agency operations to the Regional Education Service Centers for purposes deemed appropriate by the Commissioner. The Commissioner shall submit to the Governor's Budget and Planning Office and Legislative Budget Board for its review a summary of the services to be transferred and the funding level associated with the proposed transfer. No funds appropriated to Regional Education Service Centers or to school districts may be used to hire a registered lobbyist.

20. **Regional Day Schools for the Deaf.** Funds appropriated above for Regional Day Schools for the Deaf shall be allocated on a weighted full time equivalent basis. Notwithstanding other provisions of this Act, if the allocations total more than $33,133,200 in each year, the commissioner shall transfer sufficient amounts from other available funds to provide the full allocation.

21. **Summer School for Children with Limited English Proficiency.** Out of funds appropriated for Item B.1.1., Instructional Excellence, $3,800,000 in each fiscal year is allocated for summer school programs for children with limited English proficiency as authorized under Section 29.060 of the Texas Education Code.

22. **Engineering and Science Recruitment Fund.** Out of funds appropriated for Item B.1.1., Instructional Excellence, $394,920 in each fiscal year is allocated to the Engineering Science Recruitment Fund for programs outlined in Subchapter M of Chapter 51 of the Texas Education Code.

23. **Statewide Programs for Students Who Are Visually Impaired.** Out of funds appropriated for Item B.2.2., Students with Disabilities, $6,005,267 in each fiscal year is allocated for statewide programs for students who are visually impaired as authorized under Section 30.002 of the Texas Education Code.

24. **Noneducational Community-based Support Services.** Out of funds appropriated for Item B.2.2., Students with Disabilities, $987,300 in each fiscal year is allocated for noneducational community-based support services for certain students with disabilities as authorized under Section 29.013 of the Texas Education Code.

25. **Professional Staff Development for Serving Students with Disabilities in Integrated Settings.** Out of the federal discretionary funds awarded to the Texas Education Agency through the Individuals with Disabilities Education Act (IDEA), Part B and appropriated above, the Commissioner shall set aside 10.5% during the biennium to fund capacity building projects, including follow-up staff development and support, for school districts to serve students with disabilities in integrated settings.

26. **Limitation on Transferability.** Notwithstanding the General Provisions of this Act, none of the funds appropriated above in Goal A., Standards of Achievement and Equity and Goal B., Local Excellence and Achievement, may be transferred to Goal C., Texas Education Agency Operations, or Goal D., Indirect Administration.

27. **Long Range Plan for Technology.** Out of funds appropriated from the Telecommunications Infrastructure Fund in Item A.3.2., Technology, and Item B.3.1., Regional Training and Development, the Commissioner shall allocate an amount not to exceed $14,600,000 in each fiscal year for implementation of the Long Range Plan for Technology as provided by Section 32.001, Texas Education Code.

28. **Appropriation for State Schools.** Out of general revenue related funds appropriated above in Item B.2.2., Students with Disabilities, an amount not to exceed $1,129,167 in each fiscal year is allocated for payments to state operated schools under Sections 30.025 and 30.056 of the Texas Education Code.

29. **Estimated Appropriation for Incentive Aid.** Out of general revenue related funds appropriated above in Item B.3.2., Deregulation and School Restructuring, an estimated amount of $1,752,050 in each fiscal year is allocated for incentive aid payments under Subchapter G Chapter 13 of the Texas Education Code.

30. **Payments to Texas School for the Blind and Visually Impaired and Texas School for the Deaf.** Pursuant to Section 30.003(f) of the Texas Education Code, the State Board of Education shall adopt rules that ensure that all local school districts whose students are placed at the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf shall share in the cost of each student's education as required by Section 30.003(a). It is the intent of the Legislature that budget balanced school districts reimburse the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf from the General Operating Fund of those districts within 60 days of receipt of a voucher from the receiving school.

31. **Notification of Changed Accreditation Status.** At the time a school district is notified of a change in its accreditation status, the Texas Education Agency shall also notify the State Senators and Representatives that represent the affected school district.

32. **Permanent School Fund.** In its annual report on the Permanent School Fund, completed by December 31 of each year, the Texas Education Agency shall report on the actual and projected costs of administering the Permanent School Fund for the year covered by the report and the following three years.

33. **Standardized Tests.** The State Board of Education and the Texas Education Agency shall not require any local school district to administer any statewide standardized tests except those that are required by Subchapter B, Chapter 39 and funded pursuant to Section 39.031 of the Texas Education Code, or those that are otherwise fully funded by state appropriations.

34. **Texas Advanced Placement Incentive Program.** Notwithstanding appropriations otherwise made by this Act to the Foundation School Program, $2,000,000 of the appropriations made for gifted and talented education is transferred and reappropriated to the Texas Education Agency for the Texas Advanced Placement Incentive Program for the 1998-1999 fiscal biennium. In addition, out of the funds appropriated above in Strategy B.1.1., Instructional Excellence,

$500,000 in each year of the biennium is allocated for the Advanced Placement Incentive Program. The expenditure of such funds shall not be subject to the limitations in Rider 26, Limitation on Transferability.

35. **Communities in Schools.** Out of the funds appropriated above for Item B.2.3., Support Programs, $12,788,865 shall be set aside out of State Compensatory Education Funds in each fiscal year to be transferred by interagency transfer voucher to the Texas Workforce Commission for the Communities in Schools Program.

36. **Investment Capital Fund.** Out of Foundation School Program Compensatory Education Funds appropriated in B.3.2., Deregulation and School Restructuring, the Commissioner shall set aside $4,000,000 in each year of the biennium for the Investment Capital Fund.

37. **Extended Year Programs.** Out of Foundation School Program Compensatory Education Funds appropriated in Item B.3.2., Deregulation and School Restructuring, the commissioner shall distribute an amount not to exceed $54,818,719 in 1998 and $58,474,092 in 1999 to finance extended year programs under 42.152(p), Texas Education Code.

38. **MATHCOUNTS.** Out of Foundation School Program Gifted and Talented Education Funds appropriated in A.3.3., Improving Educator Performance, the Commissioner shall set aside $125,000 in each year of the biennium for the MATHCOUNTS program.

39. **Allocation of Funds to South Texas Independent School District.** Out of funds appropriated above for Item A.2.1., Foundation School Program, the Commissioner of Education shall withhold an amount sufficient to provide the South Texas Independent School District with adequate access to funding under Tier 2 of the Foundation School Program. The Commissioner shall adjust payments to the South Texas Independent School District to equal an amount to which the district would be entitled at the average effective tax rate in other school districts in Cameron County less the tax rate set by the district itself.

40. **Appropriation of Settle-Up Funds.** All funds received from local school districts as recovery for overpayment pursuant to the provisions of Section 42.258 the Texas Education Code are hereby appropriated to the Texas Education Agency for distribution to local school districts for foundation school program purposes.

41. **Appropriation of Attendance Credit Revenues.** All unexpended balances and all funds received from the payment of school districts for attendance credits in excess of the amounts appropriated above pursuant to the provisions of Section 41.094 of the Texas Education Code, are hereby appropriated to the Texas Education Agency for distribution to school districts for foundation school program purposes.

42. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that, for the following fee-supported programs, fees, fines, and other miscellaneous revenues as authorized and generated by the Texas Education Agency cover, at a minimum, the cost of the appropriations made to support the programs, as well as the "other direct and indirect costs" associated with those functions appropriated elsewhere in this Act. "Other direct and indirect costs" for these programs are estimated to be $333,019 in fiscal year 1998 and $332,533 in fiscal year 1999 including employee matching costs and other indirect operating costs:

    Guaranteed Program for School District Bonds
    General Education Development (GED)
    Driver Training
    Statewide Book Fund

    All fees collected in excess of the Comptroller of Public Accounts 1998-99 Biennial Revenue Estimate are hereby appropriated to the Texas Education Agency.

In the event that actual and/or projected fee revenue collections are insufficient to offset program costs, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided herein to be within the amount of fee revenue expected to be available.

43. **Adult Education.** Priority shall be given to adult literacy programs in the expenditure of adult education funds appropriated above. It is the intent of the Legislature that, in providing educational programs, the administering agency or agencies shall make every effort to provide appropriate training to recipients of Temporary Assistance for Needy Families (TANF) in accordance with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Out of the general revenue funds appropriated above in Item B.2.5., Adult Education, an amount not less than $2,000,000 each year shall be allocated to TEA's adult education cooperatives to provide education and training services to TANF recipients. In addition, out of the Federal Temporary Assistance to Needy Families appropriated above in Item B.2.5., $4,100,000 in 1998 and $4,500,000 in 1999 shall be directed for services for adults who receive Federal cash assistance. To implement these provisions, TEA shall enter into contracts or arrangements with the agency or agencies administering welfare reform. All providers of adult education shall meet the requirements defined in the Texas Education Code. Federal funds appropriated for this purpose shall be used for administrative expenditures only to the extent allowable under Federal regulations.

44. **Permanent School Fund: External Management Fees.** Contingent on the State Board of Education adopting asset allocation and investment policies for the Permanent School Fund that produce income to the Available School Fund for support of appropriations above for Strategies A.2.1., Foundation School Program and C.1.2., School Finance System - Operations, in excess of the amounts estimated in the Biennial Revenue Estimate prepared by the Comptroller of Public Accounts for the 1998-99 biennium, additional income projected by the Board for the Available School Fund from Permanent School Fund investments is appropriated to Strategy C.1.2., School Finance System - Operations, for expenditure for internal costs and fees for external management of Permanent School Fund assets.

    The additional amounts appropriated for external management costs may not exceed .5 percent of market value of funds placed with external managers and may not be transferred to any other strategy within Goal C., Texas Education Agency Operations, or to Goal D., Indirect Administration. The amounts appropriated shall be made available for expenditure on a quarterly basis. Appropriations for external management costs may only be expended if the Board awards contracts for external management services on an open, formal request for proposal process which gives consideration to both performance and price.

45. **Limitation: Transfer Authority.** Notwithstanding any other provision of this Act, none of the funds appropriated by this Act to the Texas Education Agency for the purpose of funding the Foundation School Program due to student enrollment growth, district tax rate, or taxable value of property may be transferred to any other item of appropriation or expended for any purpose. Any unexpended and unencumbered balances remaining after the last day of a fiscal year in any of the appropriations made for a purpose described by this provision shall lapse and accrue to the benefit of the unappropriated balance of the General Revenue Fund after taking into account the "settle-up" provision found in Section 42.253 (i), Texas Education Code.

46. **Additional Funding Sources.** If the appropriations provided by this Act for the Foundation School Program are not sufficient to provide for expenditures for enrollment growth, district tax rate or taxable value of property, after accounting for any other appropriations made to the TEA and available for transfer for this purpose, the Legislative Budget Board and the Governor's Office of Budget and Planning may provide for, and are hereby authorized to direct, the transfer of sufficient amounts of funds to the TEA from appropriations made elsewhere in this Act.

47. **Property Wealth Decline.** Out of the funds appropriated in Item A.2.1., Foundation School Program, there is hereby allocated an amount not to exceed $21,000,000 in fiscal year 1998 with the unencumbered balance thereof appropriated in fiscal year 1999 for distribution to school districts whose wealth level per student exceeds the equalized wealth level and who have experienced a decline from the previous year in the tax base used in calculating taxable values in accordance with 41.002, Texas Education Code.

48. **Calculating Payments Owed the State.** It is the intent of the Legislature that the calculation of the payments owed the state under Chapter 41, Texas Education Code, incorporate the features and intent of section 41.002 (e) for the 1998-99 school year.

49. **Reduction in Districts Tier One Allotment.** To fund appropriations for programs from compensatory education allotments, the Commissioner of Education shall reduce each district's tier one allotment. The reductions shall be made in the same manner as described for a reduction in allotments under Section 42.253, Education Code, and the Commissioner shall allocate funds to each district accordingly.

50. **Option 3 Incentives.** Out of the amount appropriated for Item A.2.1., Foundation School Program, an amount not to exceed $23,000,000 in 1999 is allocated for costs of providing appraisal cost and early agreement credits pursuant to Sections 41.097 and 41.098, Texas Education Code.

51. **Safe Schools.** Out of the funds appropriated above in Item B.3.2., Deregulation and School Restructuring, there is hereby allocated the amount of $18,000,000 for each year of the biennium for safe schools programs.

52. **Funding for Juvenile Justice Alternative Education Programs.** Out of the funds appropriated above in Strategy B.3.2., Deregulation and School Restructuring, $7,000,000 shall be set aside from the Compensatory Education Allotment in each year and transferred to the Juvenile Probation Commission for the support of Juvenile Justice Alternative Education Programs. This set-aside shall not effect the calculation of the number of students in weighted average daily attendance under TEC 42.302.

    Contingent on legislation eliminating local school district funding for students expelled to Juvenile Justice Alternative Education Programs under TEC 37.007, out of the funds appropriated above in Strategy A.1.2., Foundation School Program, $3,000,000 in each fiscal year shall be transferred to the Juvenile Probation Commission for the support of mandatory placements in the Juvenile Justice Alternative Education Programs. This transfer shall not be subject to the limitation in Rider 45, Limitation: Transfer Authority.

53. **FSP Funding for the Texas Youth Commission.** Out of the funds appropriated above in Strategy A.2.1., Foundation School Program, the Texas Education Agency shall allocate to the Texas Youth Commission the basic allotment of the Foundation School Program minus the amounts allocated to the Commission pursuant to Texas Education Code Section 30.102 for each student in average daily attendance. These amounts are estimated to be $6,561,723 in fiscal year 1998 and $7,163,072 in fiscal year 1999. This transfer shall not be subject to the limitation in Rider 45, Limitation: Transfer Authority.

54. **Successful Schools Award Program.** Out of the funds appropriated above in strategy A.1.2., Accountability System, $2,500,000 in each year of the biennium is allocated for the Successful Schools Award Program pursuant to section 39.091 et seq, of the Texas Education Code. Of this amount, $500,000 in each year shall be awarded based upon criteria designed to recognize effective and innovative approaches to increasing the number of parents or guardians attending parent-teacher conferences.

55. **Early Childhood Education and Care Coordination.** It is the intent of the Legislature that the Texas Education Agency participate to the extent practicable in interagency early childhood education and care coordination initiatives. This includes but is not limited to participation in the Head Start collaboration project or any other interagency entity formed to address the coordination of early childhood care and education service delivery and funding.

56. **Programs for Parents.** It is the intent of the Legislature that the Texas Education Agency encourage parents of at-risk children to participate in parenting programs including but not limited to the home instruction program for pre-school youngsters, parents as teachers, Texas A&M Agricultural Extension Parenting Programs, and other parenting programs available in their communities. The Texas Education Agency shall utilize funds from Item B.2.3., Support Programs for this purpose.

57. **Guaranteed Yield Level.** In accordance with Chapter 42, Subchapter H, Texas Education Code, Guaranteed Yield Program (Tier Two), Section 42.302, the guaranteed level per weighted student per cent of tax effort is hereby set at $21.00.

58. **Adult Education Programs Evaluation.** It is the intent of the Legislature that the Texas Education Agency conduct a statewide evaluation of adult education programs. The evaluation should focus on measurable increases in participating adults' access to post-secondary education and/or employment opportunities.

59. **Regional Education Service Center Dyslexia and Related Disorders Coordinators.** It is the intent of the Legislature that each Regional Education Service Center establish a coordinator for dyslexia and related disorders services pursuant to Section 38.003 of the Texas Education Code. Out of the funds appropriated above in Item B.3.1., Regional Training and Development, the Commissioner of Education shall direct $300,000 in 1999 to assist in the establishment of such coordinators.

60. **Receipt and Use of Federal Funds.** The Commissioner of Education is authorized to apply for, receive and disburse funds in accordance with plans or applications acceptable to the responsible federal agency or other public or private entity that are made available to the State of Texas for the benefit of education and such funds are appropriated to the specific purpose for which they are granted. It is the intent of the Legislature that when entering into any contract or plan with the Federal Government or other entity, prime consideration shall be given to preserving maximum local control for school districts.

61. **Teen Parents.** Out of the funds appropriated above in Item B.2.3., Support Programs, $3,000,000 of Federal Temporary Assistance for Needy Families funds shall in each year of the biennium be directed to intensive services for teen parents to prevent long-term reliance on public assistance. These programs shall provide school to work transition services, dropout prevention services, and other support services including abstinence education.

62. **Textbook Availability.** The Texas Education Agency shall work with independent school districts to ensure that the appropriate course textbook is available for each student in kindergarten through third grade enrolled in every core curriculum course.

63. **Parental Involvement.** In establishing the criteria for awarding grants from the Texas Education Agency to schools through the Governor’s Texas Reading Initiative, the Commissioner shall require any school-applicant to submit to the Commissioner a plan for parental involvement in its reading academy or reading program.

64. **School Improvement and Parental Involvement Initiative.** Out of the funds appropriated above in Item B.3.2., Deregulation and School Restructuring, the Commissioner shall allocate $1,000,000 in each year of the biennium for the Systemic Initiative and $750,000 in each year

for the AVANCE family support and education program and $100,000 in each year for the State Marine Science Center in Palacios.

Out of the funds appropriated above in Item B.3.2., Deregulation and School Restructuring and in Item A.3.3., Improving Educator Performance, the Commissioner may fund programs intended to increase parent involvement and improve academic achievement. The Commissioner shall give priority to programs that provide matching funds. Programs that may be funded include, but are not limited to, the German Teacher Exchange Program, the South Texas Literacy Foundation, the Texas Council on Economic Education, and the One Community/One Child Program.

The Commissioner shall evaluate programs funded under this section and programs that do not demonstrate a positive effect on student performance shall be eliminated.

65. **Texas Academy of Leadership in Humanities.** The Texas Academy of Leadership in Humanities is entitled to Foundation School Program (FSP) allotments for each student enrolled in the academy as if it were a school district, except that the local share applied is equal to the Beaumont ISD's local share.

66. **Governor's Texas Reading Initiative.** Out of the funds appropriated above in Strategy A.1.1., Assessment, $7,000,000 in 1998 and $25,000,000 in 1999 shall be allocated to the Governor's Reading Initiative. These funds shall be allocated in the following manner:

- Not less than 85 percent shall be distributed by the commissioner for reading diagnostic assessments and on a competitive grant basis to be used by schools for the implementation of scientific, research-based reading programs, the purchase of additional instructional or diagnostic reading materials, necessary reading materials for libraries, instructional staff, or for related professional staff development of educators with the goal of as much direct intervention with students as possible. To be eligible for funding, schools must perform a diagnostic assessment for below grade level reading skills and submit a plan for parental involvement in the program.

- An amount not to exceed 10 percent of the total appropriation for the reading initiative may be used at the Commissioner's discretion for reading improvement, research or development.

- An amount not to exceed 3 percent in fiscal year 1998 and 1 percent in fiscal year 1999 of the appropriation may be used by the Commissioner to administer the program.

- An amount not to exceed 2 percent in fiscal year 1998 and 4 percent in fiscal year 1999 of the appropriation may be used by the Commissioner for evaluation of the program.

- The Commissioner may transfer up to 10 percent of the appropriation among strategies in Goals A and B.

- The Commissioner may transfer up to 5 percent of the appropriation from Goal A to Goal C, Operations or Goal D, Indirect Administration for purposes of administering and evaluating the program.

- Any balances as of August 31, 1998 are appropriated for the 1999 fiscal year.

The Commissioner shall develop performance measures for the reading initiative program.

67. **Contingency Appropriation: House Bill 107.** Contingent on enactment of House Bill 107 or similar legislation creating a specialized automobile license plate generating revenue for reading programs, there is hereby appropriated additional revenue collected pursuant to House

Bill 107, estimated to be $500,000 in each year of the biennium, for the purpose of implementing that Act. The Texas Education Agency is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

68. **Statewide Technology Initiatives.** The Texas Education Agency and the Telecommunications Infrastructure Fund Board shall coordinate their efforts providing educational technology to public schools in order to prevent duplication of effort and funding. The Texas Education Agency shall provide to the TIF Board annual and periodic accounting of the expenditure of TIF funds appropriated to the Agency, including the type of project funded at both the campus and district level. Public schools receiving TIF funding are entitled to an accounting of those funds. This information shall also be reported to the Legislature through the biennial Progress Report on the Long Range Plan for Technology.

69. **Funding for Tuition Credit Program.** Out of funds appropriated above for the Foundation School Program allocations, the Commissioner of Education shall transfer an amount sufficient to fund tuition credits, first for students who qualify for the Early High School Graduation Scholarship Program and AFDC/TANF students in accordance with House Bill 1479 (Seventy-fourth Legislature, Regular Session). From remaining savings, contingent on passage of Senate Bill 571 or similar legislation, an amount sufficient to fund credits for eligible educational aides who are enrolled at a Texas institution of higher education in classes necessary for certification as a teacher. It is the intent of the Legislature that the tuition credits specified above be funded out of identified savings in the Foundation School Program allocations due to lower student enrollment in the twelfth grade.

70. **Payment of Attorney's Fees.** Out of the funds appropriated above in A.2.1., Foundation School Program, an amount not to exceed $1,631,837 shall be set aside for the purpose of paying attorney's fees assessed against all school districts in the state in accordance with the decision of the Texas Supreme Court in *Texas Education Agency et. al. vs. Gary M. Leeper et, al.*, including payment of fees incurred by school districts as set out in the order of the 17th District Court of Tarrant County, Texas. This payment is contingent on the State of Texas and local school districts receiving a full and complete release from any and all claims in causes of action related to the above referenced action by each party to the above referenced action. The commissioner of education shall reduce the entitlement of each school district in the manner provided for in Section 42.253 of the Texas Education Code, provided, however, that no school district shall receive less than the amount to which it is entitled from the available school fund per capita distribution. Reductions under this provision shall not be considered for purposes of subsequent years entitlement under Section 42.253(i) of the Texas Education Code.

71. **Earned Federal Fund Appropriations.** Pursuant to Chapter 317 of the Texas Government Code, Earned Federal Funds earned in excess of the amounts shown in the Method of Finance for 1998 and 1999 are hereby appropriated to the Texas Education Agency in amounts not to exceed $900,000 in each fiscal year. The additional amounts specified by this provision can be exceeded only with the prior approval of the Governor and the Legislative Budget Board.

72. **Texas Education Agency's Revolving Account.** It is the intent of the Legislature that the Comptroller of Public Accounts establish, maintain and appropriate the "Texas Education Agency's Revolving Account" to account for the expenditures, revenues, and balances of managing a full cost-recovery Consolidated Print Shop. The expenditures, revenues, and balances for this operation shall be maintained separately by the Texas Education Agency within its accounting system. Any unobligated balances as of August 31, 1998, are reappropriated for the same use during fiscal year 1999. For the purpose of meeting cash flow needs, the Texas Education Agency may temporarily transfer funds from Goal D, Indirect Administration, to the revolving account. Transfers must be returned by the end of the fiscal year.

† 73. **Contingency Appropriation: House Bill 4.** Contingent on enactment of House Bill 4 and House Joint Resolution 4, or similar legislation, there is hereby appropriated to the Texas Education Agency $63,675,000 in 1998 and $81,325,000 in 1999 to provide transition assistance to school districts affected by an increase in the minimum teacher salary schedule authorized in the 1996-97 biennium and/or the 1998-99 biennium pursuant to Texas Education Code section 21.402. Contingent on enactment of H.B. 4, an additional $21,850,000 in each year of the biennium is hereby appropriated to provide transition assistance, under guidelines developed by the Commissioner of Education, to school districts who experience loss in total revenue due to the provisions of House Bill 4.

74. **Contingency Appropriation for Lottery Proceeds.** The Lottery Proceeds appropriation made above is hereby made contingent on the enactment of H.B. 4, 75th Legislature, and the adoption of H.J.R. 4, 75th Legislature, and is also hereby made contingent upon voter approval of the constitutional amendment proposed by H.J.R. 4. In the event that H.B. 4 is not enacted and H.J.R. 4 in not adopted by the 75th Legislature, or in the event that the constitutional amendment proposed by H.J.R. 4 is not approved by the voters, the Texas Education Agency is hereby appropriated, in addition to amounts appropriated elsewhere, $1,425,664,000 for fiscal year 1998 and $1,559,403,000 for fiscal year 1999 out of the Foundation School Fund No. 193 for the purposes indicated in Appropriation item A.2.1., Foundation School Program.

† 75. **Appropriations Made in Other Legislation: Property Tax Relief.** The amounts of $520 million in 1998 and $520 million plus unexpended balances in 1999 are appropriated from the Foundation School Fund to the Texas Education Agency in H.B. 4, 75th Legislature, Regular Session to implement the provisions contained therein.

STATE BOARD FOR EDUCATOR CERTIFICATION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: BOARD FOR EDUCATOR CERTIFICATION The State Board for Educator Certification will ensure the highest level of educator preparation and practice to achieve student excellence.		
Outcomes:		
Percent of Public School Teachers Who Are African-American	8.3%	8.3%
Percent of Public School Teachers Who Are Hispanic	15.5%	15.5%
Percent of Public School Administrators Who Are Minorities	28.4%	28.4%
Percent of Teachers Who Are Certified	96.45%	96.45%
Percent of Educators Trained Through Centers for Professional Development and Technology	6%	6%
Percent of Elementary School Teachers Who are Male	4.9%	4.9%
Percent of Middle and High School Teachers Who are Male	14%	14%
Percent of Complaints Resulting in Disciplinary Action	5%	5%
Percent of Documented Complaints Resolved Within Six Months	55%	55%
Percent of Individuals Certified Through the Centers for Professional Development and Technology	46%	46%
A.1.1. Strategy: EDUCATOR CERTIFICATION/ DEVELOPMENT Build the capacity of the Texas public education system so that all candidates for certification or renewal of certification demonstrate the knowledge and skills necessary to improve academic performance of all students in the state.	$ 5,496,598	$ 5,515,779
Outputs:		

† *As amended in House Bill 4, 75th Legislature, Regular Session, 1997.*

Individuals Certified Through Alternative Certification Programs	5,000	5,000
Number of Individuals Issued Initial Teacher Certificates	17,400	17,400
Number of Certificates Issued	54,000	54,000
Efficiencies:		
Average Cost Per Teacher Trained in Alternative Certification Programs	4,000	4,000
Average Cost Per Certificate Issued	57.9	57.9
Indirect Administrative Costs per FTE	25,597	25,597
Explanatory:		
Number of Educators Certified	280,000	284,000
Number of Approved Educator Preparation Programs	88	88
Number of Educator Preparation Programs with Intervention Status		
A.1.2. Strategy: EDUCATOR PROFESSIONAL CONDUCT	$ 277,754	$ 277,754
Implement measures to ensure all educators engage in high levels of professional conduct.		
Outputs:		
Number of Complaints (Code of Ethics Violations) Prosecuted	150	150
Number of Complaints Resulting in Disciplinary Action	55	55
Efficiencies:		
Average Time for Resolving Complaint (Days)	100	100
Average Cost per Complaint Resolved	526	465
A.1.3. Strategy: PROFESSIONAL DEVELOPMENT CENTERS	$ 6,049,999	$ 4,550,001
Ensure relevant, field-based training of educators through support of Centers for Professional Development and Technology.		
Outputs:		
Number of Individuals Certified Through the CPDTs	9,800	10,150
Number of Educators Attending Professional Development Sessions	9,000	9,200
Efficiencies:		
Funded Centers for Professional Development and Technology	14	18
Explanatory:		
Number of Approved Centers for Professional Development and Technology	46	50
Total, Goal A: BOARD FOR EDUCATOR CERTIFICATION	$ 11,824,351	$ 10,343,534
Grand Total, STATE BOARD FOR EDUCATOR CERTIFICATION	$ 11,824,351	$ 10,343,534
Method of Financing:		
General Revenue Fund	$ 6,049,999	$ 4,550,001
Certification and Proprietary School Funds	5,621,511	5,631,833
Subtotal, General Revenue Funds	$ 11,671,510	$ 10,181,834
Federal Health, Education and Welfare Fund No. 148	152,841	161,700
Total, Method of Financing	$ 11,824,351	$ 10,343,534
Number of Full-time Equivalent Positions (FTE)	52.0	52.0

STATE BOARD FOR EDUCATOR CERTIFICATION
(Continued)

Schedule of Exempt Positions

Executive Director, Group 3	$75,000	$75,000

1. **Reimbursement of Advisory Committees.** None of the funds appropriated in this Act to the State Board of Educator Certification may be used for the reimbursement of advisory committee members unless the Chairman of the Board provides written notification, including a justification of the purpose of the committee, to the Legislative Budget Board.

2. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by this agency cover, at a minimum, the cost of the appropriations made above for strategies A.1.1. and A.1.2., exclusive of Federal funds estimated above, as well as the "other direct and indirect costs" associated with these functions, appropriated elsewhere in this Act. "Other direct and indirect costs" for these functions are estimated to be $485,904 in 1998 and $488,593 in 1999. In the event that actual and/or projected revenue collections are insufficient to offset the cost identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority above to be within the amount of revenue expected to be available.

3. **Transfers to Regional Education Service Centers.** The State Board for Educator Certification is authorized to transfer any of the funds appropriated for agency operations to the Regional Education Service Centers for purposes deemed appropriate by the board. The board shall submit to the Governor's Office of Budget and Planning and Legislative Budget Board for its review a summary of the services to be transferred and the funding level associated with the proposed transfer.

4. **Appropriation of Additional Fee Revenue.** The State Board of Educator Certification is hereby appropriated the additional fee revenue collected over amounts estimated in the Comptroller's Biennial Revenue Estimate to cover the cost of regulation and oversight of all aspects of certification, continuing education, and standards of conduct for public school educators as provided in Subchapter B, Chapter 21, Texas Education Code.

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SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: ACADEMIC AND LIFE TRAINING Students with visual impairments will acquire the skills necessary to lead vocationally, personally, and socially satisfying and productive lives.		
Outcomes:		
Percent of Students Meeting at Least 70 Percent of Their Annual IEP Objectives	75%	75%
Percent of Responding Local School Districts Rating the Transitioned Student's Success at the Local School as Satisfactory or Above After Six Months	80%	80%
Average Length of Enrollment in Regular School Year Program (Months)	30	30
Percent of Students Whose Responding Local School Districts Rated Their Learning at Summer School as Satisfactory or Above	96%	96%

A.1.1. Strategy: CLASSROOM INSTRUCTION	$ 3,008,933	$ 2,908,933
Provide a well-balanced curriculum which includes disability-specific skills and which meets either State Board of Education requirements for regular education or individual education plan goals. Provide instruction in academic/functional, vocational, and orientation and mobility skills and promote the successful transition of students to local schools, community placements, work, or further education.		
Outputs:		
Number of Students Enrolled in Day Programming During Regular School Year	175	175
Number of Students Returned to Local School Districts	24	24
Number of Multihandicapped Students Enrolled	117	117
Efficiencies:		
Average Cost of Instructional Program per Student per Day	92.94	89.85
A.1.2. Strategy: RESIDENTIAL PROGRAM	$ 3,580,184	$ 2,156,184
Conduct residential programming that provides instruction in independent living skills and social skills.		
Outputs:		
Number of Students Enrolled in Residential Programming During Regular School Year	155	155
Efficiencies:		
Average Cost of Residential Program Per Student Per Night	54.73	54.13
A.1.3. Strategy: SUMMER SCHOOL CURRICULA	$ 467,699	$ 467,699
Provide a variety of specialized summer school curricula designed to meet the educational needs of students with visual impairments, which includes offerings in the following content areas: (a) communication skills (including the application of braille skills); (b) electronic technology skills; (c) orientation and mobility; (d) career education; (e) independent living skills; (f) social skills; and (g) recreation skills. Provide summer school residential programming and curriculum which includes offerings in the following content areas: (a) independent living skills; (b) social skills; (c) recreation; and (d) enrichment activities.		
Outputs:		
Number of Students Enrolled During Summer School	285	285
Efficiencies:		
Average Cost of Summer School Program per Student	1,641.05	1,641.05
A.1.4. Strategy: RELATED AND SUPPORT SERVICES	$ 2,358,383	$ 2,063,383
Provide other student services during the regular school year and summer programs that support the instruction of students attending TSBVI.		
Outputs:		
Number of Hours of Physical/Motor Services Provided	39,500	39,500
Number of Hours of Counseling and Assessment Services Provided	11,600	11,600
Total, Goal A: ACADEMIC AND LIFE TRAINING	$ 9,415,199	$ 7,596,199

B. Goal: STATEWIDE RESOURCE CENTER

Teachers, parents, and other service providers throughout Texas will have increased knowledge and skills in order to improve educational programming for all Texas students with visual impairments.		
Outcomes:		
Percent of Teachers, Parents, and Other Service Providers Rating Outreach Services as Improving the Instruction of Children With Visual Impairments, Access to Resources, and Parenting Strategies	95%	95%
B.1.1. Strategy: TECHNICAL ASSISTANCE Provide technical assistance and information and referral services for families of and programs serving children with visual impairments and children with deaf-blindness through preservice, inservice and family services programs.	$ 1,116,117	$ 1,116,117
Outputs:		
Number of On-Site Visits	270	290
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 2,387,043	$ 2,301,043
Grand Total, SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED	$ 12,918,359	$ 11,013,359
Method of Financing:		
General Revenue Fund	$ 11,379,429	$ 9,474,429
Federal Funds	868,287	868,287
Appropriated Receipts	670,643	670,643
Total, Method of Financing	$ 12,918,359	$ 11,013,359
Number of Full-time Equivalent Positions (FTE)	366.5	366.5
Schedule of Exempt Positions		
* Executive Director, Group 3	$74,000	$74,000
Administrator for Business Operations	60,266	60,266

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Replace Fire Alarms	$ 200,000	$
(2) Renovate Kitchen and Dining Room	95,000	
(3) Remodel Staff Cottage for Group Home	24,000	

SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED
(Continued)

(4) Renovate Primary Power Grid	44,000	
(5) Replace Floor Tiles in Classrooms	100,000	
(6) Dormitory Renovation	$ 1,400,000	$ U.B.
Total, Repair or Rehabilitation of Buildings and Facilities	$ 1,863,000	$ U.B.
b. Acquisition of Information Resource Technologies		
(1) Upgrade Technology	63,000	63,000
c. Acquisition of Capital Equipment and Items		
(1) Equipment Replacements - Operations	$ 42,000	$
Total, Capital Budget	$ 1,968,000	$ 63,000

2. **Non-Transferability of Funds.** Notwithstanding the General Provisions of this Act, none of the funds appropriated above in Goal A, Academic and Life Training, or Goal B, Statewide Resource Center, shall be transferred into Goal C, Indirect Administration.

SCHOOL FOR THE DEAF

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: ACADEMIC AND LIFE TRAINING The Texas School for the Deaf will provide academic, vocational, life skills training and other student services in a safe and positive residential environment necessary for students to become productive citizens and achieve their maximum potential.		
Outcomes:		
Percent of Students Meeting at Least 70 Percent of Their Annual IEP Objectives	78%	82%
Average Length of Enrollment in Regular Year Program (Months)	35	35
A.1.1. Strategy: CLASSROOM INSTRUCTION Provide state-of-the-art instruction and training utilizing technology, content mastery, bilingual/ bicultural, and whole language techniques.	$ 4,779,003	$ 4,761,443
Outputs:		
Number of Students Enrolled at TSD	475	475
Number of Multihandicapped Students Enrolled	70	70
Efficiencies:		
Average Cost of Instructional Program Per Student Per Day	54.38	54.18
A.1.2. Strategy: RESIDENTIAL PROGRAM Provide after school residential programming which includes instruction in Social, Physical, Intellectual, Cultural and Emotional (SPICE) skills as well as a comprehensive student development and athletic programs.	$ 2,702,101	$ 2,709,559
Outputs:		
Number of Residential Students	360	360

Efficiencies:		
Average Cost of Residential Program per Student per Night	26.34	26.41
A.1.3. Strategy: EXTENDED YEAR SERVICES	$ 229,598	$ 229,598
Provide Extended Year Services to deaf students with multiple disabilities and specialized summer school curricula for eligible TSD students.		
Outputs:		
Number of TSD Students Enrolled in Summer Programs	104	104
Efficiencies:		
Average Cost of Summer Program per TSD Student	1,264	1,264
A.1.4. Strategy: RELATED AND SUPPORT SERVICES	$ 3,485,192	$ 3,507,625
Provide a full array of related and support services necessary for students to receive benefit from educational programs.		
Outputs:		
Number of Counseling Hours Provided	11,000	11,000
Number of Students Receiving Speech Services	295	295
Number of Students Receiving Audiological Services	275	275
Total, Goal A: ACADEMIC AND LIFE TRAINING	$ 11,195,894	$ 11,208,225
B. Goal: STATEWIDE RESOURCE CENTER		
The Texas School for the Deaf will serve as a primary statewide resource center promoting excellence in education for students who are deaf and hard of hearing.		
Outcomes:		
Percentage Increase in Number of State, Regional and Local Agencies Requesting Assistance	20%	20%
B.1.1. Strategy: TECHNICAL ASSISTANCE	$ 390,871	$ 390,871
Provide statewide technical assistance, information and referral services to agencies, organizations, individuals, and families involved in the education of persons who are deaf and hard of hearing.		
Outputs:		
Number of Participants in On-site Technical Assistance Visits	3,150	3,300
Number of Participants in Workshops and Training Seminars Provided to Improve Statewide Services	700	750
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 901,580	$ 901,580
C.1.2. Strategy: OTHER SUPPORT SERVICES	$ 2,271,983	$ 2,271,983
Total, Goal C: INDIRECT ADMINISTRATION	$ 3,173,563	$ 3,173,563
Grand Total, SCHOOL FOR THE DEAF	$ 14,760,328	$ 14,772,659
Method of Financing:		
General Revenue Fund	$ 12,841,957	$ 12,854,288
Federal Funds	418,524	418,524
Appropriated Receipts	1,499,847	1,499,847
Total, Method of Financing	$ 14,760,328	$ 14,772,659

SCHOOL FOR THE DEAF
(Continued)

Number of Full-time Equivalent Positions (FTE)	511.0	511.0
Schedule of Exempt Positions		
* Executive Director, Group 3	$74,000	$74,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies (MLPP)	$ 95,014	$ 65,000
b. Transportation Items (MLPP)	$ 60,975	$ 82,320
Total, Capital Budget	$ 155,989	$ 147,320

2. **Non-Transferability of Funds.** Notwithstanding the General Provisions of this Act, none of the funds appropriated above in Goal A, Academic and Life Training, or Goal B, Statewide Resource Center, shall be transferred into Goal C, Indirect Administration.

3. **Tracking System.** It is the intent of the Legislature that the Texas School for the Deaf enter into a memorandum of understanding with the State Occupational Information Coordinating Committee to provide follow-up services for graduates and other students who leave the school.

4. **Independent Assessment.** It is the intent of the Legislature that the Texas School for the Deaf contract for an independent assessment of the school's medical and health care services. A request for proposals for the assessment shall be distributed by September 1, 1997. The assessment shall be completed by August 31, 1998.

5. **Medical Contracts.** All fee-for-service medical contracts entered into by the Board of Trustees of the School for the Deaf for student medical services shall be with Medicaid-certified providers.

6. **EPSDT Screening.** The Texas School for the Deaf shall ensure that adequate staff are trained by the Texas Department of Health in the Medicaid Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program. The school shall submit all appropriate billings under this program for Medicaid reimbursement.

SPECIAL PROVISIONS FOR THE TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED AND TEXAS SCHOOL FOR THE DEAF

1. **Services to Employees.** The governing boards may expend money for the provision of first aid or other minor medical attention for employees injured in the course and scope of their employment and for the repair and/or replacement of employees' items of personal property which are damaged or destroyed in the course and scope of their employment, so long as such items are medically prescribed equipment (e.g., eyeglasses, hearing aids, etc.).

2. **Emoluments.** The Executive Director is authorized to determine emoluments for certain positions provided that the provision of such emoluments is necessary to effectively carry out the job responsibilities of the position.

3. **Appropriation of Funds.** With respect to the following funds held outside the State Treasury, any balances remaining at the end of the fiscal years ending August 31, 1997 and 1998, plus all receipts deposited to each fund's credit and income received on the fund during the biennium, are appropriated for the continued purpose for which the fund was established subject to the approval of the respective governing board: the Expendable Trust Fund; the Student Trust Fund; the Student Activity Fund; and the Student Aid Fund.

   With respect to the following funds held within the State Treasury, any balances remaining at the end of the fiscal years ending August 31, 1997 and 1998, plus all receipts deposited to each fund's credit and income received on the fund during the biennium, are appropriated for the continued purpose for which the fund was established: Vocational Programs Fund; Technology Lending Fund; Curriculum Publications Fund; Independent School District Fund; State and County Available Fund and other funds brought into the State Treasury under Texas Government Code, Chapter 404.

   Funds received from sale of food and garbage and from the use of facilities of the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf by organizations and other entities, including the Recording for the Blind, Inc., and any daycare center provider using the facilities, are appropriated for the use of the respective school subject to the approval of the governing board.

4. **Use of Facilities.** The respective governing boards of the Texas School for the Blind and Visually Impaired and Texas School for the Deaf may allow organizations related to the schools the use of the facilities of the physical plant; provided that said sessions do not interfere with the regular operations of the schools.

5. **Petty Cash Fund.** The Texas School for the Blind and Visually Impaired and Texas School for the Deaf may establish a petty cash fund not to exceed $5,000 for each school out of the funds appropriated herein. These funds shall be maintained in cash or at a local bank and shall be used only for making emergency payments and small purchases and payments which will increase the efficiency of the operation, payments to client workers on a regular pay-day basis, and for use as a change fund in the cashier's office, canteen, and other specific locations where financial activities of the Schools require a change fund. Purchases and payments from this fund are limited to $200 per item.

6. **Assessments for LEA's.** For any assessments on students from Local Education Agencies, the Texas School for the Blind and Visually Impaired and Texas School for the Deaf shall make a reasonable charge for these services to the Local Education Agencies. A reasonable effort to collect for the assessments will be made by the schools.

7. **Certification and Appropriation of Medicaid Reimbursement.** The Texas School for the Blind and Visually Impaired and the Texas School for the Deaf shall certify and/or transfer appropriated state funds to the Health and Human Services Commission or its designee for the state share of any Medicaid reimbursement for services provided to eligible students. The federal share of such reimbursement is appropriated to each respective school.

8. **Payments by School Districts.** All revenues collected from local school districts in excess of the funds appropriated above are hereby appropriated to the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf, respectively.

9. **Contingent Salary Increases for Education Professionals.** Contingent on the Austin Independent School District granting a pay raise for education professionals employed by the district, the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf are authorized to increase the pay for education professionals in like positions.

The Texas School for the Blind and Visually Impaired and the Texas School for the Deaf are authorized to transfer appropriations between fiscal year 1998 and 1999 to fund the increases.

TELECOMMUNICATIONS INFRASTRUCTURE FUND BOARD

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the Telecommunications Infrastructure Fund No. 345:		
A. Goal: PROVIDE GRANTS AND LOANS Provide grants and loans to elementary and secondary schools, post- secondary institutions, libraries, health care facilities, and other institutions for purposes consistent with the adopted telecommunications infrastructure masterplan.		
Outcomes:		
Percent of Telecommunications Infrastructure Masterplan Implemented	20%	30%
Percent Increase in the Number of Classrooms With Internet Access	3%	4%
Percent Increase in the Number of Campuses Engaging in Distance Learning Techniques	4%	6%
A.1.1. Strategy: GRANTS & LOANS K-12 Provide grants and loans to elementary and secondary schools.	$ 62,561,000	$ 67,683,500
Outputs:		
Number of Grants and Loans Provided	250	275
Number of Grants and Loans Provided to Rural Schools	175	193
A.1.2. Strategy: GRANTS & LOANS-HIGHER ED Provide grants and loans to institutions of higher education, libraries, health care facilities, and other institutions.	$ 60,569,507	$ 66,097,007
Outputs:		
Number of Grants and Loans Provided	275	300
Number of Grants and Loans Provided to Institutions in Rural Areas	193	210
Total, Goal A: PROVIDE GRANTS AND LOANS	$ 123,130,507	$ 133,780,507

TELECOMMUNICATIONS INFRASTRUCTURE FUND BOARD
(Continued)

B. Goal: GRANT IMPLEMENTATION Administer grant and loan program in a manner which insures the most effective, efficient, and objective process for establishing a world-class telecommunications infrastructure that benefits all Texas.		
Outcomes:		
Administrative Costs as a Percent of Available TIFB Funds	1%	1%
B.1.1. Strategy: GRANT IMPLEMENTATION Implementation and administration of grant and loan process	$ 741,945	$ 651,945
Outputs:		
Number of Grant and Loan Requests Processed	700	750
Efficiencies:		
Average Number of Days to Process Grant and Loan Requests	60	60
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 856,889	$ 796,889
Grand Total, TELECOMMUNICATIONS INFRASTRUCTURE FUND BOARD	$ 124,729,341	$ 135,229,341
Number of Full-time Equivalent Positions (FTE)	18.0	18.0
Schedule of Exempt Positions		
Executive Director, Group 4	$100,000	$100,000
Director of Administration	60,000	60,000
Director of Programs	60,000	60,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes.

	1998	1999
Out of the Telecommunications Infrastructure Fund No. 345:		
a. Acquisition of Information Resource Technologies		
(1) Local Area Network	$ 100,000	$ U.B.
b. Acquisition of Capital Equipment and Items		
(1) Office Furnishings and Equipment	$ 48,464	$ 48,464
Total, Capital Budget	$ 148,464	$ 48,464

2. **Interest Earned.** Any interest earned on the Telecommunications Infrastructure Fund over and above the amounts appropriated above, not to exceed $1,000,000 in 1998 and $1,000,000 in 1999, is hereby appropriated to the TIF Board for the 1998-99 biennium for purposes consistent with those delineated in the Public Utility Regulation Act of 1995.

3. **Limit on Transferability.** None of the funds appropriated above in Goal A, Provide Grants and Loans, may be transferred into either Goal B, Grant Implementation or Goal C, Indirect Administration.

TELECOMMUNICATIONS INFRASTRUCTURE FUND BOARD
(Continued)

4. **Unexpended Balances.** All unexpended balances appropriated to the Telecommunications Infrastructure Fund Board for the 1996-1997 biennium, estimated to be $70,000,000, are hereby appropriated for the same purposes for the 1998-1999 biennium. All unexpended balances in fiscal year 1998 in Goal A are hereby appropriated for the same purposes in fiscal year 1999. Unexpended balances in fiscal year 1998 in Goal B and Goal C may be carried forward in an amount not to exceed a combined total of $200,000 to fiscal year 1999.

5. **FTE Limitation.** Notwithstanding limitations on state employment levels in Article IX of the General Appropriations Act, a request by the Telecommunications Infrastructure Fund Board to exceed the full-time equivalent amounts identified above is limited to 5 FTEs.

6. **Funding for Staff Development and Training.** The Telecommunications Infrastructure Fund Board shall not award grant funds for educator training in technology unless the campus to which the grant is made demonstrates that appropriate training for the project is not available at an accessible Regional Education Service Center.

TEACHER RETIREMENT SYSTEM AND OPTIONAL RETIREMENT PROGRAM

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: TEACHER RETIREMENT SYSTEM		
To administer the system as an employee benefit trust.		
Outcomes:		
TRS Annual Operating Expense per Active and Retired Member	33.17	32.99
Percent of TRS-Care Participants Rating TRS-Care Services as Satisfactory or Better	90%	90%
A.1.1. Strategy: TRS - RETIREMENT	$ 950,211,452	$ 1,002,473,081
Maintain an actuarially sound retirement system with a funding period under 30.9 years. Estimated		
A.1.2. Strategy: ADMINISTRATIVE OPERATIONS	$ 23,667,552	$ 23,667,552
Provide services to members, manage investments, and administer TRS retirement fund.		
Outputs:		
Number of TRS Benefit Applications Processed	52,000	53,000
Efficiencies:		
Percent of TRS Retirees who Receive Their First Annuity Within 31 Days of Their Effective Retirement Date	90%	90%
A.1.3. Strategy: OPTIONAL RETIREMENT	$ 137,706,074	$ 145,968,439
Provide an Optional Retirement Program for faculty and certain administrative staff at public institutions of higher education. Estimated		
A.2.1. Strategy: TRS-HEALTH	$ 71,808,384	$ 75,757,845
Provide group insurance benefits to retired public school employees by monitoring the performance of contracted benefit providers, communicating insurance plan features, and resolving benefit disputes. Estimated		
Outputs:		
Dollar Amount of Managed Care Savings	14,800,000	17,000,000

TEACHER RETIREMENT SYSTEM AND OPTIONAL RETIREMENT PROGRAM
(Continued)

Efficiencies:		
Percent of Claims Adjudicated Within 14 Days of Receipt	90%	95%
Total, Goal A: TEACHER RETIREMENT SYSTEM	$ 1,183,393,462	$ 1,247,866,917
Grand Total, TEACHER RETIREMENT SYSTEM AND OPTIONAL RETIREMENT PROGRAM	$ 1,183,393,462	$ 1,247,866,917
Method of Financing:		
General Revenue Fund	$ 1,130,333,144	$ 1,191,762,274
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	53,060,318	56,104,643
Total, Method of Financing	$ 1,183,393,462	$ 1,247,866,917
Number of Full-time Equivalent Positions (FTE)	378.0	378.0

1. **Capital Budget.** None of the funds appropriated above for Strategy A.1.2., Administrative Operations, may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Workstation and Network Upgrades	$ 502,000	$ 340,000
(2) Mainframe Upgrades	205,000	145,000
(3) Imaging Systems	$ 249,000	$ 249,000
Total, Capital Budget	$ 956,000	$ 734,000

2. **Updated Actuarial Valuation.** The Teacher Retirement System shall contract with an actuary to perform a limited actuarial valuation of the assets and liabilities of the Teacher Retirement System as of February 28 in those years when the Legislature meets in regular session. The purpose of the valuation shall be to determine the effect of investment, salary, and payroll experience on the unfunded liability, the amortization period, and the state contribution rate which results in a 30-year amortization period of the retirement system.

3. **State Contribution to Teacher Retirement Program.** The amount specified above in A.1.1., TRS-Retirement, is based on a state contribution of 6.00% of payroll for each fiscal year, estimated.

4. **State Contribution to Texas Public School Retired Employees Group Insurance Program.** The amount specified above in A.2.1, TRS-Health, is based on a state contribution of 0.50% of payroll for each fiscal year, estimated.

5. **State Contribution to Optional Retirement Program.** The amount specified above in A.1.3, Optional Retirement, is based on a state contribution of 6.00% of payroll for each fiscal year, estimated.

6. **Use of Local Funds for Supplementing the General Revenue Appropriation to the Optional Retirement Program.** Institutions and agencies authorized under state law to provide the Optional Retirement Program to their employees are authorized to use local funds or other sources of funds to supplement the General Revenue Fund appropriation in order to provide the same employer contribution during the 1998-99 biennium, for employees who were on the state payroll or who were employed by a Public Community or Junior College as of August 31, 1995, as they received during the 1994-95 biennium. The Optional Retirement Program state contribution rate for employees of the aforementioned institutions who were hired on or after September 1, 1995 is the same state contribution rate as established in the General Appropriations Act for members of the Teacher Retirement System. Institutions of higher education must notify all newly hired employees that the state contribution rate for the Optional Retirement Program may fluctuate over time.

7. **Lobbying Prohibition.** None of the funds hereby appropriated, or dedicated by constitutional provision, may be expended for lobbying on behalf of the Teacher Retirement System or the constituency which it serves. Such prohibition shall include, but is not limited to, correspondence or mailings and telephone solicitation encouraging members and other interested individuals to lobby the Legislature or general public on its behalf.

8. **Contingency for House Bill 2644.** Contingent upon enactment of House Bill 2644, there is hereby appropriated to the Teacher Retirement System all funds transferred or deposited into the Excess Benefit Arrangement Account established in the General Revenue Fund for the purpose of paying benefits as authorized by House Bill 2644.

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: GROUP INS, STATE CONTRIB Group Insurance, State Contributions		
A.1.1. Strategy: UT - ARLINGTON The University of Texas at Arlington	$ 5,396,415	$ 5,504,343
A.1.2. Strategy: UT - AUSTIN The University of Texas at Austin	$ 16,942,454	$ 17,281,303
A.1.3. Strategy: UT - DALLAS The University of Texas at Dallas	$ 2,636,295	$ 2,689,021
A.1.4. Strategy: UT - EL PASO The University of Texas at El Paso	$ 4,154,764	$ 4,237,860
A.1.5. Strategy: UT - PAN AMERICAN The University of Texas - Pan American	$ 2,271,378	$ 2,316,805
A.1.6. Strategy: UT - BROWNSVILLE The University of Texas at Brownsville	$ 565,233	$ 576,538
A.1.7. Strategy: UT - PERMIAN BASIN The University of Texas of the Permian Basin	$ 694,998	$ 708,898
A.1.8. Strategy: UT - SAN ANTONIO The University of Texas at San Antonio	$ 3,050,309	$ 3,111,315
A.1.9. Strategy: UT - TYLER The University of Texas at Tyler	$ 1,029,039	$ 1,049,620
A.1.10. Strategy: UT SW MEDICAL - DALLAS The University of Texas Southwestern Medical Center at Dallas	$ 5,075,391	$ 5,176,899
A.1.11. Strategy: UT MEDICAL - GALVESTON The University of Texas Medical Branch at Galveston	$ 15,895,355	$ 16,213,262
A.1.12. Strategy: UTHSC - HOUSTON The University of Texas Health Science Center at Houston	$ 6,284,692	$ 6,410,386
A.1.13. Strategy: UTHSC - SAN ANTONIO The University of Texas Health Science Center at San Antonio	$ 6,429,576	$ 6,558,167
A.1.14. Strategy: UT -MD ANDERSON The University of Texas M. D. Anderson Cancer Center	$ 4,509,935	$ 4,600,134
A.1.15. Strategy: UT HEALTH CENTER - TYLER The University of Texas Health Center at Tyler	$ 1,609,782	$ 1,641,978
A.1.16. Strategy: TEXAS A&M UNIVERSITY	$ 18,427,386	$ 18,795,934
A.1.17. Strategy: A&M HEALTH SCIENCE CENTER Texas A&M University Health Science Center	$ 365,491	$ 372,801
A.1.18. Strategy: A&M - GALVESTON Texas A&M University at Galveston	$ 381,981	$ 389,620
A.1.19. Strategy: PRAIRIE VIEW A&M Prairie View A&M University	$ 1,705,136	$ 1,739,239
A.1.20. Strategy: TARLETON STATE UNIVERSITY	$ 1,557,677	$ 1,588,831
A.1.21. Strategy: A&M - CORPUS CHRISTI Texas A&M University - Corpus Christi	$ 1,647,670	$ 1,680,623

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

A.1.22. Strategy: A&M - KINGSVILLE Texas A&M University - Kingsville	$	1,907,947	$	1,946,106
A.1.23. Strategy: A&M - INTERNATIONAL Texas A&M International University	$	804,420	$	820,508
A.1.24. Strategy: WEST TEXAS A&M West Texas A&M University	$	1,819,402	$	1,855,790
A.1.25. Strategy: AG EXPERIMENT STATION Texas Agricultural Experiment Station	$	4,258,391	$	4,343,559
A.1.26. Strategy: AG EXTENSION SERVICE Texas Agricultural Extension Service	$	4,889,518	$	4,987,309
A.1.27. Strategy: ENG EXPERIMENT STATION Texas Engineering Experiment Station	$	1,126,581	$	1,149,113
A.1.28. Strategy: TRANSPORTATION INSTITUTE Texas Transportation Institute	$	186,532	$	190,263
A.1.29. Strategy: ENG EXTENSION SERVICE Texas Engineering Extension Service	$	403,644	$	411,717
A.1.30. Strategy: TEXAS FOREST SERVICE	$	1,257,328	$	1,282,475
A.1.31. Strategy: ANIMAL DAMAGE CONTROL Animal Damage Control Service	$	375,193	$	382,697
A.1.32. Strategy: VET MEDICAL DIAGNOSTIC LAB Texas Veterinary Medical Diagnostic Laboratory	$	184,464	$	188,153
A.1.33. Strategy: UT SYSTEM ADMINISTRATION The University of Texas System Administration	$	41,404	$	42,232
A.1.34. Strategy: A&M SYSTEM ADMINISTRATION Texas A&M University System Administration	$	10,556	$	10,767
A.1.35. Strategy: TEXAS SOUTHMOST (UT) Texas Southmost College (UT Share)	$	1,079,205	$	1,100,790
A.1.36. Strategy: TEXAS A&M UNIVERSITY - COMMERCE	$	2,258,389	$	2,303,557
A.1.37. Strategy: TEXAS A&M UNIVERSITY - TEXARKANA	$	229,401	$	233,989
A.1.38. Strategy: BAYLOR COLLEGE DENTISTRY Baylor College of Dentistry	$	609,463	$	621,652
A.2.1. Strategy: UNIVERSITY OF HOUSTON	$	8,088,268	$	8,250,034
A.2.2. Strategy: UH - CLEAR LAKE University of Houston - Clear Lake	$	1,112,851	$	1,135,108
A.2.3. Strategy: UH - DOWNTOWN University of Houston - Downtown	$	753,073	$	768,134
A.2.4. Strategy: UH - VICTORIA University of Houston - Victoria	$	266,981	$	272,321
A.2.5. Strategy: LAMAR UNIVERSITY-BEAUMONT Lamar University - Beaumont	$	2,495,175	$	2,545,079
A.2.6. Strategy: LUIT Lamar University Institute of Technology	$	217,970	$	222,329
A.2.7. Strategy: LAMAR UNIVERSITY - ORANGE	$	224,534	$	229,025
† **A.2.8. Strategy:** LAMAR UNIV - PORT ARTHUR Lamar University - Port Arthur	$	326,429	$	332,957
A.2.9. Strategy: MIDWESTERN STATE UNIV Midwestern State University	$	1,076,877	$	1,098,414
A.2.10. Strategy: UNIVERSITY OF NORTH TEXAS	$	6,221,448	$	6,345,877
A.2.11. Strategy: UNT HEALTH SCIENCE CENTER University of North Texas Health Science Center at Fort Worth	$	1,790,894	$	1,826,712
A.2.12. Strategy: STEPHEN F. AUSTIN Stephen F. Austin State University	$	2,976,807	$	3,036,344
A.2.13. Strategy: TEXAS SOUTHERN UNIVERSITY	$	2,073,463	$	2,114,932

† *As amended by Senate Bill 1898, Regular Session, 1997.*

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

A.2.14. Strategy: TEXAS TECH UNIVERSITY	$	8,574,612	$	8,746,105
A.2.15. Strategy: TEXAS TECH HEALTH SCI CTR Texas Tech University Health Sciences Center	$	3,206,107	$	3,270,229
A.2.16. Strategy: TEXAS WOMAN'S UNIVERSITY	$	3,195,617	$	3,259,529
A.2.17. Strategy: ANGELO STATE UNIVERSITY	$	1,382,006	$	1,409,646
A.2.18. Strategy: SAM HOUSTON STATE UNIV Sam Houston State University	$	2,767,850	$	2,823,207
A.2.19. Strategy: SOUTHWEST TX STATE UNIV Southwest Texas State University	$	4,331,629	$	4,418,261
A.2.20. Strategy: SUL ROSS STATE UNIVERSITY	$	826,545	$	843,076
A.2.21. Strategy: SUL ROSS STATE-RIO GRANDE COLLEGE Sul Ross State University - Rio Grande College	$	131,471	$	134,100
A.2.22. Strategy: TEXAS FOOD & FIBERS COMM Texas Food and Fibers Commission	$	9,848	$	10,045
A.2.23. Strategy: TSTC - HARLINGEN Texas State Technical College - Harlingen	$	790,475	$	806,285
A.2.24. Strategy: TSTC - SWEETWATER Texas State Technical College - Sweetwater	$	462,416	$	471,665
A.2.25. Strategy: TSTC - WACO Texas State Technical College - Waco	$	1,268,295	$	1,293,661
A.2.26. Strategy: TSTC - SYSTEM ADMIN Texas State Technical College System Administration	$	12,155	$	12,399
A.2.27. Strategy: PUB COMMUNITY/JR COLLEGES Public Community/Junior Colleges	$	69,692,154	$	71,085,992
A.2.28. Strategy: UH SYSTEM ADMINISTRATION The University of Houston System Administration	$	587,635	$	599,388
A.2.29. Strategy: TEXAS STATE SYSTEM ADMIN Texas State University System Administration	$	49,218	$	50,202
Total, Goal A: GROUP INS, STATE CONTRIB	$	246,985,598	$	251,925,310
Grand Total, HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS	$	246,985,598	$	251,925,310

1. **State Contribution to Group Insurance for Higher Education Employees Participating in the Employees Retirement System Group Insurance Program.** Funds identified above for group insurance are intended to fund:

   a. the total cost of the basic life and health coverage for all active and retired employees; and

   b. fifty percent of the total cost of health coverage for the spouses and dependent children of all active and retired employees who enroll in coverage categories which include a spouse and/or dependent children.

   In no event shall the total amount of state contributions allocated to fund coverage in an optional health plan exceed the actuarially determined total amount of state contributions that would be required to fund basic health coverage for those active employees and retirees who have elected to participate in that optional health plan.

   Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

It is further provided that institutions shall cooperate so that employees employed by more than one institution may be covered under one group policy and that said policy may be held jointly by two or more institutions and paid from funds appropriated to the institutions for payment of employee insurance premiums as set out above.

2. **The University of Texas System Group Health Insurance Contributions.** Funds identified above for group insurance are intended to fund:

   a. the total cost of the basic life, health and dental coverage for all active and retired employees; and

   b. eighty percent of the total cost of health coverage for the spouses and dependent children of all active and retired employees who enroll in coverage categories which include a spouse and/or dependent children.

   In no event shall the total amount of state contributions allocated to fund coverage in an optional health plan exceed the actuarially determined total amount of state contributions that would be required to fund basic health coverage for those active employees and retirees who have elected to participate in that optional health plan.

   Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

   The University of Texas System shall file a report with the Legislative Budget Board, the Governor's Office of Budget and Planning, and the Comptroller by September 1 of each year, detailing all group health insurance plans to be offered system employees and retirees, the benefit schedule, premium amounts, and employee/retiree contributions.

   Active and retired employees of The University of Texas System are authorized to use one-half of the "employee-only" state contribution amount, for optional insurance. Optional insurance for the employees participating in the group insurance program shall be defined by The University of Texas System. Active and retired employees that participate in these plans may only use one-half of the employee-only state contribution if they sign and submit a document to their employing institution indicating that they have health insurance coverage from another source.

3. **Texas A&M System Group Health Insurance Contributions.** Funds identified above for group insurance are intended to fund:

   a. the total cost of the basic life and health coverage for all active and retired employees; and

   b. eighty percent of the total cost of health coverage for the spouses and dependent children of all active and retired employees who enroll in coverage categories which include a spouse and/or dependent children.

   In no event shall the total amount of state contributions allocated to fund coverage in an optional health plan exceed the actuarially determined total amount of state contributions that would be required to fund basic health coverage for those active employees and retirees who have elected to participate in that optional health plan.

   Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

   The Texas A&M System shall file a report with the Legislative Budget Board, the Governor's Office of Budget and Planning, and the Comptroller by September 1 of each year, detailing all

group health insurance plans to be offered system employees and retirees, the benefit schedule, premium amounts, and employee/retiree contributions.

Active and retired employees of the Texas A&M System are authorized to use one-half of the "employee-only" state contribution amount, for optional insurance. Optional insurance for the employees participating in the group insurance program shall be defined by the Texas A&M System. Active and retired employees that participate in these plans may only use one-half of the employee-only state contribution if they sign and submit a document to their employing institution indicating that they have health insurance coverage from another source.

4. **Transfer Authority.** Out of the funds appropriated above:

   a. The Comptroller shall transfer monthly, 1/12 of the amount appropriated from those institutions participating in the Employees Retirement System's Uniform Group Insurance Program to the Employees Life, Accident, and Health Insurance and Benefits Fund No. 973, for use by the Employees Retirement System for each higher education institution which participates in the group insurance program of the Employees Retirement System.

   b. The Comptroller shall transfer monthly, 1/12 of the amount appropriated from state contributions for institutions belonging to the University of Texas and Texas A&M Systems, to The University of Texas System Office and the Texas A&M University System Office, for use by each institution's group insurance program.

5. **Specification of Appropriations.** The amount of the appropriation made for Strategy A.2.27., Public Community/Junior Colleges, shall be allocated to each college in accordance with a report, specifying the exact amounts for each college, to be provided by the Legislative Budget Board to the Employees Retirement System.

HIGHER EDUCATION COORDINATING BOARD

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: COORDINATE HIGHER EDUCATION		
Coordinate higher education in Texas and promote quality and access in all aspects of higher education.		
Outcomes:		
Percent of university academic programs evaluated	25%	25%
Percent of community college technical programs evaluated	25%	25%
Retention rate of students completing required remediation	83%	83%
Percent of academic health programs evaluated	25%	25%
Percent increase in research expenditures at Texas public institutions of higher education	3%	3%
Number of patents, licenses, copyrights, and other commercialization efforts resulting from Coordinating Board-sponsored research	72	15
Percentage of financial aid need met by scholarships and grants	2.1%	2.1%
A.1.1. Strategy: INFORMATION AND PLANNING	$ 1,300,977	$ 1,300,977
Plan for higher education and provide information on higher education.		
Outputs:		
Number of studies on higher education conducted	30	30
Number of electronic records maintained	66,774,600	72,799,200

A.1.2. Strategy: UNIVERSITY PROGRAMS Coordinate and evaluate university programs. **Explanatory:**	$	855,048	$	855,048
Percentage of students completing TASP required remediation within two semesters or less		85%		85%
Percentage of university students graduating within six years		49.3%		49.3%
A.1.3. Strategy: COMMUNITY/TECHNICAL PROGRAMS Coordinate and evaluate community and technical college programs. **Explanatory:**	$	469,147	$	469,147
Percentage of students completing TASP-required remediation within two semesters or less		70%		70%
A.1.4. Strategy: HEALTH PROGRAMS Coordinate and evaluate health programs. **Outputs:**	$	297,732	$	297,732
Number of health-related programs and administrative changes reviewed		60		60
A.1.5. Strategy: ADMINISTER RESEARCH PROGRAMS Administer and evaluate research programs. **Outputs:**	$	275,978	$	275,978
Number of industrial connections established by funded projects		685		270
Dollars of additional funding received as a result of Advanced Technology Program or Advanced Research Program funding (thousands)		120,000		50,000
A.2.1. Strategy: GRANTS AND SCHOLARSHIPS Administer student grant and scholarship programs. **Outputs:**	$	298,913	$	298,913
Number of grants or scholarships awarded		42,200		42,200
Amount of grant and scholarship funds distributed		50,000,000		50,000,000
Explanatory:				
Percentage of students receiving grants and scholarships through CB funded programs		4.5%		4.5%
A.2.2. Strategy: ACCESS AND EQUITY Promote access and equity in higher education. **Explanatory:**	$	241,688	$	241,688
Percentage of Black and Hispanic students graduating within six years		32.7%		32.8%
Percentage of faculty who are Black or Hispanic		13.2%		13.4%
Percentage of students enrolled in colleges who are Black or Hispanic		35%		36%
Total, Goal A: COORDINATE HIGHER EDUCATION	$	3,739,483	$	3,739,483
B. Goal: HINSON-HAZLEWOOD PROGRAM Make loans available to college students who need financial assistance to attend college. **Outcomes:**				
Percentage of students receiving Hinson-Hazlewood Loans		1.77%		1.77%
B.1.1. Strategy: HINSON-HAZLEWOOD PROGRAM	$	2,793,079	$	2,793,079

Administer the Hinson-Hazlewood College Student Loan Program.

Outputs:				
Number of students receiving loans		17,124		17,124
Dollar amount of loans made		85,000,000		85,000,000
C. Goal: PROVIDE TRUSTEED FUNDS				
Provide state funding to institutions and students through a variety of special programs designed to improve the quality and delivery of instruction, increase access to higher education, improve health care in Texas, and facilitate research at Texas institutions.				
Outcomes:				
Percent of independent college students receiving Tuition Equalization Grant (TEG) awards		24.49%		24.49%
Percent of Baylor College of Medicine graduates entering Texas residency programs		50%		50%
Percent of Baylor College of Medicine graduates entering primary care residencies		50%		50%
Percent of Baylor College of Medicine graduates passing state licensure exam first time		98%		98%
Percent of Family Practice Residency Program completers practicing in medically underserved areas		6.5%		6.5%
Percent of Family Practice Residency Program completers practicing in Texas		85%		85%
Percent of Students Completing First Year of College in a Texas Institution of Higher Learning Without Being Required to Take Remedial Courses		50%		50%
C.1.1. Strategy: PHYSICIAN'S ED LOAN PROG	$	979,362	$	979,362
Physician's Education Loan Repayment Program				
Outputs:				
Number of physicians receiving payment (including federal match)		167		167
C.1.2. Strategy: TUITION EQ GRANT PROGRAM	$	47,200,337	$	47,200,337
Tuition Equalization Grants (TEG) Program				
Outputs:				
Number of students receiving grants		23,743		23,743
Average award		1,988		1,988
C.1.3. Strategy: SCHOLARSHIPS-EDUCATIONALLY DISADVAN	$	1,506,990	$	1,506,990
Scholarship program for educationally disadvantaged students				
Outputs:				
Number of scholarships awarded		1,425		1,425
C.1.4. Strategy: TX COLLEGE WORK STUDY PRG	$	1,911,219	$	1,911,219
Texas College Work Study Program				
Outputs:				
Number of students employed		3,700		3,700
C.1.5. Strategy: INCENTIVE GRANT PROGRAM	$	1,433,414	$	1,433,414
Student Incentive Grant Program				
Outputs:				
Number of students receiving grants		4,240		4,240
C.1.6. Strategy: ACADEMIC SKILLS	$	98,720	$	98,720
Texas Academic Skills Program				
C.1.7. Strategy: PROFESSIONAL NURSING AID	$	405,893	$	405,893
Financial aid for professional nursing students				

Outputs:				
Number of grants awarded, loan repayments, or forgiveness loans		175		175
C.1.8. Strategy: VOCATIONAL NURSING AID	$	77,635	$	77,635
Financial aid for licensed vocational nursing students				
Outputs:				
Number of grants awarded, loan repayments, or forgiveness loans		60		60
C.1.9. Strategy: TAX REIMBURSEMENT GRANTS	$	120,000	$	120,000
Outputs:				
Number of students receiving grants		77		77
C.1.10. Strategy: LICENSE PLATE SCHOLARSHIPS	$	50,000	$	50,000
Outputs:				
Number of students receiving scholarships		30		30
C.1.11. Strategy: LOAN REPAYMENT ASSISTANCE	$	493,600	$	493,600
Loan repayment assistance for certain family practice physicians (SB218, 73rd Legislature, Regular Session)				
C.1.12. Strategy: EDUCATIONAL GRANTS	$	60,000	$	60,000
Texas Public Educational Grants				
C.1.13. Strategy: MINORITY DOCTORAL PROGRAM	$	293,030	$	U.B.
Minority Doctoral Incentive Program				
Outputs:				
Number of minority doctoral students receiving commitments for support		5		5
C.1.14. Strategy: TUITION ASSISTANCE GRANTS	$	148,080	$	148,080
Outputs:				
Number of students receiving grants		260		260
C.1.15. Strategy: NATIONAL GUARD ROTC PROGRAM	$	876,326	$	582,326 & U.B.
Outputs:				
Number of students participating		150		150
C.1.16. Strategy: FIFTH YEAR ACCOUNTING STUDENTS	$	660,158	$	660,158
Fifth-Year Accounting Students				
Outputs:				
Number of students receiving awards		383		383
C.2.1. Strategy: BAYLOR COLLEGE OF MEDICINE	$	37,711,179	$	37,711,179
Outputs:				
Number of Texas resident medical students funded		582		582
Average amount per student		64,796		64,796
C.2.2. Strategy: FAMILY PRACT RESIDENT PRG	$	10,932,253	$	10,932,253
Family Practice Residency Program				
Outputs:				
Number of residents supported		750		750
Average funding per resident		13,300		13,300
C.2.3. Strategy: PHYSICIANS COMPENSATION	$	4,035,119	$	4,035,119
Resident Physicians Compensation Program				

Outputs:				
Number of residents supported		1,045		1,045
C.2.4. Strategy: FAMILY PRACTICE PILOT PROJECTS	$	987,200	$	987,200
C.2.5. Strategy: PRECEPTORSHIP PROGRAM	$	600,000	$	600,000
Outputs:				
Number of medical students participating in the internal medicine statewide preceptorship program		400		400
Number of medical students participating in the Statewide Pediatric Preceptorship Program		400		400
C.2.6. Strategy: PRIMARY CARE RESIDENCY PROGRAM	$	1,934,730	$	3,084,730
C.2.7. Strategy: GRADUATE MEDICAL EDUCATION	$	8,000,000	$	8,000,000
C.3.1. Strategy: ADVANCED RESEARCH Advanced Research Program	$	19,604,927	$	U.B.
Outputs:				
Number of research projects funded		184		
C.3.2. Strategy: ADVANCED TECHNOLOGY Advanced Technology Program	$	39,268,727	$	U.B.
Outputs:				
Number of research projects funded		273		
C.4.1. Strategy: SOUTHERN REGIONAL COMPACT Southern Regional Education Compact	$	144,600	$	144,600
C.4.2. Strategy: REMEDIAL EDUCATION Remedial Education Program	$	5,756,849	$	5,756,849
Explanatory:				
Dollars spent from all sources on remediation		90,000,000		90,000,000
C.4.3. Strategy: STARLINK	$	500,000	$	350,000
C.4.4. Strategy: TEX-SHARE LIBRARY PROGRAM Tex-Share Library Resource Sharing Program	$	598,600	$	493,600
C.4.5. Strategy: COMMUNITY COLLEGE ENROLLMENT GROWTH	$	1,000,000	$	1,000,000
C.4.6. Strategy: NEW UNIVERSITY FEASIBILITY STUDY Feasibility Study for New University in South Dallas County	$	50,000	$	U.B.
C.4.7. Strategy: NEW COMMUNITY COLLEGE CAMPUSES	$	4,000,000	$	4,000,000 & U.B.
Total, Goal C: PROVIDE TRUSTEED FUNDS	$	191,438,948	$	132,823,264
D. Goal: FEDERAL GRANT PROGRAMS Provide federal funding to institutions and students to improve higher education in Texas.				
D.1.1. Strategy: STUDENT FINANCIAL AID Student Financial Assistance Programs	$	6,508,870	$	6,508,870
D.1.2. Strategy: TECH/VOC VOCATIONAL PROGRAMS Technical-vocational Education Programs	$	39,973,997	$	39,973,997

D.1.3. Strategy: MATHEMATICS AND SCIENCE PROGRAMS	$ 3,220,372	$ 3,220,372
Total, Goal D: FEDERAL GRANT PROGRAMS	$ 49,703,239	$ 49,703,239
E. Goal: INDIRECT ADMINISTRATION		
E.1.1. Strategy: CENTRAL ADMINISTRATION	$ 1,275,786	$ 1,275,786
E.1.2. Strategy: INFORMATION RESOURCES	$ 2,353,012	$ 2,353,012
E.1.3. Strategy: OTHER SUPPORT SERVICES	$ 1,611,350	$ 1,611,350
Total, Goal E: INDIRECT ADMINISTRATION	$ 5,240,148	$ 5,240,148
Grand Total, HIGHER EDUCATION COORDINATING BOARD	$ 252,914,897	$ 194,299,213
Method of Financing:		
General Revenue Fund	$ 195,291,745	$ 136,931,061
General Revenue - Dedicated		
Scholarship Fund for Fifth Year Accounting Student Account No. 106	660,158	660,158
Medical School Tuition Set Aside Account No. 542, estimated	700,000	700,000
Texas Collegiate License Plate Account No. 5015, estimated	50,000	50,000
Subtotal, General Revenue - Dedicated	$ 1,410,158	$ 1,410,158
Federal Funds	49,703,239	49,703,239
Appropriated Receipts (Matching Grants), estimated	855,000	855,000
Certificate of Authority Fees, estimated	14,750	14,750
Interagency Contracts	80,000	80,000
Earned Federal Funds, estimated	350,000	350,000
Student Loan Funds, estimated	4,757,505	4,757,505
Tax Reimbursement Grants, estimated	60,000	60,000
Telecommunications Infrastructure Fund No. 345	392,500	137,500
Total, Method of Financing	$ 252,914,897	$ 194,299,213
Number of Full-time Equivalent Positions (FTE)	269.0	269.0
Schedule of Exempt Positions		
Commissioner of Higher Education, Group 6	$125,106	$125,106

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Acquisition of Information Resource Technologies		
(1) P.C. Workstation Hardware	$ 159,000	$ 187,500
(2) Mainframe Hardware	25,000	0
(3) Telecommunications Hardware	128,690	125,190
(4) Software	$ 60,000	$ 60,000
Total, Capital Budget	$ 372,690	$ 372,690
Method of Financing (Capital Budget):		
General Revenue Fund	$ 322,690	$ 322,690
Federal Funds	50,000	50,000
Total, Method of Financing	$ 372,690	$ 372,690

2. **Commissioner's Salary.** The Coordinating Board is hereby authorized to utilize $74,857 per year from general revenue funds appropriated to Goal E., in 1998 and 1999 and any earned funds including federal funds received under 20 USC 1087-1 as a lender of Hinson-Hazlewood Student Loans, for the purpose of funding the salary of the Commissioner of Higher Education at a rate NTE $125,106 per year in 1998 and 1999.

3. **Use of Excess Registration Fees Authorization.** Any registration fee collected by the Coordinating Board to pay the expenses of a conference, seminar or meeting in excess of the actual costs of such conference, seminar or meeting may be used to pay the expenses of any other conference, seminar or meeting for which no registration fees were collected or for which registration fees collected were insufficient to cover the total expenses.

4. **Student Loan Program.** All moneys in the Texas Opportunity Plan Fund and the Texas College Student Loan Bonds Interest and Sinking Fund, the Student Loan Auxiliary Fund, and the Student Loan Revenue Fund are hereby appropriated to the Texas Higher Education Coordinating Board, for the purposes specified in Article III, Sections 50b and 50b-1, 50b-2 , 50b-3, and 50b-4 of the Texas Constitution and V.T.C.A., Education Code 52.01-52.90 and 56.121-56.135.

5. **Federal Lenders Allowance.** In accordance with the provisions of V.T.C.A., Education Code, Sec. 52.17(e) it is the intent of the Legislature that the Coordinating Board shall expend to the maximum extent possible, Federal Lenders Special Allowance revenue (Earned Federal Funds) for the support of programs authorized to use this funding source in Section 52.17(e).

6. **Physician's Education Loan Repayment Program.** The funds provided to Strategy C.1.1., Physician's Education Loan Repayment Program, are appropriated in accordance with V.T.C.A., Education Code, Section 61.531 - 61.539 for repayment of eligible student loans received by a physician who meets the stipulated requirements. All balances in the General Revenue Fund-Dedicated-Medical School Tuition Set Aside Account as of August 31, 1997,

and all Medical School Tuition Set Aside receipts received during the biennium are hereby appropriated to the Coordinating Board for the biennium ending August 31, 1999 for the same purpose as Strategy C.1.1.

7. **Texas Public Educational Grants Full Use of Funds.** Funds received by the Coordinating Board under the full use of funds provisions of V.T.C.A., Education Code, Section 56.039 are hereby appropriated and may be expended for scholarships as provided by that statute.

8. **Texas Public Educational Grants Program.** Unless a different percentage is set by passage of legislation amending the Texas Education Code, it is the intent of the Legislature that the amount of tuition to be set aside for the Texas Public Educational Grants Program shall be 15 percent in fiscal years 1998 and 1999.

9. **Student Financial Assistance Grants.** Available balances on hand at August 31, 1997 and funds received during the biennium by the Comptroller through the reimbursement to taxpayer provision under Section 151.423 of the Tax Code are appropriated to the Coordinating Board for the biennium ending August 31, 1999 for the same purpose as Strategy C.1.9., Tax Reimbursement Grants, in accordance with V.T.C.A., Education Code, Chapter 56.

10. **License Plate Scholarship Program.** Available balances on hand at August 31, 1997 and the portion of fees deposited in the state treasury during the biennium ending August 31, 1999, to the credit of the Texas Higher Education Coordinating Board, Strategy C.1.10., License Plate Scholarships, as provided by Vernon's Annotated Civil Statutes, Article 6675a-5j, is appropriated for that period to the board for the purpose of providing scholarships for students who demonstrate a need for financial assistance. The board shall allocate the appropriation made by this provision to students at a particular college or university in proportion to the ratio that the amount deposited to the credit of the Texas Higher Education Coordinating Board from fees for license plates bearing the name and insignia of the particular college or university bears to the total amount deposited.

11. **Baylor College of Medicine.** From funds appropriated by this Act for the Baylor College of Medicine, the Coordinating Board shall allocate an amount per student enrolled in the college equal to the cost of medical education in the established public medical schools cited in Subchapter D, Chapter 61, Education Code. The amount shall be determined by the Coordinating Board.

12. **Disadvantaged Student Scholarships.**

    a. Funds appropriated for the Scholarship Fund for Educationally Disadvantaged Students (or New Horizons Scholarship Fund contingent upon enactment of Senate Bill 576) are to be used to match institutional funds committed by the general academic teaching institutions for scholarships. No one institution may receive more than 15 percent of the total funds appropriated. None of the funds may be used for administrative purposes. It is legislative intent that funds appropriated in this item be used as an incentive for eligible institutions to establish programs for educationally disadvantaged students.

       The Coordinating Board shall file with the Legislative Budget Board and the Governor's Office a report showing the allocation of the scholarships. The report shall be submitted within 90 days of the close of the fiscal year.

13. **Research Programs.** The appropriations made by this Act for the Advanced Research Program and the Advanced Technology Program shall be distributed in accordance with the provisions of V.T.C.A., Education Code, Chapters 142 and 143. However, no more than 70 percent of the funds allocated for each program shall be designated for The University of Texas and the Texas A&M University Systems in the 1998-99 biennium. Institutions receiving transfers of funds under these programs shall report to the Coordinating Board in accordance with the provisions

of V.T.C.A., Education Code, Section 142.005. Similarly, the Coordinating Board shall report to the Governor and the Legislative Budget Board. Funds appropriated to the Advanced Research Program and the Advanced Technology Program in House Bill 1, Seventy-fourth Legislature, for the 1996-97 biennium are hereby reappropriated for the same purposes for the 1998-99 biennium (estimated to be $13,000,000). Funds allocated for both research programs are exempt from General Services Commission rules and regulations.

14. **Texas Academic Skills Program.**

    a. Remedial Education Programs. Funds appropriated for remedial programs under V.T.C.A., Education Code, Section 51.306, shall be expended only for those costs associated with the operation of the remedial education program including instruction, tutorial, peer counseling, evaluation, retraining of faculty, and related costs for administration of the program. The funds shall not be used for the recruitment of students.

    b. Allocation Procedure for Remedial Education Program Performance Fund. The amount appropriated for the Remedial Education Performance Fund shall be allocated by the Coordinating Board to public institutions of higher education. The allocation to each institution for each fiscal year shall be based on the number of students who successfully complete remedial education during the previous fiscal year. For purposes of this rider, a student who "successfully completes remedial education" is a student who does not meet basic state education standards for college-level work, as defined by the Coordinating Board, who undertakes a remedial education program and who subsequently demonstrates college readiness, as defined by the Coordinating Board, within two years. It is the intent of the Legislature that the sum of $1,000 be allocated for each student who successfully completes remediation. In the event that the amount appropriated for the Remedial Education Performance Fund in insufficient to provide this allocation, a proportional allocation shall be made.

    c. TASP Test Fee Waivers. Funds appropriated for Strategy C.1.6., Texas Academic Skills Program, shall be expended by the Coordinating Board for providing test fee waivers for needy students.

    d. Intent Concerning Remedial Needs. It is the intent of the Legislature that all affected institutions of public higher education fully address remedial needs identified by the Texas Academic Skills Program with appropriations made in this Act for the Remedial Education Program and other institutional funds available.

    e. SAT, ACT, TAAS Score Exemption from the TASP. No public institution of higher education shall require a TASP test pursuant to V.T.C.A., Education Code, Section 51.306 from any student who received a sufficient score on either the SAT, ACT, TAAS as set by the Texas Higher Education Coordinating Board. A sufficient score is a score that will exempt 15 percent of the students. This exemption shall be in effect for five years from the date the SAT or ACT was taken and the set score level was achieved and three years from the date the TAAS was taken and the set score level was achieved.

15. **Residency Eligibility.** It is legislative intent that any student who is eligible for Texas resident tuition at a tax-supported institution is eligible for the Tuition Equalization Grants Program, provided all other requirements established by the Coordinating Board have been met by that student. None of the funds appropriated in this Act to the Coordinating Board for Tuition Equalization Grants may be expended for grants to non-resident students attending independent colleges or universities in Texas except for grants to National Merit Finalists.

16. **TEG Need Survey and Reporting Requirements.** The Coordinating Board shall present the result of its most recent annual need survey for Tuition Equalization Grant (TEG) funds as part of its biennial appropriations request to the Legislative Budget Board and the Governor's Office

of Budget and Planning. The request shall include the number of eligible students and an estimate of the amount needed to fund fully the TEG program in the coming biennium. The Coordinating Board shall update this projection to include the most recent fall semester data prior to the convening of each regular session of the Legislature and shall provide this information to the Legislative Budget Board staff prior to Legislative Budget Board deliberations on the TEG appropriation. Each institution receiving tuition equalization grants shall furnish to the Coordinating Board any financial information requested.

17. **Annual Financial Aid Report.** The Coordinating Board shall present an annual report concerning financial aid need of students applying for financial aid at Texas public and independent institutions of higher education. This report shall be provided to the Legislative Budget Board by February 28 of each calendar year.

18. **Family Practice Rural and Public Health Rotations.** Funds appropriated above for Family Practice Residency Programs, include up to $363,000 in 1998 and $363,000 in 1999 for one month rural rotation or one month public health rotation for family practice residents in accordance with the provision of V.T.C.A., Education Code, Section 51.918.

19. **Internal Auditor Required.** From funds appropriated above in Goal E, the Coordinating Board shall employ at least one full-time internal auditor.

20. **Upper-Level Transition Funding to Four-Year Status.** The Coordinating Board shall modify the formulas that provide a differential rate per semester credit hour between four-year general academic teaching institutions and upper-level institutions as follows for application to: a four-year general academic teaching institution that is established by converting an upper-level general academic teaching institution into a four-year institution and that has no permanent limitation on the enrollment of lower-division students; or to an upper-level general academic teaching institution that is permitted to admit lower-division students or offer lower-division courses and that has no permanent limitations on the enrollment of lower-division students.

    For the first two state fiscal years that begin after the institution first admits lower-division students or offers lower-division courses, the formula for upper-level general academic teaching institutions shall be applied to upper-division semester credit hours at the institution. Beginning with the third state fiscal year that begins after the institution first admits lower-division students or offers lower-division courses, the formula for four-year general academic teaching institutions shall be applied to upper-division semester credit hours at the institution, except that the board shall modify the formula to provide the institution additional funding equal to a percent of the difference between the amount derived from application of the four-year formula to the institution's upper-division semester credit hours and the amount derived from application of the upper-level formula to those semester credit hours. The percent to be applied to that difference is 87.5 percent for the first fiscal year to which this rider applies and is reduced by 12.5 percentage points for each subsequent fiscal years.

21. **Minority and Women Representation Plan.** The Texas Higher Education Coordinating Board shall require each public institution of higher education to prepare and submit a plan for increasing the representation of women and members of ethnic and racial minority groups among the administrators, faculty, professional staff, and students. The plan must be filed with the Board by August 31, 1998. The Board shall report on these plans and on the institutions' progress under these plans to the governor, lieutenant governor, speaker of the House of Representatives, chair of the Senate Education Committee, chair of the House Committee on Higher Education, and the Legislative Budget Board and make them available to other interested parties by December 31, 1998.

22. **Minority Doctoral Incentive Program.** Funds appropriated to the Minority Doctoral Incentive Program in House Bill 1, Seventy-fourth Legislature, for the biennium ending August 31, 1997 are hereby reappropriated for the biennium ending August 31, 1999 (estimated to be $500,000).

23. **Earned Federal Funds.** All unexpended balances of Earned Federal Funds remaining as of August 31, 1997, are hereby appropriated for the same purposes for use during the biennium beginning September 1, 1997. Any balances on hand at the end of fiscal year 1998 may be carried over to fiscal year 1999, and such funds are appropriated for fiscal year 1999 (estimated to be $100,000). The authority to receive and expend earned federal fund balances in excess of those appropriated above is subject to the following limitation:

    At least 14 days prior to any use of any earned federal funds the Coordinating Board shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board and the Governor's Office of Budget and Planning.

24. **Administrative Cost Measure.** The Texas Higher Education Coordinating Board, in conjunction with the Legislative Budget Board, the Governor's Office of Budget and Planning, State Auditor's Office and representatives from each of the sectors of higher education, shall develop a standard measure of administrative costs as a percent of operating budget and a standard definition to ensure consistent reporting among all institutions from each of the sectors of higher education. All institutions of higher education shall report this measure as a key measure beginning with the annual performance measure report for fiscal year 1998.

25. **Performance Information System for General Academic Institutions.** It is the intent of the Legislature that the recommendations listed below, as developed by the Texas Performance Review in *Disturbing the Peace: The Challenge of Change in Texas Government,* issue ED 14, be implemented by the Coordinating Board.

    a. The Coordinating Board shall develop an academic performance information system for general academic institutions. Information currently available at the Coordinating Board, State Auditor's Office, Legislative Budget Board, and other sources should be integrated into a comprehensive information system providing comparative and other analytical information for legislative, agency and other users. The Coordinating Board shall develop an inventory of reports and an annual report on academic performance. The Coordinating Board shall provide the initial copy of the annual report on academic performance to the 76th Legislature, general academic institutions, the Legislative Budget Board, the Governor's Budget Office, and the Comptroller of Public Accounts in both printed and electronic formats no later than January 1, 1999.

    b. To determine what information to maintain and report, the Coordinating Board shall consult with an advisory committee made up of both users and providers of information. The advisory committee shall recommend to the Coordinating Board priorities and timelines for developing the first annual report on academic performance. The Coordinating Board shall consider recommendations included in the Joint Commission on Accountability Reporting report *A Need Answered.*

    c. The Coordinating Board shall analyze its data definitions and data collection and certification methods in terms of proposed uses for the information it gathers.

    d. The Coordinating Board shall provide student consumer information along with course listings (or some other appropriate publication) sent to high school guidance counselors, in both printed and electronic formats. The types of information to include are graduation rates, student demographic information, percent of undergraduate classes taught by tenure-track faculty, and class size.

26. **Community College Information System.** It is the intent of the Legislature that the recommendations listed below, as developed by the Texas Performance Review in *Disturbing the Peace: The Challenge of Change in Texas Government,* issue ED 15, be implemented by the Coordinating Board.

a. The Coordinating Board shall expand its community and technical college reporting process to include comparative financial, performance, and cost information for the use of community college boards, students, and elected officials. To determine which information to maintain and report, the Coordinating Board shall consult with an advisory committee made up of both users and providers of information.

b. The State Auditors Office (SAO), in consultation with the Coordinating Board, shall develop a guide explaining the independent audit process and what each board should expect from its auditor. The guide shall require local boards to require their independent auditors to contact both the SAO and the Coordinating Board's Community Colleges and Technical Division during the audit planning process. Both agencies shall be prepared to inform auditors of areas of potential risk that should be addressed during their audits.

c. The Coordinating Board shall include student consumer information in the *Educational Opportunities at Texas Public Community and Technical College publication* (or some other similar publication) sent to high school counselors, in both printed and electronic formats.

27. **Evaluate the Effectiveness of Developmental Education.** It is the intent of the Legislature that the recommendation listed below, which relates to the Texas Performance Review in *Disturbing the Peace: The Challenge of Change in Texas Government*, issue ED 18, be implemented by the appropriate agencies and institutions. The Coordinating Board is responsible for oversight of the implementation of these recommendations.

    a. The Coordinating Board shall collect information on institutional expenditures for developmental support activities and on results of the effectiveness of remediation from each institution of higher education. The Coordinating Board shall publish the data in a report for consideration by the Seventy-sixth Legislature.

    b. Colleges and universities shall report on the effectiveness of developmental education programs within their legislative appropriation requests. The Coordinating Board shall work with the Legislative Budget Board and Governor's Office of Budget and Planning in developing performance measures regarding the effectiveness of remediation to be included in the legislative appropriations request.

    c. The Coordinating Board shall conduct a statewide evaluation on the effectiveness of developmental education, publish a report on "best practices" in developmental education, and assist colleges and universities in evaluating their own developmental programs.

28. **Family Practice Residency Advisory Committee.** Out of funds appropriated above, Strategy C.2.2., Family Practice Residency Program, in fiscal year 1998 and in fiscal year 1999, the Board shall make provision for reimbursement of travel expenses for members of the Advisory Committee as outlined in statute.

29. **Primary Care Residency Advisory Committee.** Out of funds appropriated above, Strategy C.2.6., Primary Care Residency Program, or its successor new strategy Primary Care Residency Program, in fiscal year 1998 and in fiscal year 1999, the Board shall make provision for reimbursement of travel expenses for members of the Advisory Committee as outlined in statute.

30. **National Guard ROTC Program.** Any unexpended balances in Strategy C.1.15., National Guard ROTC Program, remaining as of August 31, 1997 are hereby reappropriated for the biennium beginning September 1, 1997 for the same purposes (estimated to be $164,000).

31. **Community College, Texas State Technical College, and 2-year Lamar University Institutions Formula Funding.** In making recommendations for public community college,

Texas State Technical College, and 2-year Lamar institution funding under Section 61.059, Education Code, the board shall conduct a study of the cost of instruction and administration in each of the academic and vocational fields of instruction. The board shall report the results of the study as its recommendation under Section 61.059. No adjustments may be made in the recommendations for community colleges to account for local revenue including tuition and fees. The board and commissioner may appoint a committee of representatives of the colleges to conduct the study.

32. **Formula Recommendations for General Academic Institutions.** The Higher Education Coordinating Board, in conjunction with the Formula Advisory Committees, shall make recommendations to the Seventy-sixth Legislature on a funding formula that rewards institutions for making improvements in recruiting, retaining, and graduating educationally disadvantaged students. The recommendation shall include criteria for measuring improved performance and the mechanism for distributing funds based on that performance.

33. **Starlink.** Out of the funds appropriated above from the Telecommunications Infrastructure Fund, $287,500 in fiscal year 1998 and $137,500 in fiscal year 1999 shall be used for the purposes of Strategy C.4.3., Starlink.

34. **New Campus Funding for Public Community/Junior Colleges.** Funds appropriated above in the Strategy C.4.7., New Community College Campuses, are to provide for the following new campuses: Northwest Vista at Alamo Community College District, a campus located in East Austin at Austin Community College, the Schulenberg campus at Blinn Community College, and the Lower Valley campus at El Paso Community College District. These institutions shall apply to the Texas Higher Education Coordinating Board for funding based on actual new contact hours generated at the above campuses during the 1998-99 biennium. Austin Community College shall not be eligible for funding until fiscal year 1999.

35. **Dramatic Enrollment Growth Funding for Public Community/Junior Colleges.** Funds appropriated above in Strategy C.4.5., Community College Enrollment Growth, are to be used only to assist Public Community/Junior Colleges that experience dramatic rates of growth in contact hours during the 1998-99 biennium. Funds appropriated under this section in fiscal year 1998 shall be allocated by a formula developed by the Texas Higher Education Coordinating Board for the benefit of community colleges which experience an increase in total contact hours greater than 10 percent between the Fall 1995 and Fall 1997 semesters. Funds appropriated in fiscal 1999 shall be allocated in the same manner for the benefit of community colleges which experience an increase in total contact hours greater than 10 percent between Fall 1996 and Fall 1998 semesters.

36. **Graduate Medical Education.** Funds appropriated above are for the purpose of supporting the educational costs of primary care graduate medical education programs accredited by the Accreditation Council for Medical Education or the American Osteopathic Association, Bureau of Professional Education. For the purposes of this rider, primary care shall include family practice, obstetrics/gynecology, general internal medicine, and general pediatrics. Each entity incurring the costs of faculty responsible for instruction or supervision of resident physicians in such accredited programs may receive funds in an amount not to exceed $12,500 in each fiscal year for each filled residency position that is filled by a graduate of a school of medicine or osteopathy accredited by the Liaison Committee on Medical Education or the American Osteopathic Association. The Higher Education Coordinating Board shall promulgate rules for the equitable distribution of these funds, taking into account other state programs and the physician workforce needs of the state.

37. **State Support for Graduate Medical Education.** Effective September 1, 1998, all General Revenue Funds appropriated explicitly for the purpose of graduate medical education, including for costs for faculty instruction or supervision, costs for compensation of resident physicians,

and other program costs, shall be expended solely for residency positions filled by a graduate of an accredited school of medicine or osteopathy.

38. **Faculty Workload Goals and Reporting Requirements.** The Texas Higher Education Coordinating Board shall develop minimum average classroom teaching load goals for professorial rank faculty by April 1, 1998. Fall and spring semester graduate and undergraduate classes shall be included. The Board shall adopt separate goals for each major class of institution and consider each institution's role and mission, number and type of doctoral programs offered, and research activities.

    The Board shall provide the average classroom teaching load, including fall and spring semester data for fiscal years 1996, 1997 and 1998, to each general academic institution by April 1, 1998. Each institution with a fiscal 1998 faculty teaching load average with more than 10 percent variance from the relevant goal established by the Board, shall submit written explanation of the variance by June 1, 1998 in a format determined by the Board. The Board shall prepare a report comparing each general academic institution's actual fiscal 1996, 1997, and 1998 fall and spring average classroom teaching loads to the goals established by the Board. The report shall be presented to the Legislative Budget Board and Governor's Office of Budget and Planning by September 1, 1998.

    The Board shall modify its data reporting requirements and definitions to ensure consistent reporting of teaching load data for all program areas. Until consistent reporting requirements are established, classroom teaching loads shall be reported only for the 10 programs included by the Texas Performance Review (TPR) in Disturbing the Peace: The Challenge of Change in Texas Government, issue ED12.

39. **Class Size Standards.** The Texas Higher Education Coordinating Board shall establish minimum graduate and undergraduate class size standards for general academic institutions by April 1, 1998 and shall consider small class definitions established in Section 51.403(d) of the Education Code and other special circumstances. The Board shall report the actual number of classes taught and semester credit hours generated for each general academic institution which did not meet standards established by the Board, including data from fiscal 1989 through 1998 as available. The report shall be presented to the Legislative Budget Board and Governor's Office of Budget and Planning by September 1, 1998.

40. **Interim Study on Institutional Funds at Health-related Institutions.** The Texas Higher Education Coordinating Board is directed to conduct a study regarding the use of institutional funds at state-supported health-related institutions. The study shall examine physician practice plans, endowments, indirect cost recovery, federal funds and any other institutional fund as defined by Texas Education Code., Section 51.009 (b). The study shall make recommendations for the future use of institutional funds in the state appropriation process, and for insuring uniform accounting and reporting procedures for these funds. The Texas Higher Education Coordinating Board shall present the results of the study to the Legislature no later than December 1, 1998.

41. **Infrastructure Support for A&M Services.** The Texas Higher Education Coordinating Board is directed to conduct a study regarding the development of an equitable mechanism to fund the Texas A&M University System Service Agencies' infrastructure costs for facilities located in College Station, Texas. The study may consider the mission of the agencies, other sources of funding available to the agencies, the economies of scale associated with the centralized location of the agencies to Texas A&M University, and any other appropriate factors.

42. **Contingency Appropriation for Senate Bill 576.** Contingent upon the enactment of Senate Bill 576, or similar legislation relating to the establishment of the Texas New Horizons Scholarship Fund to benefit worthy Texas high school graduates, money appropriated to the Higher Education Coordinating Board under Strategy C.1.3., Disadvantaged Scholarships will

be used for the purpose of implementing this Act and the strategy name will be changed to New Horizons Scholarship Fund.

43. **Contingency Appropriation for House Bill 2721.** Contingent upon the enactment of House Bill 2721, or similar legislation transferring the TexShare Library Program from the Texas Higher Education Coordinating Board to the State Library and Archives Commission, $493,600 from the General Revenue Fund each year of the biennium and $105,000 from the Telecommunications Infrastructure Fund in 1998 are transferred from Strategy C.4.4. above and hereby appropriated to the State Library and Archives Commission for the purposes of implementing the provisions of the legislation.

44. **Contingency for Senate Bill 338.** Contingent upon enactment of Senate Bill 338 or similar legislation, in addition to the amounts appropriated above, $40,000 in each year of the biennium from the General Revenue Fund is hereby appropriated to the Texas Higher Education Coordinating Board for the purposes of implementing Senate Bill 338. An amount of $20,000 in each year of the biennium shall be contracted to Parker Chiropractic College and an amount of $20,000 each year shall be contracted to Texas Chiropractic College for the purpose of preparation or instruction of Texas resident undergraduate chiropractic students as doctors of chiropractic.

45. **Contingency Appropriation for House Bill 621 - Texas Chiropractic College.** Contingent upon enactment of House Bill 621 or similar legislation establishing the Texas Chiropractic College as a public institution subject to approval by the Texas Higher Education Coordinating Board, the Texas Higher Education Coordinating Board is hereby appropriated $50,000 in general revenue for fiscal year 1998 with authority to expend any unexpended balances in fiscal year 1999 for purposes of conducting a study regarding establishing Texas Chiropractic College as a public institution.

† 46. **Appropriations Made in Other Legislation: Teacher Education Centers.** The sum of $1,250,000 in fiscal year 1998 and $1,250,000 in fiscal year 1999 from the General Revenue Fund is appropriated in Senate Bill 1898, Seventy-fifth Legislature, Regular Session, to the Texas Higher Education Coordinating Board for the purpose of supporting centers for teacher education at private, independent, general academic institutions that are component institutions of the Texas Association of Developing Colleges. Consideration shall be given to teacher education centers at Jarvis Christian College in Hawkins, Paul Quinn College in Dallas, Texas College in Tyler, Huston-Tillotson College in Austin, and Wiley College in Marshall. The board may require periodic submission of data and reports as the board considers necessary to assess the overall performance of the centers. The board shall retain two percent of the appropriations made for the teacher education centers for the costs of on-site monitoring and distribution of funds. The board may use a portion of the amounts retained to obtain the services of a program planner to facilitate and coordinate the process of curriculum development and program redesign to improve teacher preparation at the participating institutions.

† 47. **Appropriations Made in Other Legislation: Tuition Assistance Grants.** In addition to amounts appropriated above, the sum of $5,000,000 in fiscal year 1998 and $5,000,000 in fiscal year 1999 from the General Revenue Fund is appropriated in Senate Bill 1898, Seventy-fifth Legislature, Regular Session, to the Texas Higher Education Coordinating Board for Strategy C.1.14, Tuition Assistance Grants.

† *As added in Senate Bill 1898, Regular Session, 1997.*

HIGHER EDUCATION FUND

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: HIGHER EDUCATION FUND		
A.1.1. Strategy: HIGHER EDUCATION FUND The Constitutional appropriation for acquiring land with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair or rehabilitation of buildings or other permanent improvements, and acquisition of capital equipment, library books and library materials at the eligible institutions and agencies of higher education pursuant to the provisions of Article VII, Section 17(a) of the Texas Constitution.	$ 224,365,000	$ 224,365,000
Grand Total, HIGHER EDUCATION FUND	$ 224,365,000	$ 224,365,000

1. **Unexpended Balances.** Any unexpended balances as of August 31, 1997 in the General Revenue Fund pursuant to the provision of Article VII, Section 17(a) of the Texas Constitution, are hereby reappropriated to the respective institutions for the biennium beginning September 1, 1997 for the same purposes.

2. **Higher Education Fund Deposit.** Out of the Funds appropriated above, the State Comptroller of Public Accounts shall deposit $49,365,000 in each year of the biennium to the credit of the higher education fund in accordance with V.T.C.A., Education Code, Section 62.025.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Educational and General State Support	$	$ 1,050,000
Grand Total, THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION	$	$ 1,050,000
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	140.5	140.5
Number of Full-time Equivalent Positions (FTE) - Total	284.0	284.0

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
(Continued)

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

Out of the General Revenue Fund:

A. Goal: INFRASTRUCTURE SUPPORT		
Provide Infrastructure Support		
A.1.1. Strategy: TUITION REVENUE BOND	$ 0	$ 1,050,000
Tuition Revenue Bond Retirement		
Grand Total, THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION	$ 0	$ 1,050,000

2. **System Office Funding.** Of the amounts appropriated to the academic components of The University of Texas System, the following amounts are subject to the special and general provisions of this Act and are included for the operation of The University of Texas System Administration:

	For the Years Ending August 31, 1998	August 31, 1999
The University of Texas at Arlington	$ 117,320	$ 117,172
The University of Texas at Austin	388,532	388,043
The University of Texas at Dallas	60,241	60,165
The University of Texas at El Paso	79,997	79,896
The University of Texas - Pan American	56,673	56,602
The University of Texas at Brownsville	13,282	13,265
The University of Texas of the Permian Basin	11,752	11,737
The University of Texas at San Antonio	75,150	75,056
The University of Texas at Tyler	17,984	17,962
Total	$ 820,931	$ 819,898

3. **Aircraft Authorized.** The University of Texas System is authorized to acquire, operate and maintain, including replacing, one passenger airplane. Such airplane should be acquired by gift, if possible, but may be acquired by purchase subject to the authority of the Aircraft Pooling Board under Chapter 2205, Government Code. All costs of acquisition, operation and maintenance, including replacement, may be paid out of the Available University Fund allocable to The University of Texas System. The University of Texas System is also authorized to lease on a short-term basis additional aircraft as may be needed from time to time.

4. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $436,569 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

5. **Regional Academic Health Center.** Contingent upon enactment of Senate Bill 606, or similar legislation, there is hereby appropriated from the General Revenue Fund to The University of Texas System Administration, $1,300,000 for the fiscal year ending August 31, 1999, to establish a regional academic health center in the four county Lower Rio Grande Valley area, which includes Hidalgo, Cameron, Willacy and Starr counties. The center may provide clinical graduate medical education, including internship and residency training, and other levels of medical professional education. The Board of Regents may assign the management and operation of the center to any University of Texas System health component. The facility is to include a library, telecommunications, auditorium, research facilities, and medical education facilities. The appropriation shall be used for any necessary operation expenses for the center.

AVAILABLE UNIVERSITY FUND

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the Available University Fund No. 011:		
A. Goal: MANAGE/ADM ENDOWMENT FDS Provide Management and Administrative Support for Endowment Funds		
A.1.1. Strategy: EXP OF REV BEARING PROP Expenses of Revenue Bearing Property, including--- Investments, Endowments, and Trusts; Lands, Finance, and Asset Management; Accounting and Auditing; Oil, Gas, Mineral, and Surface Interests; Board for Lease of University Lands; Office of General Counsel (including attorneys); Staff Benefits, including O.A.S.I., W.C.I., U.C.I., and Employee Insurance Premium Sharing. Estimated	$ 16,793,489	$ 17,402,162
A.1.2. Strategy: AUF-TAMU The Available University Fund allocable to the Board of Regents of Texas A&M University is hereby appropriated for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution, and may be expended for permanent improvements, new construction, equipment, repairs, and physical plant operation and maintenance, minority student scholarships and student recruitment, and educational and general activities of the Texas A&M University System pursuant to Article VII, Sections 11(a) and 18 of the Texas Constitution. Estimated	$ 79,593,722	$ 79,253,898
A.1.3. Strategy: AUF-UT The Residue of the Available University Fund allocable to The University of Texas System is hereby appropriated for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution and, pursuant to the authorization of Article VII, Section 18 of the Texas Constitution and, pursuant to the authorization of	$ 156,780,789	$ 155,711,940

Article VII, Section 11 (a) and 18 of the Constitution, for permanent improvements, new construction, equipment, repairs and rehabilitation, physical plant operation and maintenance, and educational and general activities of The University of Texas System Administration, and The University of Texas at Austin. Estimated		
Total, Goal A: MANAGE/ADM ENDOWMENT FDS	$ 253,168,000	$ 252,368,000
Grand Total, AVAILABLE UNIVERSITY FUND	$ 253,168,000	$ 252,368,000
Number of Full-time Equivalent Positions (FTE)	118.0	118.0

1. **Texas A&M University System Share**. There is hereby appropriated to the Texas A&M University System for the biennium ending August 31, 1999, that portion of the Available University Fund apportioned to it by Article VII, Section 18(e), Texas Constitution, except the part of that portion appropriated by Section 18 for the payment of principal and interest on bonds or notes issued thereunder by the Board of Regents of the Texas A&M University System, together with any balance in the Texas A&M University-The University of Texas Available Fund for any previous fiscal year. The Texas A&M University System is authorized to use a portion of its share of the Available University Fund for the matching of private grants for the endowment of scholarships, fellowships, library support, and academic positions at Texas A&M University and Prairie View A&M University. However, not more than $1.5 million per year may be expended for the matching of private grants for the endowment of scholarships and fellowships.

2. **The University of Texas System Share.** There is hereby appropriated for the biennium ending August 31, 1999 that portion of the Available University Fund (AUF) apportioned to The University of Texas System by Article VII, Section 18(e), Texas Constitution, together with any balance in the AUF for any previous years, except that portion appropriated by Section 18 for the payment of principal and interest on bonds or notes issued by the Board of Regents of The University of Texas System. This appropriation may be used for new construction, major repairs and rehabilitation, equipment, maintenance, operation, salaries, and support, including the matching of private grants for the endowment of scholarships, fellowships, library support, and academic positions for The University of Texas at Austin and for The University of Texas System Administration and is to be used as the Board of Regents of The University of Texas System may determine.

3. **Transfer Authorization.** The University of Texas System may transfer from the Available University Fund No. 011 into the Texas A&M University Available Fund No. 047 its respective portion.

4. **Austin Technology Incubator.** The University of Texas System may use not more than $200,000 in 1998 and $200,000 in 1999 from its share of the Available University Fund to fund the Austin Technology Incubator.

THE UNIVERSITY OF TEXAS AT ARLINGTON

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 91,171,179	$ 93,529,769
Grand Total, THE UNIVERSITY OF TEXAS AT ARLINGTON	$ 91,171,179	$ 93,529,769
Method of Financing:		
General Revenue Fund	$ 64,131,401	$ 65,198,126
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	1,970,851	1,970,851
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	1,201,980	2,403,960
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	23,866,947	23,956,832
Total, Method of Financing	$ 91,171,179	$ 93,529,769
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	1,894.0	1,894.0
Number of Full-time Equivalent Positions (FTE) - Total	2,616.0	2,616.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:		
State Licensure Pass Rate of Engineering Graduates	93%	93%
State Licensure Pass Rate of Nursing Graduates	96%	96%
State Pass Rate of Education EXCET Exam	96%	96%
Percent of Course Completers	92%	92%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	40%	40%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	70%	70%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	61%	61%
Dollar Value of External or Sponsored Research Funds (in millions)	17	18.3
External or Sponsored Research Funds as a Percent of State Appropriations	21%	21%
Percent of Lower Division Courses Taught by Tenured Faculty	47%	47%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 65,925,546	$ 66,916,143
Outputs:		
Number of Undergraduate Degrees Awarded	2,900	2,925
Number of Minority Graduates	515	533
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 969,501	$ 984,068

A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	1,588,439	$	1,588,439
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	363,513	$	363,513
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	35,337	$	35,337
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	3,342,572	$	3,539,655
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	1,492,124	$	1,492,124
A.1.8. Strategy: SYSTEM OFFICE OPERATIONS	$	117,320	$	117,172
Total, Goal A: INSTRUCTION/OPERATIONS	$	73,834,352	$	75,036,451
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	13,109,000	$	13,305,814
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	2,497,403	$	3,457,080
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	251,665	$	251,665
Total, Goal B: INFRASTRUCTURE SUPPORT	$	15,858,068	$	17,014,559
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support				
C.1.1. Strategy: SCHOLARSHIPS	$	67,820	$	67,820
C.2.1. Strategy: AUTOMATION AND ROBOTICS Automation and Robotics Research Institute	$	597,822	$	597,822
C.3.1. Strategy: RURAL HOSPITAL OUTREACH Rural Hospital Outreach Program	$	55,099	$	55,099
C.3.2. Strategy: URBAN STUDIES INSTITUTE Institute of Urban Studies	$	356,539	$	356,539
C.3.3. Strategy: MEXICAN AMERICAN STUDIES	$	50,000	$	50,000
C.4.1. Strategy: INSTITUTIONAL ADVANCEMENT	$	219,674	$	219,674
C.4.2. Strategy: AFRICA INT'L EXCHANGE Africa International Exchange	$	131,805	$	131,805
Total, Goal C: SPECIAL ITEM SUPPORT	$	1,478,759	$	1,478,759
Grand Total, THE UNIVERSITY OF TEXAS AT ARLINGTON	$	91,171,179	$	93,529,769
Method of Financing:				
General Revenue Fund	$	64,131,401	$	65,198,126
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704		1,970,851		1,970,851

THE UNIVERSITY OF TEXAS AT ARLINGTON
(Continued)

General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	1,201,980	2,403,960
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	23,866,947	23,956,832
Total, Method of Financing	$ 91,171,179	$ 93,529,769

2. **Robotics Engineering Research Program Transferability Authority.** The University of Texas at Arlington is hereby authorized to transfer or utilize from funds appropriated above an amount NTE $500,000 to the Robotics Engineering Research Program in addition to the amount specified for that item. However, no funds may be transferred from any specified amount for faculty salaries, general scholarships, or minority scholarships and recruitment.

3. **Center for Mexican American Studies.** The University of Texas at Arlington is hereby authorized to transfer or utilize, from funds appropriated above, an amount not to exceed $300,000 for the operation of a Center for Mexican American Studies.

4. **Urban Studies Institute.** All funds collected by the Urban Studies Institute are hereby appropriated to The University of Texas at Arlington for the Urban Studies Institute. It is the intent of the Legislature that services provided by the Institute shall be provided at a reduced cost based upon financial need and the availability of like services.

THE UNIVERSITY OF TEXAS AT AUSTIN

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 313,706,704	$ 317,188,914
Grand Total, THE UNIVERSITY OF TEXAS AT AUSTIN	$ 313,706,704	$ 317,188,914
Method of Financing:		
General Revenue Fund	$ 214,321,502	$ 214,116,044
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	10,719,122	10,719,122
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	2,487,199	4,974,398
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	86,178,881	87,379,350
Total, Method of Financing	$ 313,706,704	$ 317,188,914
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	7,061.0	7,061.0
Number of Full-time Equivalent Positions (FTE) - Total	13,511.0	13,511.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:		
State Licensure Pass Rate of Law Graduates	92%	92%
State Licensure Pass Rate of Engineering Graduates	94%	94%
State Licensure Pass Rate of Nursing Graduates	98%	98%
State Licensure Pass Rate of Pharmacy Graduates	98%	98%
State Pass Rate of Education EXCET Exam	97%	97%
Percent of Course Completers	96%	96%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	63%	64%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	87%	87%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	79%	79%
Dollar Value of External or Sponsored Research Funds (in millions)	170	170
External or Sponsored Research Funds as a Percent of State Appropriations	40%	40%
Percent of Lower Division Courses Taught by Tenured Faculty	47%	47%

A.1.1. Strategy: OPERATIONS SUPPORT	$ 200,594,311	$ 202,522,497
Outputs:		
Number of Undergraduate Degrees Awarded	7,600	7,600
Number of Minority Graduates	1,500	1,500
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 2,774,758	$ 2,801,429
A.1.3. Strategy: FORMULA TRANSITION	$ 1,631,465	$ 1,631,465
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 12,116,846	$ 12,116,846
A.1.5. Strategy: WORKERS' COMPENSATION INSURANCE	$ 1,648,333	$ 1,648,333
A.1.6. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 48,414	$ 48,414
A.1.7. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 7,908,227	$ 8,361,741
A.1.8. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$ 13,753,309	$ 13,753,309
A.1.9. Strategy: SYSTEM OFFICE OPERATIONS	$ 388,532	$ 388,043
Total, Goal A: INSTRUCTION/OPERATIONS	$ 240,864,195	$ 243,272,077

B. Goal: INFRASTRUCTURE SUPPORT
Provide Infrastructure Support

B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$ 55,425,056	$ 55,957,395
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 8,100,708	$ 8,540,997

B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 459,961	$ 459,961
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 63,985,725	$ 64,958,353
C. Goal: SPECIAL ITEM SUPPORT		
Provide Special Item Support		
C.1.1. Strategy: LBJ SCHOOL	$ 273,878	$ 273,878
Lyndon B. Johnson School of Public Affairs		
C.1.2. Strategy: DISADVANTAGED SCHOLARSHIP	$ 542,861	$ 542,861
Student Aid: Scholarships-Culturally and Economically Disadvantaged Students		
C.1.3. Strategy: LIBRARY ENHANCEMENT	$ 360,266	$ 360,266
C.1.4. Strategy: SCHOLARSHIPS	$ 472,389	$ 472,389
C.2.1. Strategy: MARINE SCIENCE INSTITUTE	$ 691,775	$ 691,775
Marine Science Institute - Port Aransas		
C.2.2. Strategy: INSTITUTE FOR GEOPHYSICS	$ 1,197,820	$ 1,197,820
Institute for Geophysics - Galveston		
C.2.3. Strategy: BUREAU-ECONOMIC GEOLOGY	$ 1,233,542	$ 1,233,542
Bureau of Economic Geology		
C.2.4. Strategy: BUREAU-BUSINESS RESEARCH	$ 265,698	$ 265,698
Bureau of Business Research		
C.2.5. Strategy: MCDONALD OBSERVATORY	$ 2,010,392	$ 2,112,092
C.2.6. Strategy: ENGINEERING RESEARCH	$ 100,018	$ 100,018
Bureau of Engineering Research		
C.2.7. Strategy: STUDIES IN ASTRONOMY	$ 658,295	$ 658,295
Center for Advanced Studies in Astronomy		
C.3.1. Strategy: TEXAS MEMORIAL MUSEUM	$ 165,825	$ 165,825
C.3.2. Strategy: PUBLIC POLICY INSTITUTE	$ 219,674	$ 219,674
C.3.3. Strategy: POLICY DISPUTE RESOLUTION	$ 263,609	$ 263,609
Center for Public Policy Dispute Resolution		
C.4.1. Strategy: UNIVERSITY OUTREACH CNTR	$ 400,742	$ 400,742
University Outreach Center		
Total, Goal C: SPECIAL ITEM SUPPORT	$ 8,856,784	$ 8,958,484
Grand Total, THE UNIVERSITY OF TEXAS AT AUSTIN	$ 313,706,704	$ 317,188,914
Method of Financing:		
General Revenue Fund	$ 214,321,502	$ 214,116,044
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	10,719,122	10,719,122
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	2,487,199	4,974,398

THE UNIVERSITY OF TEXAS AT AUSTIN
(Continued)

General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	86,178,881	87,379,350
Total, Method of Financing	$ 313,706,704	$ 317,188,914

2. **Bureau of Economic Geology Contingency.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Bureau of Economic Geology will generate at least $890,000 for the biennium in additional revenue to the General Revenue Fund, $445,000 in each year of the biennium is appropriated above for information item C.2.3., Bureau of Economic Geology.

3. **Public Policy Clinics.** Out of the funds appropriated above, $250,000 in each year of the biennium shall be used for public policy clinics in the Department of Government. The clinics shall be focused on public policy issues salient to the State of Texas and to be offered as graduate-level seminars to help maximize the partnership with the Tomas Rivera Center, the Center for Migration and Border Studies and other academic institutions. These funds shall be used to pay research fellowships, surveys, and other expenses associated with the clinics.

THE UNIVERSITY OF TEXAS AT DALLAS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 53,194,208	$ 53,960,449
Grand Total, THE UNIVERSITY OF TEXAS AT DALLAS	$ 53,194,208	$ 53,960,449
Method of Financing:		
General Revenue Fund	$ 38,823,147	$ 39,090,953
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	1,411,776	1,411,776
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	518,419	1,036,837
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	12,440,866	12,420,883
Total, Method of Financing	$ 53,194,208	$ 53,960,449
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	969.5	969.5
Number of Full-time Equivalent Positions (FTE) - Total	1,351.5	1,351.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

THE UNIVERSITY OF TEXAS AT DALLAS
(Continued)

A. Goal: INSTRUCTION/OPERATIONS				
Provide Instructional and Operations Support				
Outcomes:				
Percent of Course Completers		92%		92%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years		40%		40%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year		77%		77%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year		81%		81%
Dollar Value of External or Sponsored Research Funds (in millions)		12		12
External or Sponsored Research Funds as a Percent of State Appropriations		21%		21%
Percent of Lower Division Courses Taught by Tenured Faculty		60%		60%
A.1.1. Strategy: OPERATIONS SUPPORT	$	37,613,960	$	38,049,441
Outputs:				
Number of Undergraduate Degrees Awarded		1,300		1,300
Number of Minority Graduates		190		190
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	285,694	$	289,001
A.1.3. Strategy: GROWTH SUPPLEMENT	$	620,379	$	627,825
A.1.4. Strategy: FORMULA TRANSITION	$	1,099,875	$	1,099,875
A.1.5. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	807,609	$	807,609
A.1.6. Strategy: WORKERS' COMPENSATION INSURANCE	$	213,142	$	213,142
A.1.7. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	3,935	$	3,935
A.1.8. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,397,376	$	1,479,699
A.1.9. Strategy: INDIRECT COST RECOVERY	$	800,000	$	800,000
Indirect Cost Recovery for Research Related Activities				
A.1.10. Strategy: ORGANIZED ACTIVITIES	$	2,662,093	$	2,662,093
A.1.11. Strategy: SYSTEM OFFICE OPERATIONS	$	60,241	$	60,165
Total, Goal A: INSTRUCTION/OPERATIONS	$	45,564,304	$	46,092,785
B. Goal: INFRASTRUCTURE SUPPORT				
Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT	$	6,240,077	$	6,312,260
Educational and General Space Support				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	979,931	$	1,155,269
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	71,748	$	71,748
Total, Goal B: INFRASTRUCTURE SUPPORT	$	7,291,756	$	7,539,277
C. Goal: SPECIAL ITEM SUPPORT				
Provide Special Item Support				

THE UNIVERSITY OF TEXAS AT DALLAS
(Continued)

C.1.1. Strategy: UNDERGRADUATE HONORS Undergraduate Honors College Development	$ 269,014	$ 269,014
C.1.2. Strategy: CALLIER CENTER Callier Center for Communication Disorders	$ 50,000	$ 50,000
C.1.3. Strategy: SCHOLARSHIPS	$ 9,373	$ 9,373
C.2.1. Strategy: MASTER LEASE PURCHASE PRG Lease Payments to the Master Lease Purchase Program	$ 9,761	$ 0
Total, Goal C: SPECIAL ITEM SUPPORT	$ 338,148	$ 328,387
Grand Total, THE UNIVERSITY OF TEXAS AT DALLAS	$ 53,194,208	$ 53,960,449
Method of Financing:		
General Revenue Fund	$ 38,823,147	$ 39,090,953
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	1,411,776	1,411,776
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	518,419	1,036,837
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	12,440,866	12,420,883
Total, Method of Financing	$ 53,194,208	$ 53,960,449

2. **Master Lease Purchase Program.** Funds identified for Master Lease Purchase Program shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

THE UNIVERSITY OF TEXAS AT EL PASO

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 64,960,755	$ 66,187,816
Grand Total, THE UNIVERSITY OF TEXAS AT EL PASO	$ 64,960,755	$ 66,187,816
Method of Financing:		
General Revenue Fund	$ 49,433,351	$ 49,878,042
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	283,000	283,000

General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	632,673	1,265,346
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	14,611,731	14,761,428
Total, Method of Financing	$ 64,960,755	$ 66,187,816
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	1,377.5	1,377.5
Number of Full-time Equivalent Positions (FTE) - Total	2,107.5	2,107.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:		
State Licensure Pass Rate of Engineering Graduates	80%	80%
State Licensure Pass Rate of Nursing Graduates	92%	92%
State Pass Rate of Education EXCET Exam	86%	86%
Percent of Course Completers	92%	92%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	29%	30%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	70%	70%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	65%	65%
Dollar Value of External or Sponsored Research Funds (in millions)	14	14
External or Sponsored Research Funds as a Percent of State Appropriations	22%	22%
Percent of Lower Division Courses Taught by Tenured Faculty	50%	50%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 37,186,581	$ 37,662,110
Outputs:		
Number of Undergraduate Degrees Awarded	1,700	1,700
Number of Minority Graduates	1,300	1,300
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 841,872	$ 852,637
A.1.3. Strategy: GROWTH SUPPLEMENT	$ 1,190,962	$ 1,206,766
A.1.4. Strategy: FORMULA TRANSITION	$ 177,744	$ 177,744
A.1.5. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,112,345	$ 1,112,345
A.1.6. Strategy: WORKERS' COMPENSATION INSURANCE	$ 309,887	$ 309,887
A.1.7. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 4,488	$ 4,488
A.1.8. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,711,401	$ 1,812,235
A.1.9. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$ 1,050,000	$ 1,050,000

A.1.10. Strategy: SYSTEM OFFICE OPERATIONS	$ 79,997	$ 79,896
Total, Goal A: INSTRUCTION/OPERATIONS	$ 43,665,277	$ 44,268,108
B. Goal: INFRASTRUCTURE SUPPORT		
Provide Infrastructure Support		
B.1.1. Strategy: E & G SPACE SUPPORT	$ 10,219,796	$ 10,350,370
Educational and General Space Support		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 1,749,670	$ 2,240,290
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 155,000	$ 155,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 12,124,466	$ 12,745,660
C. Goal: SPECIAL ITEM SUPPORT		
Provide Special Item Support		
C.1.1. Strategy: SCHOLARSHIPS - JUAREZ	$ 4,526	$ 4,526
Scholarships for Juarez High School Graduates		
C.1.2. Strategy: REHABILITATIVE SCIENCES	$ 4,028	$ 4,028
C.1.3. Strategy: COOPERATIVE DEGREE PRGMS	$ 31,084	$ 31,084
Cooperative Degree Programs		
C.1.4. Strategy: PROGRAM DEVELOPMENT	$ 3,162,596	$ 3,162,596
Academic Program Development		
C.1.5. Strategy: ACADEMIC INFRASTRUCTURE	$ 1,318,046	$ 1,318,046
C.1.6. Strategy: PHARMACY PROGRAM	$ 878,697	$ 878,697
Pharmacy Program with UT-Austin		
C.1.7. Strategy: OCCUPATIONAL THERAPY	$ 698,633	$ 701,669
Occupational/Physical Therapy Program		
C.1.8. Strategy: SCHOLARSHIPS	$ 213,766	$ 213,766
C.2.1. Strategy: BORDER STUDIES INSTITUTE	$ 98,567	$ 98,567
Inter-American and Border Studies Institute		
C.2.2. Strategy: RESEARCH SUPPORT	$ 223,976	$ 223,976
Technical Support for Research		
C.2.3. Strategy: ENVIRONMENTAL RESOURCE	$ 262,820	$ 262,820
Center for Environmental Resource Management		
C.3.1. Strategy: EL PASO CENTENNIAL MUSEUM	$ 61,835	$ 61,835
C.3.2. Strategy: RURAL NURSING HEALTH CARE	$ 72,145	$ 72,145
Rural Nursing Health Care Services		
C.3.3. Strategy: MANUFACTURE/MATERIAL MGMT	$ 100,505	$ 100,505
Institute for Manufacturing and Materials Management		
C.3.4. Strategy: ECONOMIC/ENTERPRISE DEV	$ 961,618	$ 961,618
Texas Centers for Economic and Enterprise Development		
C.3.5. Strategy: ACADEMIC EXCELLENCE	$ 131,410	$ 131,410
Collaborative for Academic Excellence		

THE UNIVERSITY OF TEXAS AT EL PASO
(Continued)

C.3.6. Strategy: BORDER COMMUNITY HEALTH Border Community Health Education Institute	$ 325,000	$ 325,000
C.4.1. Strategy: COMPUTER CENTER UPGRADE	$ 438,033	$ 438,033
C.4.2. Strategy: PEER COUNSELING PROGRAM	$ 183,727	$ 183,727
Total, Goal C: SPECIAL ITEM SUPPORT	$ 9,171,012	$ 9,174,048
Grand Total, THE UNIVERSITY OF TEXAS AT EL PASO	$ 64,960,755	$ 66,187,816
Method of Financing:		
General Revenue Fund	$ 49,433,351	$ 49,878,042
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	283,000	283,000
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	632,673	1,265,346
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	14,611,731	14,761,428
Total, Method of Financing	$ 64,960,755	$ 66,187,816

2. **Transfer of Consortium Funds.** Funds identified for the Texas Centers for Border Economic and Enterprise Development are to be distributed among the member institutions of the consortium by transfers from appropriations to The University of Texas at El Paso to The University of Texas-Pan American and Texas A&M International University. Such transfers are subject to the special and general provisions of this Act and are authorized as follows:

	1998	1999
Texas A&M International University: Institute for International Trade	$ 221,171	$ 221,171
The University of Texas - Pan American: Center for Entrepreneurship and Economic Development	$ 366,858	$ 366,858

THE UNIVERSITY OF TEXAS - PAN AMERICAN

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 47,185,571	$ 48,533,819
Grand Total, THE UNIVERSITY OF TEXAS - PAN AMERICAN	$ 47,185,571	$ 48,533,819

Method of Financing:				
General Revenue Fund	$	35,726,086	$	36,412,919
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704		91,060		91,060
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708		654,053		1,308,106
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770		10,714,372		10,721,734
Total, Method of Financing	$	47,185,571	$	48,533,819
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds		1,028.0		1,028.0
Number of Full-time Equivalent Positions (FTE) - Total		1,502.0		1,502.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:				
State Licensure Pass Rate of Nursing Graduates		94%		94%
State Pass Rate of Education EXCET Exam		86%		86%
Percent of Course Completers		92%		92%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years		23%		24%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year		71.5%		72%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year		62%		65%
Dollar Value of External or Sponsored Research Funds (in millions)		1.5		1.5
External or Sponsored Research Funds as a Percent of State Appropriations		7%		10%
Percent of Lower Division Courses Taught by Tenured Faculty		47%		47%
A.1.1. Strategy: OPERATIONS SUPPORT	$	27,273,087	$	27,765,614
Outputs:				
Number of Undergraduate Degrees Awarded		1,025		1,030
Number of Minority Graduates		882		886
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	724,449	$	737,531
A.1.3. Strategy: GROWTH SUPPLEMENT	$	1,186,237	$	1,208,465
A.1.4. Strategy: FORMULA TRANSITION	$	435,594	$	435,594
A.1.5. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	742,222	$	742,222
A.1.6. Strategy: WORKERS' COMPENSATION INSURANCE	$	171,413	$	171,413
A.1.7. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,692,261	$	1,791,847

A.1.8. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	150,000	$	150,000
A.1.9. Strategy: SYSTEM OFFICE OPERATIONS	$	56,673	$	56,602
Total, Goal A: INSTRUCTION/OPERATIONS	$	32,431,936	$	33,059,288
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	6,994,969	$	7,121,184
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,573,305	$	2,167,986
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	150,050	$	150,050
Total, Goal B: INFRASTRUCTURE SUPPORT	$	8,718,324	$	9,439,220
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support				
C.1.1. Strategy: NURSING PRGM ENHANCEMENT Nursing Program Enhancement	$	409,550	$	409,550
C.1.2. Strategy: ENGINEERING PROGRAM	$	776,444	$	776,444
C.1.3. Strategy: INTERNATIONAL BUSINESS International Business Doctoral Program Development	$	295,062	$	295,062
C.1.4. Strategy: EDUCATION LEADERSHIP Educational Leadership Doctorate Program Development	$	156,331	$	156,331
C.1.5. Strategy: ALLIED HEALTH ENHANCEMENT	$	77,218	$	77,218
C.1.6. Strategy: INTERNATIONAL STUDIES Center for International Studies	$	40,105	$	40,105
C.1.7. Strategy: COOPERATIVE GRADUATE PRGM Cooperative Graduate Programs	$	68,068	$	68,068
C.1.8. Strategy: PROGRAM DEVELOPMENT Academic Program Development	$	2,256,506	$	2,256,506
C.1.9. Strategy: HEALTH CARE EDUCATION	$	50,000	$	50,000
C.1.10. Strategy: SCHOLARSHIPS	$	370,970	$	370,970
C.2.1. Strategy: DOCTORAL RESEARCH CENTERS	$	50,000	$	50,000
C.3.1. Strategy: ECONOMIC DEVELOPMENT Center for Entrepreneurship and Economic Development	$	140,278	$	140,278
C.3.2. Strategy: CENTER FOR MANUFACTURING	$	218,992	$	218,992
C.3.3. Strategy: K-12 COLLABORATION U.T. System K-12 Collaboration Initiative	$	175,739	$	175,739
C.3.4. Strategy: TRADE & TECHNOLOGY CENTER International Trade and Technology Center	$	131,805	$	131,805
C.3.5. Strategy: DIABETES REGISTRY	$	252,443	$	252,443
C.4.1. Strategy: TUTORIAL PROGRAMS	$	119,670	$	119,670

C.4.2. Strategy: INFORMATION TECHNOLOGY U.T. System Information Technology Initiative	$ 319,674	$ 319,674
C.4.3. Strategy: VALLEY HEALTH OFFICE Valley Health Coordinating Office	$ 126,456	$ 126,456
Total, Goal C: SPECIAL ITEM SUPPORT	$ 6,035,311	$ 6,035,311
Grand Total, THE UNIVERSITY OF TEXAS - PAN AMERICAN	$ 47,185,571	$ 48,533,819
Method of Financing:		
General Revenue Fund	$ 35,726,086	$ 36,412,919
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	91,060	91,060
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	654,053	1,308,106
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	10,714,372	10,721,734
Total, Method of Financing	$ 47,185,571	$ 48,533,819

2. **Appropriation of Special Mineral Fund.** Any unexpended balance as of August 31, 1997, and income during the biennium beginning September 1, 1997, in the Pan American University Special Mineral Fund are hereby appropriated at The University of Texas-Pan American to support instruction and research programs of the university.

THE UNIVERSITY OF TEXAS AT BROWNSVILLE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 14,111,732	$ 14,162,658
Grand Total, THE UNIVERSITY OF TEXAS AT BROWNSVILLE	$ 14,111,732	$ 14,162,658
Method of Financing:		
General Revenue Fund	$ 12,473,222	$ 12,435,796
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	36,400	36,400
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	88,106	176,212
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	1,514,004	1,514,250
Total, Method of Financing	$ 14,111,732	$ 14,162,658
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	226.0	226.0
Number of Full-time Equivalent Positions (FTE) - Total	280.0	284.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide Instructional and Operations Support		
Outcomes:		
State Pass Rate of Education EXCET Exam	86%	86%
Percent of Course Completers	92%	92%
Dollar Value of External or Sponsored Research Funds (in millions)	1	2
External or Sponsored Research Funds as a Percent of State Appropriations	.5%	1%
Percent of First-time, Full-time, Degree-Seeking Transfer Students Who Earn a Baccalaureate Degree Within Four Academic Years (Upper-level Institutions Only)	64%	64%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 5,470,594	$ 5,534,117
Outputs:		
Number of Undergraduate Degrees Awarded	423	444
Number of Minority Graduates	431	453
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 154,431	$ 156,224
A.1.3. Strategy: GROWTH SUPPLEMENT	$ 381,023	$ 385,615
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 59,135	$ 59,135
A.1.5. Strategy: WORKERS' COMPENSATION INSURANCE	$ 20,438	$ 20,438

A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 229,942	$ 243,477
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$ 35,000	$ 35,000
A.1.8. Strategy: SYSTEM OFFICE OPERATIONS	$ 13,282	$ 13,265
Total, Goal A: INSTRUCTION/OPERATIONS	$ 6,363,845	$ 6,447,271
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support		
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$ 1,539,026	$ 1,557,223
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 101,387	$ 888,911
B.1.3. Strategy: LEASE OF FACILITIES	$ 3,191,730	$ 2,353,509
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 4,832,143	$ 4,799,643
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support		
C.1.1. Strategy: COOP EDUCATION DOCTORAL Cooperative Education Doctoral Program	$ 109,525	$ 109,525
C.1.2. Strategy: PROGRAM DEVELOPMENT	$ 1,683,051	$ 1,683,051
C.1.3. Strategy: INCENTIVE SCHOLARSHIP PRG Incentive Scholarship Program	$ 246,144	$ 246,144
C.1.4. Strategy: MATCHING FUNDS-TECHNOLOGY Matching Funds for Technology	$ 438,137	$ 438,137
C.1.5. Strategy: LIBRARY CORE COLLECTION Library Core Print Collection	$ 219,674	$ 219,674
C.1.6. Strategy: SCIENCE AND TECHNOLOGY Science and Technology Development	$ 209,837	$ 209,837
C.1.7. Strategy: SCHOLARSHIPS	$ 9,376	$ 9,376
Total, Goal C: SPECIAL ITEM SUPPORT	$ 2,915,744	$ 2,915,744
Grand Total, THE UNIVERSITY OF TEXAS AT BROWNSVILLE	$ 14,111,732	$ 14,162,658
Method of Financing:		
General Revenue Fund	$ 12,473,222	$ 12,435,796
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	36,400	36,400
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	88,106	176,212
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	1,514,004	1,514,250
Total, Method of Financing	$ 14,111,732	$ 14,162,658

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 10,764,408	$ 11,782,550
Grand Total, THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	$ 10,764,408	$ 11,782,550
Method of Financing:		
General Revenue Fund	$ 8,974,416	$ 9,900,182
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	108,954	108,954
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	99,907	199,813
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	1,581,131	1,573,601
Total, Method of Financing	$ 10,764,408	$ 11,782,550
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	191.0	191.0
Number of Full-time Equivalent Positions (FTE) - Total	216.5	216.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide Instructional and Operations Support		
Outcomes:		
State Pass Rate of Education EXCET Exam	90%	90%
Percent of Course Completers	93%	93%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	18%	19%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	70%	70%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	58%	58%
Percent of Lower Division Courses Taught by Tenured Faculty	50%	50%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 4,836,955	$ 4,902,855
Outputs:		
Number of Undergraduate Degrees Awarded	420	425
Number of Minority Graduates	90	92
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 106,894	$ 108,349
A.1.3. Strategy: GROWTH SUPPLEMENT	$ 87,243	$ 88,475
A.1.4. Strategy: FORMULA TRANSITION	$ 1,306,263	$ 1,306,263

A.1.5. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 24,666	$ 24,666
A.1.6. Strategy: WORKERS' COMPENSATION INSURANCE	$ 36,871	$ 36,871
A.1.7. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 258,114	$ 273,303
A.1.8. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$ 40,000	$ 40,000
A.1.9. Strategy: SYSTEM OFFICE OPERATIONS	$ 11,752	$ 11,737
Total, Goal A: INSTRUCTION/OPERATIONS	$ 6,708,758	$ 6,792,519
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support		
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$ 2,271,157	$ 2,302,474
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 187,432	$ 1,090,496
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 28,000	$ 28,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 2,486,589	$ 3,420,970
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support		
C.1.1. Strategy: SCHOLARSHIPS	$ 9,374	$ 9,374
C.2.1. Strategy: CENTER FOR ENERGY	$ 329,511	$ 329,511
C.3.1. Strategy: LEADERSHIP INSTITUTE John Ben Shepperd Leadership Institute	$ 878,697	$ 878,697
C.4.1. Strategy: ELECTRONIC ACADEMIC COM Electronic Academic Communication Highway	$ 351,479	$ 351,479
Total, Goal C: SPECIAL ITEM SUPPORT	$ 1,569,061	$ 1,569,061
Grand Total, THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	$ 10,764,408	$ 11,782,550
Method of Financing:		
General Revenue Fund	$ 8,974,416	$ 9,900,182
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	108,954	108,954
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	99,907	199,813
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	1,581,131	1,573,601
Total, Method of Financing	$ 10,764,408	$ 11,782,550

THE UNIVERSITY OF TEXAS AT SAN ANTONIO

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 66,756,556	$ 69,520,104
Grand Total, THE UNIVERSITY OF TEXAS AT SAN ANTONIO	$ 66,756,556	$ 69,520,104
Method of Financing:		
General Revenue Fund	$ 49,664,562	$ 51,581,646
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	1,030,600	1,030,600
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	874,228	1,748,457
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	15,187,166	15,159,401
Total, Method of Financing	$ 66,756,556	$ 69,520,104
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	1,498.0	1,498.0
Number of Full-time Equivalent Positions (FTE) - Total	1,932.0	1,932.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:		
State Licensure Pass Rate of Engineering Graduates	70%	71%
State Pass Rate of Education EXCET Exam	93.6%	93.9%
Percent of Course Completers	92%	92%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	25%	28%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	58%	58%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	57%	57%
Dollar Value of External or Sponsored Research Funds (in millions)	4.6	5
External or Sponsored Research Funds as a Percent of State Appropriations	9%	9%
Percent of Lower Division Courses Taught by Tenured Faculty	47%	47%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 38,784,150	$ 39,465,407
Outputs:		
Number of Undergraduate Degrees Awarded	2,716	2,934
Number of Minority Graduates	1,344	1,488
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 708,441	$ 720,884
A.1.3. Strategy: GROWTH SUPPLEMENT	$ 1,232,798	$ 1,255,252
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,040,669	$ 1,040,669

A.1.5. Strategy: WORKERS' COMPENSATION INSURANCE	$	212,090	$	212,090
A.1.6. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	388	$	388
A.1.7. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	2,355,746	$	2,494,529
A.1.8. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	405,998	$	405,998
A.1.9. Strategy: SYSTEM OFFICE OPERATIONS	$	75,150	$	75,056
Total, Goal A: INSTRUCTION/OPERATIONS	$	44,815,430	$	45,670,273
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	9,006,955	$	9,165,028
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,836,128	$	3,586,760
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	208,600	$	208,600
Total, Goal B: INFRASTRUCTURE SUPPORT	$	11,051,683	$	12,960,388
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support				
C.1.1. Strategy: SOUTH TEXAS INITIATIVE	$	609,169	$	609,169
C.1.2. Strategy: PRE-ENGINEERING PROGRAM Texas Pre-Engineering Program	$	436,788	$	436,788
C.1.3. Strategy: PROGRAM DEVELOPMENT Academic Program Development	$	2,628,336	$	2,628,336
C.1.4. Strategy: SCHOLARSHIPS	$	50,652	$	50,652
C.2.1. Strategy: SMALL BUSINESS CENTER Small Business Development Center	$	743,005	$	743,005
C.2.2. Strategy: TEXAN CULTURES INSTITUTE Institute of Texan Cultures	$	2,232,144	$	2,232,144
C.3.1. Strategy: DOWNTOWN CAMPUS PHASE II	$	4,189,349	$	4,189,349 & U.B.
Total, Goal C: SPECIAL ITEM SUPPORT	$	10,889,443	$	10,889,443
Grand Total, THE UNIVERSITY OF TEXAS AT SAN ANTONIO	$	66,756,556	$	69,520,104
Method of Financing:				
General Revenue Fund	$	49,664,562	$	51,581,646
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704		1,030,600		1,030,600

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
(Continued)

General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	874,228	1,748,457
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	15,187,166	15,159,401
Total, Method of Financing	$ 66,756,556	$ 69,520,104

2. **Small Business Development Center.** Included in the appropriation above to The University of Texas at San Antonio is $743,005 in each year of the biennium for the Small Business Development Center, or its equivalent due to special and general provisions of this Act, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $1,486,010 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

THE UNIVERSITY OF TEXAS AT TYLER

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 15,836,025	$ 15,511,870
Grand Total, THE UNIVERSITY OF TEXAS AT TYLER	$ 15,836,025	$ 15,511,870
Method of Financing:		
General Revenue Fund	$ 13,103,320	$ 12,617,807
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	153,299	306,598
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	2,579,406	2,587,465
Total, Method of Financing	$ 15,836,025	$ 15,511,870
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	341.5	341.5
Number of Full-time Equivalent Positions (FTE) - Total	393.5	393.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

THE UNIVERSITY OF TEXAS AT TYLER
(Continued)

A. Goal: INSTRUCTION/OPERATIONS				
Provide Instructional and Operations Support				
Outcomes:				
State Licensure Pass Rate of Nursing Graduates		92%		92%
State Pass Rate of Education EXCET Exam		96%		96%
Percent of Course Completers		92%		92%
Dollar Value of External or Sponsored Research Funds (in millions)		.62		.7
External or Sponsored Research Funds as a Percent of State Appropriations		5%		5%
Percent of First-time, Full-time, Degree-seeking Transfer Students Who Earn a Baccalaureate Degree Within Four Academic Years (Upper-level Institutions Only)		75%		78%
A.1.1. Strategy: OPERATIONS SUPPORT	$	10,041,961	$	10,157,873
Outputs:				
Number of Undergraduate Degrees Awarded		585		594
Number of Minority Graduates		93		93
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	221,672	$	224,230
A.1.3. Strategy: GROWTH SUPPLEMENT	$	111,835	$	113,175
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	55,619	$	55,619
A.1.5. Strategy: WORKERS' COMPENSATION INSURANCE	$	68,574	$	68,574
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	405,153	$	429,009
A.1.7. Strategy: INDIRECT COST RECOVERY	$	750	$	750
Indirect Cost Recovery for Research Related Activities				
A.1.8. Strategy: SYSTEM OFFICE OPERATIONS	$	17,984	$	17,962
Total, Goal A: INSTRUCTION/OPERATIONS	$	10,923,548	$	11,067,192
B. Goal: INFRASTRUCTURE SUPPORT				
Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT	$	2,874,052	$	2,907,538
Educational and General Space Support				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	200,614	$	533,114
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	46,000	$	46,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$	3,120,666	$	3,486,652
C. Goal: SPECIAL ITEM SUPPORT				
Provide Special Item Support				
C.1.1. Strategy: REGIONAL ACADEMIC PROGRAM	$	87,621	$	87,621
Regional Academic Programming (Interactive TV for Distance Learning)				
C.1.2. Strategy: REGIONAL SCHOLARSHIPS	$	49,225	$	49,225
C.1.3. Strategy: NURSING-PALESTINE EXT	$	231,805	$	231,805
Nursing - Palestine Extension				

THE UNIVERSITY OF TEXAS AT TYLER
(Continued)

C.1.4. Strategy: ENGINEERING PROGRAM Engineering Program Development	$ 1,413,785	$ 580,000
C.1.5. Strategy: SCHOLARSHIPS	$ 9,375	$ 9,375
Total, Goal C: SPECIAL ITEM SUPPORT	$ 1,791,811	$ 958,026
Grand Total, THE UNIVERSITY OF TEXAS AT TYLER	$ 15,836,025	$ 15,511,870
Method of Financing:		
General Revenue Fund	$ 13,103,320	$ 12,617,807
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	153,299	306,598
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	2,579,406	2,587,465
Total, Method of Financing	$ 15,836,025	$ 15,511,870

2. **Northeast Texas Higher Education Initiative - Engineering Program.** Funds appropriated above to the University of Texas - Tyler for Engineering Program Development shall be used for starting an engineering program and program development.

TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES

	For the Years Ending August 31, 1998	August 31, 1999
Out of the General Revenue Fund:		
1. Educational and General State Support	$ 2,211,485	$ 4,422,971
Grand Total, TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES	$ 2,211,485	$ 4,422,971
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	108.5	108.5
Number of Full-time Equivalent Positions (FTE) - Total	241.0	241.0

TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES
(Continued)

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

Out of the General Revenue Fund:

A. Goal: INFRASTRUCTURE SUPPORT		
A.1.1. Strategy: SERVICES INFRASTRUCTURE	$ 2,211,485	$ 4,422,971
A&M Services Infrastructure Support		
Grand Total, TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES	$ 2,211,485	$ 4,422,971

2. **System Office Funding.** Of the amounts appropriated to the academic components of the Texas A&M University System, the following amounts are subject to the special and general provisions of this Act and are included for the operation of the Texas A&M University System Administrative and General Offices:

	For the Years Ending August 31, 1998	August 31, 1999
Texas A&M University	$ 355,107	$ 354,822
Texas A&M University at Galveston	13,547	13,536
Prairie View A&M University	55,878	55,834
Tarleton State University	33,864	33,837
Texas A&M University - Corpus Christi	18,627	18,612
Texas A&M University - Kingsville	50,798	50,758
Texas A&M International University	5,080	5,076
West Texas A&M University	18,627	18,612
Texas A&M Commerce	18,627	18,612
Texas A&M Texarkana	18,627	18,612
Total	$ 588,782	$ 588,311

3. **Mineral Fund Appropriated.** There is hereby appropriated to the Board of Regents of the Texas A&M University System the funds in the Texas A&M University System Special Mineral Fund to be invested by said board in accordance with V.T.C.A., Education Code, Section 85.70, and the income from said Fund is hereby appropriated to the Board of Regents of the Texas A&M University System to be disbursed for the purposes provided for and in accordance with the provisions of the above citation.

4. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $325,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

† 5. **Appropriations Made in Other Legislation: Scholarships for Needy Students.** The sum of $2,500,000 for the fiscal biennium beginning September 1, 1997 from the General Revenue Fund is appropriated in Senate Bill 1898, Seventy-fifth Legislature, Regular Session, to the Board of Regents of the Texas A&M University System for the purpose of funding scholarships for needy students. The board of regents shall allocate the appropriation made by Senate Bill 1898 to degree granting components of The Texas A&M University System on the basis of need, considering all other funding sources and other information as determined by the board.

TEXAS A&M UNIVERSITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 260,791,455	$ 261,725,212
Grand Total, TEXAS A&M UNIVERSITY	$ 260,791,455	$ 261,725,212
Method of Financing:		
General Revenue Fund	$ 192,277,113	$ 190,382,567
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	60,171,798	60,457,558
Real Estate Fee Trust Account No. 969, estimated	2,050,000	2,050,000
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	3,750,000	3,750,000
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	2,542,544	5,085,087
Total, Method of Financing	$ 260,791,455	$ 261,725,212
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	5,223.5	5,223.5
Number of Full-time Equivalent Positions (FTE) - Total	8,948.0	8,948.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:		
State Licensure Pass Rate of Engineering Graduates	88%	88%
State Pass Rate of Education EXCET Exam	93.4%	93.4%
Percent of Course Completers	95.2%	95.2%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	68%	68%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	88%	88%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	83%	83%
Dollar Value of External or Sponsored Research Funds (in		

† *As added in Senate Bill 1898, Regular Session, 1997.*

millions)	112.751	112.751

External or Sponsored Research Funds as a Percent of State Appropriations		34%		34%
Percent of Lower Division Courses Taught by Tenured Faculty		49%		49%
State Licensure Examination Pass Rate of Veterinary Medicine Graduates		97.2%		97.2%
A.1.1. Strategy: OPERATIONS SUPPORT	$	157,718,441	$	159,723,904
Outputs:				
Number of Undergraduate Degrees Awarded		7,100		7,100
Number of Minority Graduates		870		870
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	2,510,924	$	2,542,850
A.1.3. Strategy: GROWTH SUPPLEMENT	$	545,898	$	553,097
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	3,765,476	$	3,765,476
A.1.5. Strategy: WORKERS' COMPENSATION INSURANCE	$	2,315,221	$	2,315,221
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	7,490,276	$	7,917,902
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	3,775,342	$	3,775,342
A.1.8. Strategy: SYSTEM OFFICE OPERATIONS	$	355,107	$	354,822
Total, Goal A: INSTRUCTION/OPERATIONS	$	178,476,685	$	180,948,614
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	39,194,954	$	39,692,906
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	511,450	$	943,935
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	448,623	$	448,623
B.1.4. Strategy: A&M SERVICES INFRASTRUCTURE SUPPORT	$	4,732,673	$	2,611,361
Total, Goal B: INFRASTRUCTURE SUPPORT	$	44,887,700	$	43,696,825
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support				
C.1.1. Strategy: VETERINARY MEDICAL Veterinary Medical Education Program	$	27,112,370	$	27,116,552
C.1.2. Strategy: GOV/PUBLIC SERVICE SCHOOL School of Government and Public Service	$	809,023	$	809,023
C.1.3. Strategy: GOVERNMENT HISTORY CENTER Electronic Government History Center	$	351,479	$	U.B.
C.1.4. Strategy: SCHOLARSHIPS	$	169,506	$	169,506
C.2.1. Strategy: CYCLOTRON INSTITUTE	$	626,462	$	626,462
C.2.2. Strategy: SEA GRANT PROGRAM	$	411,060	$	411,060
C.2.3. Strategy: ENERGY RESOURCES PROGRAM	$	630,589	$	630,589

C.2.4. Strategy: PUBLIC POLICY LAB Public Policy Resource Laboratory	$	47,135	$	47,135
C.2.5. Strategy: INSTITUTE OF BIOSCIENCES Institute of Biosciences and Technology	$	3,348,568	$	3,348,568
C.2.6. Strategy: REAL ESTATE RESEARCH CTR Real Estate Research Center. Estimated.	$	2,050,000	$	2,050,000
C.3.1. Strategy: SCHOOL OF ARCHITECTURE	$	857,456	$	857,456
C.4.1. Strategy: RADIOLOGICAL SAFETY Radiological Safety Program	$	257,171	$	257,171
C.4.2. Strategy: OUTREACH CENTER University Outreach Center	$	186,688	$	186,688
C.4.3. Strategy: LEARNING RESOURCES Electronic Network for Library and Learning Resources	$	350,500	$	350,500
C.4.4. Strategy: TRANS TX VIDEO NETWORK Trans Texas Video Network	$	219,063	$	219,063
Total, Goal C: SPECIAL ITEM SUPPORT	$	37,427,070	$	37,079,773
Grand Total, TEXAS A&M UNIVERSITY	$	260,791,455	$	261,725,212

Method of Financing:				
General Revenue Fund	$	192,277,113	$	190,382,567
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770		60,171,798		60,457,558
Real Estate Fee Trust Account No. 969, estimated		2,050,000		2,050,000
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704		3,750,000		3,750,000
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708		2,542,544		5,085,087
Total, Method of Financing	$	260,791,455	$	261,725,212

2. **Real Estate Research Center.** Funds derived from the provisions of V.T.C.S., Article 6573a., Section 5.m., in support of the Real Estate Research Center at Texas A&M University, are appropriated above to said center for the purposes stipulated therein. No employee paid from funds appropriated by this Act shall be paid both a salary and compensatory per diem for concurrent service as a state employee and as a board or commission member.

TEXAS A&M UNIVERSITY AT GALVESTON

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 10,679,138	$ 10,744,881
Grand Total, TEXAS A&M UNIVERSITY AT GALVESTON	$ 10,679,138	$ 10,744,881
Method of Financing:		
General Revenue Fund	$ 7,875,478	$ 7,796,519
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	43,618	87,237
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	2,760,042	2,861,125
Total, Method of Financing	$ 10,679,138	$ 10,744,881
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	211.5	211.5
Number of Full-time Equivalent Positions (FTE) - Total	362.0	362.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide Instructional and Operations Support		
Outcomes:		
Percent of Course Completers	94%	94%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	40%	40%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	70%	70%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	77%	77%
Dollar Value of External or Sponsored Research Funds (in millions)	3.708	3.708
External or Sponsored Research Funds as a Percent of State Appropriations	34%	34%
Percent of Lower Division Courses Taught by Tenured Faculty	47%	47%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 3,360,135	$ 3,386,427
Outputs:		
Number of Undergraduate Degrees Awarded	200	200
Number of Minority Graduates	20	22
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 78,455	$ 79,068
A.1.3. Strategy: GROWTH SUPPLEMENT	$ 81,018	$ 81,676
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 247,173	$ 247,173

TEXAS A&M UNIVERSITY AT GALVESTON
(Continued)

A.1.5. Strategy: WORKERS' COMPENSATION INSURANCE	$ 95,655	$ 95,655
A.1.6. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 828	$ 828
A.1.7. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 173,565	$ 183,878
A.1.8. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$ 150,923	$ 150,923
A.1.9. Strategy: SYSTEM OFFICE OPERATIONS	$ 13,547	$ 13,536
Total, Goal A: INSTRUCTION/OPERATIONS	$ 4,201,299	$ 4,239,164
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support		
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$ 2,023,982	$ 2,040,036
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support		
C.1.1. Strategy: MARINE/MARITIME INSTRUCTN Marine and Maritime Instructional Enhancement	$ 2,250,223	$ 2,303,122
C.1.2. Strategy: SCHOLARSHIPS	$ 9,376	$ 9,376
C.2.1. Strategy: COASTAL ZONE LABORATORY	$ 26,151	$ 26,151
C.2.2. Strategy: INSTITUTE OF OCEANOGRAPHY Texas Institute of Oceanography	$ 536,373	$ 536,373
C.3.1. Strategy: SEABORNE CONSERVATION CORPS	$ 100,000	$ 100,000
C.4.1. Strategy: DREDGING OF DOCK AREA	$ 41,075	$ U.B.
C.4.2. Strategy: SHIP OPERATION & MAINT Ship Operation and Maintenance	$ 1,030,971	$ 1,030,971
C.4.3. Strategy: MARINE TERMINAL OPERATION Marine Terminal Operations	$ 459,688	$ 459,688
Total, Goal C: SPECIAL ITEM SUPPORT	$ 4,453,857	$ 4,465,681
Grand Total, TEXAS A&M UNIVERSITY AT GALVESTON	$ 10,679,138	$ 10,744,881
Method of Financing:		
General Revenue Fund	$ 7,875,478	$ 7,796,519
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	43,618	87,237
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	2,760,042	2,861,125
Total, Method of Financing	$ 10,679,138	$ 10,744,881

TEXAS A&M UNIVERSITY AT GALVESTON
(Continued)

2. **Training Vessel.** No funds appropriated to Texas A&M University at Galveston may be expended for purchase of a training vessel.

PRAIRIE VIEW A&M UNIVERSITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 29,642,919	$ 30,568,482
Grand Total, PRAIRIE VIEW A&M UNIVERSITY	$ 29,642,919	$ 30,568,482
Method of Financing:		
General Revenue Fund	$ 20,919,259	$ 21,387,007
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	128,016	128,016
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	340,724	681,448
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	8,254,920	8,372,011
Total, Method of Financing	$ 29,642,919	$ 30,568,482
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	640.5	640.5
Number of Full-time Equivalent Positions (FTE) - Total	1,171.5	1,171.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:		
State Licensure Pass Rate of Engineering Graduates	80%	80%
State Licensure Pass Rate of Nursing Graduates	99%	99%
State Pass Rate of Education EXCET Exam	86%	86%
Percent of Course Completers	99.4%	99.4%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	33%	33%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	73%	73%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	58%	58%
Dollar Value of External or Sponsored Research Funds (in millions)	11	11
External or Sponsored Research Funds as a Percent of State Appropriations	35.3%	35.3%
Percent of Lower Division Courses Taught by Tenured Faculty	52.2%	52.2%

A.1.1. Strategy: OPERATIONS SUPPORT	$	17,639,967	$	17,897,015
Outputs:				
Number of Undergraduate Degrees Awarded		763		773
Number of Minority Graduates		709		727
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	364,953	$	370,270
A.1.3. Strategy: GROWTH SUPPLEMENT	$	366,371	$	371,910
A.1.4. Strategy: FORMULA TRANSITION	$	1,553,989	$	1,553,989
A.1.5. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	566,215	$	566,215
A.1.6. Strategy: WORKERS' COMPENSATION INSURANCE	$	251,296	$	251,296
A.1.7. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	7,858	$	7,858
A.1.8. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,013,948	$	1,073,833
A.1.9. Strategy: INDIRECT COST RECOVERY	$	477,354	$	477,354
Indirect Cost Recovery for Research Related Activities				
A.1.10. Strategy: SYSTEM OFFICE OPERATIONS	$	55,878	$	55,834
Total, Goal A: INSTRUCTION/OPERATIONS	$	22,297,829	$	22,625,574
B. Goal: INFRASTRUCTURE SUPPORT				
Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT	$	5,001,320	$	5,074,139
Educational and General Space Support				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	0	$	525,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$	5,001,320	$	5,599,139
C. Goal: SPECIAL ITEM SUPPORT				
Provide Special Item Support				
C.1.1. Strategy: NON-TRADITIONAL SCHOLARS	$	123,880	$	123,880
Recruitment and Scholarships for Non-Traditional Students				
C.1.2. Strategy: STUDENT NURSE STIPENDS	$	192,444	$	192,444
C.1.3. Strategy: BANNEKER COLLEGE	$	40,645	$	40,645
C.1.4. Strategy: TX MED CENTER LIBRARY	$	27,267	$	27,267
Texas Medical Center Library Assessment				
C.1.5. Strategy: SCHOLARSHIPS	$	588,773	$	588,772
C.2.1. Strategy: EXTENSION/PUBLIC SERVICE	$	366,553	$	366,553
Extension and Public Service				
C.3.1. Strategy: COUNSELING SERVICES	$	115,119	$	115,119
C.3.2. Strategy: ACADEMIC/RESEARCH SUPPORT	$	249,740	$	249,740
Academic and Research Support				

PRAIRIE VIEW A&M UNIVERSITY
(Continued)

C.3.3. Strategy: EDUCATIONAL ASSESSMENT Educational Assessment, Growth and Learning Endeavors	$ 639,349	$ 639,349
Total, Goal C: SPECIAL ITEM SUPPORT	$ 2,343,770	$ 2,343,769
Grand Total, PRAIRIE VIEW A&M UNIVERSITY	$ 29,642,919	$ 30,568,482
Method of Financing:		
General Revenue Fund	$ 20,919,259	$ 21,387,007
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	128,016	128,016
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	340,724	681,448
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	8,254,920	8,372,011
Total, Method of Financing	$ 29,642,919	$ 30,568,482

2. **Center for Juvenile Crime.** Out of the funds appropriated above, $50,000 each year of the biennium shall be spent on the Center for Juvenile Crime at Prairie View A&M University.

3. **Contingency Appropriation for House Bill 2272.** Contingent upon enactment of House Bill 2272 or similar legislation, by the Seventy-fifth Legislature, Regular Session, all revenue increases for the Center for the Study and Prevention of Juvenile Crime and Delinquency are hereby appropriated to Prairie View A&M University for the establishment and operation of the Center.

TARLETON STATE UNIVERSITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 24,533,442	$ 25,471,667
Grand Total, TARLETON STATE UNIVERSITY	$ 24,533,442	$ 25,471,667
Method of Financing:		
General Revenue Fund	$ 18,214,339	$ 18,818,971
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	358,940	717,881
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	5,960,163	5,934,815
Total, Method of Financing	$ 24,533,442	$ 25,471,667

Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	586.5	586.5
Number of Full-time Equivalent Positions (FTE) - Total	831.5	831.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:				
State Licensure Pass Rate of Nursing Graduates		92%		92%
State Pass Rate of Education EXCET Exam		86.2%		86.2%
Percent of Course Completers		93%		93%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years		38%		38%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year		70%		70%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year		58%		58%
Dollar Value of External or Sponsored Research Funds (in millions)		.5		.5
External or Sponsored Research Funds as a Percent of State Appropriations		4%		5%
Percent of Lower Division Courses Taught by Tenured Faculty		47%		47%
A.1.1. Strategy: OPERATIONS SUPPORT	$	15,927,360	$	16,201,561
Outputs:				
Number of Undergraduate Degrees Awarded		935		940
Number of Minority Graduates		60		60
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	362,132	$	368,367
A.1.3. Strategy: GROWTH SUPPLEMENT	$	303,909	$	309,339
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	437,150	$	437,150
A.1.5. Strategy: WORKERS' COMPENSATION INSURANCE	$	187,722	$	187,722
A.1.6. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	4,359	$	4,359
A.1.7. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	923,054	$	977,364
A.1.8. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	70,000	$	70,000
A.1.9. Strategy: ORGANIZED ACTIVITIES	$	392,373	$	392,373
A.1.10. Strategy: SYSTEM OFFICE OPERATIONS	$	33,864	$	33,837
Total, Goal A: INSTRUCTION/OPERATIONS	$	18,641,923	$	18,982,072

B. Goal: INFRASTRUCTURE SUPPORT
Provide Infrastructure Support

B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	4,248,395	$	4,321,471

B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 0	$ 525,000
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 67,500	$ 67,500
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 4,315,895	$ 4,913,971
C. Goal: SPECIAL ITEM SUPPORT		
Provide Special Item Support		
C.1.1. Strategy: NURSING PROGRAM	$ 111,312	$ 111,312
C.1.2. Strategy: SCHOLARSHIPS	$ 13,618	$ 13,618
C.2.1. Strategy: ENVIRONMENTAL RESEARCH Institute for Applied Environmental Research	$ 1,306,880	$ 1,306,880
C.3.1. Strategy: PROFESSIONAL DEVELOPMENT	$ 43,814	$ 43,814
C.3.2. Strategy: COMPUTER TECHNOLOGY ENHANCEMENT	$ 100,000	$ 100,000
Total, Goal C: SPECIAL ITEM SUPPORT	$ 1,575,624	$ 1,575,624
Grand Total, TARLETON STATE UNIVERSITY	$ 24,533,442	$ 25,471,667
Method of Financing:		
General Revenue Fund	$ 18,214,339	$ 18,818,971
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	358,940	717,881
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	5,960,163	5,934,815
Total, Method of Financing	$ 24,533,442	$ 25,471,667

2. **Bosque River Monitoring Project.** The Institute for Applied Environmental Research shall conduct water quality monitoring for the Bosque River. The institute shall coordinate the collection and reporting of data to conform with Texas Natural Resource Conservation Commission protocols. The institute shall report on the water quality in the Bosque River by July 1 and February 1 of each year to the commission. It is legislative intent that the water quality monitoring efforts of the Institute for Applied Environmental Research, Texas Natural Resource Conservation Commission, and other appropriate agencies and entities be cooperative and non-duplicative.

TEXAS A&M UNIVERSITY - CORPUS CHRISTI

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 31,847,427	$ 33,759,739
Grand Total, TEXAS A&M UNIVERSITY - CORPUS CHRISTI	$ 31,847,427	$ 33,759,739
Method of Financing:		
General Revenue Fund	$ 26,918,939	$ 28,547,369
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	230,330	460,659
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	4,698,158	4,751,711
Total, Method of Financing	$ 31,847,427	$ 33,759,739
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	574.5	574.5
Number of Full-time Equivalent Positions (FTE) - Total	718.5	718.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:		
State Licensure Pass Rate of Nursing Graduates	92%	92%
State Pass Rate of Education EXCET Exam	89.1%	89.4%
Percent of Course Completers	92.88%	93.26%
Retention Rate of First-time, Full-time, Degree-seeking Transfer Students After One Academic Year	74.8%	77.1%
Dollar Value of External or Sponsored Research Funds (in millions)	2.7	2.7
External or Sponsored Research Funds as a Percent of State Appropriations	12%	13%
Percent of Lower Division Courses Taught by Tenured Faculty	68%	69%
Percent of First-Time, Full-Time, Degree-Seeking Transfer Students Who Earn a Baccalaureate Degree Within Four Academic Years (Upper-Level Institutions Only)	84.1%	84.1%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 15,079,757	$ 15,259,465
Outputs:		
Number of Undergraduate Degrees Awarded	790	800
Number of Minority Graduates	584	648
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 398,274	$ 403,020
A.1.3. Strategy: GROWTH SUPPLEMENT	$ 688,709	$ 697,228
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 295,039	$ 295,039

TEXAS A&M UNIVERSITY - CORPUS CHRISTI
(Continued)

A.1.5. Strategy: WORKERS' COMPENSATION INSURANCE	$ 119,114	$ 119,114
A.1.6. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 11,617	$ 11,617
A.1.7. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 668,232	$ 707,674
A.1.8. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$ 66,660	$ 66,660
A.1.9. Strategy: SYSTEM OFFICE OPERATIONS	$ 18,627	$ 18,612
Total, Goal A: INSTRUCTION/OPERATIONS	$ 17,346,029	$ 17,578,429
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support		
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$ 3,137,409	$ 3,174,766
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 4,691,744	$ 6,334,299
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 60,000	$ 60,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 7,889,153	$ 9,569,065
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support		
C.1.1. Strategy: ACADEMIC PROGRAM DEVELOP Academic Program Development	$ 2,951,361	$ 2,951,361
C.1.2. Strategy: AQUACULTURE/ MARICULTURE South Texas Initiative Aquaculture/Mariculture	$ 61,661	$ 61,661
C.1.3. Strategy: NURSING OUTREACH Undergraduate Nursing Outreach Program	$ 85,093	$ 85,093
C.1.4. Strategy: LOWER-LEVEL PROGRAMS Freshman and Sophomore Program Development	$ 2,448,336	$ 2,448,336
C.1.5. Strategy: ALLIED HEALTH	$ 263,609	$ 263,609
C.1.6. Strategy: SCHOOL NURSING PROGRAM School Nursing Program for Early Childhood Development Center	$ 250,000	$ 250,000
C.1.7. Strategy: SCHOLARSHIPS	$ 9,367	$ 9,367
C.2.1. Strategy: COASTAL STUDIES Center for Coastal Studies	$ 203,964	$ 203,964
C.3.1. Strategy: WATER RESOURCES CENTER	$ 75,245	$ 75,245
C.3.2. Strategy: ART MUSEUM	$ 263,609	$ 263,609
Total, Goal C: SPECIAL ITEM SUPPORT	$ 6,612,245	$ 6,612,245
Grand Total, TEXAS A&M UNIVERSITY - CORPUS CHRISTI	$ 31,847,427	$ 33,759,739

TEXAS A&M UNIVERSITY - CORPUS CHRISTI
(Continued)

Method of Financing:		
General Revenue Fund	$ 26,918,939	$ 28,547,369
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	230,330	460,659
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	4,698,158	4,751,711
Total, Method of Financing	$ 31,847,427	$ 33,759,739

2. **Art Museum Contingency.** Out of the funds appropriated above,$263,609 in each year of the biennium for the Art Museum are contingent upon the Art Museum receiving at least $527,218 each year from local gifts, grants, and donations for the purposes of the operations of the Art Museum. In the event that gifts, grants, or donations for each fiscal year total less than $527,218, the appropriation in each fiscal year is reduced to an amount equal to one-half of the total gifts, grants, and donations received in that fiscal year.

TEXAS A&M UNIVERSITY - KINGSVILLE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 31,253,778	$ 32,226,452
Grand Total, TEXAS A&M UNIVERSITY - KINGSVILLE	$ 31,253,778	$ 32,226,452
Method of Financing:		
General Revenue Fund	$ 24,559,472	$ 25,179,498
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	386,863	773,726
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	6,307,443	6,273,228
Total, Method of Financing	$ 31,253,778	$ 32,226,452
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	721.5	721.5
Number of Full-time Equivalent Positions (FTE) - Total	921.5	921.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

TEXAS A&M UNIVERSITY - KINGSVILLE
(Continued)

A. Goal: INSTRUCTION/OPERATIONS				
Provide Instructional and Operations Support				
Outcomes:				
State Licensure Pass Rate of Engineering Graduates		80%		80%
State Pass Rate of Education EXCET Exam		86%		86%
Percent of Course Completers		92%		92%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years		34%		34%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year		70%		70%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year		62%		62%
Dollar Value of External or Sponsored Research Funds (in millions)		9		9
External or Sponsored Research Funds as a Percent of State Appropriations		28.5%		28.5%
Percent of Lower Division Courses Taught by Tenured Faculty		62%		62%
A.1.1. Strategy: OPERATIONS SUPPORT	$	16,300,564	$	16,598,059
Outputs:				
Number of Undergraduate Degrees Awarded		674		674
Number of Minority Graduates		554		554
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	410,980	$	418,479
A.1.3. Strategy: GROWTH SUPPLEMENT	$	146,270	$	149,040
A.1.4. Strategy: FORMULA TRANSITION	$	675,590	$	675,590
A.1.5. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	494,704	$	494,704
A.1.6. Strategy: WORKERS' COMPENSATION INSURANCE	$	229,262	$	229,262
A.1.7. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	2,396	$	2,396
A.1.8. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,030,829	$	1,091,540
A.1.9. Strategy: INDIRECT COST RECOVERY	$	269,160	$	269,160
Indirect Cost Recovery for Research Related Activities				
A.1.10. Strategy: ORGANIZED ACTIVITIES	$	111,942	$	111,942
A.1.11. Strategy: SYSTEM OFFICE OPERATIONS	$	50,798	$	50,758
Total, Goal A: INSTRUCTION/OPERATIONS	$	19,722,495	$	20,090,930
B. Goal: INFRASTRUCTURE SUPPORT				
Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT	$	4,337,744	$	4,416,840
Educational and General Space Support				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,883,878	$	2,409,021
Total, Goal B: INFRASTRUCTURE SUPPORT	$	6,221,622	$	6,825,861
C. Goal: SPECIAL ITEM SUPPORT				
Provide Special Item Support				
C.1.1. Strategy: PROGRAM DEVELOPMENT	$	2,635,449	$	2,635,449

TEXAS A&M UNIVERSITY - KINGSVILLE
(Continued)

C.1.2. Strategy: ENGINEERING EDUCATION Expanding Engineering Education	$ 565,318	$ 565,318
C.1.3. Strategy: SOUTH TX NATURAL RESOURCE South Texas Natural Resource Initiative	$ 43,811	$ 43,811
C.1.4. Strategy: SCHOLARSHIPS	$ 116,213	$ 116,213
C.2.1. Strategy: CITRUS CENTER	$ 821,844	$ 821,844
C.2.2. Strategy: WILDLIFE RESEARCH Wildlife Research Institute	$ 205,428	$ 205,428
C.2.3. Strategy: ENGINEERING INITIATIVE TAMUS/A&I Engineering Initiative	$ 161,153	$ 161,153
C.2.4. Strategy: ENGINEERING EQUIPMENT Engineering Equipment Update	$ 604,324	$ 604,324
C.3.1. Strategy: JOHN E. CONNOR MUSEUM	$ 31,121	$ 31,121
C.3.2. Strategy: SOUTH TEXAS ARCHIVES	$ 125,000	$ 125,000
Total, Goal C: SPECIAL ITEM SUPPORT	$ 5,309,661	$ 5,309,661
Grand Total, TEXAS A&M UNIVERSITY - KINGSVILLE	$ 31,253,778	$ 32,226,452
Method of Financing:		
General Revenue Fund	$ 24,559,472	$ 25,179,498
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	386,863	773,726
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	6,307,443	6,273,228
Total, Method of Financing	$ 31,253,778	$ 32,226,452

2. **Appropriation of Special Mineral Fund.** Any unexpended balance as of August 31, 1997, and income during the biennium beginning September 1, 1997, in the Texas A&M University - Kingsville Special Mineral Fund No. 154 are hereby appropriated to Texas A&M University - Kingsville for campus building renovation, improvements, and for equipment to support the instructional and research programs of the university.

TEXAS A&M INTERNATIONAL UNIVERSITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 20,427,483	$ 22,460,726
Grand Total, TEXAS A&M INTERNATIONAL UNIVERSITY	$ 20,427,483	$ 22,460,726

Method of Financing:		
General Revenue Fund	$ 19,063,089	$ 21,015,610
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	80,846	161,692
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	1,283,548	1,283,424
Total, Method of Financing	$ 20,427,483	$ 22,460,726
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	295.0	295.0
Number of Full-time Equivalent Positions (FTE) - Total	328.0	328.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide Instructional and Operations Support		
Outcomes:		
State Pass Rate of Education EXCET Exam	86%	86%
Percent of Course Completers	92%	92%
Retention Rate of First-Time, Full-Time, Degree-Seeking Transfer Students after One Academic Year	70%	70%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	58%	58%
Dollar Value of External or Sponsored Research Funds (in millions)	.017	.017
External or Sponsored Research Funds as a Percent of State Appropriations	3%	3%
Percent of Lower Division Courses Taught by Tenured Faculty	83%	85%
Percent of First-Time, Full-Time, Degree-Seeking Transfer Students Who Earn a Baccalaureate Degree Within Four Academic Years (Upper-Level Institutions Only)	80%	80%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 6,220,361	$ 6,276,049
Outputs:		
Number of Undergraduate Degrees Awarded	325	400
Number of Minority Graduates	300	368
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 171,704	$ 173,241
A.1.3. Strategy: GROWTH SUPPLEMENT	$ 340,388	$ 343,552
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 2,236	$ 2,236
A.1.5. Strategy: WORKERS' COMPENSATION INSURANCE	$ 42,330	$ 42,330
A.1.6. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 319	$ 319
A.1.7. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 223,196	$ 236,354
A.1.8. Strategy: INDIRECT COST RECOVERY	$ 4,000	$ 4,000
Indirect Cost Recovery for Research Related Activities		

A.1.9. Strategy: SYSTEM OFFICE OPERATIONS	$ 5,080	$ 5,076
Total, Goal A: INSTRUCTION/OPERATIONS	$ 7,009,614	$ 7,083,157
B. Goal: INFRASTRUCTURE SUPPORT		
Provide Infrastructure Support		
B.1.1. Strategy: E & G SPACE SUPPORT	$ 2,257,508	$ 2,277,966
Educational and General Space Support		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 6,196,370	$ 8,135,612
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 8,453,878	$ 10,413,578
C. Goal: SPECIAL ITEM SUPPORT		
Provide Special Item Support		
C.1.1. Strategy: ACADEMIC PRGM DEVELOPMENT	$ 3,419,618	$ 3,419,618
Academic Program Development		
C.1.2. Strategy: INTERNATIONAL BUSINESS	$ 167,954	$ 167,954
Graduate School of International Business		
C.1.3. Strategy: TRANSITIONAL FUNDING	$ 1,274,111	$ 1,274,111
C.1.4. Strategy: SCHOLARSHIPS	$ 10,654	$ 10,654
C.2.1. Strategy: INTERNATIONAL TRADE	$ 91,654	$ 91,654
Institute for International Trade		
Total, Goal C: SPECIAL ITEM SUPPORT	$ 4,963,991	$ 4,963,991
Grand Total, TEXAS A&M INTERNATIONAL UNIVERSITY	$ 20,427,483	$ 22,460,726
Method of Financing:		
General Revenue Fund	$ 19,063,089	$ 21,015,610
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	80,846	161,692
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	1,283,548	1,283,424
Total, Method of Financing	$ 20,427,483	$ 22,460,726

2. **Drought Relief Center.** Out of the funds appropriated above it is the intent of the Legislature that Texas A&M International University spend $50,000 each year of the biennium to be used to establish a drought relief center.

3. **Authorization to Stock Library.** Out of the $4.5 million that was bonded to Texas A&M International University, it is the intent of the Legislature that the money be used to purchase library books, journals and other library material, such as shelving and equipment for the purpose of supporting existing and future academic programs. These purchases will include printed, microform, and electronic media, such as software, data bases and compact discs to support the academic programs.

WEST TEXAS A&M UNIVERSITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 25,542,309	$ 26,339,647
Grand Total, WEST TEXAS A&M UNIVERSITY	$ 25,542,309	$ 26,339,647
Method of Financing:		
General Revenue Fund	$ 19,437,666	$ 19,900,917
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	130,000	130,000
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	415,439	830,878
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	5,559,204	5,477,852
Total, Method of Financing	$ 25,542,309	$ 26,339,647
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	536.0	535.0
Number of Full-time Equivalent Positions (FTE) - Total	765.5	765.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide Instructional and Operations Support		
Outcomes:		
State Licensure Pass Rate of Nursing Graduates	95%	95%
State Pass Rate of Education EXCET Exam	90%	90%
Percent of Course Completers	92.1%	92.1%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	29%	29%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	70%	70%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	72%	72%
Dollar Value of External or Sponsored Research Funds (in millions)	2	2
External or Sponsored Research Funds as a Percent of State Appropriations	6.7%	6.7%
Percent of Lower Division Courses Taught by Tenured Faculty	47%	47%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 16,107,164	$ 16,431,775
Outputs:		
Number of Undergraduate Degrees Awarded	950	950
Number of Minority Graduates	115	115
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 375,214	$ 382,776
A.1.3. Strategy: GROWTH SUPPLEMENT	$ 283,296	$ 289,219
A.1.4. Strategy: FORMULA TRANSITION	$ 638,859	$ 638,857
A.1.5. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 615,158	$ 615,158

A.1.6. Strategy: WORKERS' COMPENSATION INSURANCE	$	177,874	$	177,874
A.1.7. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	1,786	$	1,786
A.1.8. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,135,434	$	1,202,350
A.1.9. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	57,966	$	57,966
A.1.10. Strategy: ORGANIZED ACTIVITIES	$	53,150	$	53,150
A.1.11. Strategy: SYSTEM OFFICE OPERATIONS	$	18,627	$	18,612
Total, Goal A: INSTRUCTION/OPERATIONS	$	19,464,528	$	19,869,523
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	3,840,967	$	3,918,310
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	0	$	315,000
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	85,700	$	85,700
Total, Goal B: INFRASTRUCTURE SUPPORT	$	3,926,667	$	4,319,010
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support				
C.1.1. Strategy: SCHOLARSHIPS	$	43,280	$	43,280
C.2.1. Strategy: KILLGORE RESEARCH CENTER	$	50,034	$	50,034
C.2.2. Strategy: WIND ENERGY RESEARCH	$	77,220	$	77,220
C.2.3. Strategy: AGRICULTURAL SCIENCES	$	1,316,837	$	1,316,837
C.2.4. Strategy: INTEGRATED PEST MGMT Integrated Pest Management	$	125,000	$	125,000
C.3.1. Strategy: PANHANDLE-PLAINS MUSEUM Panhandle-plains Historical Museum	$	538,743	$	538,743
Total, Goal C: SPECIAL ITEM SUPPORT	$	2,151,114	$	2,151,114
Grand Total, WEST TEXAS A&M UNIVERSITY	$	25,542,309	$	26,339,647
Method of Financing:				
General Revenue Fund	$	19,437,666	$	19,900,917
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704		130,000		130,000
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708		415,439		830,878

WEST TEXAS A&M UNIVERSITY
(Continued)

General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	5,559,204	5,477,852
Total, Method of Financing	$ 25,542,309	$ 26,339,647

2. **Speech and Language Pathology.** Out of funds appropriated above, $100,000 shall be used in fiscal year 1998 for start-up costs associated with reinstating a certification program in speech and language pathology.

TEXAS A&M UNIVERSITY - COMMERCE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 29,938,290	$ 30,566,906
Grand Total, TEXAS A&M UNIVERSITY - COMMERCE	$ 29,938,290	$ 30,566,906
Method of Financing:		
General Revenue Fund	$ 22,763,639	$ 23,021,897
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	572,908	572,908
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	413,141	826,283
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	6,188,602	6,145,818
Total, Method of Financing	$ 29,938,290	$ 30,566,906
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	730.5	730.5
Number of Full-time Equivalent Positions (FTE) - Total	1,023.0	1,023.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:		
State Pass Rate of Education EXCET Exam	92.35%	92.45%
Percent of Course Completers	92%	92%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	40%	40%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	70%	70%

Retention Rate of TASP Students Requiring Remediation Education After One Academic Year		60%		60%
Dollar Value of External or Sponsored Research Funds (in millions)		.435		.513
External or Sponsored Research Funds as a Percent of State Appropriations		1.5%		2%
Percent of Lower Division Courses Taught by Tenured Faculty		62%		62%
A.1.1. Strategy: OPERATIONS SUPPORT	$	21,532,295	$	21,860,537
Outputs:				
Number of Undergraduate Degrees Awarded		1,108		1,108
Number of Minority Graduates		250		250
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	388,780	$	394,705
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	620,750	$	620,750
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	127,880	$	131,716
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	31,937	$	32,704
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,085,183	$	1,149,070
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	35,000	$	35,000
A.1.8. Strategy: ORGANIZED ACTIVITIES	$	119,976	$	119,976
A.1.9. Strategy: SYSTEM OFFICE OPERATIONS	$	18,627	$	18,612
Total, Goal A: INSTRUCTION/OPERATIONS	$	23,960,428	$	24,363,070
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	5,185,076	$	5,264,050
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	0	$	147,000
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	122,189	$	122,189
Total, Goal B: INFRASTRUCTURE SUPPORT	$	5,307,265	$	5,533,239
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support				
C.1.1. Strategy: ACADEMIC/RESEARCH SUPPORT Academic and Research Support	$	201,458	$	201,458
C.1.2. Strategy: DOCTORAL FELLOWSHIPS	$	109,837	$	109,837
C.1.3. Strategy: SCHOLARSHIPS	$	34,045	$	34,045
C.2.1. Strategy: EDUCATIONAL CONSORTIUM Northeast Texas Educational Partnership Consortium	$	250,257	$	250,257

TEXAS A&M UNIVERSITY - COMMERCE
(Continued)

C.3.1. Strategy: SYSTEMS UPGRADE Systems Compatibility Modification and Upgrade	$ 75,000	$ 75,000
Total, Goal C: SPECIAL ITEM SUPPORT	$ 670,597	$ 670,597
Grand Total, TEXAS A&M UNIVERSITY - COMMERCE	$ 29,938,290	$ 30,566,906
Method of Financing:		
General Revenue Fund	$ 22,763,639	$ 23,021,897
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	572,908	572,908
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	413,141	826,283
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	6,188,602	6,145,818
Total, Method of Financing	$ 29,938,290	$ 30,566,906

TEXAS A&M UNIVERSITY - TEXARKANA

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 4,939,582	$ 5,216,578
Grand Total, TEXAS A&M UNIVERSITY - TEXARKANA	$ 4,939,582	$ 5,216,578
Method of Financing:		
General Revenue Fund	$ 4,024,793	$ 4,253,457
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	72,780	72,780
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	118,798	237,596
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	723,211	652,745
Total, Method of Financing	$ 4,939,582	$ 5,216,578
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	102.5	102.5
Number of Full-time Equivalent Positions (FTE) - Total	107.5	107.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS				
Provide Instructional and Operations Support				
Outcomes:				
State Pass Rate of Education EXCET Exam		98%		98%
Percent of Course Completers		95%		95%
Dollar Value of External or Sponsored Research Funds (in millions)		.009		.018
External or Sponsored Research Funds as a Percent of State Appropriations		1%		2%
Percent of First-time, Full-time, Degree-seeking Transfer Students Who Earn a Baccalaureate Degree Within Four Academic Years (Upper-level Institutions Only)		85%		86%
A.1.1. Strategy: OPERATIONS SUPPORT	$	2,642,405	$	2,718,435
Outputs:				
Number of Undergraduate Degrees Awarded		255		260
Number of Minority Graduates		45		48
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	68,102	$	70,061
A.1.3. Strategy: GROWTH SUPPLEMENT	$	46,733	$	48,127
A.1.4. Strategy: FORMULA TRANSITION	$	82,169	$	82,169
A.1.5. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	39,665	$	39,665
A.1.6. Strategy: WORKERS' COMPENSATION INSURANCE	$	18,562	$	18,562
A.1.7. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	3,712	$	3,712
A.1.8. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	309,454	$	327,668
A.1.9. Strategy: SYSTEM OFFICE OPERATIONS	$	18,627	$	18,612
Total, Goal A: INSTRUCTION/OPERATIONS	$	3,229,429	$	3,327,011
B. Goal: INFRASTRUCTURE SUPPORT				
Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT	$	1,341,514	$	1,380,928
Educational and General Space Support				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	0	$	140,000
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	18,500	$	18,500
B.1.4. Strategy: LEASE OF FACILITIES	$	2,396	$	2,396
Total, Goal B: INFRASTRUCTURE SUPPORT	$	1,362,410	$	1,541,824
C. Goal: SPECIAL ITEM SUPPORT				
Provide Special Item Support				
C.1.1. Strategy: ACADEMIC PROGRAMS	$	75,000	$	75,000
C.1.2. Strategy: SCHOLARSHIPS	$	9,376	$	9,376
C.2.1. Strategy: EDUCATION PARTNERSHIP	$	87,628	$	87,628
Northeast Texas Education Partnership				
C.3.1. Strategy: TRANSITION FUNDING	$	175,739	$	175,739

TEXAS A&M UNIVERSITY - TEXARKANA
(Continued)

Total, Goal C: SPECIAL ITEM SUPPORT	$ 347,743	$ 347,743
Grand Total, TEXAS A&M UNIVERSITY - TEXARKANA	$ 4,939,582	$ 5,216,578
Method of Financing:		
General Revenue Fund	$ 4,024,793	$ 4,253,457
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	72,780	72,780
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	118,798	237,596
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	723,211	652,745
Total, Method of Financing	$ 4,939,582	$ 5,216,578

UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATION

Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	216.0	216.0
Number of Full-time Equivalent Positions (FTE) - Total	294.0	294.0

1. **System Office Funding.** Of the amounts appropriated to the academic components of the University of Houston System, the following amounts are subject to the special and general provisions of this Act and are included for the operation of the University of Houston System Administration:

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
University of Houston	$ 1,441,111	$ 1,427,638
University of Houston - Clear Lake	150,062	148,659
University of Houston - Downtown	175,975	174,327
University of Houston - Victoria	16,194	16,043
Total	$ 1,783,342	$ 1,766,667

2. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $135,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the

governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

UNIVERSITY OF HOUSTON

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 157,932,031	$ 159,250,501
Grand Total, UNIVERSITY OF HOUSTON	$ 157,932,031	$ 159,250,501
Method of Financing:		
General Revenue Fund	$ 108,066,241	$ 107,293,336
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	4,968,598	4,968,598
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	1,463,642	2,927,284
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	43,433,550	44,061,283
Total, Method of Financing	$ 157,932,031	$ 159,250,501
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	3,202.0	3,202.0
Number of Full-time Equivalent Positions (FTE) - Total	4,471.5	4,471.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:		
State Licensure Pass Rate of Law Graduates	92%	92%
State Licensure Pass Rate of Engineering Graduates	91%	91%
State Licensure Pass Rate of Pharmacy Graduates	100%	100%
State Pass Rate of Education EXCET Exam	93%	93%
Percent of Course Completers	92%	92%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	40%	40%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	74.5%	75.5%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	69%	70%

Dollar Value of External or Sponsored Research Funds (in millions)		50.796		50.796
External or Sponsored Research Funds as a Percent of State Appropriations		34%		34%
Percent of Lower Division Courses Taught by Tenured Faculty		50%		52%
A.1.1. Strategy: OPERATIONS SUPPORT	$	107,271,540	$	108,453,668
Outputs:				
Number of Undergraduate Degrees Awarded		3,470		3,535
Number of Minority Graduates		1,688		1,793
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	1,641,148	$	1,659,440
A.1.3. Strategy: GROWTH SUPPLEMENT	$	565,393	$	571,925
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	2,693,792	$	2,693,792
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	4,564,738	$	4,821,990
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	2,900,000	$	2,900,000
A.1.7. Strategy: ORGANIZED ACTIVITIES	$	755,000	$	755,000
A.1.8. Strategy: SYSTEM OFFICE OPERATIONS	$	1,441,111	$	1,427,638
Total, Goal A: INSTRUCTION/OPERATIONS	$	121,832,722	$	123,283,453
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	23,050,691	$	23,307,381
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	2,752,891	$	2,447,822
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	352,608	$	352,608
Total, Goal B: INFRASTRUCTURE SUPPORT	$	26,156,190	$	26,107,811
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support				
C.1.1. Strategy: OPTOMETRY CLINIC Optometry Clinic and Armistead Building	$	657,317	$	657,317
C.1.2. Strategy: SCHOLARSHIPS	$	123,988	$	123,988
C.2.1. Strategy: ENERGY LABORATORY	$	328,789	$	328,789
C.2.2. Strategy: SPACE EXPLORATION Houston Partnership for Space Exploration	$	421,037	$	421,037
C.2.3. Strategy: COMMERCIAL DEV OF SPACE Center for Commercial Development of Space: Space Vacuum Epitaxy Center	$	482,288	$	482,288
C.2.4. Strategy: SUPERCONDUCTIVITY CENTER	$	5,340,000	$	5,340,000
C.3.1. Strategy: SMALL BUSINESS DEVELOP University of Houston Small Business Development Center	$	2,150,000	$	2,150,000
C.3.2. Strategy: HEALTH LAW & POLICY Health Law and Policy Institute	$	339,700	$	255,818

UNIVERSITY OF HOUSTON
(Continued)

C.3.3. Strategy: CENTER FOR PUBLIC POLICY	$ 100,000	$ 100,000
Total, Goal C: SPECIAL ITEM SUPPORT	$ 9,943,119	$ 9,859,237
Grand Total, UNIVERSITY OF HOUSTON	$ 157,932,031	$ 159,250,501
Method of Financing:		
General Revenue Fund	$ 108,066,241	$ 107,293,336
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	4,968,598	4,968,598
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	1,463,642	2,927,284
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	43,433,550	44,061,283
Total, Method of Financing	$ 157,932,031	$ 159,250,501

2. **Small Business Development Center.** Included in the appropriation above to the University of Houston is $1,650,267 in fiscal year 1998 and $1,650,266 in fiscal year 1999 for the Small Business Development Center, or its equivalent due to special and general provisions of this Act, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $3,300,533 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

3. **Performance Measure for Teacher Education Graduates.** The University of Houston beginning with the annual performance report for fiscal year 1998 shall report the percent of teacher education graduates who enter teaching positions in high-need areas. The Legislative Budget Board, in consultation with representatives from the University of Houston, Governor's Office of Budget and Planning, and State Auditor's Office, shall develop a standard definition for the measure.

UNIVERSITY OF HOUSTON - CLEAR LAKE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 27,130,457	$ 27,337,381
Grand Total, UNIVERSITY OF HOUSTON - CLEAR LAKE	$ 27,130,457	$ 27,337,381
Method of Financing:		
General Revenue Fund	$ 19,619,474	$ 19,492,864
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	1,480,724	1,480,724

General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	258,084	516,168
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	5,772,175	5,847,625
Total, Method of Financing	$ 27,130,457	$ 27,337,381
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	539.0	539.0
Number of Full-time Equivalent Positions (FTE) - Total	707.0	707.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide Instructional and Operations Support		
Outcomes:		
State Pass Rate of Education EXCET Exam	91%	91%
Percent of Course Completers	94%	94%
Dollar Value of External or Sponsored Research Funds (in millions)	2	2
External or Sponsored Research Funds as a Percent of State Appropriations	8%	8%
Percent of First-time, Full-time, Degree-seeking Transfer Students Who Earn a Baccalaureate Degree Within Four Academic Years (Upper-level Institutions Only)	75%	75%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 20,864,178	$ 21,081,985
Outputs:		
Number of Undergraduate Degrees Awarded	1,004	1,014
Number of Minority Graduates	218	234
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 215,812	$ 218,065
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 325,915	$ 325,915
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 726,346	$ 769,185
A.1.5. Strategy: INDIRECT COST RECOVERY	$ 180,875	$ 180,875
Indirect Cost Recovery for Research Related Activities		
A.1.6. Strategy: SYSTEM OFFICE OPERATIONS	$ 150,062	$ 148,659
Total, Goal A: INSTRUCTION/OPERATIONS	$ 22,463,188	$ 22,724,684
B. Goal: INFRASTRUCTURE SUPPORT		
Provide Infrastructure Support		
B.1.1. Strategy: E & G SPACE SUPPORT	$ 3,645,117	$ 3,683,139
Educational and General Space Support		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 351,553	$ 258,959

UNIVERSITY OF HOUSTON - CLEAR LAKE
(Continued)

B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 92,000	$ 92,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 4,088,670	$ 4,034,098
C. Goal: SPECIAL ITEM SUPPORT		
Provide Special Item Support		
C.1.1. Strategy: SCHOLARSHIPS	$ 9,369	$ 9,369
C.2.1. Strategy: HIGH TECHNOLOGIES LAB High Technologies Laboratory	$ 69,229	$ 69,229
C.2.2. Strategy: ENVIRONMENTAL STUDIES Houston Partnership for Environmental Studies	$ 500,001	$ 500,001
Total, Goal C: SPECIAL ITEM SUPPORT	$ 578,599	$ 578,599
Grand Total, UNIVERSITY OF HOUSTON - CLEAR LAKE	$ 27,130,457	$ 27,337,381
Method of Financing:		
General Revenue Fund	$ 19,619,474	$ 19,492,864
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	1,480,724	1,480,724
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	258,084	516,168
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	5,772,175	5,847,625
Total, Method of Financing	$ 27,130,457	$ 27,337,381

UNIVERSITY OF HOUSTON - DOWNTOWN

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 21,894,756	$ 22,435,783
Grand Total, UNIVERSITY OF HOUSTON - DOWNTOWN	$ 21,894,756	$ 22,435,783
Method of Financing:		
General Revenue Fund	$ 15,242,041	$ 15,399,220
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	339,090	678,179
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	6,313,625	6,358,384
Total, Method of Financing	$ 21,894,756	$ 22,435,783

Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	469.5	478.5
Number of Full-time Equivalent Positions (FTE) - Total	601.5	613.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:				
Percent of Course Completers		92%		92%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years		15%		20%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year		70%		70%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year		64%		67%
Dollar Value of External or Sponsored Research Funds (in millions)		6		6
External or Sponsored Research Funds as a Percent of State Appropriations		30%		31%
Percent of Lower Division Courses Taught by Tenured Faculty		47%		47%
A.1.1. Strategy: OPERATIONS SUPPORT	$	11,946,293	$	12,187,869
Outputs:				
Number of Undergraduate Degrees Awarded		758		781
Number of Minority Graduates		328		344
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	299,966	$	306,032
A.1.3. Strategy: GROWTH SUPPLEMENT	$	568,713	$	580,646
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	283,689	$	283,689
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	919,916	$	974,121
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	67,512	$	67,512
A.1.7. Strategy: SYSTEM OFFICE OPERATIONS	$	175,975	$	174,327
Total, Goal A: INSTRUCTION/OPERATIONS	$	14,262,064	$	14,574,196

B. Goal: INFRASTRUCTURE SUPPORT
Provide Infrastructure Support

B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	3,935,352	$	4,014,863
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	2,304,228	$	2,453,612

UNIVERSITY OF HOUSTON - DOWNTOWN
(Continued)

B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 100,635	$ 100,635
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 6,340,215	$ 6,569,110
C. Goal: SPECIAL ITEM SUPPORT		
Provide Special Item Support		
C.1.1. Strategy: SCHOLARSHIPS	$ 41,732	$ 41,732
C.2.1. Strategy: BASIC SKILLS LABORATORY	$ 263,988	$ 263,988
C.2.2. Strategy: CULTURAL ENRICHMENT CENTER	$ 986,757	$ 986,757
Total, Goal C: SPECIAL ITEM SUPPORT	$ 1,292,477	$ 1,292,477
Grand Total, UNIVERSITY OF HOUSTON - DOWNTOWN	$ 21,894,756	$ 22,435,783
Method of Financing:		
General Revenue Fund	$ 15,242,041	$ 15,399,220
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	339,090	678,179
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	6,313,625	6,358,384
Total, Method of Financing	$ 21,894,756	$ 22,435,783

UNIVERSITY OF HOUSTON - VICTORIA

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 7,213,332	$ 7,624,764
Grand Total, UNIVERSITY OF HOUSTON - VICTORIA	$ 7,213,332	$ 7,624,764
Method of Financing:		
General Revenue Fund	$ 6,009,231	$ 6,364,023
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	168,608	168,608
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	65,180	130,361
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	970,313	961,772
Total, Method of Financing	$ 7,213,332	$ 7,624,764
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	153.5	159.5
Number of Full-time Equivalent Positions (FTE) - Total	180.0	186.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide Instructional and Operations Support		
Outcomes:		
State Pass Rate of Education EXCET Exam	90%	90%
Percent of Course Completers	95%	95%
Dollar Value of External or Sponsored Research Funds (in millions)	.026	.027
External or Sponsored Research Funds as a Percent of State Appropriations	1%	2%
Percent of first-time, full-time, degree-seeking transfer students who earn a baccalaureate degree within four academic years (upper-level institutions only)	77.2%	78.8%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 3,775,475	$ 3,820,212
Outputs:		
Number of Undergraduate Degrees Awarded	325	349
Number of Minority Graduates	55	57
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 56,324	$ 56,991
A.1.3. Strategy: GROWTH SUPPLEMENT	$ 70,554	$ 71,420
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 58,401	$ 58,401
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 166,673	$ 176,478

UNIVERSITY OF HOUSTON - VICTORIA
(Continued)

A.1.6. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$ 9,000	$ 9,000
A.1.7. Strategy: SYSTEM OFFICE OPERATIONS	$ 16,194	$ 16,043
Total, Goal A: INSTRUCTION/OPERATIONS	$ 4,152,621	$ 4,208,545
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support		
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$ 1,959,997	$ 1,978,907
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 670,345	$ 1,006,943
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 23,780	$ 23,780
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 2,654,122	$ 3,009,630
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support		
C.1.1. Strategy: SCHOLARSHIPS	$ 9,374	$ 9,374
C.2.1. Strategy: MATH EDUCATION INSTITUTE	$ 397,215	$ 397,215
Total, Goal C: SPECIAL ITEM SUPPORT	$ 406,589	$ 406,589
Grand Total, UNIVERSITY OF HOUSTON - VICTORIA	$ 7,213,332	$ 7,624,764
Method of Financing:		
General Revenue Fund	$ 6,009,231	$ 6,364,023
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	168,608	168,608
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	65,180	130,361
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	970,313	961,772
Total, Method of Financing	$ 7,213,332	$ 7,624,764

MIDWESTERN STATE UNIVERSITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 19,069,567	$ 19,666,026
Grand Total, MIDWESTERN STATE UNIVERSITY	$ 19,069,567	$ 19,666,026

Method of Financing:		
General Revenue Fund	$ 14,077,638	$ 14,400,054
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	78,550	78,550
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	435,112	870,225
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	4,478,267	4,317,197
Total, Method of Financing	$ 19,069,567	$ 19,666,026
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	485.5	491.5
Number of Full-time Equivalent Positions (FTE) - Total	625.5	626.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:		
State Licensure Pass Rate of Nursing Graduates	92%	92%
State Pass Rate of Education EXCET Exam	89.3%	89.3%
Percent of Course Completers	92%	92%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	35%	38%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	72%	73%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	64%	66%
Dollar Value of External or Sponsored Research Funds (in millions)	.096	.105
External or Sponsored Research Funds as a Percent of State Appropriations	1%	2%
Percent of Lower Division Courses Taught by Tenured Faculty	53%	53%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 13,112,196	$ 13,449,034
Outputs:		
Number of Undergraduate Degrees Awarded	800	850
Number of Minority Graduates	125	125
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 336,080	$ 344,714
A.1.3. Strategy: GROWTH SUPPLEMENT	$ 96,304	$ 98,870
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 302,256	$ 302,256
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,127,405	$ 1,193,752

A.1.6. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$ 24,094	$ 24,094
Total, Goal A: INSTRUCTION/OPERATIONS	$ 14,998,335	$ 15,412,720
B. Goal: INFRASTRUCTURE SUPPORT		
Provide Infrastructure Support		
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$ 3,392,453	$ 3,479,527
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 0	$ 315,000
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 64,295	$ 64,295
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 3,456,748	$ 3,858,822
C. Goal: SPECIAL ITEM SUPPORT		
Provide Special Item Support		
C.1.1. Strategy: ACADEMIC/RESEARCH SUPPORT Academic and Research Support	$ 292,608	$ 292,608
C.1.2. Strategy: SCHOLARSHIPS	$ 9,376	$ 9,376
C.2.1. Strategy: FIBER OPTIC NETWORK	$ 220,000	$ 0
C.2.2. Strategy: COMPUTER LABORATORIES	$ 92,500	$ 92,500
Total, Goal C: SPECIAL ITEM SUPPORT	$ 614,484	$ 394,484
Grand Total, MIDWESTERN STATE UNIVERSITY	$ 19,069,567	$ 19,666,026
Method of Financing:		
General Revenue Fund	$ 14,077,638	$ 14,400,054
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	78,550	78,550
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	435,112	870,225
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	4,478,267	4,317,197
Total, Method of Financing	$ 19,069,567	$ 19,666,026

2. **Appropriation of Special Mineral Fund.** The balance of funds on hand for the year ending August 31, 1997, in the Midwestern State University Special Mineral Fund No. 412 and any income during the biennium beginning September 1, 1997, deposited to that fund are hereby appropriated to Midwestern State University for the general operations of the university.

3. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $20,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

MIDWESTERN STATE UNIVERSITY
(Continued)

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

UNIVERSITY OF NORTH TEXAS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 105,696,910	$ 108,017,086
Grand Total, UNIVERSITY OF NORTH TEXAS	$ 105,696,910	$ 108,017,086
Method of Financing:		
General Revenue Fund	$ 76,710,077	$ 77,519,249
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	2,141,963	2,141,963
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	1,404,053	2,808,105
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	25,440,817	25,547,769
Total, Method of Financing	$ 105,696,910	$ 108,017,086
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	2,506.0	2,506.0
Number of Full-time Equivalent Positions (FTE) - Total	3,528.0	3,528.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:		
State Pass Rate of Education EXCET Exam	94%	95%
Percent of Course Completers	94%	94%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	40%	42%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	71%	72%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	58%	58%
Dollar Value of External or Sponsored Research Funds (in millions)	8	9
External or Sponsored Research Funds as a Percent of State Appropriations	8%	9%
Percent of Lower Division Courses Taught by Tenured		

UNIVERSITY OF NORTH TEXAS
(Continued)

Faculty		47%		47%
A.1.1. Strategy: OPERATIONS SUPPORT	$	75,116,086	$	76,233,178
Outputs:				
Number of Undergraduate Degrees Awarded		3,300		3,400
Number of Minority Graduates		500		500
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	1,334,103	$	1,353,943
A.1.3. Strategy: GROWTH SUPPLEMENT	$	679,384	$	689,861
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	1,876,478	$	1,876,478
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	3,888,325	$	4,117,561
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	498,739	$	498,739
A.1.7. Strategy: ORGANIZED ACTIVITIES	$	269,476	$	269,476
Total, Goal A: INSTRUCTION/OPERATIONS	$	83,662,591	$	85,039,236
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	17,271,839	$	17,528,480
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	2,006,035	$	2,692,925
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	312,013	$	312,013
Total, Goal B: INFRASTRUCTURE SUPPORT	$	19,589,887	$	20,533,418
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support				
C.1.1. Strategy: MATH & SCIENCE ACADEMY Texas Academy of Math and Science	$	1,757,394	$	1,757,394
C.1.2. Strategy: N. TX AREA UNIVERSITIES Federation of North Texas Area Universities	$	343,712	$	343,712
C.1.3. Strategy: SCHOLARSHIPS	$	65,809	$	65,809
C.2.1. Strategy: APPLIED SCIENCES Institute of Applied Sciences	$	72,294	$	72,294
C.3.1. Strategy: LABOR/INDUSTRIAL RELATION Labor and Industrial Relations Institute	$	47,165	$	47,165
C.3.2. Strategy: EMERGENCY MANAGEMENT Center for Studies in Emergency Management	$	58,058	$	58,058
C.3.3. Strategy: CENTER FOR VOLUNTEERISM Educational Center for Volunteerism	$	100,000	$	100,000
Total, Goal C: SPECIAL ITEM SUPPORT	$	2,444,432	$	2,444,432
Grand Total, UNIVERSITY OF NORTH TEXAS	$	105,696,910	$	108,017,086

Method of Financing:		
General Revenue Fund	$ 76,710,077	$ 77,519,249
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	2,141,963	2,141,963
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	1,404,053	2,808,105
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	25,440,817	25,547,769
Total, Method of Financing	$ 105,696,910	$ 108,017,086

2. **Academic or Policy Research Program.** The Board of Regents of the University of North Texas is hereby authorized to use available funds or to enter into contracts, accept grants or matching grants for the purpose of establishing an academic or policy research program in conjunction with the Federal Emergency Management Agency (FEMA).

3. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $53,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

4. **Texas Academy of Mathematics and Science.** Notwithstanding any other provision of this Act, the University of North Texas may not transfer money appropriated under Strategy C.1.1., for the purpose of funding the Texas Academy of Mathematics and Science, to another purpose.

5. **Federation of North Texas Area Universities.** The Comptroller of Public Accounts shall pay all warrants drawn on the identified strategy of the Federation of North Texas Area Universities for expenses incurred on federation business regardless of which member institution of the federation the payee is an employee.

6. **Master Lease Purchase Program.** The University of North Texas is authorized to finance construction projects for Fouts Field (estimated cost $1,930,000), the Residence Hall System (estimated cost $2,450,000), and a new Performance Energy Management System (estimated cost $9,045,454), through the Master Lease Purchase Program administered by the Texas Public Finance Authority.

STEPHEN F. AUSTIN STATE UNIVERSITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 44,907,881	$ 45,823,432
Grand Total, STEPHEN F. AUSTIN STATE UNIVERSITY	$ 44,907,881	$ 45,823,432
Method of Financing:		
General Revenue Fund	$ 32,511,995	$ 32,743,170
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	712,218	1,424,437
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	11,683,668	11,655,825
Total, Method of Financing	$ 44,907,881	$ 45,823,432
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	1,313.0	1,313.0
Number of Full-time Equivalent Positions (FTE) - Total	2,989.5	3,006.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:		
State Licensure Pass Rate of Nursing Graduates	95%	95%
State Pass Rate of Education EXCET Exam	91.5%	92%
Percent of Course Completers	93%	93%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	43%	43%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	70%	70%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	58%	58%
Dollar Value of External or Sponsored Research Funds (in millions)	2.9	3
External or Sponsored Research Funds as a Percent of State Appropriations	7%	7%
Percent of Lower Division Courses Taught by Tenured Faculty	58%	58%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 30,501,564	$ 31,062,256
Outputs:		
Number of Undergraduate Degrees Awarded	2,020	2,020
Number of Minority Graduates	240	260
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 862,406	$ 878,259
A.1.3. Strategy: GROWTH SUPPLEMENT	$ 178,474	$ 181,879
A.1.4. Strategy: FORMULA TRANSITION	$ 736,080	$ 736,080

A.1.5. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	681,365	$	681,365
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,841,558	$	1,949,928
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	112,524	$	112,524
A.1.8. Strategy: ORGANIZED ACTIVITIES	$	410,200	$	410,200
Total, Goal A: INSTRUCTION/OPERATIONS	$	35,324,171	$	36,012,491
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	7,201,295	$	7,333,563
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	0	$	210,000
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	170,965	$	170,965
Total, Goal B: INFRASTRUCTURE SUPPORT	$	7,372,260	$	7,714,528
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support				
C.1.1. Strategy: ENRICHMENT CENTER Academic Enrichment Living Center	$	76,208	$	75,318
C.1.2. Strategy: SOCIAL WORK PROGRAM	$	109,360	$	108,083
C.1.3. Strategy: DOCTORATE OF EDUCATION Doctorate of Education/Instructional Development	$	476,410	$	470,847
C.1.4. Strategy: NORTHEAST TX INITIATIVE Northeast Texas Initiative	$	250,000	$	250,000
C.1.5. Strategy: SCHOLARSHIPS	$	67,197	$	66,412
C.2.1. Strategy: APPLIED FORESTRY STUDIES Center for Applied Studies in Forestry	$	547,902	$	541,504
C.2.2. Strategy: BIOTECHNOLOGY Biotechnology Collaboration	$	246,974	$	244,090
C.2.3. Strategy: EAST TEXAS STUDIES Institute for East Texas Studies	$	130,501	$	128,977
C.3.1. Strategy: STONE FORT MUSEUM	$	32,738	$	32,356
C.3.2. Strategy: SOIL TESTING LAB	$	93,119	$	92,031
C.3.3. Strategy: ENVIRONMENTAL/ECONOMIC Environmental and Economic Development	$	87,821	$	86,795
C.4.1. Strategy: WATER DAMAGE/TREE REMOVAL Water Damage and Tree Removal	$	93,220	$	0
Total, Goal C: SPECIAL ITEM SUPPORT	$	2,211,450	$	2,096,413
Grand Total, STEPHEN F. AUSTIN STATE UNIVERSITY	$	44,907,881	$	45,823,432

STEPHEN F. AUSTIN STATE UNIVERSITY
(Continued)

Method of Financing:		
General Revenue Fund	$ 32,511,995	$ 32,743,170
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	712,218	1,424,437
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	11,683,668	11,655,825
Total, Method of Financing	$ 44,907,881	$ 45,823,432

2. **Appropriation of Special Mineral Fund.** Any unexpended balance as of August 31, 1997, and income during the biennium beginning September 1, 1997, in the Stephen F. Austin University Special Mineral Fund No. 241 are hereby appropriated to Stephen F. Austin State University to support the instructional and research programs of the university.

3. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $25,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

TEXAS SOUTHERN UNIVERSITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 39,804,153	$ 40,981,134
Grand Total, TEXAS SOUTHERN UNIVERSITY	$ 39,804,153	$ 40,981,134
Method of Financing:		
General Revenue Fund	$ 25,858,693	$ 26,330,591
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	1,118,357	1,118,357
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	466,897	933,794
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	12,360,206	12,598,392
Total, Method of Financing	$ 39,804,153	$ 40,981,134
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	847.0	847.0
Number of Full-time Equivalent Positions (FTE) - Total	1,335.0	1,335.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS				
Provide Instructional and Operations Support				
Outcomes:				
State Licensure Pass Rate of Law Graduates		89%		89%
State Licensure Pass Rate of Pharmacy Graduates		92%		92%
State Pass Rate of Education EXCET Exam		86%		87%
Percent of Course Completers		94%		95%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years		22%		25%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year		81.4%		86%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year		70%		72%
Dollar Value of External or Sponsored Research Funds (in millions)		16.4		16.4
External or Sponsored Research Funds as a Percent of State Appropriations		41.7%		41.7%
Percent of Lower Division Courses Taught by Tenured Faculty		71%		71%
A.1.1. Strategy: OPERATIONS SUPPORT	$	23,386,529	$	23,739,624
Outputs:				
Number of Undergraduate Degrees Awarded		630		648
Number of Minority Graduates		610		610
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	486,615	$	493,961
A.1.3. Strategy: GROWTH SUPPLEMENT	$	456,170	$	463,308
A.1.4. Strategy: FORMULA TRANSITION	$	1,857,401	$	1,857,401
A.1.5. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	585,526	$	585,526
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,473,957	$	1,554,042
A.1.7. Strategy: INDIRECT COST RECOVERY	$	500,000	$	500,000
Indirect Cost Recovery for Research Related Activities				
A.1.8. Strategy: ORGANIZED ACTIVITIES	$	62,000	$	62,000
Total, Goal A: INSTRUCTION/OPERATIONS	$	28,808,198	$	29,255,862
B. Goal: INFRASTRUCTURE SUPPORT				
Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT	$	6,583,616	$	6,682,932
Educational and General Space Support				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	0	$	630,000
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	96,693	$	96,693
Total, Goal B: INFRASTRUCTURE SUPPORT	$	6,680,309	$	7,409,625

C. Goal: SPECIAL ITEM SUPPORT				
Provide Special Item Support				
C.1.1. Strategy: SCHOOL OF LAW	$	403,819	$	403,819
Thurgood Marshall School of Law				
C.1.2. Strategy: SCHOOL OF TECHNOLOGY	$	43,935	$	43,935
C.1.3. Strategy: SCHOLARSHIPS-NON-BLACKS	$	233,194	$	233,194
Scholarships and Recruitment for Non-black Students				
C.1.4. Strategy: ACCREDITATION-BUSINESS	$	82,464	$	82,464
Accreditation Continuation-Business				
C.1.5. Strategy: ACCREDITATION-PHARMACY	$	83,176	$	83,176
Accreditation Continuation-Pharmacy				
C.1.6. Strategy: ACCREDITATION-EDUCATION	$	104,200	$	104,200
Accreditation Continuation-Education				
C.1.7. Strategy: DOCTOR OF PHARMACY	$	89,623	$	89,623
Program Enhancement-Doctor of Pharmacy				
C.1.8. Strategy: MASTER OF ACCOUNTING	$	49,663	$	49,663
Program Enhancement-Master of Accounting				
C.1.9. Strategy: ENVIRONMENTAL HEALTH	$	18,236	$	18,236
Program Enhancement-Environmental Health				
C.1.10. Strategy: ACADEMIC SUPPORT	$	1,316,837	$	1,316,837
C.1.11. Strategy: SCHOLARSHIPS	$	989,328	$	989,329
C.1.12. Strategy: PERFORMING SCHOLARSHIPS	$	50,000	$	50,000
Scholarships for High Performing Students				
C.2.1. Strategy: MICKEY LELAND CENTER	$	80,582	$	80,582
Mickey Leland Center on World Hunger and Peace				
C.2.2. Strategy: COMMUNITY REDEVELOPMENT	$	100,000	$	100,000
Community Redevelopment Project				
C.3.1. Strategy: COUNSELING & ADVISEMENT	$	330,442	$	330,442
Counseling and Academic Advisement				
C.3.2. Strategy: MIS/FISCAL OPERATIONS	$	164,890	$	164,890
Integrated Plan to Improve MIS and Fiscal Operations				
C.3.3. Strategy: RISK MANAGEMENT	$	175,257	$	175,257
Enhancing Safety, Security and Risk Management				
Total, Goal C: SPECIAL ITEM SUPPORT	$	4,315,646	$	4,315,647
Grand Total, TEXAS SOUTHERN UNIVERSITY	$	39,804,153	$	40,981,134
Method of Financing:				
General Revenue Fund	$	25,858,693	$	26,330,591
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704		1,118,357		1,118,357
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708		466,897		933,794

General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	12,360,206	12,598,392
Total, Method of Financing	$ 39,804,153	$ 40,981,134

2. **Program Enhancements for Texas Southern University.** It is the intent of the Legislature that for Thurgood Marshall School of Law, Accreditation Continuation-Business, Accreditation Continuation-Pharmacy, Accreditation Continuation-Education, Program Enhancement-Doctor of Pharmacy, Program Enhancement-Master of Accounting and Program Enhancement-Environmental Health, Texas Southern University shall, prior to September 1, 1997, submit to the Texas Higher Education Coordinating Board and the Legislative Budget Board a detailed plan for the use of these funds in order to maintain or achieve accreditation for the specified program or department.

3. **Thurgood Marshall School of Law.** In addition to general revenue funds identified above for the operation and maintenance of the Thurgood Marshall School of Law, all tuition and fee revenues generated through enrollment in the School of Law, including Texas Public Education Grants and Emergency Loans under Chapter 56 (Student Financial Aid Assistance), shall be allocated for use by the School of Law and may only be expended for purposes related to the operation and maintenance of the School of Law and its students.

4. **Appropriation, Governing Board.** Out of funds appropriated herein, an amount not to exceed $25,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

5. **Establish and Implement University Accountability Systems.** The Board of Regents of Texas Southern University shall establish a team of outside experts no later than September 1, 1997. The team shall work with the institution administration to assist in establishing and implementing management and financial procedures and comprehensive internal oversight systems and controls at Texas Southern University, including finance and accounting, human resources, management information systems, planning and communications, and student financial aid. The team may include outside consultants, staff from the Comptroller of Public Accounts, or other appropriate agencies. The team shall establish a timeline and benchmarks for implementing policies, procedures and control systems for each of the areas listed above.

   The university in conjunction with the team of outside experts shall provide quarterly progress reports, in a format prescribed by the State Auditor’s Office, to the Board of Regents, Legislative Budget Board, Legislative Audit Committee, State Auditor’s Office, Senate Finance Committee, and House Appropriations Committee. The progress report shall include specific information on progress in finance and accounting, human resources, management information systems, planning and communications, and student financial aid. If the State Auditor determines that substantial demonstrable progress has not been made by Texas Southern University by June 1, 1998, in establishing, implementing, and maintaining necessary systems and controls, the State Auditor’s findings and the reasons therefore shall be reported to the Legislative Audit Committee. In response to the State Auditor’s findings, the Legislative Audit Committee, after consultation with the Higher Education Coordinating Board, shall make a

recommendation to the Seventy-sixth Legislature on placing Texas Southern University under the organization, control, and management of a university system.

TEXAS TECH UNIVERSITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 127,981,170	$ 130,655,169
Grand Total, TEXAS TECH UNIVERSITY	$ 127,981,170	$ 130,655,169
Method of Financing:		
General Revenue Fund	$ 93,868,134	$ 95,070,821
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	3,084,751	3,084,751
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	1,450,128	2,900,256
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	29,578,157	29,599,341
Total, Method of Financing	$ 127,981,170	$ 130,655,169
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	2,902.5	2,902.5
Number of Full-time Equivalent Positions (FTE) - Total	4,658.0	4,658.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide Instructional and Operations Support		
Outcomes:		
State Licensure Pass Rate of Law Graduates	95%	95%
State Licensure Pass Rate of Engineering Graduates	80%	80%
State Pass Rate of Education EXCET Exam	94%	94%
Percent of Course Completers	92%	92%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	43%	43%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	76%	76%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	63%	63%
Dollar Value of External or Sponsored Research Funds (in millions)	16.783	16.783
External or Sponsored Research Funds as a Percent of State Appropriations	16%	16%
Percent of Lower Division Courses Taught by Tenured Faculty	47%	47%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 82,633,783	$ 83,781,338
Outputs:		
Number of Undergraduate Degrees Awarded	3,100	3,100
Number of Minority Graduates	355	385

A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	1,407,631	$	1,427,179
A.1.3. Strategy: GROWTH SUPPLEMENT	$	996,258	$	1,010,601
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	2,251,055	$	2,251,055
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	4,064,428	$	4,297,466
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	1,343,267	$	1,343,267
A.1.7. Strategy: ORGANIZED ACTIVITIES	$	193,675	$	193,675
Total, Goal A: INSTRUCTION/OPERATIONS	$	92,890,097	$	94,304,581
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	19,363,385	$	19,632,065
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	4,346,490	$	5,337,325
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	312,350	$	312,350
Total, Goal B: INFRASTRUCTURE SUPPORT	$	24,022,225	$	25,281,740
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support				
C.1.1. Strategy: LEGAL CENTER/LIBRARY West Texas Legal Resource Center/Library Enhancement	$	2,951,865	$	2,951,865
C.1.2. Strategy: ACADEMIC SUPPORT Academic Operations Support	$	1,315,598	$	1,315,598
C.1.3. Strategy: SCHOLARSHIPS	$	144,134	$	144,134
C.2.1. Strategy: RANGELAND MANAGEMENT Research in Rangeland Management	$	863,503	$	863,503
C.2.2. Strategy: TEXTILE RESEARCH	$	582,669	$	582,669
C.2.3. Strategy: WATER CONSERVATION Research in Water, Water Conservation and Reuse	$	137,020	$	137,020
C.2.4. Strategy: ALTERNATE ENERGY SOURCES Research in Alternate Sources of Energy, Including Wind Engineering	$	540,091	$	540,091
C.2.5. Strategy: AGRI, BUSINESS ADMIN, ENG Research in Agriculture, Business Administration, Engineering, Home Economics and Leather	$	514,466	$	514,466
C.2.6. Strategy: EFFICIENT BEEF PRODUCTION Efficient Beef Production Research	$	100,665	$	100,665
C.2.7. Strategy: ARID AND SEMI-ARID LANDS Research on Problems of Arid and Semi-arid Lands	$	69,552	$	69,552
C.2.8. Strategy: FIRE ANT RESEARCH	$	123,378	$	123,378
C.2.9. Strategy: ROBOTICS & HIGH TECH Applied Research in Robotics and High	$	98,259	$	98,259

Technology		
C.2.10. Strategy: WINE MARKETING & ENOLOGY	$ 186,893	$ 186,893
Wine Marketing and Enology Research		
C.2.11. Strategy: COTTON ECONOMICS RESEARCH	$ 133,478	$ 133,478
C.2.12. Strategy: BIOTECHNOLOGY RESEARCH	$ 225,724	$ 225,724
C.2.13. Strategy: BIOLOGICAL DATABASE	$ 221,126	$ 221,126
Cooperative Biological Research Database		
C.2.14. Strategy: VIETNAM RESEARCH CENTER	$ 360,201	$ 360,201
C.3.1. Strategy: JUNCTION ANNEX OPERATION	$ 112,592	$ 112,592
C.3.2. Strategy: SMALL BUSINESS DEVELOP	$ 750,000	$ 750,000
Small Business Development Center		
C.3.3. Strategy: TECH UNIVERSITY MUSEUM	$ 682,724	$ 682,724
Texas Tech University Museum		
C.3.4. Strategy: INTERNATIONAL CULTURAL CENTER	$ 454,910	$ 454,910
C.3.5. Strategy: INTERNATIONAL TRADE CENTER	$ 500,000	$ 500,000
Total, Goal C: SPECIAL ITEM SUPPORT	$ 11,068,848	$ 11,068,848
Grand Total, TEXAS TECH UNIVERSITY	$ 127,981,170	$ 130,655,169
Method of Financing:		
General Revenue Fund	$ 93,868,134	$ 95,070,821
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	3,084,751	3,084,751
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	1,450,128	2,900,256
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	29,578,157	29,599,341
Total, Method of Financing	$ 127,981,170	$ 130,655,169

2. **Appropriation of Special Mineral Fund.** Any unexpended balance as of August 31, 1997, and income during the biennium beginning September 1, 1997, in the Texas Tech University Special Mineral Fund are hereby appropriated at Texas Tech University for equipment to support instruction and research programs of the University.

3. **Small Business Development Center.** Included in the appropriation above to Texas Tech University is $442,009 in fiscal year 1998 and $442,010 in fiscal year 1999 for the Small Business Development Center, or its equivalent due to special and general provisions of this Act, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $884,019 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

TEXAS TECH UNIVERSITY
(Continued)

4. **Texas Tech University Museum.** Out of funds identified above for the Texas Tech University Museum, $33,565 in each fiscal year shall be allocated to the Ranching Heritage Center, and $166,859 in each fiscal year shall be allocated to the Lubbock Lake Landmark.

5. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $75,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

6. **Cooperative Biological Research Database.** Out of the funds appropriated above, the sum of $222,500 per year is for the establishment of a biological research database in cooperation with the Texas Parks and Wildlife Department and the Texas Cooperative Fish and Wildlife Research Unit. The Texas Parks and Wildlife Department and the Texas Cooperative Fish and Wildlife Research Unit shall provide matching funds to establish and fund the database.

7. **Feed Institute.** The University shall out of funds appropriated above, provide $150,000 fiscal year 1998 and $150,000 fiscal year 1999 for the Feed Institute.

TEXAS WOMAN'S UNIVERSITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 50,787,195	$ 51,655,510
Grand Total, TEXAS WOMAN'S UNIVERSITY	$ 50,787,195	$ 51,655,510
Method of Financing:		
General Revenue Fund	$ 40,499,583	$ 40,872,901
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	1,331,073	1,331,073
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	489,128	978,256
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	8,467,411	8,473,280
Total, Method of Financing	$ 50,787,195	$ 51,655,510
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	1,152.5	1,152.5
Number of Full-time Equivalent Positions (FTE) - Total	1,450.5	1,450.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS				
Provide Instructional and Operations Support				
Outcomes:				
State Licensure Pass Rate of Nursing Graduates		97%		97%
State Pass Rate of Education EXCET Exam		91%		91%
Percent of Course Completers		94.4%		94.4%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years		36%		37%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year		72.1%		72.1%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year		68.6%		68.6%
Dollar Value of External or Sponsored Research Funds (in millions)		1.4		1.4
External or Sponsored Research Funds as a Percent of State Appropriations		3%		3%
Percent of Lower Division Courses Taught by Tenured Faculty		49%		51%
A.1.1. Strategy: OPERATIONS SUPPORT	$	39,350,934	$	39,762,190
Outputs:				
Number of Undergraduate Degrees Awarded		1,275		1,305
Number of Minority Graduates		380		384
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	456,960	$	461,735
A.1.3. Strategy: GROWTH SUPPLEMENT	$	511,392	$	516,934
A.1.4. Strategy: FORMULA TRANSITION	$	109,860	$	109,860
A.1.5. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	488,049	$	488,049
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,312,376	$	1,389,683
A.1.7. Strategy: INDIRECT COST RECOVERY	$	146,000	$	146,000
Indirect Cost Recovery for Research Related Activities				
A.1.8. Strategy: ORGANIZED ACTIVITIES	$	33,000	$	33,000
Total, Goal A: INSTRUCTION/OPERATIONS	$	42,408,571	$	42,907,451
B. Goal: INFRASTRUCTURE SUPPORT				
Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT	$	6,469,564	$	6,537,119
Educational and General Space Support				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	614,438	$	916,318
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	116,675	$	116,675
Total, Goal B: INFRASTRUCTURE SUPPORT	$	7,200,677	$	7,570,112
C. Goal: SPECIAL ITEM SUPPORT				
Provide Special Item Support				
C.1.1. Strategy: LIBRARY ASSESSMENT	$	200,344	$	200,344
Texas Medical Center Library Assessment				

C.1.2. Strategy: HEALTH TEACHING NETWORK	$	175,183	$	175,183
C.1.3. Strategy: NURSE PRACTITIONER Nurse Practitioner Programs	$	131,805	$	131,805
C.1.4. Strategy: SCHOLARSHIPS	$	23,938	$	23,938
C.2.1. Strategy: NUTRITION RESEARCH Human Nutrition Research Development Program	$	88,602	$	88,602
C.2.2. Strategy: WOMEN'S HEALTH RESEARCH Center for Research on Women's Health	$	175,000	$	175,000
C.3.1. Strategy: READING RECOVERY	$	228,169	$	228,169
C.4.1. Strategy: HEALTH PROFESSIONS Health Professions Outreach	$	154,906	$	154,906
Total, Goal C: SPECIAL ITEM SUPPORT	$	1,177,947	$	1,177,947
Grand Total, TEXAS WOMAN'S UNIVERSITY	$	50,787,195	$	51,655,510
Method of Financing:				
General Revenue Fund	$	40,499,583	$	40,872,901
General Revenue Fund - Dedicated - Estimated Board Authorized Tuition Increases Account No. 704		1,331,073		1,331,073
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708		489,128		978,256
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770		8,467,411		8,473,280
Total, Method of Financing	$	50,787,195	$	51,655,510

2. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $20,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM CENTRAL OFFICE

Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	10.5	10.5
Number of Full-time Equivalent Positions (FTE) - Total	10.5	10.5

1. **System Office Funding.** Of the amounts appropriated to the academic components of the Texas State University System, the following amounts are subject to the special and general provisions of this Act and are included for the operation of the Texas State University System Central Office:

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Angelo State University	$ 89,736	$ 89,623
Lamar University Beaumont	257,016	256,692
Lamar University Orange	19,520	19,496
Lamar University Institute of Technology	19,520	19,496
Lamar University Port Arthur	29,280	29,243
Sam Houston State University	192,768	192,525
Southwest Texas State University	322,461	322,054
Sul Ross State University	33,235	33,193
Sul Ross State University Rio Grande College	3,325	3,320
Total	$ 966,861	$ 965,642

2. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $75,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

3. **Audit of Base Period Contact Hours at the Lamar Centers.** The hours used in the contact hour base period to fund the Lamar Centers are subject to audit for accuracy by the State Auditor according to an audit plan developed in consultation with the Texas Higher Education Coordinating Board, the Legislative Budget Board and the public community and junior colleges and the appropriation amounts adjusted accordingly by the Comptroller of Public Accounts. The calculation of revised appropriation amounts shall allow the institutions an error rate of up to two percent.

ANGELO STATE UNIVERSITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 24,670,122	$ 25,252,770
Grand Total, ANGELO STATE UNIVERSITY	$ 24,670,122	$ 25,252,770
Method of Financing:		
General Revenue Fund	$ 18,784,032	$ 19,048,760
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	410,355	820,710
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	5,475,735	5,383,300
Total, Method of Financing	$ 24,670,122	$ 25,252,770
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	484.0	489.0
Number of Full-time Equivalent Positions (FTE) - Total	670.5	678.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide Instructional and Operations Support		
Outcomes:		
State Licensure Pass Rate of Nursing Graduates	94%	95%
State Pass Rate of Education EXCET Exam	86.5%	87%
Percent of Course Completers	92.9%	92.9%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	35%	36%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	70%	70%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	58%	60%
Dollar Value of External or Sponsored Research Funds (in millions)	.192	.417
External or Sponsored Research Funds as a Percent of State Appropriations	1%	2%
Percent of Lower Division Courses Taught by Tenured Faculty	64.9%	65%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 14,791,891	$ 15,113,707
Outputs:		
Number of Undergraduate Degrees Awarded	762	770
Number of Minority Graduates	159	162
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 436,459	$ 445,954
A.1.3. Strategy: GROWTH SUPPLEMENT	$ 277,479	$ 283,742
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 247,288	$ 247,288

ANGELO STATE UNIVERSITY
(Continued)

A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,056,390	$	1,118,547
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	4,750	$	4,750
A.1.7. Strategy: ORGANIZED ACTIVITIES	$	168,878	$	168,878
A.1.8. Strategy: SYSTEM OFFICE OPERATIONS	$	89,736	$	89,623
Total, Goal A: INSTRUCTION/OPERATIONS	$	17,072,871	$	17,472,489
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	3,347,994	$	3,420,773
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,359,707	$	2,047,781
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	64,000	$	64,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$	4,771,701	$	5,532,554
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support				
C.1.1. Strategy: ACADEMIC/RESEARCH SUPPORT Academic and Research Support	$	544,388	$	544,388
C.1.2. Strategy: EXPANSION NURSING PROGRAM Expansion of Nursing Program	$	93,897	$	93,897
C.1.3. Strategy: COMPUTER TRAINING Computer/Information Training, Telecommunications & Distance Learning	$	197,707	$	269,760
C.1.4. Strategy: PHYS THERAPY & NURSING Physical Therapy and Nursing	$	153,772	$	153,772
C.1.5. Strategy: SCHOOL-BASED CLINICS	$	56,000	$	56,000
C.1.6. Strategy: SCHOLARSHIPS	$	20,955	$	20,954
C.2.1. Strategy: MANAGEMENT, INSTRUCTION Management, Instruction, and Research Center	$	295,715	$	295,715
C.2.2. Strategy: SMALL BUSINESS DEVELOP Small Business Development Center	$	87,870	$	87,870
C.2.3. Strategy: CENTER FOR FINE ARTS Center for Fine Arts and Education	$	62,500	$	62,500
C.3.1. Strategy: EDUCATION OPPORTUNITY Educational Opportunity Service	$	87,870	$	87,870
C.3.2. Strategy: UNIVERSITY SUPPORT General University Support	$	575,001	$	575,001
C.3.3. Strategy: HAIL DAMAGE Hail Damage Roof Replacement	$	649,875	$	U.B.
Total, Goal C: SPECIAL ITEM SUPPORT	$	2,825,550	$	2,247,727
Grand Total, ANGELO STATE UNIVERSITY	$	24,670,122	$	25,252,770

ANGELO STATE UNIVERSITY
(Continued)

Method of Financing:		
General Revenue Fund	$ 18,784,032	$ 19,048,760
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	410,355	820,710
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	5,475,735	5,383,300
Total, Method of Financing	$ 24,670,122	$ 25,252,770

LAMAR UNIVERSITY - BEAUMONT

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 30,805,458	$ 31,497,461
Grand Total, LAMAR UNIVERSITY - BEAUMONT	$ 30,805,458	$ 31,497,461
Method of Financing:		
General Revenue Fund	$ 24,577,070	$ 24,913,207
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	355,097	710,195
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	5,873,291	5,874,059
Total, Method of Financing	$ 30,805,458	$ 31,497,461
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	904.5	904.5
Number of Full-time Equivalent Positions (FTE) - Total	1,129.5	1,129.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:		
State Licensure Pass Rate of Engineering Graduates	98.5%	98.5%
State Licensure Pass Rate of Nursing Graduates	95.2%	95.2%
State Pass Rate of Education EXCET Exam	89%	89%
Percent of Course Completers	93%	95%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	28%	30%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	70%	70%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	58%	58%

Dollar Value of External or Sponsored Research Funds (in millions)		6.5		6.5
External or Sponsored Research Funds as a Percent of State Appropriations		19.7%		20%
Percent of Lower Division Courses Taught by Tenured Faculty		70%		70%
A.1.1. Strategy: OPERATIONS SUPPORT	$	20,424,100	$	20,697,280
Outputs:				
Number of Undergraduate Degrees Awarded		995		995
Number of Minority Graduates		234		234
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	594,928	$	602,884
A.1.3. Strategy: FORMULA TRANSITION	$	608,871	$	608,871
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	498,953	$	498,953
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	971,100	$	1,028,332
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	115,000	$	115,000
A.1.7. Strategy: SYSTEM OFFICE OPERATIONS	$	257,016	$	256,692
Total, Goal A: INSTRUCTION/OPERATIONS	$	23,469,968	$	23,808,012
B. Goal: INFRASTRUCTURE SUPPORT				
Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	5,534,339	$	5,608,298
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	0	$	280,000
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	105,430	$	105,430
Total, Goal B: INFRASTRUCTURE SUPPORT	$	5,639,769	$	5,993,728
C. Goal: SPECIAL ITEM SUPPORT				
Provide Special Item Support				
C.1.1. Strategy: MINORITY SCHOLARS Minority Scholars Institute	$	94,538	$	94,538
C.1.2. Strategy: ACADEMY IN HUMANITIES Texas Academy of Leadership in the Humanities	$	193,079	$	193,079
C.1.3. Strategy: MANAGEMENT IMPACT PLAN Enrollment Management Impact Plan	$	175,257	$	175,257
C.1.4. Strategy: FACULTY ENHANCEMENT Faculty Salaries Enhancement	$	131,442	$	131,442
C.1.5. Strategy: EDUCATIONAL MOBILITY Educational Mobility - LVN to ADN	$	83,476	$	83,476
C.1.6. Strategy: CRIMINAL JUSTICE Criminal Justice Program Enhancement	$	65,165	$	65,165
C.1.7. Strategy: SCHOLARSHIPS	$	92,588	$	92,588
C.2.1. Strategy: HAZARDOUS SUBSTANCE Gulf Coast Hazardous Substance Research Center	$	483,497	$	483,497

C.3.1. Strategy: SPINDLETOP MUSEUM Spindletop Museum Educational Activities	$ 32,867	$ 32,867
C.3.2. Strategy: SMALL BUSINESS DEVELOP Small Business Development Center	$ 106,063	$ 106,063
C.3.3. Strategy: COMMUNITY OUTREACH Public Service/Community Outreach Expansion	$ 87,749	$ 87,749
C.3.4. Strategy: SPINDLETOP CENTER Spindletop Center for Excellence in Teaching Technology	$ 150,000	$ 150,000
Total, Goal C: SPECIAL ITEM SUPPORT	$ 1,695,721	$ 1,695,721
Grand Total, LAMAR UNIVERSITY - BEAUMONT	$ 30,805,458	$ 31,497,461
Method of Financing:		
General Revenue Fund	$ 24,577,070	$ 24,913,207
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	355,097	710,195
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	5,873,291	5,874,059
Total, Method of Financing	$ 30,805,458	$ 31,497,461

2. **Small Business Development Center.** Included in the appropriation above to Lamar University -Beaumont is $106,063 in each year of the biennium for the Small Business Development Center, or its equivalent due to special and general provisions of this Act, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $212,126 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

3. **Faculty Salaries Enhancement.** Funds identified above in Strategy C.1.4., Faculty Salaries Enhancement, shall be used for bonuses for excellence in teaching at Lamar University - Beaumont, Lamar University - Orange, Lamar University - Port Arthur, and Lamar University Institute of Technology.

4. **John Gray Institute.** None of the educational and general funds appropriated to Lamar University may be expended for the John Gray Institute or in support of any of the activities of the institute.

LAMAR UNIVERSITY INSTITUTE OF TECHNOLOGY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 5,171,276	$ 5,422,618
Grand Total, LAMAR UNIVERSITY INSTITUTE OF TECHNOLOGY	$ 5,171,276	$ 5,422,618
Method of Financing:		
General Revenue Fund	$ 4,336,397	$ 4,538,128
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	41,475	82,949
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	793,404	801,541
Total, Method of Financing	$ 5,171,276	$ 5,422,618
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	96.0	99.5
Number of Full-time Equivalent Positions (FTE) - Total	114.0	117.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide Instructional and Operations Support		
Outcomes:		
Percent of Course Completers	92%	92%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	64%	65%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	58%	58%
A.1.1. Strategy: ACADEMIC EDUCATION	$ 360,820	$ 379,185
A.1.2. Strategy: VOCATIONAL/TECHNICAL-EDUCATION	$ 4,203,305	$ 4,376,785
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 3,354	$ 3,354
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 113,422	$ 120,107
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$ 15,348	$ 15,348
A.1.6. Strategy: SYSTEM OFFICE OPERATIONS	$ 19,520	$ 19,496
Total, Goal A: INSTRUCTION/OPERATIONS	$ 4,715,769	$ 4,914,275
B. Goal: INFRASTRUCTURE SUPPORT		
Provide Infrastructure Support		
B.1.1. Strategy: PLANT SUPPORT SERVICES	$ 57,174	$ 58,563
B.1.2. Strategy: BUILDING MAINTENANCE	$ 80,120	$ 79,584

LAMAR UNIVERSITY INSTITUTE OF TECHNOLOGY
(Continued)

B.1.3. Strategy: CUSTODIAL SERVICES	$ 42,567	$ 41,628
B.1.4. Strategy: GROUNDS MAINTENANCE	$ 18,082	$ 18,578
B.1.5. Strategy: UTILITIES	$ 108,603	$ 108,603
B.1.6. Strategy: TUITION REVENUE BOND RETIREMENT	$ 0	$ 70,000
B.1.7. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 12,717	$ 12,717
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 319,263	$ 389,673
C. Goal: SPECIAL ITEM SUPPORT		
Provide Special Item Support		
C.1.1. Strategy: SCHOLARSHIPS	$ 13,227	$ 13,227
C.1.2. Strategy: TRUCK DRIVING SCHOOL	$ 61,509	$ 43,935
C.1.3. Strategy: CURRICULUM DEVELOPMENT	$ 21,967	$ 21,967
C.1.4. Strategy: WORKFORCE LITERACY	$ 39,541	$ 39,541
Total, Goal C: SPECIAL ITEM SUPPORT	$ 136,244	$ 118,670
Grand Total, LAMAR UNIVERSITY INSTITUTE OF TECHNOLOGY	$ 5,171,276	$ 5,422,618
Method of Financing:		
General Revenue Fund	$ 4,336,397	$ 4,538,128
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	41,475	82,949
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	793,404	801,541
Total, Method of Financing	$ 5,171,276	$ 5,422,618

LAMAR UNIVERSITY - ORANGE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 4,429,140	$ 4,711,551
Grand Total, LAMAR UNIVERSITY - ORANGE	$ 4,429,140	$ 4,711,551
Method of Financing:		
General Revenue Fund	$ 3,190,294	$ 3,406,860
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	74,813	149,626
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	1,164,033	1,155,065
Total, Method of Financing	$ 4,429,140	$ 4,711,551

Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	126.0	126.0
Number of Full-time Equivalent Positions (FTE) - Total	171.0	171.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:				
Percent of Course Completers		92%		92%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year		55%		55%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year		58%		58%
Dollar Value of External or Sponsored Research Funds (in millions)		.041		.086
External or Sponsored Research Funds as a Percent of State Appropriations		1%		2%
A.1.1. Strategy: ACADEMIC EDUCATION	$	2,013,630	$	2,085,587
Outputs:				
Number of Minority Graduates		30		30
A.1.2. Strategy: VOCATIONAL/TECHNICAL-EDUCATION	$	1,342,217	$	1,412,938
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	72,119	$	72,119
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	209,368	$	221,714
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	35,140	$	35,140
A.1.6. Strategy: SYSTEM OFFICE OPERATIONS	$	19,520	$	19,496
Total, Goal A: INSTRUCTION/OPERATIONS	$	3,691,994	$	3,846,994

B. Goal: INFRASTRUCTURE SUPPORT
Provide Infrastructure Support

B.1.1. Strategy: PLANT SUPPORT SERVICES	$	161,591	$	166,277
B.1.2. Strategy: BUILDING MAINTENANCE	$	98,417	$	96,943
B.1.3. Strategy: CUSTODIAL SERVICES	$	78,056	$	76,338
B.1.4. Strategy: GROUNDS MAINTENANCE	$	88,859	$	92,276
B.1.5. Strategy: UTILITIES	$	188,342	$	188,342
B.1.6. Strategy: TUITION REVENUE BOND RETIREMENT	$	0	$	122,500
B.1.7. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	13,698	$	13,698
Total, Goal B: INFRASTRUCTURE SUPPORT	$	628,963	$	756,374

LAMAR UNIVERSITY - ORANGE
(Continued)

C. Goal: SPECIAL ITEM SUPPORT		
Provide Special Item Support		
C.1.1. Strategy: SCHOLARSHIPS	$ 49,987	$ 49,987
C.2.1. Strategy: ENVIRONMENTAL TECHNOLOGY PROGRAM	$ 58,196	$ 58,196
Implementation of Environmental Technology Program		
Total, Goal C: SPECIAL ITEM SUPPORT	$ 108,183	$ 108,183
Grand Total, LAMAR UNIVERSITY - ORANGE	$ 4,429,140	$ 4,711,551
Method of Financing:		
General Revenue Fund	$ 3,190,294	$ 3,406,860
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	74,813	149,626
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	1,164,033	1,155,065
Total, Method of Financing	$ 4,429,140	$ 4,711,551

LAMAR UNIVERSITY - PORT ARTHUR

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 6,935,755	$ 7,284,394
Grand Total, LAMAR UNIVERSITY - PORT ARTHUR	$ 6,935,755	$ 7,284,394
Method of Financing:		
General Revenue Fund	$ 5,142,737	$ 5,389,657
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	116,296	232,593
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	1,676,722	1,662,144
Total, Method of Financing	$ 6,935,755	$ 7,284,394
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	203.0	203.0
Number of Full-time Equivalent Positions (FTE) - Total	225.0	225.0

LAMAR UNIVERSITY - PORT ARTHUR
(Continued)

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS				
Provide Instructional and Operations Support				
Outcomes:				
Percent of Course Completers		92%		92%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year		55%		55%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year		58%		58%
A.1.1. Strategy: ACADEMIC EDUCATION	$	2,808,214	$	2,982,906
Outputs:				
Number of Minority Graduates		87		87
A.1.2. Strategy: VOCATIONAL/TECHNICAL-EDUCATION	$	2,635,064	$	2,693,168
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	89,728	$	89,728
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	296,556	$	314,000
A.1.5. Strategy: SYSTEM OFFICE OPERATIONS	$	29,280	$	29,243
Total, Goal A: INSTRUCTION/OPERATIONS	$	5,858,842	$	6,109,045
B. Goal: INFRASTRUCTURE SUPPORT				
Provide Infrastructure Support				
B.1.1. Strategy: PLANT SUPPORT SERVICES	$	161,591	$	166,277
B.1.2. Strategy: BUILDING MAINTENANCE	$	196,653	$	193,702
B.1.3. Strategy: CUSTODIAL SERVICES	$	81,980	$	80,176
B.1.4. Strategy: GROUNDS MAINTENANCE	$	102,149	$	104,404
B.1.5. Strategy: UTILITIES	$	270,401	$	270,401
B.1.6. Strategy: TUITION REVENUE BOND RETIREMENT	$	0	$	96,250
B.1.7. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	24,000	$	24,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$	836,774	$	935,210
C. Goal: SPECIAL ITEM SUPPORT				
Provide Special Item Support				
C.1.1. Strategy: SCHOLARSHIPS	$	24,419	$	24,419
C.2.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$	150,000	$	150,000
C.3.1. Strategy: PROGRAM DEVELOPMENT - CHEMISTRY	$	32,860	$	32,860
C.3.2. Strategy: PROG DEVELOPMENT - ALLIED HEALTH	$	32,860	$	32,860
Program Development - Allied Health				
Total, Goal C: SPECIAL ITEM SUPPORT	$	240,139	$	240,139
Grand Total, LAMAR UNIVERSITY - PORT ARTHUR	$	6,935,755	$	7,284,394

LAMAR UNIVERSITY - PORT ARTHUR
(Continued)

Method of Financing:		
General Revenue Fund	$ 5,142,737	$ 5,389,657
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	116,296	232,593
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	1,676,722	1,662,144
Total, Method of Financing	$ 6,935,755	$ 7,284,394

SAM HOUSTON STATE UNIVERSITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 45,682,546	$ 46,835,724
Grand Total, SAM HOUSTON STATE UNIVERSITY	$ 45,682,546	$ 46,835,724
Method of Financing:		
General Revenue Fund	$ 30,482,791	$ 30,835,565
General Revenue Fund - Dedicated - Law Enforcement Management Institute Account No. 581	2,106,049	2,205,140
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	687,392	1,374,784
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	12,406,314	12,420,235
Total, Method of Financing	$ 45,682,546	$ 46,835,724
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	880.5	880.5
Number of Full-time Equivalent Positions (FTE) - Total	1,326.5	1,326.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide Instructional and Operations Support

Outcomes:		
State Pass Rate of Education EXCET Exam	90.1%	90.1%
Percent of Course Completers	93%	93%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	38%	39%

Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year		70%		70%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year		58%		58%
Dollar Value of External or Sponsored Research Funds (in millions)		4.8		4.8
External or Sponsored Research Funds as a Percent of State Appropriations		12.3%		12.3%
Percent of Lower Division Courses Taught by Tenured Faculty		75%		75%
A.1.1. Strategy: OPERATIONS SUPPORT	$	29,677,078	$	30,212,889
Outputs:				
Number of Undergraduate Degrees Awarded		1,960		1,960
Number of Minority Graduates		420		420
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	928,162	$	944,920
A.1.3. Strategy: GROWTH SUPPLEMENT	$	460,656	$	469,286
A.1.4. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	546,259	$	546,259
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,801,483	$	1,907,533
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	424,114	$	424,114
A.1.7. Strategy: ORGANIZED ACTIVITIES	$	75,000	$	75,000
A.1.8. Strategy: SYSTEM OFFICE OPERATIONS	$	192,768	$	192,525
Total, Goal A: INSTRUCTION/OPERATIONS	$	34,105,520	$	34,772,526
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	6,995,273	$	7,121,465
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	171,574	$	432,463
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	146,350	$	146,350
Total, Goal B: INFRASTRUCTURE SUPPORT	$	7,313,197	$	7,700,278
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support				
C.1.1. Strategy: EDUCATIONAL LEADERSHIP Educational Leadership - Doctoral Program	$	329,511	$	329,511
C.1.2. Strategy: FORENSIC DOCTORAL PROGRAM Forensic Clinical Doctoral Program	$	150,000	$	150,000
C.1.3. Strategy: SCHOLARSHIPS	$	26,608	$	26,608
C.2.1. Strategy: CRIMINAL JUSTICE CENTER	$	875,859	$	875,859
C.2.2. Strategy: SAM HOUSTON MUSEUM	$	440,439	$	440,439
C.2.3. Strategy: BUSINESS & ECONOMIC DEV Center for Business and Economic Development	$	160,125	$	160,125
C.2.4. Strategy: MANAGEMENT INSTITUTE Bill Blackwood Law Enforcement Management Institute of Texas	$	2,106,049	$	2,205,140

C.3.1. Strategy: ENVIRONMENTAL STUDIES Institute of Environmental Studies	$ 175,238	$ 175,238
Total, Goal C: SPECIAL ITEM SUPPORT	$ 4,263,829	$ 4,362,920
Grand Total, SAM HOUSTON STATE UNIVERSITY	$ 45,682,546	$ 46,835,724
Method of Financing:		
General Revenue Fund	$ 30,482,791	$ 30,835,565
General Revenue Fund - Dedicated - Law Enforcement Management Institute Account No. 581	2,106,049	2,205,140
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	687,392	1,374,784
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	12,406,314	12,420,235
Total, Method of Financing	$ 45,682,546	$ 46,835,724

2. **Criminal Justice Center Faculty Salaries.** It is the intent of the Legislature that Sam Houston State University may augment the base salaries of faculty members at the Criminal Justice Center from a grant or consulting contract, as provided by law. Sam Houston State University must include a report of any salaries that have been augmented and the amount of the augmentation in the request for legislative appropriations submitted to the Legislative Budget Board and Governor's Office of Budget and Planning for the biennium ending August 31, 1999.

3. **Center for Business and Economic Development.** Included in the appropriation above to Sam Houston State University is $160,126 in each year of the biennium for the Center for Business and Economic Development, or its equivalent due to special and general provisions of this Act, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Center for Business and Economic Development will generate at least $320,252 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Center for Business and Economic Development be used by the center to attract federal funds on a dollar-for-dollar basis.

4. **Contingency Appropriation for House Bill 2272.** Contingent upon enactment of House Bill 2272 or similar legislation, by the Seventh-fifth Legislature, Regular Session, Sam Houston State University is hereby appropriated all revenue increases authorized by the bill for the Bill Blackwood Law Enforcement Management Institute.

5. **Contingency Appropriation for House Bill 2617.** Contingent upon enactment of House Bill 2617 or similar legislation, by the Seventh-fifth Legislature, Regular Session, Sam Houston State University is hereby appropriated all revenue increases authorized by the bill for the Bill Blackwood Law Enforcement Management Institute.

SOUTHWEST TEXAS STATE UNIVERSITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 72,048,101	$ 74,423,019
Grand Total, SOUTHWEST TEXAS STATE UNIVERSITY	$ 72,048,101	$ 74,423,019
Method of Financing:		
General Revenue Fund	$ 54,812,715	$ 56,238,280
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	1,030,564	2,061,129
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	16,204,822	16,123,610
Total, Method of Financing	$ 72,048,101	$ 74,423,019
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	1,587.5	1,585.5
Number of Full-time Equivalent Positions (FTE) - Total	2,087.5	2,085.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide Instructional and Operations Support		
Outcomes:		
State Pass Rate of Education EXCET Exam	91.2%	91.2%
Percent of Course Completers	93.5%	94%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	35%	36%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	70%	70%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	59%	60%
Dollar Value of External or Sponsored Research Funds (in millions)	7.6	7.7
External or Sponsored Research Funds as a Percent of State Appropriations	12%	13%
Percent of Lower Division Courses Taught by Tenured Faculty	47%	48%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 50,614,645	$ 51,415,384
Outputs:		
Number of Undergraduate Degrees Awarded	3,100	3,120
Number of Minority Graduates	834	834
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 1,282,168	$ 1,302,451
A.1.3. Strategy: GROWTH SUPPLEMENT	$ 678,413	$ 689,552
A.1.4. Strategy: FORMULA TRANSITION	$ 369,491	$ 369,491
A.1.5. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,025,912	$ 1,025,912

A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 2,717,560	$ 2,877,565
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$ 300,000	$ 300,000
A.1.8. Strategy: ORGANIZED ACTIVITIES	$ 397,390	$ 397,390
A.1.9. Strategy: SYSTEM OFFICE OPERATIONS	$ 322,461	$ 322,054
Total, Goal A: INSTRUCTION/OPERATIONS	$ 57,708,040	$ 58,699,799
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support		
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$ 12,551,754	$ 12,750,155
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 509,890	$ 1,194,648
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 269,675	$ 269,675
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 13,331,319	$ 14,214,478
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support		
C.1.1. Strategy: GEOGRAPHY EDUCATION Improvement of Geography Education	$ 371,464	$ 371,464
C.1.2. Strategy: TECHNOLOGY INITIATIVE North Austin Technology Initiative	$ 0	$ 500,000
C.1.3. Strategy: SCHOLARSHIPS	$ 117,428	$ 117,428
C.2.1. Strategy: EDWARDS AQUIFER RESEARCH Edwards Aquifer Research and Data Center	$ 247,161	$ 247,161
C.2.2. Strategy: LONG-TERM HEALTH CARE Institute for Quality Improvement in Long-Term Health Care	$ 167,808	$ 167,808
C.3.1. Strategy: MINORITY FACULTY DEVELOPMENT	$ 104,881	$ 104,881
Total, Goal C: SPECIAL ITEM SUPPORT	$ 1,008,742	$ 1,508,742
Grand Total, SOUTHWEST TEXAS STATE UNIVERSITY	$ 72,048,101	$ 74,423,019
Method of Financing:		
General Revenue Fund	$ 54,812,715	$ 56,238,280
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	1,030,564	2,061,129
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	16,204,822	16,123,610
Total, Method of Financing	$ 72,048,101	$ 74,423,019

2. **Freeman Ranch.** Out of the amounts appropriated above in informational item A.1.8. Organized Activities, $131,531 in each year of the biennium shall be used for the Freeman Ranch.

SUL ROSS STATE UNIVERSITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 13,942,627	$ 13,217,840
Grand Total, SUL ROSS STATE UNIVERSITY	$ 13,942,627	$ 13,217,840
Method of Financing:		
General Revenue Fund	$ 11,554,361	$ 10,693,115
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	142,814	285,628
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	2,245,452	2,239,097
Total, Method of Financing	$ 13,942,627	$ 13,217,840
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	311.5	311.5
Number of Full-time Equivalent Positions (FTE) - Total	413.5	413.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide Instructional and Operations Support		
Outcomes:		
State Pass Rate of Education EXCET Exam	86%	86%
Percent of Course Completers	92%	92%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	22%	25%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	70%	70%
Retention Rate of TASP Students Requiring Remediation Education After One Academic Year	62%	63%
Dollar Value of External or Sponsored Research Funds (in millions)	.229	.229
External or Sponsored Research Funds as a Percent of State Appropriations	2%	3%
Percent of Lower Division Courses Taught by Tenured Faculty	63.1%	63.2%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 6,527,636	$ 6,627,168
Outputs:		
Number of Undergraduate Degrees Awarded	270	280

Number of Minority Graduates		95		98
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	144,567	$	146,771
A.1.3. Strategy: GROWTH SUPPLEMENT	$	116,646	$	118,492
A.1.4. Strategy: FORMULA TRANSITION	$	161,299	$	161,299
A.1.5. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	140,481	$	140,481
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	376,666	$	398,844
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$	6,911	$	6,911
A.1.8. Strategy: ORGANIZED ACTIVITIES	$	15,500	$	15,500
A.1.9. Strategy: SYSTEM OFFICE OPERATIONS	$	33,235	$	33,193
Total, Goal A: INSTRUCTION/OPERATIONS	$	7,522,941	$	7,648,659
B. Goal: INFRASTRUCTURE SUPPORT Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT Educational and General Space Support	$	2,545,552	$	2,584,783
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	254,945	$	865,209
Total, Goal B: INFRASTRUCTURE SUPPORT	$	2,800,497	$	3,449,992
C. Goal: SPECIAL ITEM SUPPORT Provide Special Item Support				
C.1.1. Strategy: ACADEMIC/RESEARCH SUPPORT Academic and Research Support	$	771,145	$	771,145
C.1.2. Strategy: PROGRAM DEVELOPMENT Academic Program Development	$	438,023	$	438,023
C.1.3. Strategy: SCHOLARSHIPS	$	103,792	$	103,792
C.2.1. Strategy: CHIHUAHUAN DESERT RESEARCH	$	39,104	$	39,104
C.2.2. Strategy: CENTER FOR BIG BEND STUDIES	$	172,099	$	172,099
C.3.1. Strategy: SUL ROSS MUSEUM Sul Ross State University Museum	$	143,572	$	143,572
C.3.2. Strategy: SMALL BUSINESS DEVELOPMENT CENTER Big Bend Region Minority and Small Business Development Center	$	87,604	$	87,604
C.3.3. Strategy: CRIMINAL JUSTICE ACADEMY	$	94,176	$	94,176
C.3.4. Strategy: BIG BEND ARCHIVES Archives of the Big Bend	$	50,000	$	50,000
C.4.1. Strategy: STUDENT CENTER	$	1,500,000	$	U.B.

SUL ROSS STATE UNIVERSITY
(Continued)

C.4.2. Strategy: GENERAL UNIVERSITY SUPPORT	$ 219,674	$ 219,674
Total, Goal C: SPECIAL ITEM SUPPORT	$ 3,619,189	$ 2,119,189
Grand Total, SUL ROSS STATE UNIVERSITY	$ 13,942,627	$ 13,217,840
Method of Financing:		
General Revenue Fund	$ 11,554,361	$ 10,693,115
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	142,814	285,628
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	2,245,452	2,239,097
Total, Method of Financing	$ 13,942,627	$ 13,217,840

2. **Student Center.** Out of the funds appropriated above, $1,500,000 for the Student Center are contingent upon Sul Ross State University receiving at least $375,000 from use of the Higher Education Fund, local gifts, grants, and donations for the purposes of the Student Center. In the event that the Higher Education Fund, gifts, grants, or donations total less than $375,000, the appropriation is reduced to an amount equal to the Higher Education Fund match, gifts, grants, and donations received.

† 3. **Appropriations Made in Other Legislation: Unexpended Balances for Student Center.** Any unexpended balances as of August 31, 1997 in the General Revenue Fund for the student center at Sul Ross State University are reappropriated in Senate Bill 1898, Seventy-fifth Legislature, Regular Session, for the biennium beginning September 1, 1997, for the same purposes.

SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 3,900,888	$ 3,940,382
Grand Total, SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE	$ 3,900,888	$ 3,940,382
Method of Financing:		
General Revenue Fund	$ 3,369,381	$ 3,377,472
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	34,274	68,548
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	497,233	494,362
Total, Method of Financing	$ 3,900,888	$ 3,940,382

† *As added in Senate Bill 1898, Regular Session, 1997.*

Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	59.5	59.5
Number of Full-time Equivalent Positions (FTE) - Total	61.5	61.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS				
Provide Instructional and Operations Support				
Outcomes:				
State Pass Rate of Education EXCET Exam		86%		86%
Percent of Course Completers		95%		95%
Dollar Value of External or Sponsored Research Funds (in millions)		.01		.02
External or Sponsored Research Funds as a Percent of State Appropriations		1%		2%
Percent of first-time, full-time, degree-seeking transfer students who earn a baccalaureate degree within four academic years (upper-level institutions only)		77%		77%
A.1.1. Strategy: OPERATIONS SUPPORT	$	1,855,919	$	1,878,896
Outputs:				
Number of Undergraduate Degrees Awarded		124		131
Number of Minority Graduates		84		90
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	36,268	$	36,716
A.1.3. Strategy: GROWTH SUPPLEMENT	$	84,313	$	85,397
A.1.4. Strategy: FORMULA TRANSITION	$	199,064	$	199,064
A.1.5. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	17,940	$	17,940
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	88,788	$	94,014
A.1.7. Strategy: SYSTEM OFFICE OPERATIONS	$	3,325	$	3,320
Total, Goal A: INSTRUCTION/OPERATIONS	$	2,285,617	$	2,315,347
B. Goal: INFRASTRUCTURE SUPPORT				
Provide Infrastructure Support				
B.1.1. Strategy: E & G SPACE SUPPORT	$	759,763	$	769,527
Educational and General Space Support				
B.1.2. Strategy: LEASE OF FACILITIES	$	260,591	$	260,591
Total, Goal B: INFRASTRUCTURE SUPPORT	$	1,020,354	$	1,030,118
C. Goal: SPECIAL ITEM SUPPORT				
Provide Special Item Support				
C.1.1. Strategy: ACADEMIC/RESEARCH SUPPORT	$	16,116	$	16,116
Academic and Research Support				
C.1.2. Strategy: PROGRAM DEVELOPMENT	$	394,327	$	394,327
Academic Program Development				
C.1.3. Strategy: SCHOLARSHIPS	$	24,637	$	24,637

SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE
(Continued)

C.2.1. Strategy: SMALL BUSINESS CENTER Small Business Development Center	$ 109,837	$ 109,837
C.2.2. Strategy: DOLPH BRISCOE INSTITUTE Dolph Briscoe Institute for Local Government	$ 50,000	$ 50,000
Total, Goal C: SPECIAL ITEM SUPPORT	$ 594,917	$ 594,917
Grand Total, SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE	$ 3,900,888	$ 3,940,382
Method of Financing:		
General Revenue Fund	$ 3,369,381	$ 3,377,472
General Revenue Fund - Dedicated - Estimated Statutory Tuition Increases Account No. 708	34,274	68,548
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	497,233	494,362
Total, Method of Financing	$ 3,900,888	$ 3,940,382

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 112,478,308	$ 113,785,618
Grand Total, THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS	$ 112,478,308	$ 113,785,618
Method of Financing:		
General Revenue Fund	$ 76,794,672	$ 77,521,079
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	35,683,636	36,264,539
Total, Method of Financing	$ 112,478,308	$ 113,785,618
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	1,551.0	1,551.0
Number of Full-time Equivalent Positions (FTE) - Total	4,910.5	4,910.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE INSTRUCTION		
Outcomes:		
Total number of students passing parts 1 & 2 of the licensure examination on the first try--medical	190	190
Total number of graduates from the institution going into an internal medicine, pediatrics, obstetrics/gynecology, psychiatry, and emergency medicine residencies	102	102
Total number of graduates going into a family practice residency	26	26
Total number of graduates who become licensed--allied health	85	85
Total number of graduates passing licensure exam on the first try--allied health	85	85
A.1.1. Strategy: LIBRARY	$ 3,115,555	$ 3,084,038
A.1.2. Strategy: ORGANIZED ACTIVITIES	$ 1,815,350	$ 1,797,018
Organized Activities Related to Instruction		
A.2.1. Strategy: SCHOLARSHIPS	$ 18,181	$ 18,213
A.2.2. Strategy: TPEG	$ 967,100	$ 968,500
Texas Public Education Grants		
A.2.3. Strategy: MEDICAL LOANS	$ 97,500	$ 98,500
A.3.1. Strategy: MEDICAL EDUCATION	$ 41,624,646	$ 41,367,327
Explanatory:		
Total number of minority admissions	21	21
A.3.2. Strategy: PRIMARY CARE RES TRNG PGM	$ 1,560,359	$ 1,548,418
Primary Care Residency Training Program		

A.4.1. Strategy: BIOMED SCIENCE TRNG Graduate Training in Biomedical Sciences	$	5,226,523	$	5,041,653
Explanatory: Total number of minority admissions		8		8
A.5.1. Strategy: ALLIED HLTH TRNG Allied Health Professions Training	$	3,559,362	$	3,565,011
Explanatory: Number of minority admissions to all programs		27		29
Total, Goal A: PROVIDE INSTRUCTION	$	57,984,576	$	57,488,678
B. Goal: CONDUCT RESEARCH				
Outcomes: Total expenditures for conduct of research and development as reported each year to the Texas Higher Education Coordinating Board (000's)		101,296		103,723
B.1.1. Strategy: RESEARCH ENHANCEMENT	$	480,910	$	481,693
B.2.1. Strategy: AIDS RESEARCH UNIT	$	238,040	$	235,531
B.2.2. Strategy: ACADEMIC & RESEARCH SUPP Academic and Research Support for Molecular Medicine	$	800,871	$	782,860
B.2.3. Strategy: HEART DISEASE/STROKE Program for the Treatment of Heart Disease and Stroke	$	401,764	$	397,097
B.2.4. Strategy: CELL REGULATION LAB	$	889,114	$	880,914
B.2.5. Strategy: ALZHEIMER'S DISEASE CNTR Alzheimer's Disease Center	$	444,049	$	439,949
Total, Goal B: CONDUCT RESEARCH	$	3,254,748	$	3,218,044
C. Goal: PROVIDE PUBLIC SERVICE				
C.1.1. Strategy: CONTINUING EDUCATION	$	71,981	$	72,097
C.2.1. Strategy: STARS Program for Science Teacher Access to Resources at UT Southwest	$	595,674	$	567,701
Total, Goal C: PROVIDE PUBLIC SERVICE	$	667,655	$	639,798
D. Goal: PROVIDE HEALTH CARE				
D.1.1. Strategy: REGIONAL BURN CARE CENTER	$	99,633	$	99,793
E. Goal: INST SUPP/ANCILLARY OPS Provide Institutional Support and Ancillary Operations				
E.1.1. Strategy: INSTITUTIONAL SUPPORT	$	17,003,945	$	16,774,915
E.2.1. Strategy: STAFF GROUP INSURANCE Staff Group Insurance Premiums	$	1,064,250	$	1,064,250
E.2.2. Strategy: WORKERS' COMPENSATION INS Workers' Compensation Insurance	$	388,788	$	415,790
E.2.3. Strategy: UNEMPLOYMENT INSURANCE	$	77,116	$	77,689
E.2.4. Strategy: CONTRIBUTION ADJUSTMENT Retirement Contribution Adjustment	$	1,447,683	$	1,568,220
E.3.1. Strategy: PLANT SUPPORT SERVICES	$	12,857,337	$	12,874,516
E.3.2. Strategy: UTILITIES	$	10,200,161	$	10,931,228

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
(Continued)

E.4.1. Strategy: TUITION REVENUE BONDS Tuition Revenue Bond Retirement	$ 815,616	$ 1,515,897
E.5.1. Strategy: DEBT SERV-N CAMPUS EXP Debt Service-North Campus Expansion	$ 6,616,800	$ 7,116,800
Total, Goal E: INST SUPP/ANCILLARY OPS	$ 50,471,696	$ 52,339,305
Grand Total, THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS	$ 112,478,308	$ 113,785,618
Method of Financing:		
General Revenue Fund	$ 76,794,672	$ 77,521,079
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	35,683,636	36,264,539
Total, Method of Financing	$ 112,478,308	$ 113,785,618

2. **General Appropriation.** In addition to the funds appropriated above, there is hereby appropriated $2,706,320 in fiscal year 1998 and $2,706,321 in fiscal year 1999 out of the General Revenue Fund for use by the institution in support of its academic, research and patient care activities.

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 470,023,672	$ 470,669,039
Grand Total, THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON	$ 470,023,672	$ 470,669,039
Method of Financing:		
General Revenue Fund	$ 208,999,722	$ 209,517,315
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	261,023,950	261,151,724
Total, Method of Financing	$ 470,023,672	$ 470,669,039
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	6,601.5	6,449.0
Number of Full-time Equivalent Positions (FTE) - Total	12,942.0	12,789.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE INSTRUCTION				
Outcomes:				
Total number of students passing parts 1 & 2 of the licensure examination on the first try--medical		180		180
Total number of graduates from the institution going into an internal medicine, pediatrics, obstetrics/gynecology, psychiatry, and emergency medicine residencies		91		92
Total number of graduates going into a family practice residency		36		36
Total number of graduates who become licensed--allied health		167		147
Total number of graduates passing licensure exam on the first try-- allied health		155		136
Total number of graduates who become licensed--nursing		100		100
Total number of graduates passing the licensure exam on the first try--nursing		100		100
A.1.1. Strategy: LIBRARY	$	2,544,631	$	2,559,140
A.1.2. Strategy: ORGANIZED ACTIVITIES	$	2,129,975	$	2,137,026
Organized Activities Related to Instruction				
A.2.1. Strategy: SCHOLARSHIPS	$	23,094	$	23,333
A.2.2. Strategy: EDUCATIONAL CANCER CENTER	$	348,719	$	349,495
A.2.3. Strategy: TPEG	$	1,325,000	$	1,325,000
Texas Public Education Grants				
A.2.4. Strategy: MEDICAL LOANS	$	165,000	$	165,000
A.3.1. Strategy: MEDICAL EDUCATION	$	42,912,666	$	43,278,264
Explanatory:				
Total number of minority admissions		73		73
A.4.1. Strategy: BIOMED SCIENCE TRNG	$	2,136,103	$	2,198,832
Graduate Training in Biomedical Sciences				
Explanatory:				
Total number of minority admissions		8		7
A.5.1. Strategy: ALLIED HLTH TRNG	$	4,970,861	$	5,049,472
Allied Health Professions Training				
Explanatory:				
Total number of minority admissions to all programs		43		43
A.6.1. Strategy: NURSING EDUCATION	$	5,937,954	$	6,137,173
Explanatory:				
Total number of minority admissions to degree programs		38		39
Total, Goal A: PROVIDE INSTRUCTION	$	62,494,003	$	63,222,735
B. Goal: CONDUCT RESEARCH				
Outcomes:				
Total expenditures for conduct of research and development as reported each year to the Texas Higher Education Coordinating Board		68,100,000		69,400,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	$	5,243,617	$	5,229,622
B.2.1. Strategy: MARINE BIOMED INSTITUTE	$	2,615,606	$	2,460,926
Marine Biomedical Institute				
B.2.2. Strategy: INTERFERON RESEARCH	$	1,111,556	$	1,114,378

Interferon Research Program		
Total, Goal B: CONDUCT RESEARCH	$ 8,970,779	$ 8,804,926
C. Goal: PROVIDE PUBLIC SERVICE		
C.1.1. Strategy: CONTINUING EDUCATION	$ 31,357	$ 31,262
D. Goal: PROVIDE HEALTH CARE		
Outcomes:		
Total gross charges for unsponsored charity care provided in state- owned facilities-000's	135,000	135,000
Total gross charges for patient care (excluding unsponsored charity care) provided in state-owned facilities-000's	403,000	403,000
D.1.1. Strategy: MEDICAL BRANCH HOSPITALS	$ 271,181,535	$ 270,845,419
D.2.1. Strategy: CHRONIC HOME DIALYSIS CTR	$ 2,156,946	$ 2,162,840
Chronic Home Dialysis Center		
D.2.2. Strategy: PRIMARY CARE PHSY SERV	$ 6,963,066	$ 6,987,684
Primary Care Physician Services		
D.2.3. Strategy: EAST TEXAS AREA HEALTH ED CENTERS	$ 2,220,451	$ 2,230,097
East Texas Area Health Education Centers		
Total, Goal D: PROVIDE HEALTH CARE	$ 282,521,998	$ 282,226,040
E. Goal: INST SUPP/ANCILLARY OPS		
Provide Institutional Support and Ancillary Operations		
E.1.1. Strategy: INSTITUTIONAL SUPPORT	$ 41,348,044	$ 41,400,117
E.2.1. Strategy: STAFF GROUP INSURANCE	$ 13,345,184	$ 13,345,184
Staff Group Insurance Premiums		
E.2.2. Strategy: WORKERS' COMPENSATION INS	$ 1,638,187	$ 1,638,228
Workers' Compensation Insurance		
E.2.3. Strategy: UNEMPLOYMENT INSURANCE	$ 370,023	$ 370,028
E.2.4. Strategy: CONTRIBUTION ADJUSTMENT	$ 8,596,853	$ 8,596,853
Retirement Contribution Adjustment		
E.3.1. Strategy: PLANT SUPPORT SERVICES	$ 11,738,227	$ 11,818,360
E.3.2. Strategy: UTILITIES	$ 16,208,232	$ 16,437,400
E.4.1. Strategy: TUITION REVENUE BONDS	$ 995,224	$ 883,738
Tuition Revenue Bond Retirement		
E.5.1. Strategy: CAPITAL PROJECTS	$ 21,765,561	$ 21,894,168
Total, Goal E: INST SUPP/ANCILLARY OPS	$ 116,005,535	$ 116,384,076
Grand Total, THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON	$ 470,023,672	$ 470,669,039

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
(Continued)

Method of Financing:		
General Revenue Fund	$ 208,999,722	$ 209,517,315
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	261,023,950	261,151,724
Total, Method of Financing	$ 470,023,672	$ 470,669,039

2. **Appropriation of Charges and Fees.** There is hereby appropriated to The University of Texas Medical Branch at Galveston all charges and fees collected for the general expenses of the medical branch hospitals, including maintenance, support, and salaries of employees for the fiscal years ending August 31, 1998 and 1999.

3. **Rates, Donations and Gifts.** The Board of Regents of The University of Texas System shall fix reasonable rates to be charged and collected by hospitals, and may make and enter into contracts for the hospitalization of the indigent sick and accept donations and gifts for the support and maintenance of the hospitals and may utilize up to $5 million per annum of local income to match any gift made to endowments provided, however, such match will not result in any reduction in the level of services for patients or any requirement for general revenue replacement. Any project initiated under this authorization shall not be structured in such a manner that will require future specific appropriation of general revenue. Provided, however, that this provision shall not be construed so as to authorize, without the prior and specific approval of the Legislature, the acceptance of real property which would require an appropriation by the Legislature for maintenance, repair, or construction of buildings.

4. **Helicopter Operation.** The University of Texas Medical Branch at Galveston is authorized to lease and operate a helicopter for the purpose of transporting critically ill or emergency patients to the medical branch hospitals. No state funds are to be used for the operation of this helicopter, except where the patient served is indigent or through an interagency contract with another state agency, or unless costs are reimbursed from insurance proceeds.

5. **Transfers of Appropriations - State Owned Hospitals.** The University of Texas Medical Branch at Galveston shall transfer from non-Medicaid state appropriated funds $108,968,190 in fiscal year 1998 and $108,968,190 in fiscal year 1999 to the Department of Health. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Department of Health. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds.

6. **Appropriation of Costs for Health Care to Inmates.** None of the funds appropriated above shall be expended to provide or support the provision of health care to inmates of the Texas Department of Criminal Justice. It is the intent of the Legislature that all costs for providing health care to inmates of the TDCJ including costs of operating TDCJ hospital facilities in Galveston County and Lubbock County shall be paid from appropriations made to the TDCJ for the health care services. Appropriations made to the TDCJ for the provision of inmate health care services shall be expended in accordance with Chapter 501, Government Code, Sec. 501.059.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 128,709,262	$ 129,081,463
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON	$ 128,709,262	$ 129,081,463
Method of Financing:		
General Revenue Fund	$ 103,418,810	$ 103,719,278
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	25,290,452	25,362,185
Total, Method of Financing	$ 128,709,262	$ 129,081,463
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	1,927.0	1,927.0
Number of Full-time Equivalent Positions (FTE) - Total	4,438.5	4,438.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE INSTRUCTION		
Outcomes:		
Total number of students passing parts 1&2 of the licensure examination on the first try--medical	160	160
Total number of graduates from the institution going into an internal medicine, pediatrics, obstetrics/gynecology, psychiatry, and emergency medicine residencies	85	83
Total number of graduates going into a family practice residency	37	39
Total number of students passing parts 1 & 2 of the licensure examination on the first try--dental	100	100
Total number of graduates going into a primary care residency--dental	10	12
Total number of graduates who become licensed--allied health	35	35
Total number of graduates passing licensure exam on the first try -- allied health	35	35
Total number of graduates who become licensed--nursing	87	87
Total number of graduates passing the licensure exam on the first try -- nursing	84	84
Total number of master degree graduates in shortage fields -- public health	16	17
Total number of doctoral degree graduates in shortage fields -- public health	16	17
A.1.1. Strategy: LIBRARY	$ 2,590,417	$ 2,589,455
A.1.2. Strategy: ORGANIZED ACTIVITIES	$ 2,690,338	$ 2,689,988
Organized Activities Related to Instruction		
A.2.1. Strategy: SCHOLARSHIPS	$ 29,807	$ 29,807
A.2.2. Strategy: TPEG	$ 1,151,021	$ 1,148,719
Texas Public Education Grants		

A.2.3. Strategy: MEDICAL LOANS	$	105,859	$	105,648
A.3.1. Strategy: MEDICAL EDUCATION	$	32,790,324	$	32,704,303
Explanatory:				
Total number of minority admissions		65		65
A.3.2. Strategy: CLINICAL EPIDEMIOLOGY	$	304,542	$	304,536
A.3.3. Strategy: PRIMARY CARE INITIATIVES	$	120,084	$	120,067
A.3.4. Strategy: PROBLEM BASED LEARNING	$	66,058	$	66,191
Innovative Medical Education Instructional Methodologies - Problem Based Learning				
A.4.1. Strategy: DENTAL EDUCATION	$	14,069,998	$	14,052,464
Dental Education and Dental Hygiene Education				
Explanatory:				
Total number of minority admissions		21		21
A.5.1. Strategy: BIOMED SCIENCE TRNG	$	1,043,732	$	1,042,080
Graduate Training in Biomedical Sciences				
Explanatory:				
Total number of minority admissions		13		16
A.5.2. Strategy: GRAD STUDENT STIPENDS	$	561,704	$	561,650
Graduate Student Stipends				
A.6.1. Strategy: ALLIED HLTH TRNG	$	1,255,294	$	1,254,652
Allied Health Professions Training				
Explanatory:				
Number of minority admissions to all programs		8		8
A.7.1. Strategy: NURSING EDUCATION	$	5,512,621	$	5,557,448
Explanatory:				
Total number of minority admissions to degree programs		52		52
A.8.1. Strategy: PUBLIC HLTH TRNG	$	9,363,454	$	9,372,580
Graduate Training in Public Health				
Explanatory:				
Total number of minority admissions		51		56
A.8.2. Strategy: SATELLITE PUB HLTH	$	1,333,042	$	1,329,318
Satellite Public Health Program				
A.8.3. Strategy: CONSOLIDATE BASIC SCIENCE	$	691,389	$	691,389
Consolidation of Basic Science Education - Public Health Impact				
Total, Goal A: PROVIDE INSTRUCTION	$	73,679,684	$	73,620,295
B. Goal: CONDUCT RESEARCH				
Outcomes:				
Total expenditures for conduct of research and development as reported each year to the Texas Higher Education Coordinating Board		90,680,240		97,678,040
B.1.1. Strategy: RESEARCH ENHANCEMENT	$	780,532	$	779,740
B.2.1. Strategy: CNTR INFECT DISEASES	$	304,857	$	304,850
Center for Infectious Diseases				
B.2.2. Strategy: UT MENTAL SCIENCES INSTIT	$	2,259,355	$	2,267,541
UT Mental Sciences Institute				
B.2.3. Strategy: PEDIATRIC AIDS	$	461,185	$	461,172
B.2.4. Strategy: TX HEART INST-GENE THER	$	894,132	$	894,133

Texas Heart Institute-Gene Therapy Project				
B.2.5. Strategy: INSTITUTE/MOLECULAR MED	$	221,245	$	223,453
Institute for Molecular Medicine				
B.2.6. Strategy: TX HEART INST - SURGICAL	$	399,086	$	399,085
Texas Heart Institute - Cardiovascular Surgical Research				
Total, Goal B: CONDUCT RESEARCH	$	5,320,392	$	5,329,974
C. Goal: PROVIDE PUBLIC SERVICE				
C.1.1. Strategy: CENTER ON AGING	$	309,308	$	309,298
C.1.2. Strategy: INTERCON	$	442,042	$	442,042
Total, Goal C: PROVIDE PUBLIC SERVICE	$	751,350	$	751,340
D. Goal: PROVIDE HEALTH CARE				
Outcomes:				
Total gross charges for unsponsored charity care provided in state- owned facilities		40,000,000		40,000,000
Total gross charges for patient care (excluding unsponsored charity care) provided in state-owned facilities		8,000,000		8,000,000
D.1.1. Strategy: DENTAL CLINIC OPERATIONS	$	2,440,688	$	2,437,444
D.1.2. Strategy: HARRIS COUNTY HOSP DIST	$	4,200,762	$	4,194,994
Harris County Hospital District				
D.2.1. Strategy: SERV DELIV VALLEY/BORDER	$	544,900	$	544,886
Service Delivery In the Valley/Border Region				
Total, Goal D: PROVIDE HEALTH CARE	$	7,186,350	$	7,177,324
E. Goal: INST SUPP/ANCILLARY OPS				
Provide Institutional Support and Ancillary Operations				
E.1.1. Strategy: INSTITUTIONAL SUPPORT	$	16,757,658	$	16,625,330
E.2.1. Strategy: STUDENT SERVICES	$	1,140,306	$	1,140,156
E.3.1. Strategy: STAFF GROUP INSURANCE	$	1,839,539	$	1,839,539
Staff Group Insurance Premiums				
E.3.2. Strategy: WORKERS' COMPENSATION INS	$	633,830	$	633,846
Workers' Compensation Insurance				
E.3.3. Strategy: UNEMPLOYMENT INSURANCE	$	61,796	$	61,797
E.3.4. Strategy: CONTRIBUTION ADJUSTMENT	$	1,961,021	$	1,918,791
Retirement Contribution Adjustment				
E.4.1. Strategy: PLANT SUPPORT SERVICES	$	8,298,238	$	8,290,843
E.4.2. Strategy: UTILITIES	$	9,974,852	$	9,975,102
E.5.1. Strategy: TUITION REVENUE BONDS	$	1,104,246	$	1,717,126
Tuition Revenue Bond Retirement				
Total, Goal E: INST SUPP/ANCILLARY OPS	$	41,771,486	$	42,202,530
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON	$	128,709,262	$	129,081,463

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
(Continued)

Method of Financing:		
General Revenue Fund	$ 103,418,810	$ 103,719,278
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	25,290,452	25,362,185
Total, Method of Financing	$ 128,709,262	$ 129,081,463

2. **General Appropriation.** In addition to the funds appropriated above, there is hereby appropriated $3,464,415 in each year of the biennium out of the General Revenue Fund for use by the institution in support of its academic, research and patient care activities.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 119,679,449	$ 120,709,483
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO	$ 119,679,449	$ 120,709,483
Method of Financing:		
General Revenue Fund	$ 100,156,415	$ 101,084,127
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	19,523,034	19,625,356
Total, Method of Financing	$ 119,679,449	$ 120,709,483
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	2,065.5	2,065.5
Number of Full-time Equivalent Positions (FTE) - Total	3,990.0	3,990.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE INSTRUCTION
Provide instruction.

Outcomes:

Total number of students passing parts 1&2 of the licensure examination on the first try--medical	169	169
Total number of graduates from the institution going into an internal medicine, pediatrics, obstetrics/gynecology, psychiatry, and emergency medicine residencies	92	97
Total number of graduates going into a family practice residency	46	48
Total number of students passing parts 1 & 2 of the licensure examination on the first try--dental	74	74

Total number of graduates going into a primary care residency--dental		11		11
Total number of graduates who become licensed--allied health		153		153
Total number of graduates passing licensure exam on the first try-- allied health		153		153
Total number of graduates who become licensed--nursing		160		160
Total number of graduates passing the licensure exam on the first try--nursing		152		152
A.1.1. Strategy: LIBRARY	$	2,032,385	$	2,063,343
A.1.2. Strategy: ORGANIZED ACTIVITIES	$	4,882,477	$	4,956,829
A.2.1. Strategy: SCHOLARSHIPS	$	47,728	$	49,965
A.2.2. Strategy: ACADEMIC & RESEARCH SUPP	$	793,091	$	804,574
Academic and Research Support				
A.2.3. Strategy: TPEG	$	1,126,169	$	1,126,169
Texas Public Education Grants				
A.2.4. Strategy: MEDICAL LOANS	$	94,219	$	94,219
A.3.1. Strategy: S TX PROFESSIONAL ED	$	7,774,988	$	7,774,988
South Texas Border Region Health Professional Education				
A.4.1. Strategy: MEDICAL EDUCATION	$	38,189,446	$	38,489,544
Explanatory:				
Total number of minority admissions		46		48
A.4.2. Strategy: FAMILY PRAC RES TRNG PGM	$	632,123	$	641,763
Family Practice Residency Training Program				
A.4.3. Strategy: PODIATRY RES TRNG PGM	$	198,273	$	201,294
Podiatry Residency Training Program				
A.5.1. Strategy: DENTAL EDUCATION	$	19,208,037	$	19,402,055
Explanatory:				
Total number of minority admissions		18		18
A.6.1. Strategy: BIOMEDICAL SCIENCE	$	1,894,411	$	1,923,288
Graduate Training in Biomedical Sciences				
Explanatory:				
Total number of minority admissions		9		11
A.7.1. Strategy: ALLIED HLTH TRNG	$	2,929,612	$	2,975,130
Allied Health Professions Training				
Explanatory:				
Number of minority admissions to all programs		63		63
A.8.1. Strategy: NURSING EDUCATION	$	4,418,470	$	4,172,352
Explanatory:				
Total number of minority admissions to degree programs		86		86
Total, Goal A: PROVIDE INSTRUCTION	$	84,221,429	$	84,675,513
B. Goal: CONDUCT RESEARCH				
Outcomes:				
Total expenditures for conduct of research and development as reported each year to the Texas Higher Education Coordinating Board		76,500,000		76,500,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	$	274,327	$	278,301

B.2.1. Strategy: INSTIT OF BIOTECHNOLOGY Institute of Biotechnology	$	1,746,898	$	1,772,173
B.2.2. Strategy: RESEARCH IMAGING CENTER	$	1,260,778	$	1,279,019
B.2.3. Strategy: SO TEXAS HEALTH RES CTR South Texas Health Research Center	$	604,120	$	612,865
Total, Goal B: CONDUCT RESEARCH	$	3,886,123	$	3,942,358
C. Goal: PROVIDE HEALTH CARE				
C.1.1. Strategy: DENTAL CLINIC OPERATIONS	$	2,812,954	$	2,855,784
D. Goal: INST SUPP/ANCILLARY OPS Provide Institutional Support and Ancillary Operations				
D.1.1. Strategy: INSTITUTIONAL SUPPORT	$	11,084,633	$	11,252,468
D.2.1. Strategy: STUDENT SERVICES	$	1,112,313	$	1,129,245
D.3.1. Strategy: STAFF GROUP INSURANCE Staff Group Insurance Premiums	$	1,173,791	$	1,173,791
D.3.2. Strategy: WORKERS' COMPENSATION INS Workers' Compensation Insurance	$	340,030	$	345,218
D.3.3. Strategy: UNEMPLOYMENT INSURANCE	$	67,507	$	68,537
D.3.4. Strategy: CONTRIBUTION ADJUSTMENT Retirement Contribution Adjustment	$	1,498,082	$	1,583,700
D.4.1. Strategy: PLANT SUPPORT SERVICES	$	7,359,989	$	7,495,926
D.4.2. Strategy: UTILITIES	$	5,017,789	$	5,081,753
D.5.1. Strategy: TUITION REVENUE BONDS Tuition Revenue Bond Retirement	$	1,104,809	$	1,105,190
Total, Goal D: INST SUPP/ANCILLARY OPS	$	28,758,943	$	29,235,828
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO	$	119,679,449	$	120,709,483
Method of Financing:				
General Revenue Fund	$	100,156,415	$	101,084,127
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770		19,523,034		19,625,356
Total, Method of Financing	$	119,679,449	$	120,709,483

2. **General Appropriation.** In addition to the funds appropriated above, there is hereby appropriated $3,968,918 in each year of the biennium out of the General Revenue Fund for use by the institution in support of its academic, research and patient care activities.

3. **South Texas/Border Region Health Professional Education.** Out of the amounts appropriated above, $7,774,988 for the fiscal year ending August 31, 1998 and $7,774,988 for the fiscal year ending August 31, 1999 shall be used by the institution to expand graduate medical education, including family practice resident training programs, and other health professional education in the South Texas/Border Region.

   a. Of the funds appropriated for this purpose $3,115,784 for the fiscal year ending August 31, 1998 and $3,115,784 for the fiscal year ending August 31, 1999 shall be used by the institution for the Lower Rio Grande Valley in Cameron, Hidalgo, Starr, and Willacy

Counties, to plan, initiate, and expand residency programs in pediatrics, psychiatry, family practice, obstetrics-gynecology, and internal medicine as appropriate; develop training programs in dentistry, nursing, and allied health; enhance existing clinical training sites; develop community resources and seek private support to supplement appropriated funds; recruit faculty and staff; and, initiate appropriate medical library resources development.

b. Of the funds appropriated for this purpose $1,947,365 for fiscal year ending August 31, 1998 and $1,947,365 for fiscal year ending August 31, 1999 shall be used in the Middle Rio Grande Border Area, to be established in Webb County but to serve Zapata, Jim Hogg, Duval, McMullen, La Salle, Dimmit, and Maverick Counties, to plan, initiate and expand programs in primary care residencies, and allied health, nursing, and dentistry; enhance clinical training sites; develop community resources and seek private support to supplement appropriated funds; recruit faculty and staff; and, initiate appropriate medical library resources.

c. Of the funds appropriated for this purpose $2,336,839 for the fiscal year ending August 31, 1998 and $2,336,839 for the fiscal year ending August 31, 1999 shall be used in Corpus Christi and The Coastal Bend Area to develop or expand, among other things, undergraduate clinical programs, primary care residency programs, allied health programs, medical library resources, and faculty development.

d. Of the funds appropriated for this purpose $375,000 for the fiscal year ending August 31, 1998 and $375,000 for the fiscal year ending August 31, 1999 shall be used by UTHSCSA only for the purpose of providing administrative support directly to the educational programs in the regions specified by parts a, b, or c, of this provision. In addition, none of the funds identified by this provision, other than the funds identified by this paragraph, shall be used on the campus of UTHSCSA for administrative purposes.

e. Any unexpended balances remaining in the appropriations identified in parts a, b, and c, of this provision from the fiscal year ending August 31, 1998 are reappropriated to UTHSCSA for their original purposes and shall be used with funds appropriated by this provision for the fiscal year ending August 31, 1999 to continue to expand health professional programs and medical residency programs named in the previous subsections; provide needed support for direct medical education involving the Lower Rio Grande Valley, the Middle Rio Grande Area, and the Corpus Christi/Costal Bend Area for the state biennium beginning September 1, 1998; and, continue any needed infrastructure development. Hospital and clinic facilities for teaching and training purposes will be provided and maintained at no expense to the State.

f. A report by the Health Science Center shall be filed with the Legislative Budget Board on or before December 1, 1998 concerning the use of the funds appropriated by this section and the extent to which the purposes specified by this section have been achieved.

4. **Cooperative Nursing Program.** It is the intent of the Legislature that The University of Texas Health Science Center at San Antonio work with Sul Ross State University Rio Grande Campus towards the establishment of a baccalaureate degree program in nursing. To that end, out of the amounts appropriated above, at least $100,000 in each year of the biennium shall be expended for the establishment of such a program.

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 451,240,790	$ 451,612,203
Grand Total, THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER	$ 451,240,790	$ 451,612,203
Method of Financing:		
General Revenue Fund	$ 127,307,036	$ 127,415,130
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	323,933,754	324,197,073
Total, Method of Financing	$ 451,240,790	$ 451,612,203
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	5,188.0	5,025.5
Number of Full-time Equivalent Positions (FTE) - Total	6,788.0	6,605.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE INSTRUCTION		
A.1.1. Strategy: LIBRARY	$ 1,366,907	$ 1,617,229
A.2.1. Strategy: MEDICAL EDUCATION	$ 75,136,121	$ 74,930,261
Total, Goal A: PROVIDE INSTRUCTION	$ 76,503,028	$ 76,547,490
B. Goal: CONDUCT RESEARCH		
Outcomes:		
Total expenditures for conduct of research and development as reported each year to the Texas Higher Education Coordinating Board (000's)	120,000	120,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	$ 29,363,191	$ 30,152,241
B.2.1. Strategy: SCIENCE PARK OPERATIONS	$ 5,000,000	$ 5,000,000
Total, Goal B: CONDUCT RESEARCH	$ 34,363,191	$ 35,152,241
C. Goal: PROVIDE HEALTH CARE		
Outcomes:		
Total gross charges for unsponsored charity care provided in state- owned facilities-000's	73,280	73,257
Total gross charges for patient care (excluding unsponsored charity care) provided in state-owned facilities-000's	489,152	512,472
C.1.1. Strategy: PATIENT CARE ACTIVITIES	$ 223,649,752	$ 223,383,648
D. Goal: INSTITUTE/ANCILLARY OPER		
Provide Institutional Support and Ancillary Operations		
D.1.1. Strategy: INSTITUTIONAL SUPPORT	$ 28,850,539	$ 29,449,076

D.2.1. Strategy: STAFF GROUP INSURANCE Staff Group Insurance Premiums	$ 14,014,839	$ 14,014,839
D.2.2. Strategy: WORKERS' COMPENSATION INS Workers' Compensation Insurance	$ 1,114,323	$ 1,389,240
D.2.3. Strategy: UNEMPLOYMENT INSURANCE	$ 1,018,468	$ 1,288,080
D.2.4. Strategy: CONTRIBUTION ADJUSTMENT Retirement Contribution Adjustment	$ 9,418,912	$ 8,474,999
D.3.1. Strategy: PLANT SUPPORT SERVICES	$ 30,356,427	$ 30,828,763
D.3.2. Strategy: UTILITIES	$ 11,551,311	$ 10,683,827
D.4.1. Strategy: LONG-TERM CAPITAL PROGRAM	$ 10,000,000	$ 10,000,000
D.5.1. Strategy: LONG TERM CAPITAL EQUIP Long-Term Capital Equipment	$ 10,400,000	$ 10,400,000
Total, Goal D: INSTITUTE/ANCILLARY OPER	$ 116,724,819	$ 116,528,824
Grand Total, THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER	$ 451,240,790	$ 451,612,203
Method of Financing:		
General Revenue Fund	$ 127,307,036	$ 127,415,130
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	323,933,754	324,197,073
Total, Method of Financing	$ 451,240,790	$ 451,612,203

2. **Cancer Center Service Expansion.** It is the intent of the Legislature that The University of Texas M.D. Anderson Cancer Center aggressively attempt to expand its services on profitable operations and market its technology, subject to the approval of the Board of Regents. Safeguards should be initiated to ensure that the agency mission of the Cancer Center is not jeopardized in any expansion activities.

3. **Special Project Funding.** Notwithstanding other provisions of this article, the Board of Regents of The University of Texas System is hereby authorized, subject to approval by the Texas Higher Education Coordinating Board: (1) to expend such amounts of its Permanent University Fund bond proceeds and/or other bond proceeds and such amounts of its other available moneys as may be necessary to fund the following project either in whole or in part; (2) to accept gifts, grants, and matching grants to fund such project either in whole or in part; and (3) to acquire, construct, alter, add to, repair, rehabilitate, equip and/or furnish such project for The University of Texas M.D. Anderson Cancer Center: (a) patient bed facility; (b) patient diagnostic and treatment center; (c) research addition for clinical and basic science.

4. **Transfers of Appropriations - State Owned Hospitals.** The University of Texas M.D. Anderson Cancer Center shall transfer from non-Medicaid state appropriated funds $82,125,187 in fiscal year 1998 and $82,125,187 in fiscal year 1999 to the Department of Health. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Department of Health. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds. The transfers, however, shall be made not less frequently than monthly.

THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 53,319,059	$ 52,948,471
Grand Total, THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER	$ 53,319,059	$ 52,948,471
Method of Financing:		
General Revenue Fund	$ 22,936,161	$ 22,565,573
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	30,382,898	30,382,898
Total, Method of Financing	$ 53,319,059	$ 52,948,471
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	1,085.0	1,085.0
Number of Full-time Equivalent Positions (FTE) - Total	1,170.0	1,170.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE INSTRUCTION		
A.1.1. Strategy: LIBRARY	$ 399,352	$ 401,753
A.2.1. Strategy: NORTHEAST TX INITIATIVE Northeast Texas Initiative	$ 626,857	$ U.B.
A.3.1. Strategy: MEDICAL EDUCATION	$ 463,333	$ 464,646
A.3.2. Strategy: FAMILY PRAC RES TRNG PGM Family Practice Residency Training Program	$ 1,173,838	$ 1,180,895
Total, Goal A: PROVIDE INSTRUCTION	$ 2,663,380	$ 2,047,294
B. Goal: CONDUCT RESEARCH		
Outcomes:		
Total expenditures for conduct of research and development as reported each year to the Texas Higher Education Coordinating Board	6,500,000	6,500,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	$ 3,244,527	$ 3,264,113
B.2.1. Strategy: INFECTIOUS DIS CONTROL Infectious Disease Control	$ 497,034	$ 499,942
Total, Goal B: CONDUCT RESEARCH	$ 3,741,561	$ 3,764,055
C. Goal: PROVIDE HEALTH CARE		
Outcomes:		
Total gross charges for unsponsored charity care provided in state- owned facilities	9,865,650	10,062,963
Total gross charges for patient care (excluding unsponsored charity care) provided in state-owned facilities	38,250,000	39,015,000
C.1.1. Strategy: PATIENT CARE ACTIVITIES	$ 35,317,767	$ 35,502,568

D. Goal: INST SUPP/ANCILLARY OPS				
Provide Institutional Support and Ancillary Operations				
D.1.1. Strategy: INSTITUTIONAL SUPPORT	$	3,196,144	$	3,215,361
D.2.1. Strategy: GROUP INSURANCE PREMIUMS	$	2,399,261	$	2,399,261
Staff Group Insurance Premiums				
D.2.2. Strategy: WORKERS' COMPENSATION INS	$	398,058	$	398,058
Workers' Compensation Insurance				
D.2.3. Strategy: UNEMPLOYMENT INSURANCE	$	74,636	$	74,636
D.2.4. Strategy: CONTRIBUTION ADJUSTMENT	$	1,323,138	$	1,323,138
Retirement Contribution Adjustment				
D.3.1. Strategy: PLANT SUPPORT SERVICES	$	2,378,674	$	2,385,413
D.3.2. Strategy: UTILITIES	$	1,826,440	$	1,838,687
Total, Goal D: INST SUPP/ANCILLARY OPS	$	11,596,351	$	11,634,554
Grand Total, THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER	$	53,319,059	$	52,948,471
Method of Financing:				
General Revenue Fund	$	22,936,161	$	22,565,573
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770		30,382,898		30,382,898
Total, Method of Financing	$	53,319,059	$	52,948,471

2. **General Appropriation.** In addition to the funds appropriated above, there is hereby appropriated $827,478 in fiscal year 1998 and $827,479 in fiscal year 1999 out of the General Revenue Fund for use by the institution in support of its academic, research and patient care activities.

3. **Rates, Donations and Gifts.** The Board of Regents of The University of Texas System shall fix reasonable rates to be charged and collected from pay patients of the center, and may make and enter into contracts for the hospitalization of the indigent sick and accept donations and gifts for the support and maintenance of the center; provided, however, that this provision should not be construed so as to authorize, without prior and specific approval of the Legislature, acceptance of real property which would require an appropriation by the Legislature for maintenance, repair, or construction of buildings.

4. **Transfers of Appropriations - State Owned Hospitals.** The University of Texas Health Center at Tyler shall transfer from non-Medicaid state appropriated funds $7,915,124 in fiscal year 1998 and $7,915,124 in fiscal year 1999 to the Department of Health. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Department of Health. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds.

TEXAS A&M UNIVERSITY HEALTH SCIENCE CENTER

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 19,775,459	$ 19,979,637
Grand Total, TEXAS A&M UNIVERSITY HEALTH SCIENCE CENTER	$ 19,775,459	$ 19,979,637
Method of Financing:		
General Revenue Fund	$ 18,466,803	$ 18,670,984
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	1,308,656	1,308,653
Total, Method of Financing	$ 19,775,459	$ 19,979,637
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	180.5	180.5
Number of Full-time Equivalent Positions (FTE) - Total	197.0	197.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE INSTRUCTION		
Outcomes:		
Total number of students passing parts 1&2 of the licensure examination on the first try--medical	45	60
Total number of graduates from the institution going into an internal medicine, pediatrics, obstetrics/gynecology, psychiatry, and emergency medicine residencies	34	45
Total number of graduates going into a family practice residency	13	17
A.1.1. Strategy: LIBRARY	$ 431,266	$ 430,880
A.1.2. Strategy: ORGANIZED ACTIVITIES	$ 606,638	$ 606,095
A.2.1. Strategy: SCHOLARSHIPS	$ 9,916	$ 9,907
A.2.2. Strategy: TPEG	$ 180,000	$ 180,000
Texas Public Education Grants		
A.2.3. Strategy: MEDICAL LOANS	$ 25,000	$ 25,000
A.2.4. Strategy: ACADEMIC/RESEARCH SUPPORT	$ 247,849	$ 247,851
Academic and Research Support		
A.3.1. Strategy: RURAL PUBLIC HEALTH	$ 1,066,482	$ 1,066,493
A.4.1. Strategy: MEDICAL EDUCATION	$ 11,809,855	$ 11,777,490
Explanatory:		
Total number of minority admissions	11	12
A.5.1. Strategy: BIOMED SCIENCE TRNG	$ 1,326,468	$ 1,346,094
Graduate Training in Biomedical Sciences		
Explanatory:		
Total number of minority admissions	3	4
Total, Goal A: PROVIDE INSTRUCTION	$ 15,703,474	$ 15,689,810

B. Goal: CONDUCT RESEARCH				
Outcomes:				
Total expenditures for conduct of research and development as reported each year to the Texas Higher Education Coordinating Board		6,443,426		6,443,426
B.1.1. Strategy: RESEARCH ENHANCEMENT	$	552,284	$	552,596
C. Goal: INSTITUTE/ANCILLARY OPER				
Provide Institutional Support and Ancillary Operations				
C.1.1. Strategy: INSTITUTIONAL SUPPORT	$	969,332	$	962,416
C.2.1. Strategy: STUDENT SERVICES	$	408,731	$	412,530
C.3.1. Strategy: STAFF GROUP INSURANCE	$	228,115	$	228,115
Staff Group Insurance Premiums				
C.3.2. Strategy: WORKERS' COMPENSATION INS	$	63,831	$	63,774
Workers' Compensation Insurance				
C.3.3. Strategy: UNEMPLOYMENT INSURANCE	$	4,985	$	4,980
C.3.4. Strategy: CONTR SERV - SCOTT&WHITE	$	650,857	$	650,278
Contractual Services - Scott & White Clinic				
C.3.5. Strategy: CONTRIBUTION ADJUSTMENT	$	101,189	$	111,365
Retirement Contribution Adjustment				
C.4.1. Strategy: INFRASTRUCTURE -- COLLEGE STATION	$	868,870	$	868,870
Infrastructure Support -- College Station				
C.4.2. Strategy: INFRASTRUCTURE -- TEMPLE	$	223,791	$	224,903
Infrastructure Support -- Temple				
C.5.1. Strategy: TUITION REVENUE BOND RETIREMENT	$	0	$	210,000
Total, Goal C: INSTITUTE/ANCILLARY OPER	$	3,519,701	$	3,737,231
Grand Total, TEXAS A&M UNIVERSITY HEALTH SCIENCE CENTER	$	19,775,459	$	19,979,637
Method of Financing:				
General Revenue Fund	$	18,466,803	$	18,670,984
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770		1,308,656		1,308,653
Total, Method of Financing	$	19,775,459	$	19,979,637

2. **General Appropriation.** In addition to the funds appropriated above, there is hereby appropriated $733,081 in each year of the biennium out of the General Revenue Fund for use by the institution in support of its academic, research and patient care activities.

3. **Medical Program.** Texas A&M University Health Science Center is hereby authorized to unite with Scott & White Clinic, Scott & White Memorial Hospital, and the Scott, Sherwood, and Brindley Foundation as its long-term primary partners for high quality clinical education and research for the benefit of the citizens of Texas. Texas A&M University Health Science Center is additionally authorized to collaborate with the Central Texas Veterans' Health Care System, Darnall Army Community Hospital, and Driscoll Children's Hospital.

TEXAS A&M UNIVERSITY HEALTH SCIENCE CENTER
(Continued)

4. **School of Rural Public Health.** Texas A&M University Health Science Center is authorized to operate a School of Rural Public Health offering a curriculum leading to a Master of Public Health (MPH) and Doctor of Public Health (DRPH) degrees. The headquarters shall be located in College Station. The Center for the Living Laboratory, the Informatics Program, and additional education and research space shall be located on the Temple campus. Other educational and research space and programmatic activity may be established within the State as needs and funds permit. The School of Rural Public Health shall address the health needs of Rural Texas.

5. **Rural Public Health Consortium.** To address the critical need for public health professionals specially trained in the health needs of rural residents of Texas, it is imperative that rural public health programs at Texas institutions of higher education be coordinated and that collaborative efforts be undertaken to ensure that resources available or provided for this purpose be utilized in the most effective and efficient manner. It is the intent of the Legislature that the Texas A&M School of Rural Public Health, the Texas Tech University Health Sciences Center, and the University of North Texas Health Science Center form an inter-institutional consortium to carry out joint rural public health research and education activities including the design of shared curricular and academic programs utilizing distance learning technologies and other methods of inter-institutional communication and sharing. The aforementioned inter-institutional consortium is authorized to undertake planning and programmatic activities designed to accomplish the intent of the Legislature. This inter-institutional consortium is directed to report back to the Legislature 90 days prior to the convening of the Seventy-sixth Legislature.

6. **South Texas Lower Rio Grande Valley Initiative.** Out of funds appropriated above to the Texas A&M University Health Science Center, $100,000 per each year of the biennium shall be used to fund the South Texas Lower Rio Grande Valley Initiative for the extension of the School of Rural Public Health.

TEXAS A&M UNIVERSITY SYSTEM BAYLOR COLLEGE OF DENTISTRY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 17,955,845	$ 17,920,847
Grand Total, TEXAS A&M UNIVERSITY SYSTEM BAYLOR COLLEGE OF DENTISTRY	$ 17,955,845	$ 17,920,847
Method of Financing:		
General Revenue Fund	$ 12,121,353	$ 12,121,353
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	5,834,492	5,799,494
Total, Method of Financing	$ 17,955,845	$ 17,920,847
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	348.0	348.0
Number of Full-time Equivalent Positions (FTE) - Total	454.0	454.0

TEXAS A&M UNIVERSITY SYSTEM BAYLOR COLLEGE OF DENTISTRY
(Continued)

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE INSTRUCTION				
Outcomes:				
Total number of students passing parts 1 & 2 of the licensure examination on the first try--dental		151		151
Total number of graduates entering a primary care residency--dental		12		12
A.1.1. Strategy: LIBRARY	$	193,429	$	192,579
A.2.1. Strategy: SCHOLARSHIPS	$	240,000	$	240,000
A.2.2. Strategy: TX PUBLIC ED GRANTS Texas Public Education Grants	$	315,743	$	311,637
A.3.1. Strategy: DENTAL AND DENTAL HYGIENE EDUCATION Dental Education and Dental Hygiene Education	$	9,614,528	$	9,580,813
Explanatory:				
Total number of minority admissions		13		13
Total, Goal A: PROVIDE INSTRUCTION	$	10,363,700	$	10,325,029
B. Goal: PROVIDE HEALTH CARE				
B.1.1. Strategy: DENTAL CLINIC OPERATIONS	$	3,412,743	$	3,445,947
C. Goal: INSTITUTE/ANCILLARY OPER Provide Institutional Support and Ancillary Operations				
C.1.1. Strategy: INSTITUTIONAL SUPPORT	$	1,505,374	$	1,498,075
C.2.1. Strategy: STUDENT SERVICES	$	443,586	$	436,374
C.3.1. Strategy: STAFF GROUP INSURANCE Staff Group Insurance Premiums	$	242,958	$	242,958
C.3.2. Strategy: WORKERS' COMPENSATION INS Workers' Compensation Insurance	$	42,926	$	42,734
C.3.3. Strategy: UNEMPLOYMENT INSURANCE	$	49,600	$	49,378
C.4.1. Strategy: PLANT SUPPORT SERVICES	$	1,189,073	$	1,177,849
C.4.2. Strategy: UTILITIES	$	705,885	$	702,503
Total, Goal C: INSTITUTE/ANCILLARY OPER	$	4,179,402	$	4,149,871
Grand Total, TEXAS A&M UNIVERSITY SYSTEM BAYLOR COLLEGE OF DENTISTRY	$	17,955,845	$	17,920,847
Method of Financing:				
General Revenue Fund	$	12,121,353	$	12,121,353
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770		5,834,492		5,799,494
Total, Method of Financing	$	17,955,845	$	17,920,847

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 34,124,274	$ 34,969,940
Grand Total, UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH	$ 34,124,274	$ 34,969,940
Method of Financing:		
General Revenue Fund	$ 30,226,784	$ 31,058,655
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	3,897,490	3,911,285
Total, Method of Financing	$ 34,124,274	$ 34,969,940
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	688.0	688.0
Number of Full-time Equivalent Positions (FTE) - Total	848.0	848.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE INSTRUCTION		
Outcomes:		
Total number of students passing parts 1&2 of the licensure examination on the first try--medical	98	98
Total number of graduates from the institution going into an internal medicine, pediatrics, obstetrics/gynecology, psychiatry, and emergency medicine residencies	27	28
Total number of graduates going into a family practice residency	58	59
A.1.1. Strategy: LIBRARY	$ 987,004	$ 987,004
A.1.2. Strategy: ORGANIZED ACTIVITIES	$ 822,310	$ 822,310
A.2.1. Strategy: SCHOLARSHIPS	$ 7,507	$ 7,507
A.2.2. Strategy: TPEG Texas Public Education Grants	$ 434,075	$ 436,245
A.2.3. Strategy: MEDICAL LOANS	$ 54,598	$ 54,871
A.3.1. Strategy: MEDICAL EDUCATION	$ 17,325,151	$ 17,438,374
Explanatory:		
Total number of minority admissions	20	20
A.3.2. Strategy: PRIMARY CARE ENHANCEMENT	$ 1,757,394	$ 1,757,394
A.4.1. Strategy: BIOMED SCIENCE TRNG Graduate Training in Biomedical Sciences	$ 1,257,639	$ 1,341,729

Explanatory:		
Total number of U.S. minority admissions	3	4
Total, Goal A: PROVIDE INSTRUCTION	$ 22,645,678	$ 22,845,434
B. Goal: CONDUCT RESEARCH		
Outcomes:		
Total expenditures for conduct of research and development as reported each year to the Texas Higher Education Coordinating Board	5,933,076	6,299,730
B.1.1. Strategy: RESEARCH ENHANCEMENT	$ 71,464	$ 71,464
C. Goal: PROVIDE PUBLIC SERVICE		
C.1.1. Strategy: DNA LABORATORY	$ 214,999	$ 214,999
D. Goal: INSTITUTE/ANCILLARY OPER		
Provide Institutional Support and Ancillary Operations		
D.1.1. Strategy: INSTITUTIONAL SUPPORT	$ 5,964,521	$ 5,966,495
D.2.1. Strategy: STAFF GROUP INSURANCE	$ 228,910	$ 228,910
Staff Group Insurance Premiums		
D.2.2. Strategy: WORKERS COMPENSATION INS	$ 29,924	$ 29,921
Workers Compensation Insurance		
D.2.3. Strategy: UNEMPLOYMENT INSURANCE	$ 29,924	$ 29,921
D.2.4. Strategy: RETIREMENT ADJUSTMENT	$ 160,329	$ 172,773
Retirement Contribution Adjustment		
D.3.1. Strategy: PLANT SUPPORT SERVICES	$ 2,377,010	$ 2,386,883
D.3.2. Strategy: UTILITIES	$ 1,386,000	$ 1,386,000
D.3.3. Strategy: LEASE OF FACILITIES	$ 92,070	$ 92,070
D.4.1. Strategy: TUITION REVENUE BONDS	$ 881,057	$ 1,545,070
Tuition Revenue Bond Retirement		
D.5.1. Strategy: LEASE PAYMENTS TO MLPP	$ 42,388	$ 0
Total, Goal D: INSTITUTE/ANCILLARY OPER	$ 11,192,133	$ 11,838,043
Grand Total, UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH	$ 34,124,274	$ 34,969,940
Method of Financing:		
General Revenue Fund	$ 30,226,784	$ 31,058,655
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	3,897,490	3,911,285
Total, Method of Financing	$ 34,124,274	$ 34,969,940

2. **General Appropriation.** In addition to the funds appropriated above, there is hereby appropriated $1,070,538 in each year of the biennium out of the General Revenue Fund for use by the institution in support of its academic, research and patient care activities.

3. **Forensic Laboratory.** The University of North Texas Health Science Center at Fort Worth is authorized to conduct all blood and DNA tests associated with paternity testing for the Office of the Attorney General at a rate not to exceed the rate at which the Attorney General could obtain the service elsewhere to the extent permitted under federal law and regulations. The income

derived from this testing is to be spent only on the Forensic Laboratory. In addition, the services of the Forensic Laboratory are available to other entities or interested parties.

4. **Master Lease Purchase Program.** Funds identified for Master Lease Purchase Program shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

5. **Rural Public Health Consortium.** To address the critical need for public health professionals specially trained in the health needs of rural residents of Texas, it is imperative that rural public health programs at Texas institutions of higher education be coordinated and that collaborative efforts be undertaken to ensure that resources available or provided for this purpose be utilized in the most effective and efficient manner. It is the intent of the Legislature that the Texas A&M School of Rural Public Health, the Texas Tech University Health Sciences Center, and the University of North Texas Health Science Center form an inter-institutional consortium to carry out joint rural public health research and education activities including the design of shared curricular and academic programs utilizing distance learning technologies and other methods of inter-institutional communication and sharing. The aforementioned inter-institutional consortium is authorized to undertake planning and programmatic activities designed to accomplish the intent of the Legislature. This inter-institutional consortium is directed to report back to the Legislature 90 days prior to the convening of the Seventy-sixth Legislature.

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 68,581,674	$ 69,376,596
Grand Total, TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER	$ 68,581,674	$ 69,376,596
Method of Financing:		
General Revenue Fund	$ 62,788,495	$ 63,351,918
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	5,793,179	6,024,678
Total, Method of Financing	$ 68,581,674	$ 69,376,596
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	1,345.5	1,358.0
Number of Full-time Equivalent Positions (FTE) - Total	4,445.5	4,472.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE INSTRUCTION

Outcomes:				
Total number of students passing parts 1&2 of the licensure examination on the first try--medical		95		100
Total number of graduates from the institution going into an internal medicine, pediatrics, obstetrics/gynecology, psychiatry, and emergency medicine residencies		45		46
Total number of graduates going into a family practice residency		20		21
Total number of graduates who become licensed--allied health		165		168
Total number of graduates passing licensure exam on the first try--allied health		165		168
Total number of graduates who become licensed--nursing		83		75
Total number of graduates passing the licensure exam on the first try--nursing		78		67
A.1.1. Strategy: LIBRARY	$	1,638,801	$	1,603,908
A.1.2. Strategy: ORGANIZED ACTIVITIES	$	3,005,168	$	2,907,561
A.2.1. Strategy: SCHOLARSHIPS	$	9,486	$	9,163
A.2.2. Strategy: INTEGRATED HEALTH NETWORK	$	1,326,680	$	1,306,074
A.2.3. Strategy: ACADEMIC OPERATIONS SUPP Academic Operations Support	$	460,245	$	452,336
A.2.4. Strategy: TPEG Texas Public Education Grants	$	578,181	$	586,198
A.2.5. Strategy: MEDICAL LOANS	$	61,603	$	62,527
A.2.6. Strategy: PATHOLOGY - LUBBOCK	$	131,914	$	129,647
A.3.1. Strategy: S TX PROFESSIONAL ED South Texas Border Region Health Professional Education	$	1,112,195	$	1,094,914
A.4.1. Strategy: MED ED - LUBBOCK Medical Education - Lubbock	$	14,768,980	$	14,531,713
Explanatory:				
Total number of minority admissions		21		21
A.4.2. Strategy: FAMILY/COMMUNITY MEDICINE RESIDENCY Family and Community Medicine Residency Programs	$	617,844	$	617,844
A.5.1. Strategy: MED ED - AMARILLO Medical Education - Amarillo	$	2,985,893	$	2,932,683
A.6.1. Strategy: MED ED - ODESSA Medical Education - Odessa	$	1,403,422	$	1,378,412
A.6.2. Strategy: MIDLAND SURGICAL RESD Midland Surgical Residency Training Program	$	131,894	$	129,627
A.6.3. Strategy: MIDLAND CARDIOLOGY RESIDENCY PRGM Midland Cardiology Residency Program	$	230,000	$	380,000
A.7.1. Strategy: MED ED - EL PASO Medical Education - El Paso	$	5,064,527	$	4,970,533
A.7.2. Strategy: BORDER HC SUPP-ACAD EXP Border Health Care Support - Academic Expansion	$	3,996,126	$	3,893,458
A.7.3. Strategy: BORDER HC SUPP - RESIDENT Border Health Care Support - Resident Support	$	386,644	$	396,948

A.7.4. Strategy: ACAD OPS-BORDER REG DEV Academic Operations Support-Border Region Development	$	386,825	$	397,095
A.8.1. Strategy: BIOMED SCIENCE TRNG Graduate Training in Biomedical Sciences	$	841,264	$	826,272
Explanatory: Total number of minority admissions		2		2
A.9.1. Strategy: ALLIED HEALTH - LUBBOCK Allied Health Professions Training - Lubbock	$	2,077,117	$	2,040,103
Explanatory: Number of minority admissions to all programs		24		25
A.9.2. Strategy: ALLIED HEALTH - AMARILLO Allied Health Professions Training - Amarillo	$	798,877	$	801,162
A.9.3. Strategy: ALLIED HEALTH - ODESSA Allied Health Professions Training - Odessa	$	128,949	$	126,651
A.9.4. Strategy: PHYSICIAN ASSISTANT PROGRAM Physician Assistant Training Program	$	50,000	$	200,000 & U.B.
A.10.1. Strategy: NURSING EDUCATION	$	2,580,768	$	2,558,922
Explanatory: Total number of minority admissions to degree programs		24		25
A.11.1. Strategy: PHARMACY EDUC - AMARILLO Pharmacy Education - Amarillo	$	4,055,254	$	4,500,321
Explanatory: Total number of minority admissions		19		19
Total, Goal A: PROVIDE INSTRUCTION	$	48,828,657	$	48,834,072
B. Goal: CONDUCT RESEARCH				
Outcomes: Total expenditures for conduct of research and development as reported each year to the Texas Higher Education Coordinating Board		8,378,551		8,504,229
B.1.1. Strategy: RESEARCH ENHANCEMENT	$	84,527	$	84,047
B.2.1. Strategy: TARBOX INSTITUTE Tarbox Parkinson's Disease Institute	$	248,733	$	244,869
B.2.2. Strategy: ALZHEIMER'S INSTITUTE Alzheimer's Disease Institute	$	425,595	$	418,986
B.2.3. Strategy: SW INST FOR ADDICTIVE DIS Southwest Institute for Addictive Diseases	$	442,823	$	435,945
B.2.4. Strategy: ALZHEIMER'S RESEARCH Alzheimer's Disease Research Program	$	704,121	$	693,183
Total, Goal B: CONDUCT RESEARCH	$	1,905,799	$	1,877,030
C. Goal: PROVIDE PUBLIC SERVICE				
C.1.1. Strategy: CONTINUING EDUCATION	$	18,319	$	14,599
D. Goal: PROVIDE HEALTH CARE				
D.1.1. Strategy: RURAL HEALTH - ODESSA Office of Rural Health - Odessa	$	60,477	$	59,539

E. Goal: INST SUPP/ANCILLARY OPS		
Provide Institutional Support and Ancillary Operations		
E.1.1. Strategy: INSTITUTIONAL SUPPORT	$ 4,967,090	$ 4,864,994
E.2.1. Strategy: STUDENT SERVICES	$ 355,970	$ 348,368
E.3.1. Strategy: STAFF GROUP INSURANCE	$ 257,165	$ 257,165
Staff Group Insurance Premiums		
E.3.2. Strategy: CONTRIBUTION ADJUSTMENT	$ 554,874	$ 559,815
Retirement Contribution Adjustment		
E.4.1. Strategy: PLANT SUPPORT SERVICES	$ 5,560,418	$ 5,440,900
E.4.2. Strategy: UTILITIES	$ 5,923,694	$ 5,823,878
E.5.1. Strategy: TUITION REVENUE BONDS	$ 149,211	$ 1,296,236
Total, Goal E: INST SUPP/ANCILLARY OPS	$ 17,768,422	$ 18,591,356
Grand Total, TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER	$ 68,581,674	$ 69,376,596
Method of Financing:		
General Revenue Fund	$ 62,788,495	$ 63,351,918
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	5,793,179	6,024,678
Total, Method of Financing	$ 68,581,674	$ 69,376,596

2. **General Appropriation.** In addition to the funds appropriated above, there is hereby appropriated $2,229,249 in each year of the biennium out of the General Revenue Fund for use by the institution in support of its academic, research and patient care activities.

3. **Pharmacy School.** The Pharmacy School shall be located on the Amarillo campus of Texas Tech University Health Sciences Center; however, the Lubbock campus shall offer the first two years of the standard pharmacy curriculum and the Amarillo campus shall offer the final four years of the standard six-year Doctor of Pharmacy curriculum as its single professional degree.

   No state funds may be expended on costs associated with maintaining the Pharmacy School facility on the Amarillo campus, except that state funds may be expended for costs associated with providing utilities to the Pharmacy School campus in Amarillo.

4. **South Texas/Border Region Health Professional Education.** Out of the amounts appropriated above, $1,112,195 for the fiscal year ending August 31, 1998 and $1,094,914 for the fiscal year ending August 31, 1999 shall be used by the Regional Academic Health Center in El Paso for infrastructure support, faculty salaries, maintenance and operation, and library resources.

   a. Any unexpended funds from the fiscal year ending August 31, 1998 are reappropriated to the institution and shall be used with funds appropriated by this section for the fiscal year ending August 31, 1999 for the state biennium beginning September 1, 1997.

   b. A report by the Texas Tech Health Sciences Center shall be filed with the Legislative Budget Board on or before December 1, 1998 concerning the use of the funds appropriated by this section and the extent to which the purposes specified by this section have been achieved.

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
(Continued)

5. **Appropriation of Costs for Health Care to Inmates.** None of the funds appropriated above shall be expended to provide or support the provision of health care to inmates of the Texas Department of Criminal Justice. It is the intent of the Legislature that all costs for providing health care to inmates of the TDCJ including costs of operating TDCJ hospital facilities in Galveston County and Lubbock County shall be paid from appropriations made to the TDCJ for the health care services. Appropriations made to the TDCJ for the provision of inmate health care services shall be expended in accordance with Chapter 501, Government Code, Sec. 501.059.

6. **Rural Public Health Consortium.** To address the critical need for public health professionals specially trained in the health needs of rural residents of Texas, it is imperative that rural public health programs at Texas institutions of higher education be coordinated and that collaborative efforts be undertaken to ensure that resources available or provided for this purpose be utilized in the most effective and efficient manner. It is the intent of the Legislature that the Texas A&M School of Rural Public Health, the Texas Tech University Health Sciences Center, and the University of North Texas Health Science Center form an inter-institutional consortium to carry out joint rural public health research and education activities including the design of shared curricular and academic programs utilizing distance learning technologies and other methods of inter-institutional communication and sharing. The aforementioned inter-institutional consortium is authorized to undertake planning and programmatic activities designed to accomplish the intent of the Legislature. This inter-institutional consortium is directed to report back to the Legislature 90 days prior to the convening of the Seventy-sixth Legislature.

7. **Odessa Clinic.** Out of the funds appropriated to the Texas Tech University Health Sciences Center in this Act, $500,000 in fiscal year 1998 shall be expended to purchase medical equipment for the Texas Tech University Health Sciences Center Odessa Clinic.

8. **Surgical and Medical Facility.** Out of bonds authorized by House Bill 1235 for the Texas Tech University Health Sciences Center, $2.5 million shall be used to build and equip a surgical and medical facility in the Midland County Hospital District for a cardiology residency program.

PUBLIC COMMUNITY/JUNIOR COLLEGES

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: ALAMO COMMUNITY COLLEGE		
A.1.1. Strategy: ACADEMIC EDUCATION	$ 35,054,371	$ 36,445,262
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 15,468,385	$ 16,089,236
Total, Goal A: ALAMO COMMUNITY COLLEGE	$ 50,522,756	$ 52,534,498
B. Goal: ALVIN COMMUNITY COLLEGE		
B.1.1. Strategy: ACADEMIC EDUCATION	$ 3,661,029	$ 3,806,410
B.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 4,261,393	$ 4,432,920

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

Total, Goal B: ALVIN COMMUNITY COLLEGE	$ 7,922,422	$ 8,239,330
C. Goal: AMARILLO COLLEGE		
C.1.1. Strategy: AMARILLO TECHNICAL CENTER	$ 3,389,936	$ 3,404,830
C.2.1. Strategy: ACADEMIC EDUCATION	$ 5,806,650	$ 6,037,888
C.2.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 8,474,819	$ 8,828,780
Total, Goal C: AMARILLO COLLEGE	$ 17,671,405	$ 18,271,498
D. Goal: ANGELINA COLLEGE		
D.1.1. Strategy: ACADEMIC EDUCATION	$ 3,286,648	$ 3,417,192
D.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 3,676,938	$ 3,824,790
Total, Goal D: ANGELINA COLLEGE	$ 6,963,586	$ 7,241,982
E. Goal: AUSTIN COMMUNITY COLLEGE		
E.1.1. Strategy: ACADEMIC EDUCATION	$ 22,396,236	$ 23,283,644
E.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 11,940,077	$ 12,420,909
Total, Goal E: AUSTIN COMMUNITY COLLEGE	$ 34,336,313	$ 35,704,553
F. Goal: BEE COUNTY COLLEGE		
F.1.1. Strategy: ACADEMIC EDUCATION	$ 2,703,304	$ 2,810,695
F.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 3,793,306	$ 3,944,857
Total, Goal F: BEE COUNTY COLLEGE	$ 6,496,610	$ 6,755,552
G. Goal: BLINN COLLEGE		
G.1.1. Strategy: STAR OF REPUBLIC MUSEUM Star of the Republic Museum	$ 345,049	$ 345,049
G.2.1. Strategy: ACADEMIC EDUCATION	$ 12,925,242	$ 13,439,395
G.2.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 1,832,531	$ 1,906,061
Total, Goal G: BLINN COLLEGE	$ 15,102,822	$ 15,690,505
H. Goal: BRAZOSPORT COLLEGE		
H.1.1. Strategy: ACADEMIC EDUCATION	$ 2,195,780	$ 2,282,788
H.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 2,812,308	$ 2,925,492
Total, Goal H: BRAZOSPORT COLLEGE	$ 5,008,088	$ 5,208,280
I. Goal: CENTRAL TEXAS COLLEGE		
I.1.1. Strategy: ACADEMIC EDUCATION	$ 7,277,499	$ 7,566,249
I.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 9,705,746	$ 10,094,950
Total, Goal I: CENTRAL TEXAS COLLEGE	$ 16,983,245	$ 17,661,199
J. Goal: CISCO JUNIOR COLLEGE		
J.1.1. Strategy: ACADEMIC EDUCATION	$ 2,688,424	$ 2,795,391

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

J.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 1,260,422	$ 1,310,970
Total, Goal J: CISCO JUNIOR COLLEGE	$ 3,948,846	$ 4,106,361
K. Goal: CLARENDON COLLEGE		
K.1.1. Strategy: ACADEMIC EDUCATION	$ 1,355,069	$ 1,354,940
K.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 669,931	$ 670,060
Total, Goal K: CLARENDON COLLEGE	$ 2,025,000	$ 2,025,000
L. Goal: COLLEGE OF THE MAINLAND		
L.1.1. Strategy: ACADEMIC EDUCATION	$ 3,385,116	$ 3,519,549
L.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 3,171,378	$ 3,298,694
Total, Goal L: COLLEGE OF THE MAINLAND	$ 6,556,494	$ 6,818,243
M. Goal: COLLIN COUNTY CC Collin County Community College		
M.1.1. Strategy: ACADEMIC EDUCATION	$ 9,751,638	$ 10,137,914
M.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 5,325,816	$ 5,540,292
Total, Goal M: COLLIN COUNTY CC	$ 15,077,454	$ 15,678,206
N. Goal: DALLAS COUNTY CC Dallas County Community College		
N.1.1. Strategy: SBDC Small Business Development Center	$ 746,042	$ 746,042
N.2.1. Strategy: ACADEMIC EDUCATION	$ 39,482,717	$ 41,047,442
N.2.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 30,504,217	$ 31,731,298
Total, Goal N: DALLAS COUNTY CC	$ 70,732,976	$ 73,524,782
O. Goal: DEL MAR COLLEGE		
O.1.1. Strategy: ACADEMIC EDUCATION	$ 8,944,142	$ 9,299,127
O.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 9,930,932	$ 10,330,180
Total, Goal O: DEL MAR COLLEGE	$ 18,875,074	$ 19,629,307
P. Goal: EL PASO COMMUNITY COLLEGE		
P.1.1. Strategy: ACADEMIC EDUCATION	$ 19,190,640	$ 19,952,683
P.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 10,507,784	$ 10,928,983
Total, Goal P: EL PASO COMMUNITY COLLEGE	$ 29,698,424	$ 30,881,666
Q. Goal: FRANK PHILLIPS COLLEGE		
Q.1.1. Strategy: ACADEMIC EDUCATION	$ 1,039,851	$ 1,040,143
Q.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 985,149	$ 984,857

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

Total, Goal Q: FRANK PHILLIPS COLLEGE	$ 2,025,000	$ 2,025,000
R. Goal: GALVESTON COLLEGE		
R.1.1. Strategy: ACADEMIC EDUCATION	$ 2,259,967	$ 2,349,756
R.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 1,984,691	$ 2,064,578
Total, Goal R: GALVESTON COLLEGE	$ 4,244,658	$ 4,414,334
S. Goal: GRAYSON COUNTY COLLEGE		
S.1.1. Strategy: ACADEMIC EDUCATION	$ 2,830,830	$ 2,943,230
S.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 2,885,772	$ 3,001,641
Total, Goal S: GRAYSON COUNTY COLLEGE	$ 5,716,602	$ 5,944,871
T. Goal: HILL COLLEGE		
T.1.1. Strategy: HERITAGE MUSEUM/GENEALOGY CENTER Heritage Museum and Genealogy Center	$ 659,023	$ 659,023
T.2.1. Strategy: ACADEMIC EDUCATION	$ 2,193,274	$ 2,280,219
T.2.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 2,299,128	$ 2,391,111
Total, Goal T: HILL COLLEGE	$ 5,151,425	$ 5,330,353
U. Goal: HOUSTON COMMUNITY COLLEGE		
U.1.1. Strategy: ACADEMIC EDUCATION	$ 29,908,745	$ 31,095,307
U.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 27,710,809	$ 28,825,097
Total, Goal U: HOUSTON COMMUNITY COLLEGE	$ 57,619,554	$ 59,920,404
V. Goal: HOWARD COLLEGE		
V.1.1. Strategy: SWID Southwest Collegiate Institute for the Deaf	$ 1,833,021	$ 1,829,039
V.1.2. Strategy: DEAF STUDENT DORMITORY	$ 1,730,950	$ U.B.
V.2.1. Strategy: ACADEMIC EDUCATION	$ 2,214,122	$ 2,302,555
V.2.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 3,251,970	$ 3,382,913
Total, Goal V: HOWARD COLLEGE	$ 9,030,063	$ 7,514,507
W. Goal: KILGORE COLLEGE		
W.1.1. Strategy: ACADEMIC EDUCATION	$ 4,650,915	$ 4,835,511
W.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 4,570,528	$ 4,753,601
Total, Goal W: KILGORE COLLEGE	$ 9,221,443	$ 9,589,112
X. Goal: LAREDO JUNIOR COLLEGE		
X.1.1. Strategy: IMPORT/EXPORT TRNG CTR Regional Import/Export Training Center	$ 219,674	$ 219,674
X.2.1. Strategy: ACADEMIC EDUCATION	$ 6,421,710	$ 6,676,034
X.2.2. Strategy: VOCATIONAL/TECHNICAL EDUC	$ 5,674,611	$ 5,902,405

Vocational/Technical Education		
Total, Goal X: LAREDO JUNIOR COLLEGE	$ 12,315,995	$ 12,798,113
Y. Goal: LEE COLLEGE		
Y.1.1. Strategy: ACADEMIC EDUCATION	$ 4,621,882	$ 4,805,407
Y.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC	$ 6,346,270	$ 6,601,585
Vocational/Technical Education		
Total, Goal Y: LEE COLLEGE	$ 10,968,152	$ 11,406,992
Z. Goal: MCLENNAN CC		
McLennan Community College		
Z.1.1. Strategy: ACADEMIC EDUCATION	$ 5,486,059	$ 5,703,478
Z.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC	$ 4,884,911	$ 5,080,243
Vocational/Technical Education		
Total, Goal Z: MCLENNAN CC	$ 10,370,970	$ 10,783,721
AA. Goal: MIDLAND COLLEGE		
AA.1.1. Strategy: AIRPOWER HERITAGE MUSEUM	$ 439,349	$ 439,349
American Airpower Heritage Museum		
AA.2.1. Strategy: ACADEMIC EDUCATION	$ 3,198,244	$ 3,325,095
AA.2.2. Strategy: VOCATIONAL/TECHNICAL EDUC	$ 3,082,050	$ 3,206,075
Vocational/Technical Education		
Total, Goal AA: MIDLAND COLLEGE	$ 6,719,643	$ 6,970,519
AB. Goal: NAVARRO COLLEGE		
AB.1.1. Strategy: ACADEMIC EDUCATION	$ 3,709,349	$ 3,856,757
AB.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC	$ 3,068,281	$ 3,191,376
Vocational/Technical Education		
Total, Goal AB: NAVARRO COLLEGE	$ 6,777,630	$ 7,048,133
AC. Goal: NORTH CENTRAL TX COLLEGE		
North Central Texas College		
AC.1.1. Strategy: ACADEMIC EDUCATION	$ 3,233,297	$ 3,361,983
AC.1.2. Strategy: VOC/TECH EDUCATION	$ 2,015,881	$ 2,096,993
Vocational/Technical Education		
Total, Goal AC: NORTH CENTRAL TX COLLEGE	$ 5,249,178	$ 5,458,976
AD. Goal: NORTH HARRIS CC		
North Harris Community College		
AD.1.1. Strategy: ACADEMIC EDUCATION	$ 18,431,490	$ 19,162,757
AD.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC	$ 9,914,549	$ 10,312,367
Vocational/Technical Education		
Total, Goal AD: NORTH HARRIS CC	$ 28,346,039	$ 29,475,124
AE. Goal: NORTHEAST TEXAS CC		
Northeast Texas Community College		
AE.1.1. Strategy: LAPSED SALARY SUPPLEMENT	$ 120,000	$ U.B.
AE.2.1. Strategy: ACADEMIC EDUCATION	$ 1,910,842	$ 1,986,754
AE.2.2. Strategy: VOCATIONAL/TECHNICAL EDUC	$ 1,541,886	$ 1,603,761

Vocational/Technical Education		
Total, Goal AE: NORTHEAST TEXAS CC	$ 3,572,728	$ 3,590,515
AF. Goal: ODESSA COLLEGE		
AF.1.1. Strategy: ACADEMIC EDUCATION	$ 4,083,961	$ 4,246,553
AF.1.2. Strategy: VOCATIONAL/TECHNICAL Vocational/Technical Education	$ 4,047,205	$ 4,210,148
Total, Goal AF: ODESSA COLLEGE	$ 8,131,166	$ 8,456,701
AG. Goal: PANOLA COLLEGE		
AG.1.1. Strategy: ACADEMIC EDUCATION	$ 1,717,834	$ 1,786,020
AG.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 1,605,780	$ 1,670,045
Total, Goal AG: PANOLA COLLEGE	$ 3,323,614	$ 3,456,065
AH. Goal: PARIS JUNIOR COLLEGE		
AH.1.1. Strategy: ACADEMIC EDUCATION	$ 3,182,743	$ 3,309,307
AH.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 2,740,858	$ 2,850,832
Total, Goal AH: PARIS JUNIOR COLLEGE	$ 5,923,601	$ 6,160,139
AI. Goal: RANGER JUNIOR COLLEGE		
AI.1.1. Strategy: ACADEMIC EDUCATION	$ 1,212,673	$ 1,212,693
AI.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 812,327	$ 812,307
Total, Goal AI: RANGER JUNIOR COLLEGE	$ 2,025,000	$ 2,025,000
AJ. Goal: SAN JACINTO COLLEGE		
AJ.1.1. Strategy: ACADEMIC EDUCATION	$ 15,112,056	$ 15,711,924
AJ.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 13,274,381	$ 13,805,876
Total, Goal AJ: SAN JACINTO COLLEGE	$ 28,386,437	$ 29,517,800
AK. Goal: SOUTH PLAINS COLLEGE		
AK.1.1. Strategy: ACADEMIC EDUCATION	$ 5,657,325	$ 5,881,831
AK.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 4,744,358	$ 4,934,362
Total, Goal AK: SOUTH PLAINS COLLEGE	$ 10,401,683	$ 10,816,193
AL. Goal: SO TX COMMUNITY COLLEGE South Texas Community College		
AL.1.1. Strategy: ACADEMIC EDUCATION	$ 5,661,330	$ 5,887,254
AL.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 2,875,648	$ 2,990,992
Total, Goal AL: SO TX COMMUNITY COLLEGE	$ 8,536,978	$ 8,878,246
AM. Goal: SW TEXAS JUNIOR COLLEGE Southwest Texas Junior College		

AM.1.1. Strategy: ACADEMIC EDUCATION	$ 3,341,408	$ 3,474,198

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

AM.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 1,952,872	$ 2,030,844
Total, Goal AM: SW TEXAS JUNIOR COLLEGE	$ 5,294,280	$ 5,505,042
AN. Goal: TARRANT COUNTY JR COLLEGE Tarrant County Junior College		
AN.1.1. Strategy: ACADEMIC EDUCATION	$ 21,506,129	$ 22,357,635
AN.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 10,996,855	$ 11,438,789
Total, Goal AN: TARRANT COUNTY JR COLLEGE	$ 32,502,984	$ 33,796,424
AO. Goal: TEMPLE JUNIOR COLLEGE		
AO.1.1. Strategy: ACADEMIC EDUCATION	$ 2,345,451	$ 2,438,523
AO.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 2,034,515	$ 2,115,880
Total, Goal AO: TEMPLE JUNIOR COLLEGE	$ 4,379,966	$ 4,554,403
AP. Goal: TEXARKANA COLLEGE		
AP.1.1. Strategy: ACADEMIC EDUCATION	$ 3,210,263	$ 3,337,686
AP.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 4,721,148	$ 4,911,284
Total, Goal AP: TEXARKANA COLLEGE	$ 7,931,411	$ 8,248,970
AQ. Goal: TEXAS SOUTHMOST COLLEGE		
AQ.1.1. Strategy: ACADEMIC EDUCATION	$ 7,440,742	$ 7,735,789
AQ.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 2,885,024	$ 3,000,968
Total, Goal AQ: TEXAS SOUTHMOST COLLEGE	$ 10,325,766	$ 10,736,757
AR. Goal: TRINITY VALLEY CC Trinity Valley Community College		
AR.1.1. Strategy: ACADEMIC EDUCATION	$ 3,963,710	$ 4,121,207
AR.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 5,563,431	$ 5,787,246
Total, Goal AR: TRINITY VALLEY CC	$ 9,527,141	$ 9,908,453
AS. Goal: TYLER JUNIOR COLLEGE		
AS.1.1. Strategy: ACADEMIC EDUCATION	$ 7,794,923	$ 8,104,250
AS.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 5,827,125	$ 6,060,362
Total, Goal AS: TYLER JUNIOR COLLEGE	$ 13,622,048	$ 14,164,612
AT. Goal: VERNON REG JUNIOR COLLEGE Vernon Regional Junior College		
AT.1.1. Strategy: ACADEMIC EDUCATION	$ 1,284,198	$ 1,335,405

AT.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 2,511,774	$ 2,612,235
Total, Goal AT: VERNON REG JUNIOR COLLEGE	$ 3,795,972	$ 3,947,640
AU. Goal: VICTORIA COLLEGE		
AU.1.1. Strategy: ACADEMIC EDUCATION	$ 2,731,869	$ 2,840,345
AU.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 3,676,038	$ 3,823,372
Total, Goal AU: VICTORIA COLLEGE	$ 6,407,907	$ 6,663,717
AV. Goal: WEATHERFORD COLLEGE		
AV.1.1. Strategy: ACADEMIC EDUCATION	$ 2,154,412	$ 2,239,905
AV.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 2,092,869	$ 2,176,545
Total, Goal AV: WEATHERFORD COLLEGE	$ 4,247,281	$ 4,416,450
AW. Goal: WESTERN TEXAS COLLEGE		
AW.1.1. Strategy: ACADEMIC EDUCATION	$ 1,290,916	$ 1,342,311
AW.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 1,029,329	$ 1,070,910
Total, Goal AW: WESTERN TEXAS COLLEGE	$ 2,320,245	$ 2,413,221
AX. Goal: WHARTON COUNTY JR COLLEGE Wharton County Junior College		
AX.1.1. Strategy: ACADEMIC EDUCATION	$ 4,233,732	$ 4,401,977
AX.1.2. Strategy: VOCATIONAL/TECHNICAL EDUC Vocational/Technical Education	$ 2,949,063	$ 3,067,049
Total, Goal AX: WHARTON COUNTY JR COLLEGE	$ 7,182,795	$ 7,469,026
Grand Total, PUBLIC COMMUNITY/JUNIOR COLLEGES	$ 659,516,870	$ 683,376,495

1. **Administration of Appropriated Funds.** Funds appropriated above shall be administered by the Texas Higher Education Coordinating Board.

2. **Appropriation Eligibility.** To be eligible for and to receive an appropriation a public community/junior college must be certified as required by V.T.C.A., Education Code, Section 61.001, et seq. and comply with the following provisions:

   a. The Texas Higher Education Coordinating Board shall 1) determine whether each eligible public community/junior college has complied with all the provisions of this section; 2) determine each college's list of approved courses; and 3) certify its findings and such lists to the State Auditor not later than October 1 of each fiscal year. Each public community/junior college shall make such reports to the Texas Higher Education Coordinating Board as may be required, classified in accordance with the rules and regulations issued by the Board.

b. On or before the dates for reporting official enrollments each semester to the Texas Higher Education Coordinating Board, each college will collect in full from each student that is to be counted for state aid purposes the amounts set as tuition by the respective governing boards. Valid contracts with the United States government for instruction of eligible military personnel, and valid contracts with private business and public service-type organizations or institutions such as hospitals, may be considered as collections thereunder, but subject to adjustments after final payment thereof.

c. Each community/junior college must use a registration and financial reporting system which is sufficient to satisfy the audit requirements of the State Auditor and furnish any reports and information as the auditor may require.

d. Each community/junior college must file by December 1 of each fiscal year with the Texas Higher Education Coordinating Board, the Governor's Office of Budget and Planning, Legislative Budget Board and the Legislative Reference Library a copy of an annual operating budget, and subsequent amendments thereto, approved by the community/junior college governing board. The operating budget shall be in such form and manner as may be prescribed by the board and/or agency with the advice of the State Auditor providing, however, that each report include departmental operating budgets by function and salaries and emoluments for faculty and staff listed by position.

3. **Approved Elements of Expenditure.** The expenditures by a public community/junior college of any funds received by it under these provisions headed "Public Community/Junior Colleges" shall be limited to the payment of the following elements of cost: instructional administration, general administration and student services, faculty salaries, departmental operating expense, library, staff benefits, general institutional expense and organized activities. It is specifically provided, however, that in addition to the purposes enumerated herein, the funds appropriated above for special items may be expended for salaries, wages, travel, capital outlay and other necessary operating expenses.

4. **Audit of Compliance.** The compliance of each public community/junior college with the requirements set forth in the paragraphs above shall be ascertained by the State Auditor who shall also audit the pertinent books and records of each college as necessary.

5. **Vouchers for Disbursement of Appropriated Funds.** Vouchers for disbursement of the sums appropriated hereinabove shall be prepared by the Texas Higher Education Coordinating Board on the basis of the provisions in the paragraphs above and the warrants issued in payment thereof shall be issued in compliance with V.T.C.A., Education Code, Chapter 130.0031.

   In submitting vouchers for disbursement of the funds herein appropriated, the Texas Higher Education Coordinating Board, shall certify to the State Comptroller of Public Accounts that each school listed has qualified and is entitled to receive such funds under the provisions set forth in this Act under the heading "Public Community/Junior Colleges."

6. **Falsification of Records.** Any deliberate falsification by any official or employee of any public community/junior college of the student enrollment records or the records of tuition payments and receipts whereby that college's share of public community/junior college state aid has been or would be illegally increased, may cause the withdrawal of all further financial aid provided herein. The State Auditor is hereby directed to report any instances which may constitute such falsification of records to the Legislative Audit Committee, and whenever the committee finds after giving the college adequate notice and fair hearing that a deliberate and intentional falsification of records has occurred, the committee may certify its findings to the State Comptroller who may deny payment of any further funds herein appropriated to the public community/junior college.

7. **Unobligated Balances.** At the close of each fiscal year each community/junior college shall report to the Coordinating Board the amount of state allocations which have not been obligated within each line item and shall return that amount to the State Treasury for deposit in the General Revenue Fund.

8. **Adjustment of Contact Hours.** The hours used in the contact hour base period are subject to audit for accuracy by the State Auditor according to an audit plan developed in consultation with the Texas Higher Education Coordinating Board, the Legislative Budget Board and the public community and junior colleges, and the dollar amounts adjusted accordingly by the Texas Higher Education Coordinating Board. The total amount that is reduced from colleges which have overstated base period contact hours shall be redistributed to those colleges which have understated base period contact hours to the extent of such understatement. The calculation of revised appropriation amounts shall allow the institutions an error rate of up to two percent. No college shall have dollar amounts adjusted below $2,025,000. Institutions where sampling errors are identified may request a comprehensive institutional audit at institutional expense.

9. **Eligibility for Funding - Southwest Collegiate Institute for the Deaf.** In order to receive appropriations under this Act, the Southwest Collegiate Institute for the Deaf shall be subject to rules and regulations related to institutions of higher education contained in this Act and in the Texas Education Code.

10. **Separation of Funds.** The funds appropriated by the State shall be maintained separately by community/junior colleges from other sources of income.

11. **Supplanting of Federal Funds Prohibited.** It is legislative intent that state funds not be used to supplant federal funds for the Job Training Partnership Act programs conducted by community/junior colleges.

12. **Residency of Texas Department of Criminal Justice Inmates.** All inmates of the Texas Department of Criminal Justice are, for educational purposes only, residents of the State of Texas.

13. **Small Business Development Center.** The Small Business Development Center at Dallas County Community College shall receive $746,042 in each year of the biennium, as appropriated above, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $1,492,084 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

14. **Regional Import/Export Training Center.** Appropriations of $50,000 each year made above are contingent upon certification by the Comptroller of Public Accounts that increased economic activity associated with the Regional Import/Export Training Center and the Laredo Junior College will generate at least $100,000 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Regional Import/Export Training Center be used by the center to attract federal funds on a dollar-for-dollar basis.

15. **Property Ownership.** It is the intent of the Legislature that a public junior college district may own property outside of the geographical bounds of the junior college district and that such property may be used for educational purposes.

16. **Performance Reporting.** Each public community and junior college shall provide an annual performance report beginning in fiscal year 1998. Each public community and junior college shall report the following measures: the percentage of course completers; the number of degrees

or certificates awarded; the percentage of graduates who pass a licensure exam; the number of students who transfer to a public university; the percentage of remedial students who pass TASP; the percentage of students enrolled who are academically disadvantaged; the percentage of students enrolled who are economically disadvantaged; the percentage of minority students enrolled; and the percentage of contact hours taught by full-time faculty. Standard definitions for these measures shall be developed jointly by the colleges, the Legislative Budget Board and the Governor's Office of Budget and Planning, in consultation with the State Auditor's Office.

TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 368,629	$ 368,629
Grand Total, TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION	$ 368,629	$ 368,629
Method of Financing:		
General Revenue Fund	$ 231,007	$ 231,385
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	137,622	137,244
Total, Method of Financing	$ 368,629	$ 368,629
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	4.0	4.0
Number of Full-time Equivalent Positions (FTE) - Total	6.0	6.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTITUTE/ANCILLARY OPER Provide Institutional Support and Ancillary Operations		
Outcomes:		
Percent of first-time, full-time declared major students graduated within three years with either an AAS degree or a certificate	52%	54%
Number of associate degrees and certificates awarded	1,990	2,073
Percentage of graduates employed in a field related to their degree or certificate or continuing their education	85%	85%
A.1.1. Strategy: STAFF GROUP INSURANCE Staff Group Insurance Premiums	$ 1,543	$ 1,543
A.1.2. Strategy: RETIREMENT CONTRIBUTION ADJUSTMENT	$ 14,875	$ 14,875
A.2.1. Strategy: SYSTEM OFFICE OPERATION	$ 352,211	$ 352,211
Total, Goal A: INSTITUTE/ANCILLARY OPER	$ 368,629	$ 368,629
Grand Total, TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION	$ 368,629	$ 368,629
Method of Financing:		
General Revenue Fund	$ 231,007	$ 231,385
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	137,622	137,244
Total, Method of Financing	$ 368,629	$ 368,629

2. **Capital Budget**. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Mainframe Computer	$ 111,920	$ 55,571
(2) Disk Drives	$ 30,000	$ 0
Total, Acquisition of Information Resource Technologies	$ 141,920	$ 55,571
b. Acquisition of Capital Equipment and Items		
(1) Purchase of Personal Computers (MLPP Payments for 1992-93 Acquisitions)	$ 2,728	$ 0
Total, Capital Budget	$ 144,648	$ 55,571

3. **Coordination with Community/Junior Colleges.** In accordance with V.T.C.A., Education Code, Chapter 135, prior to establishing a program in an area which is within a community/junior college district, the Texas State Technical College must receive authorization to offer such educational, technical or vocational programs from the Texas Higher Education Coordinating Board.

4. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $37,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

5. **System Office Funding.** Of the amounts appropriated to the components of the Texas State Technical College System, the following amounts are subject to the special and general provisions of this Act and are included for the operation of the Texas State Technical College System Administration:

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Texas State Technical College - Harlingen	$ 285,747	$ 285,747
Texas State Technical College - Sweetwater	$ 82,916	$ 82,916
Texas State Technical College - Waco	$ 668,003	$ 668,003
Texas State Technical College - System Administration	$ 368,629	$ 368,629
Total	$ 1,405,295	$1,405,295

TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION
(Continued)

6. **Limit on Authorization to Expend Funds.** Of the amounts appropriated to the Texas State Technical College System, no more than $1,405,295 in fiscal year 1998 and $1,405,295 in fiscal year 1999 may be expended for the Texas State Technical College System Administration.

TEXAS STATE TECHNICAL COLLEGE - HARLINGEN

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 13,909,588	$ 14,230,387
Grand Total, TEXAS STATE TECHNICAL COLLEGE - HARLINGEN	$ 13,909,588	$ 14,230,387
Method of Financing:		
General Revenue Fund	$ 11,718,596	$ 12,039,395
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	2,190,992	2,190,992
Total, Method of Financing	$ 13,909,588	$ 14,230,387
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	322.0	322.0
Number of Full-time Equivalent Positions (FTE) - Total	395.5	395.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE INSTRUCTION		
Outcomes:		
Percent of first-time, full-time declared major students graduated within three years with either an AAS degree or a certificate	50%	50%
Percent of first-time, full-time, declared major students graduated with an AAS degree within three years	20%	20%
Percent of first-time, full-time declared major students graduated with a certificate within three years	30%	30%
Number of associate degrees and certificates awarded	565	580
Number of minority students graduated	497	510
A.1.1. Strategy: SCHOLARSHIPS	$ 22,536	$ 22,536
A.1.2. Strategy: SYSTEM OFFICE OPERATIONS	$ 285,747	$ 285,747
A.1.3. Strategy: PUBLIC EDUCATION GRANTS Texas Public Education Grants	$ 318,356	$ 318,356
A.1.4. Strategy: EDUCATIONAL SUPPORT	$ 365,873	$ 365,872
A.2.1. Strategy: ACADEMIC EDUCATION	$ 3,235,486	$ 3,341,476

A.2.2. Strategy: VOCATIONAL/TECHNICAL Vocational/Technical Education	$ 7,957,003	$ 8,208,748
Total, Goal A: PROVIDE INSTRUCTION	$ 12,185,001	$ 12,542,735
B. Goal: CONDUCT RESEARCH		
B.1.1. Strategy: OCCUPATIONAL RESEARCH Occupation Education Research	$ 60,239	$ 60,239
B.1.2. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities	$ 41,613	$ 41,613
Total, Goal B: CONDUCT RESEARCH	$ 101,852	$ 101,852
C. Goal: PROVIDE PUBLIC SERVICE		
C.1.1. Strategy: PLANT EXPANSION Plant Expansion and New Plant Start-up Program	$ 20,746	$ 20,746
D. Goal: INSTITUTE/ANCILLARY OPER Provide Institutional Support and Ancillary Operations		
D.1.1. Strategy: STAFF GROUP INSURANCE Staff Group Insurance Premiums	$ 122,181	$ 122,181
D.2.1. Strategy: PLANT SUPPORT SERVICES	$ 164,165	$ 167,222
D.2.2. Strategy: BUILDING MAINTENANCE	$ 368,263	$ 326,067
D.2.3. Strategy: CUSTODIAL SERVICES	$ 222,344	$ 219,468
D.2.4. Strategy: GROUNDS MAINTENANCE	$ 140,376	$ 145,455
D.2.5. Strategy: UTILITIES	$ 584,660	$ 584,661
Total, Goal D: INSTITUTE/ANCILLARY OPER	$ 1,601,989	$ 1,565,054
Grand Total, TEXAS STATE TECHNICAL COLLEGE - HARLINGEN	$ 13,909,588	$ 14,230,387
Method of Financing:		
General Revenue Fund	$ 11,718,596	$ 12,039,395
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	2,190,992	2,190,992
Total, Method of Financing	$ 13,909,588	$ 14,230,387

2. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items.

TEXAS STATE TECHNICAL COLLEGE - SWEETWATER

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 7,639,623	$ 7,854,837
Grand Total, TEXAS STATE TECHNICAL COLLEGE - SWEETWATER	$ 7,639,623	$ 7,854,837
Method of Financing:		
General Revenue Fund	$ 6,699,726	$ 6,881,085
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	939,897	973,752
Total, Method of Financing	$ 7,639,623	$ 7,854,837
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	177.5	177.5
Number of Full-time Equivalent Positions (FTE) - Total	196.0	196.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE INSTRUCTION		
Outcomes:		
Percent of first-time, full-time declared major students graduated within three years with either an AAS degree or a certificate	68%	70%
Percent of first-time, full-time declared major students graduated with an AAS degree within three years	22%	23%
Percent of first-time, full-time declared major students graduated with a certificate within three years	46%	47%
Number of associate degrees and certificates awarded	454	473
Number of minority students graduated	91	95
A.1.1. Strategy: SCHOLARSHIPS	$ 6,520	$ 6,520
A.1.2. Strategy: SYSTEM OFFICE OPERATIONS	$ 82,916	$ 82,916
A.1.3. Strategy: ABILENE EXTENSION Abilene Extension Center	$ 1,277,766	$ 1,327,238
A.1.4. Strategy: BROWNWOOD EXTENSION Brownwood Extension Center	$ 419,278	$ 435,393
A.1.5. Strategy: RURAL TECHNOLOGY CENTER	$ 446,241	$ 463,471
A.1.6. Strategy: INSTRUCTIONAL SERVICES	$ 247,242	$ 247,688
A.1.7. Strategy: PUBLIC EDUCATION GRANTS Texas Public Education Grants	$ 129,863	$ 129,863
A.1.8. Strategy: EDUCATIONAL SUPPORT	$ 333,750	$ 333,750
A.2.1. Strategy: ACADEMIC EDUCATION	$ 289,765	$ 300,502
A.2.2. Strategy: VOCATIONAL/TECHNICAL Vocational/Technical Education	$ 2,986,663	$ 3,101,543
Total, Goal A: PROVIDE INSTRUCTION	$ 6,220,004	$ 6,428,884

B. Goal: CONDUCT RESEARCH				
B.1.1. Strategy: OCCUPATIONAL RESEARCH Occupational Educational Research	$	5,358	$	5,358
B.1.2. Strategy: INDIRECT COST Indirect Cost Recovery for Research Related Activities	$	27,015	$	27,015
Total, Goal B: CONDUCT RESEARCH	$	32,373	$	32,373
C. Goal: PROVIDE PUBLIC SERVICE				
C.1.1. Strategy: PLANT EXPANSION Plant Expansion and New Plant Start-up Program	$	20,514	$	20,515
D. Goal: INSTITUTE/ANCILLARY OPER Provide Institutional Support and Ancillary Operations				
D.1.1. Strategy: STAFF GROUP INSURANCE Staff Group Insurance Premiums	$	44,986	$	44,986
D.2.1. Strategy: PLANT SUPPORT SERVICES	$	158,132	$	162,959
D.2.2. Strategy: BUILDING MAINTENANCE	$	112,894	$	115,914
D.2.3. Strategy: CUSTODIAL SERVICES	$	108,568	$	106,160
D.2.4. Strategy: GROUNDS MAINTENANCE	$	66,273	$	63,082
D.2.5. Strategy: UTILITIES	$	263,100	$	262,653
D.3.1. Strategy: ABILENE PHYSICAL PLANT	$	250,756	$	254,193
D.3.2. Strategy: BROWNWOOD PHYSICAL PLANT	$	175,419	$	179,990
D.3.3. Strategy: RURAL CTR PHYSICAL PLANT Rural Technology Center Physical Plant	$	178,691	$	183,128
D.4.1. Strategy: MASTER LEASE PURCHASE Lease Payments to Master Lease Purchase Program	$	7,913	$	0
Total, Goal D: INSTITUTE/ANCILLARY OPER	$	1,366,732	$	1,373,065
Grand Total, TEXAS STATE TECHNICAL COLLEGE - SWEETWATER	$	7,639,623	$	7,854,837
Method of Financing:				
General Revenue Fund	$	6,699,726	$	6,881,085
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770		939,897		973,752
Total, Method of Financing	$	7,639,623	$	7,854,837

2. **Capital Budget**. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

TEXAS STATE TECHNICAL COLLEGE - SWEETWATER
(Continued)

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Capital Equipment and Items		
(1) Milling Machine (MLPP payments for 1992-93 acquisition)	$ 5,427	$ 0
(2) Base Band Channel 9435 (MLPP payments on 1994-95 acquisition)	$ 2,486	$ 0
Total, Capital Budget	$ 7,913	$ 0

† 3. **Contingency for Senate Bill 1577 - Transfer of Rural Technology Center.** Contingent upon passage of Senate Bill 1577 or similar legislation transferring the Rural Technology Center to Midwestern State University, $413,600 from general revenue funds in Strategy A.1.5., Rural Technology Center and $183,128 from Strategy D.3.3., Rural Technology Center Physical Plant for fiscal year 1999 are hereby appropriated to Midwestern State University. The Texas State Technical College Board of Regents shall transfer the governance, operation, management, and control of the system's Rural Technology Center, along with all right, title, and interest held by the system in the facilities, improvements, equipment, supplies and property comprising that Rural Technology Center, to the Board of Trustees of Midwestern State University, effective September 1, 1998.

TEXAS STATE TECHNICAL COLLEGE - WACO

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 24,843,423	$ 25,505,160
Grand Total, TEXAS STATE TECHNICAL COLLEGE - WACO	$ 24,843,423	$ 25,505,160
Method of Financing:		
General Revenue Fund	$ 21,587,931	$ 22,249,668
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	3,255,492	3,255,492
Total, Method of Financing	$ 24,843,423	$ 25,505,160
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	523.5	523.5
Number of Full-time Equivalent Positions (FTE) - Total	672.0	672.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

† *See Veto Proclamation.*

TEXAS STATE TECHNICAL COLLEGE - WACO
(Continued)

A. Goal: PROVIDE INSTRUCTION		
Outcomes:		
Percent of first-time, full-time declared major students graduated within three years with either an AAS degree or a certificate	48%	48%
Percent of first-time, full-time declared major students graduated with an AAS degree within three years	28%	28%
Percent of first-time, full-time declared major students graduated with a certificate within three years	20%	20%
Number of associate degrees and certificates awarded	971	1,020
Number of minority students graduated	175	184
A.1.1. Strategy: SCHOLARSHIPS	$ 32,302	$ 32,302
A.1.2. Strategy: SYSTEM OFFICE OPERATIONS	$ 668,003	$ 668,003
A.1.3. Strategy: MARSHALL EXTENSION CTR Marshall Extension Center	$ 2,074,773	$ 2,121,015
A.1.4. Strategy: DEAF STUDENT SERVICES	$ 89,177	$ 79,311
A.1.5. Strategy: PUBLIC EDUCATION GRANTS Texas Public Education Grants	$ 390,044	$ 390,044
A.1.6. Strategy: EDUCATIONAL SUPPORT	$ 546,053	$ 546,053
A.2.1. Strategy: ACADEMIC EDUCATION	$ 2,113,560	$ 2,181,870
A.2.2. Strategy: VOCATIONAL/TECHNICAL Vocational/Technical Education	$ 15,098,610	$ 15,589,587
Total, Goal A: PROVIDE INSTRUCTION	$ 21,012,522	$ 21,608,185
B. Goal: CONDUCT RESEARCH		
B.1.1. Strategy: OCCUPATIONAL RESEARCH Occupational Educational Research	$ 91,274	$ 91,274
B.1.2. Strategy: INDIRECT COST Indirect Cost Recovery for Research Related Activities	$ 129,638	$ 129,638
Total, Goal B: CONDUCT RESEARCH	$ 220,912	$ 220,912
C. Goal: PROVIDE PUBLIC SERVICE		
C.1.1. Strategy: PLANT EXPANSION Plant Expansion and New Plant Start-up Program	$ 22,714	$ 22,714
D. Goal: INSTITUTE/ANCILLARY OPER Provide Institutional Support and Ancillary Operations		
D.1.1. Strategy: STAFF GROUP INSURANCE Staff Group Insurance Premiums	$ 132,723	$ 132,723
D.2.1. Strategy: PLANT SUPPORT SERVICES	$ 249,843	$ 254,175
D.2.2. Strategy: BUILDING MAINTENANCE	$ 677,986	$ 694,429
D.2.3. Strategy: CUSTODIAL SERVICES	$ 455,759	$ 478,866
D.2.4. Strategy: GROUNDS MAINTENANCE	$ 431,496	$ 444,816
D.2.5. Strategy: UTILITIES	$ 1,253,593	$ 1,223,522
D.3.1. Strategy: MARSHALL PHYSICAL PLANT	$ 280,326	$ 285,033
D.4.1. Strategy: MASTER LEASE PURCHASE Lease Payments to Master Lease Purchase Program	$ 105,549	$ 139,785
Total, Goal D: INSTITUTE/ANCILLARY OPER	$ 3,587,275	$ 3,653,349
Grand Total, TEXAS STATE TECHNICAL COLLEGE - WACO	$ 24,843,423	$ 25,505,160

TEXAS STATE TECHNICAL COLLEGE - WACO
(Continued)

Method of Financing:		
General Revenue Fund	$ 21,587,931	$ 22,249,668
General Revenue Fund - Dedicated - Estimated Other Educational and General Income Account No. 770	3,255,492	3,255,492
Total, Method of Financing	$ 24,843,423	$ 25,505,160

2. **Capital Budget**. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Capital Equipment and Items		
(1) Telephone Switch (MLPP payments for 1994-95 acquisition)	$ 173,613	$ 172,087
(2) Street Sweeper (MLPP payments for 1994-95 acquisition)	14,136	7,019
(3) Mail Van (MLPP payments for 1994-95 acquisition)	2,960	1,470
(4) Data Router and Disk Ports (MLPP payments for 1992-93 acquisition)	2,624	0
(5) Video Card and Laser Disk (MLPP payments for 1992-93 acquisition)	$ 3,077	$ 0
Total, Capital Budget	$ 196,410	$ 180,576

SPECIAL PROVISIONS RELATING ONLY TO COMPONENTS OF TEXAS STATE TECHNICAL COLLEGE

1. **Expenditure of Educational and General Funds.** Recognizing that Texas State Technical College may have the opportunity and should be encouraged to attract private contributions, grants, or contracts, and to enter into agreements with private businesses and other agencies of government for purposes not specifically contained in the line items above that might require matching funds from TSTC, the Board of Regents of Texas State Technical College is hereby authorized to expend its remaining educational and general funds to meet contribution, contract, or grant-matching requirements only for the following purposes:

   a. planning and implementing a large-scale job-training program in conjunction with private business and other state agencies;

   b. acquiring facilities and equipment to carry out a large-scale industrial training program in conjunction with a major employer; and

c. additional space and mechanical systems or renovation of existing buildings in accordance with the Campus Master Plans and subject to approval by the Texas Higher Education Coordinating Board.

2. **Financial Records.** The financial records and reports of the Texas State Technical College shall classify accounts in accordance with the recommendation of the National Committee on the Preparation of a Manual on College and University Business Administration, as set forth in Volume I of "College and University Business Administration," published by the American Council on Education with a copyright date of 1952, and subsequent published revisions with such modifications as may be developed and provided by the Comptroller of Public Accounts, or as may be required to conform with specific provisions of the Appropriation Acts of the Legislature. The accounts of the Texas State Technical College shall be maintained and audited in accordance with the approved reporting system. The Texas State Technical College shall deliver to the Texas Higher Education Coordinating Board, any such program reports as it may deem necessary in accordance with its rules and regulations.

3. **Enrollment Records and Reports.** To be eligible to receive the appropriations hereinabove, the Texas State Technical College shall maintain separately for each campus and each extension center such enrollment records and report such enrollment data as required by the Texas Higher Education Coordinating Board. These enrollment reports shall be submitted in the form and on the date required.

   The above reports shall be certified to the Comptroller of Public Accounts no later than the date required by the Coordinating Board, and each term copies of the above certified enrollment reports shall be sent to the Coordinating Board, Legislative Budget Board, Governor, State Auditor and Legislative Reference Library.

   The State Auditor shall verify the certified enrollment data submitted to the agencies listed above as part of the audit of the Texas State Technical College.

   The Texas State Technical College shall offer only such courses as are economically justified in the considered judgment of the Board of Regents. The Board of Regents shall adopt policies specifying the conditions under which classes of less than 10 students by headcount are to be considered necessary and justifiable. The Board of Regents shall direct the chancellor or other officials to review enrollment data prior to the designated Coordinating Board census date and take all necessary actions to ensure that the small classes offered on each campus are only those that conform with established policies on small classes. Each school term, each campus shall prepare for submission to the Board of Regents a small class report showing the department, course number, title of course and the name of the instructor. The Board of Regents shall review enrollment reports certified to the Comptroller of Public Accounts, the campus small class reports and other enrollment records as necessary to ensure that the classes offered are economically justified and are in compliance with Board of Regents' policy.

4. **Certification of Compliance.** Expenditure of the funds appropriated hereinabove is contingent upon annual certification by the chancellor of the Texas State Technical College to the Comptroller of Public Accounts that the Texas State Technical College is in compliance with these provisions regarding budgets, accounting procedures and enrollment.

5. **Approved Geographic Locations.** None of the funds appropriated above to the Texas State Technical College shall be expended in promoting, developing or creating a campus or extension center at any other location in the state except as specified in V.T.C.A., Education Code, Section 135.02.

6. **Temporary Special Courses.** Out of funds appropriated by contact hour generation hereinabove to the Texas State Technical College in pre-apprenticeship, related training for apprentices and

specialized training for journeymen and compensatory training for pre-apprenticeship and apprenticeship enrollees, and plant expansion and new plant start-up training program no more than $50,000 per year may be spent wherever the need exists within the state in conjunction with curriculum approval by the Texas Higher Education Coordinating Board. Such expenditure of funds for these special courses are temporary in nature and outside the provision of V.T.C.A., Education Code, Section 135.04.

7. **Aircraft Pilot Training Programs.** Funds may be used for the operation, maintenance or lease of aircraft for use in the Aircraft Pilot Training programs subject to the requirement that excess costs of flight instruction be recovered by an assessment of charge to student pilots. This income shall be separately accounted for and credited as a reduction in expenditure in the Aircraft Pilot Training Program.

8. **Approval of Plans by Foundations.** Any use of the Texas State Technical College's assets or facilities including, but not limited to, buildings, equipment or employees by existing foundations or for the promotion of foundations shall require prior approval of the Board of Regents. Approval is contingent upon receipt by the Board of Regents of a satisfactory annual plan of operation. At a minimum, this plan must specify the proposed use of any Texas State Technical College facilities, equipment, and personnel; payments made directly to Texas State Technical College personnel for services provided or expenses incurred; and donations of funds to the Texas State Technical College for designated purposes. All funds donated by foundations to the Texas State Technical College shall be received and accounted for in the same manner as all other Texas State Technical College funds. After Board of Regents approval, the plan shall be filed with the Legislative Budget Board.

9. **Extension Programs.** Only those funds specified for each Extension Center at Abilene, Brownwood, Marshall and the Rural Technology Center in Breckenridge, shall be expended for the purpose of maintaining extension programs in those locations. Funds appropriated to other items at each TSTC campus shall not be transferred for these purposes.

10. **Audit of Base Contact Hours.** The hours used in the contact hour base period to fund Texas State Technical College are subject to audit for accuracy by the State Auditor according to an audit plan developed in consultation with the Texas Higher Education Coordinating Board, the Legislative Budget Board, and the Public Community and Junior Colleges and the appropriation amounts adjusted accordingly by the Comptroller of Public Accounts. The calculation of revised appropriation amounts shall allow the institutions an error rate of up to two percent.

11. **Campus President Salaries.** Out of the funds appropriated to each campus of Texas State Technical College, an amount NTE $63,654 in 1998 and $63,654 in 1999 may be expended for the salary of a president. All presidents may receive in addition to the above amounts a house, utilities, and/or supplement from private sources. If an institutionally owned house is not available an amount NTE $7,200 per year from the appropriations above, and additional funds from gifts and grants where required, may be provided in lieu of house and utilities.

12. **Chancellor Salary.** Out of the funds appropriated, transferred, or contracted to the system office, an amount NTE $70,231 in 1998 and $70,231 in 1999 may be expended for the salary of a chancellor. The chancellor may receive in addition to the above amount a house, utilities, and/or supplement from private sources. If a system owned house is not available an amount NTE $7,200 per year from the system office appropriation and additional funds from gifts and grants where required, may be provided in lieu of house and utilities.

TEXAS AGRICULTURAL EXPERIMENT STATION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 55,842,375	$ 55,770,405
Grand Total, TEXAS AGRICULTURAL EXPERIMENT STATION	$ 55,842,375	$ 55,770,405
Method of Financing:		
General Revenue Fund	$ 43,969,068	$ 43,897,098
Research Related Indirect Cost Recovery, estimated	275,000	275,000
Feed Control Fund - Local No. 058, estimated	2,415,117	2,415,117
Federal Funds	6,167,046	6,167,046
General Revenue Fund - Dedicated - Agricultural Soil and Water Conservation Account No. 563	106,000	106,000
Sales Funds - Agricultural Experiment Station, estimated	1,450,000	1,450,000
Fertilizer Control Fund, estimated	1,460,144	1,460,144
Total, Method of Financing	$ 55,842,375	$ 55,770,405
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	1,331.5	1,331.5
Number of Full-time Equivalent Positions (FTE) - Total	1,383.5	1,383.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: AGRICULTURAL COMPETITIVENESS To improve the competitiveness of Texas agricultural products.		
Outcomes:		
Percentage Change in Number of Patents, Disclosures, Licenses, and Publications--Livestock Research	2%	2%
Percentage Change in Number of Patents, Disclosures, Licenses, and Publications--Plant and Crop Research	2%	2%
A.1.1. Strategy: LIVESTOCK RESEARCH Conduct research on the biology, health and management of livestock and animal production systems.	$ 8,971,377	$ 8,926,376
Outputs:		
Number of Refereed Publications	500	500
Number of Patents, Disclosures, and Licenses	7	8
Explanatory:		
Amount of External Sponsor Support	9,500,000	9,500,000
A.2.1. Strategy: PLANT AND CROP RESEARCH Conduct research on the biology, pests and management of plants and crop production systems.	$ 18,114,694	$ 18,087,725

Outputs:		
Number of Refereed Publications	546	550
Number of Patents, Disclosures, and Licenses	18	18
Explanatory:		
Amount of External Sponsor Support	17,000,000	17,000,000
Total, Goal A: AGRICULTURAL COMPETITIVENESS	$ 27,086,071	$ 27,014,101
B. Goal: ENVIRONMENTAL QUALITY		
To enhance environmental quality and conserve natural resources		
Outcomes:		
Percentage Change in Number of Patents, Disclosures, Licenses, and Publications--Renewable Resources Research	2%	2%
Percentage Change in Number of Patents, Disclosures, Licenses, and Publications--Environmental Quality Research	2%	2%
B.1.1. Strategy: RENEWABLE RESOURCES RESEARCH	$ 4,504,188	$ 4,504,188
Conduct research to enhance the efficiency with which the state's water, land and other renewable resources are used and managed to conserve resource stocks for future use.		
Outputs:		
Number of Refereed Publications	173	173
Number of Patents, Disclosures, and Licenses	3	3
Explanatory:		
Amount of External Sponsor Support	4,000,000	4,000,000
B.2.1. Strategy: ENVIRONMENT QUALITY RESEARCH	$ 9,247,283	$ 9,247,283
Conduct research to protect and enhance water, air and soil quality and biodiversity.		
Outputs:		
Number of Refereed Publications	287	299
Number of Patents, Disclosures, and Licenses	2	2
Explanatory:		
Amount of External Sponsor Support	6,300,000	6,300,000
Total, Goal B: ENVIRONMENTAL QUALITY	$ 13,751,471	$ 13,751,471
C. Goal: AGRICULTURAL PRODUCT QUALITY		
To enhance nutrition, quality, safety and market efficiency while maintaining affordability of agricultural products.		
Outcomes:		
Percentage Change in Number of Patents, Disclosures, Licenses, and Publications--Agricultural Product Quality Research	2%	2%
Percentage Change in Number of Patents, Disclosures, Licenses, and Publications--Agricultural Marketing Research	2%	2%

C.1.1. Strategy: AGRICULTURAL PRODUCT QUALITY RSRCH	$ 3,373,641	$ 3,373,641
Conduct research on biological, production, storage and handling processes and consumer behavior relating to safety, nutritional and quality characteristics of agricultural products.		
Outputs:		
Number of Refereed Publications	232	232
Number of Patents, Disclosures, and Licenses	6	6
Explanatory:		
Amount of External Sponsor Support	3,500,000	3,500,000
C.2.1. Strategy: AGRICULTURAL MARKETING RESEARCH	$ 1,754,293	$ 1,754,293
Conduct research on efficiency marketing and trade systems and consumer behavior relating to food and agricultural products.		
Outputs:		
Number of Refereed Publications	60	60
Number of Patents, Licenses, and Disclosures	2	2
Explanatory:		
Amount of External Sponsor Support	1,500,000	1,500,000
Total, Goal C: AGRICULTURAL PRODUCT QUALITY	$ 5,127,934	$ 5,127,934
D. Goal: VALUE-ADDED/ECONOMIC DEV		
To increase value-added from processing of Texas agricultural products and enhance the socioeconomic development of communities and the economy of Texas.		
Outcomes:		
Percentage Change in Number of Patents, Licenses, Disclosures, and Publications--Value-Added Research	2%	2%
Percentage Change in Number of Patents, Disclosures, Licenses, and Publications--Socioeconomic Research	2%	2%
D.1.1. Strategy: VALUE-ADDED RESEARCH	$ 1,124,547	$ 1,124,547
Conduct research into value-added enhancing techniques to facilitate the efficient conversion of plant and animal materials, residuals, byproducts and wastes into higher valued products.		
Outputs:		
Number of Refereed Publications	64	64
Number of Patents, Disclosures, and Licenses	3	3
Explanatory:		
Amount of External Sponsor Support	1,200,000	1,200,000
D.2.1. Strategy: SOCIOECONOMIC RESEARCH	$ 1,799,276	$ 1,799,276
Conduct research on economic, demographic and social factors impacting socioeconomic resources, services and organizations in Texas.		
Outputs:		
Number of Refereed Publications	63	63
Explanatory:		
Amount of External Sponsor Support	1,700,000	1,700,000
Total, Goal D: VALUE-ADDED/ECONOMIC DEV	$ 2,923,823	$ 2,923,823

TEXAS AGRICULTURAL EXPERIMENT STATION
(Continued)

E. Goal: REGULATORY SERVICES To provide regulatory services that are fair to the industry and protect the interests of consumers.		
Outcomes:		
Percent Change in Number of European Honey Bee Certificates Issued	4%	3%
Change in Violation Rates--Feed and Fertilizer Program	2%	2%
E.1.1. Strategy: HONEY BEE REGULATION Control diseases and other pests of EHB, reduce the impact of AHB through timely monitoring, regulatory/containment provisions and respond to public needs.	$ 295,827	$ 295,827
Outputs:		
Number of Bee Colonies Inspected	28,000	28,000
Number of Apiaries Inspected	200	200
E.2.1. Strategy: FEED & FERTILIZER PROGRAM Monitor and evaluate products distributed in the state.	$ 3,362,761	$ 3,362,761
Outputs:		
Percentage of Product Labels Inspected	35%	35%
Percentage of Feed and Fertilizer Materials Sampled and Tested	2.4%	2.4%
Total, Goal E: REGULATORY SERVICES	$ 3,658,588	$ 3,658,588
F. Goal: STAFF BENEFITS To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.		
F.1.1. Strategy: STAFF GROUP INSURANCE Provide funding for staff group insurance premiums.	$ 505,000	$ 505,000
F.1.2. Strategy: WORKERS' COMP INSURANCE Provide funding for workers' compensation insurance.	$ 220,000	$ 220,000
F.1.3. Strategy: UNEMPLOYMENT INSURANCE Provide funding for unemployment insurance.	$ 10,100	$ 10,100
F.1.4. Strategy: O.A.S.I. Provide funding for O.A.S.I.	$ 349,000	$ 349,000
Total, Goal F: STAFF BENEFITS	$ 1,084,100	$ 1,084,100
G. Goal: INDIRECT ADMINISTRATION		
G.1.1. Strategy: INDIRECT ADMINISTRATION	$ 2,210,388	$ 2,210,388
Grand Total, TEXAS AGRICULTURAL EXPERIMENT STATION	$ 55,842,375	$ 55,770,405
Method of Financing:		
General Revenue Fund	$ 43,969,068	$ 43,897,098
Research Related Indirect Cost Recovery, estimated	275,000	275,000
Feed Control Fund - Local No. 058, estimated	2,415,117	2,415,117
Federal Funds	6,167,046	6,167,046

General Revenue Fund - Dedicated - Agricultural Soil and Water Conservation Account No. 563	106,000	106,000
Sales Funds - Agricultural Experiment Station, estimated	1,450,000	1,450,000
Fertilizer Control Fund, estimated	1,460,144	1,460,144
Total, Method of Financing	$ 55,842,375	$ 55,770,405

2. **Unexpended Balance, Feed Control Fund.** The unexpended balances as of August 31, 1997 in the Feed Control Fund created under V.T.C.A., Agriculture Code, Section 141, and the unexpended balances and all income to the Feed Control Fund during the biennium beginning September 1, 1997, are hereby appropriated to the Texas Agricultural Experiment Station for the purposes of administering the Texas Commercial Feed Control Act of 1957, and for the expense of experiments and research relative to the value of feeds in accordance with the provisions of V.T.C.A., Agriculture Code, Section 141.

3. **Unexpended Balances, TAES Current Fund.** Any balances remaining as of August 31, 1997 in the Texas Agricultural Experiment Station Current Fund No. 240 are hereby appropriated for fiscal year 1998 and any balances remaining as of August 31, 1998 are hereby appropriated to fiscal year 1999.

4. **Buffalo Gnat.** Out of the funds appropriated above, $5,000 in general revenue funds in each year of the biennium shall be used for buffalo gnat eradication.

5. **Commercialization.** It is the intent of the Legislature that the Texas Agricultural Experiment Station or its successor acquire royalties, licenses, fees, and other income from the new technology innovations where practical. The Texas Agricultural Experiment Station will report progress on such actions to the Legislative Budget Board on or before September 1, 1999.

6. **Unexpended Balances, General Revenue Fund-Dedicated, Agricultural Soil and Water Conservation Account.** Any unexpended balances in the Agricultural Soil and Water Conservation Account, estimated to be $10,000, remaining as of August 31, 1997, are hereby reappropriated for the biennium beginning September 1, 1997, for the purposes of Subchapter G, Chapter 15, Water Code. Any balances remaining after August 31, 1998, are hereby appropriated for fiscal year 1999.

7. **Limited Waiver from Proportionality Provision.** The Texas Agricultural Experiment Station is specifically exempt from implementation of proportionality for Higher Education Retirement Programs, but only in regard to the retirement match limit that is imposed under the federal Smith-Lever Act and the Hatch Act.

8. **Precision Crop Production.** Out of funds appropriated above, Strategy A.2.1., Plant/Crop Research, $1,000,000 in fiscal year 1998 and $1,000,000 in fiscal year 1999 shall be used for Precision Crop Production.

9. **Fire Ant Research.** Out of funds appropriated above, Strategy B.2.1., Environmental Quality, $2,500,000 in fiscal year 1998 and $2,500,000 in fiscal year 1999 shall be used for Fire Ant Research.

TEXAS AGRICULTURAL EXTENSION SERVICE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 51,767,279	$ 51,461,897
Grand Total, TEXAS AGRICULTURAL EXTENSION SERVICE	$ 51,767,279	$ 51,461,897
Method of Financing:		
General Revenue Fund	$ 35,450,431	$ 35,417,773
Federal Funds	9,090,784	8,818,060
General Revenue Fund - Dedicated - Agricultural Soil and Water Conservation Account No. 563	106,000	106,000
County Funds - Extension Programs Fund, estimated	7,120,064	7,120,064
Total, Method of Financing	$ 51,767,279	$ 51,461,897
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	1,111.5	1,111.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: HEALTH & SAFETY EDUCATION To educate Texans to take more responsibility for improving their health, safety, productivity, and well being.		
Outcomes:		
Percent Increase of Targeted Texans Reached	13%	15%
A.1.1. Strategy: HEALTH & SAFETY EDUCATION Conduct educational programs related to nutrition, safe agricultural, safe home, and safe workplace environments, food safety, and dependent care.	$ 10,498,758	$ 10,439,577
Outputs:		
Direct Teaching Exposures	1,600,000	1,600,000
Efficiencies:		
Average Cost Per Educational Contact	4	4
B. Goal: ENVIRONMENTAL EDUCATION To educate citizens to improve their stewardship of the environment and Texas' natural resources.		
Outcomes:		
Percent Increase of Targeted Texans Reached	16%	18%
B.1.1. Strategy: ENVIRONMENTAL EDUCATION Conduct educational programs to protect and maintain the land and water ecosystems of the state.	$ 7,581,349	$ 7,537,849
Outputs:		
Direct Teaching Exposures	1,200,000	1,200,000

Efficiencies:				
Average Cost Per Educational Contact		3.5		3.5
C. Goal: ECONOMIC COMPETITIVENESS				
To enable Texans to make decisions that contribute to their economic security and to the state's economic prosperity.				
Outcomes:				
Percent Increase of Targeted Texans Reached		11%		13%
C.1.1. Strategy: ECONOMIC COMPETITIVENESS	$	21,134,535	$	20,985,288
Conduct educational programs that contribute to the economic competitiveness of agricultural producers, the economic viability of rural communities, and the economic stability of individuals and families.				
Outputs:				
Direct Teaching Exposures		2,027,500		2,027,500
Result Demonstrations Established		2,000		2,000
Efficiencies:				
Economic Impact Per Dollar Invested		850		850
D. Goal: LEADERSHIP DEVELOPMENT				
To foster the development of responsible, productive, and self-motivated youth and adults.				
Outcomes:				
Percent Increase of Targeted Texans Reached		11%		13%
D.1.1. Strategy: LEADERSHIP DEVELOPMENT	$	9,837,588	$	9,784,134
Teach the principles of leadership development to both youth and adults and provide opportunities for youth to learn life skills and enhance career development.				
Outputs:				
Direct Teaching Exposures		3,205,000		3,212,500
Efficiencies:				
Average Cost Per Educational Contact		2.5		2.5
E. Goal: STAFF BENEFITS				
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.				
E.1.1. Strategy: STAFF GROUP INSURANCE	$	427,016	$	427,016
Provide funding for staff group insurance premiums				
E.1.2. Strategy: WORKERS' COMP INSURANCE	$	184,740	$	184,740
Provide funding for workers' compensation insurance				
E.1.3. Strategy: UNEMPLOYMENT INSURANCE	$	1,800	$	1,800
Provide funding for unemployment insurance				
E.1.4. Strategy: O.A.S.I.	$	155,627	$	155,627
Provide funding for O.A.S.I.				
Total, Goal E: STAFF BENEFITS	$	769,183	$	769,183

F. Goal: INDIRECT ADMINISTRATION		
F.1.1. Strategy: INDIRECT ADMINISTRATION	$ 1,945,866	$ 1,945,866
Grand Total, TEXAS AGRICULTURAL EXTENSION SERVICE	$ 51,767,279	$ 51,461,897
Method of Financing:		
General Revenue Fund	$ 35,450,431	$ 35,417,773
Federal Funds	9,090,784	8,818,060
General Revenue Fund - Dedicated - Agricultural Soil and Water Conservation Account No. 563	106,000	106,000
County Funds - Extension Programs Fund, estimated	7,120,064	7,120,064
Total, Method of Financing	$ 51,767,279	$ 51,461,897

2. **Integrated Pest Management.** Out of the funds appropriated above, $49,365 in each year of the biennium is for contracting with the Texas Pest Management Association for pest management. No more than 10 percent of these funds shall be utilized by the Texas Agricultural Extension Service for administering the program.

3. **Texas System of Natural Labs.** Out of the funds appropriated above, $35,000 in each year of the biennium shall be provided to the Texas System of Natural Laboratories, Inc.

4. **Unexpended Balances, General Revenue Fund-Dedicated, Agricultural Soil and Water Conservation Account.** Any unexpended balances in the Agricultural Soil and Water Conservation Account, estimated to be $10,000, remaining as of August 31, 1997, are hereby reappropriated for the biennium beginning September 1, 1997, for the purposes of Subchapter G, Chapter 15, Water Code. Any balances remaining after August 31, 1998, are hereby appropriated for fiscal year 1999.

5. **Proportionality Payments for Employee Benefits.** For the purpose of determining proportional payments of retirement and group insurance benefits for the Texas Agricultural Extension Service, as required in this Act, County Funds paid directly by County Commissioners Courts shall be considered as General Revenue Funds. The Texas Agricultural Extension Service is specifically exempt from implementation of proportionality for Higher Education Retirement Programs, but only in regard to the retirement match limit that is imposed under the federal Smith-Lever Act and the Hatch Act.

6. **Urban Extension Education.** Out of funds appropriated for Health and Safety Education and Economic Competitiveness, $100,000 in each year of the biennium shall be used for Urban Extension Education.

7. **Family and Youth Development Programs.** Out of funds appropriated above, Strategy D.1.1., Leadership Development, $400,000 in fiscal year 1998 and $400,000 in fiscal year 1999 shall be used for Family Youth and Development programs.

8. **Agricultural Competitiveness.** Out of funds appropriated above, Strategy C.1.1., Economic Competitiveness, $500,000 in fiscal year 1998 and $500,000 in fiscal year 1999 shall be used for Agricultural Competitiveness.

9. **Contingency Appropriation for Senate Bill 1.** Contingent upon the enactment of Senate Bill 1, or similar legislation relating to water resources, by the Seventy-fifth Legislature, Regular Session, Texas Agricultural Extension Service is hereby appropriated $300,000 for fiscal year 1998 and $300,000 for fiscal year 1999 out of the General Revenue Fund for the purpose of

implementing that Act. The Texas Agricultural Extension Service is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

TEXAS ENGINEERING EXPERIMENT STATION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 43,544,469	$ 43,528,160
Grand Total, TEXAS ENGINEERING EXPERIMENT STATION	$ 43,544,469	$ 43,528,160
Method of Financing:		
General Revenue Fund	$ 7,736,293	$ 7,719,984
Research Related Indirect Cost Recovery, estimated	2,284,400	2,284,400
Federal Funds	18,812,600	18,812,600
Interagency Contracts	4,745,900	4,745,900
Other Funds, estimated	9,965,276	9,965,276
Total, Method of Financing	$ 43,544,469	$ 43,528,160
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	572.5	572.5
Number of Full-time Equivalent Positions (FTE) - Total	687.5	687.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: ENGINEERING RESEARCH To conduct basic and applied research in engineering and related fields which addresses critical state and national issues, supports industrial and public systems, enhances higher education and promotes economic development.		
Outcomes:		
Percent Change in Dollar Volume of Sponsored Research	5%	5%
Number of Formal Invention Disclosures	38	38
Number of Formal License Agreements	12	15
A.1.1. Strategy: RESEARCH DIVISIONS Develop and support disciplinary and cross-disciplinary research programs, centers, institutes, and new initiatives.	$ 26,273,196	$ 26,256,887
Outputs:		
Dollar Volume of Research (Millions)	40	40
Number of Research Projects	2,000	2,000

Efficiencies:				
Research Award Dollars per FTE Researcher (Thousands)		350		350
A.1.2. Strategy: MULTI-INSTITUTIONAL RESEARCH	$	8,805,512	$	8,805,512
Collaborate with academic institutions in Texas, the nation and elsewhere in research and development activities.				
Outputs:				
Number of Collaborative Initiatives		500		500
Dollar Volume of Activities (Millions)		11		12
A.2.1. Strategy: TECHNOLOGY TRANSFER	$	519,406	$	519,406
Provide intellectual property assistance to the research programs for commercial application.				
Outputs:				
Number of Patent Applications		11		12
A.3.1. Strategy: EDUCATIONAL PROGRAMS	$	1,653,520	$	1,653,520
Provide programs and opportunities for the participation of students, especially minorities and women, in research and education programs.				
Outputs:				
Number of Students from Underrepresented-Groups Participating in Agency Activities		1,175		1,200
Total, Goal A: ENGINEERING RESEARCH	$	37,251,634	$	37,235,325
B. Goal: STAFF BENEFITS				
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.				
B.1.1. Strategy: STAFF GROUP INSURANCE	$	1,700,000	$	1,700,000
Provide funding for staff group insurance premiums.				
B.1.2. Strategy: WORKERS' COMP INSURANCE	$	225,000	$	225,000
Provide funding for workers' compensation insurance.				
B.1.3. Strategy: UNEMPLOYMENT INSURANCE	$	15,000	$	15,000
Provide funding for unemployment insurance.				
B.1.4. Strategy: O.A.S.I.	$	947,835	$	947,835
Provide funding for O.A.S.I.				
B.1.5. Strategy: OPTIONAL RET PROG DIFF	$	145,000	$	145,000
Optional Retirement Program Differential				
Total, Goal B: STAFF BENEFITS	$	3,032,835	$	3,032,835
C. Goal: INDIRECT ADMINISTRATION				
C.1.1. Strategy: INDIRECT ADMINISTRATION	$	3,260,000	$	3,260,000
Grand Total, TEXAS ENGINEERING EXPERIMENT STATION	$	43,544,469	$	43,528,160

TEXAS ENGINEERING EXPERIMENT STATION
(Continued)

Method of Financing:		
General Revenue Fund	$ 7,736,293	$ 7,719,984
Research Related Indirect Cost Recovery, estimated	2,284,400	2,284,400
Federal Funds	18,812,600	18,812,600
Interagency Contracts	4,745,900	4,745,900
Other Funds, estimated	9,965,276	9,965,276
Total, Method of Financing	$ 43,544,469	$ 43,528,160

TEXAS TRANSPORTATION INSTITUTE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 23,047,123	$ 23,741,309
Grand Total, TEXAS TRANSPORTATION INSTITUTE	$ 23,047,123	$ 23,741,309
Method of Financing:		
General Revenue Fund	$ 2,886,036	$ 2,883,511
Research Related Indirect Cost Recovery, estimated	1,229,838	1,278,300
Federal Funds	2,696,097	2,776,977
Appropriated Receipts	3,355,121	3,502,904
Interagency Contracts	12,880,031	13,299,617
Total, Method of Financing	$ 23,047,123	$ 23,741,309
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	418.5	422.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: TRANSPORTATION RESEARCH To identify and solve transportation research problems, to disseminate the results, and to enhance the relevance and quality of transportation education in Texas.		
Outcomes:		
Percent Change in Dollar Volume of Research Studies Performed	5%	5%
Percent Change in the Number of Invention Disclosures Credited to TTI Researchers	11.1%	10%
A.1.1. Strategy: SPONSORED RESEARCH Submit research proposals and develop programs to secure funded contracts from sources, including: TxDOT, USDOT, and other state and federal agencies, other states, regional and local	$ 16,568,910	$ 17,064,042

governments, and private sector entities and to support transportation-related educational programs within the Texas A&M University System and other Texas university systems.		
Outputs:		
Number of Research Projects	356	360
Number of Unique Sponsors	113	116
A.1.2. Strategy: NATIONAL CENTERS	$ 2,632,192	$ 2,711,158
Submit research proposals and develop programs within the National Centers to enhance and promote advanced transportation-related educational and research programs within the Texas A&M University System and other Texas university systems.		
Outputs:		
Number of Research Projects	119	121
Number of Unique Sponsors	12	13
Total, Goal A: TRANSPORTATION RESEARCH	$ 19,201,102	$ 19,775,200
B. Goal: STAFF BENEFITS		
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.		
B.1.1. Strategy: STAFF GROUP INSURANCE	$ 1,060,229	$ 1,096,745
Provide funding for staff group insurance premiums.		
B.1.2. Strategy: WORKERS' COMP INSURANCE	$ 69,548	$ 71,634
Provide funding for workers' compensation insurance.		
B.1.3. Strategy: UNEMPLOYMENT INSURANCE	$ 11,697	$ 12,048
Provide funding for unemployment insurance.		
B.1.4. Strategy: O.A.S.I.	$ 846,574	$ 871,972
Provide funding for O.A.S.I.		
Total, Goal B: STAFF BENEFITS	$ 1,988,048	$ 2,052,399
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 1,857,973	$ 1,913,710
Grand Total, TEXAS TRANSPORTATION INSTITUTE	$ 23,047,123	$ 23,741,309
Method of Financing:		
General Revenue Fund	$ 2,886,036	$ 2,883,511
Research Related Indirect Cost Recovery, estimated	1,229,838	1,278,300
Federal Funds	2,696,097	2,776,977
Appropriated Receipts	3,355,121	3,502,904
Interagency Contracts	12,880,031	13,299,617
Total, Method of Financing	$ 23,047,123	$ 23,741,309

2. **Rural Rail Transportation Districts.** The Texas Transportation Institute is directed to assist rural rail transportation districts in Texas in activities that are within the scope and mission of the agency.

TEXAS ENGINEERING EXTENSION SERVICE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 36,623,441	$ 37,537,082
Grand Total, TEXAS ENGINEERING EXTENSION SERVICE	$ 36,623,441	$ 37,537,082
Method of Financing:		
General Revenue Fund	$ 5,331,446	$ 4,997,017
Research Related Indirect Cost Recovery, estimated	776,747	808,455
Federal Funds	4,193,076	4,364,228
Appropriated Receipts	23,028,662	23,939,442
Interagency Contracts	3,293,510	3,427,940
Total, Method of Financing	$ 36,623,441	$ 37,537,082
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	475.5	495.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE TRAINING To provide basic and advanced training, technology transfer activities and technical assistance on a statewide basis to meet the needs of governmental and industrial employees. The emphasis on technical training and assistance activities will ensure a qualified and competent workforce for the future.		
Outcomes:		
Percent Increase in the Number of Employees Trained in Response to State Mandated Certification Programs	9%	9%
Percent Increase in the Number of Industrial Employees Participating in Training Programs	5%	5%
A.1.1. Strategy: PUBLIC SECTOR TRAINING Provide training for the public sector by assigning responsibility, conducting training needs assessments, using advisory groups, monitoring legislation and developing a marketing strategy within each training division.	$ 11,162,049	$ 11,036,441
Outputs:		
Number of Individuals Trained	67,778	67,778

Efficiencies:		
Average Number of Student Contact Hours per Full-Time Instructor	15,112	15,112
A.1.2. Strategy: INDUSTRIAL TRAINING	$ 12,466,547	$ 12,975,385
Provide training for the industrial sector by assigning responsibility, conducting training needs assessments, using advisory groups, monitoring legislation and developing a marketing strategy within each training division.		
Outputs:		
Number of Individuals Trained	67,333	67,333
Efficiencies:		
Average Number of Student Contact Hours per Full-Time Instructor	9,714	9,714
Total, Goal A: PROVIDE TRAINING	$ 23,628,596	$ 24,011,826
B. Goal: TECHNOLOGY TRANSFER ASST		
To provide special instructions, technology transfer activities and technical assistance on a statewide basis to special population groups.		
B.1.1. Strategy: TECHNOLOGY TRANSFER	$ 2,430,683	$ 2,529,898
Operate an efficient technology transfer program through seminars, electronic bulletin boards, newsletters and fact sheets.		
Outputs:		
Number of Initiatives with Communities and Businesses	1,180	1,180
Number of Community and Business Client Services Provided	2,250	2,250
Efficiencies:		
Number of Person Days per Response	3	3
B.1.2. Strategy: PRE-EMPLOYMENT TRAINING	$ 2,209,920	$ 2,300,124
Operate a pre-employment training program		
Outputs:		
Number of Individuals Trained	6,225	6,225
Efficiencies:		
Average Number of Student Contact Hours per Full-Time Instructor	11,991	11,991
Total, Goal B: TECHNOLOGY TRANSFER ASST	$ 4,640,603	$ 4,830,022
C. Goal: STAFF BENEFITS		
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.		
C.1.1. Strategy: STAFF GROUP INSURANCE	$ 1,332,103	$ 1,386,476
Provide funding for staff group insurance premiums.		
C.1.2. Strategy: WORKERS' COMP INSURANCE	$ 86,049	$ 89,562
Provide funding for workers' compensation insurance.		
C.1.3. Strategy: UNEMPLOYMENT INSURANCE	$ 17,320	$ 18,026
Provide funding for unemployment insurance.		

TEXAS ENGINEERING EXTENSION SERVICE
(Continued)

C.1.4. Strategy: O.A.S.I. Provide funding for O.A.S.I.	$ 1,159,763	$ 1,207,100
Total, Goal C: STAFF BENEFITS	$ 2,595,235	$ 2,701,164
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 5,759,007	$ 5,994,070
Grand Total, TEXAS ENGINEERING EXTENSION SERVICE	$ 36,623,441	$ 37,537,082
Method of Financing:		
General Revenue Fund	$ 5,331,446	$ 4,997,017
Research Related Indirect Cost Recovery, estimated	776,747	808,455
Federal Funds	4,193,076	4,364,228
Appropriated Receipts	23,028,662	23,939,442
Interagency Contracts	3,293,510	3,427,940
Total, Method of Financing	$ 36,623,441	$ 37,537,082

TEXAS FOREST SERVICE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 16,227,526	$ 16,087,633
Grand Total, TEXAS FOREST SERVICE	$ 16,227,526	$ 16,087,633
Method of Financing:		
General Revenue Fund	$ 10,782,526	$ 10,642,633
Federal Funds	2,225,000	2,225,000
Other Funds, estimated	3,220,000	3,220,000
Total, Method of Financing	$ 16,227,526	$ 16,087,633
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	327.0	327.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: DEVELOP FOREST RESOURCE
To assure maximum development of the forest and tree resources throughout Texas and protect human life, the total forest environment and other rural lands and property from damage by wildfire, forest insects, diseases and other natural and man-caused factors.

Outcomes:				
Percent Reduction in the 5-Year Average of Acres Burned by Wildfire		0%		0%
Percent of Timber Saved by Prompt Control of Southern Pine Beetle Infestations		90%		90%
Trees Saved From Spread of Oak Wilt Disease		40,000		40,000
Percent Change in Number of Acres Reforested		9.5%		8.1%
Percent Change in Total Miles of Texas Windbreaks		10%		10%
A.1.1. Strategy: WILDFIRE PROGRAM Provide statewide leadership for an effective forest and rural land wildfire prevention, detection and suppression program.	$	7,310,241	$	7,170,348
Outputs:				
Number of Forest Fires Controlled by TFS		2,500		2,500
Number of Volunteer Firemen Trained		2,500		2,500
Number of Communities Receiving Firefighting Equipment		700		700
A.1.2. Strategy: FOREST INSECTS & DISEASES Provide statewide leadership in the early detection, landowner notification and control of major forest and tree insects and diseases.	$	904,819	$	904,819
Outputs:				
Number of Property Owners Assisted With Oak Wilt Control Information		275		275
A.2.1. Strategy: FOREST MANAGEMENT Provide professional forest management assistance and markets for non-industrial private forest resources.	$	5,259,853	$	5,259,853
Outputs:				
Number of Professional Forest Management and Stewardship Plans Prepared		2,000		2,000
A.2.2. Strategy: URBAN FORESTRY/ WINDBREAK Provide urban forestry and windbreak assistance to communities and landowners throughout the state.	$	1,082,612	$	1,082,612
Outputs:				
Number of Urban Trees Planted Through Cooperative Programs		12,000		12,000
Efficiencies:				
Ratio of TFS Funds Utilized to Leverage Non-State Funded Urban Forestry Projects		4		4
Total, Goal A: DEVELOP FOREST RESOURCE	$	14,557,525	$	14,417,632
B. Goal: STAFF BENEFITS Provide staff benefits to eligible employees and retirees pursuant to state law.				
B.1.1. Strategy: STAFF GROUP INSURANCE Provide funding for staff group insurance premiums.	$	580,806	$	580,806

TEXAS FOREST SERVICE
(Continued)

B.1.2. Strategy: WORKERS' COMP INSURANCE Provide funding for workers' compensation insurance.	$ 89,100	$ 89,100
B.1.3. Strategy: UNEMPLOYMENT INSURANCE Provide funding for unemployment insurance.	$ 2,000	$ 2,000
B.1.4. Strategy: O.A.S.I. Provide funding for O.A.S.I.	$ 229,949	$ 229,949
B.1.5. Strategy: HAZARDOUS DUTY PAY Provide funding for hazardous duty pay.	$ 9,366	$ 9,366
Total, Goal B: STAFF BENEFITS	$ 911,221	$ 911,221
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 758,780	$ 758,780
Grand Total, TEXAS FOREST SERVICE	$ 16,227,526	$ 16,087,633
Method of Financing:		
General Revenue Fund	$ 10,782,526	$ 10,642,633
Federal Funds	2,225,000	2,225,000
Other Funds, estimated	3,220,000	3,220,000
Total, Method of Financing	$ 16,227,526	$ 16,087,633

2. **Overtime Payments, Contingency.** Included in the appropriation above, $335,223 for each year of the biennium is for the sole purpose of paying mandatory overtime expenses of non-exempt employees of the Texas Forest Service when such overtime is incurred in fire suppression activities. It is further provided that payments from this appropriation shall be made only upon overtime payroll vouchers submitted to the State Comptroller. Any balances remaining as of August 31, 1997 are hereby reappropriated for the same purpose for the fiscal year beginning September 1, 1997.

3. **Statewide Fire Emergency Funding.** Out of the funds appropriated above in Strategy A.1.1, Wildfire Program, $431,723 in 1998 and $313,723 in 1999 from the General Revenue Fund shall be used for five regional fire coordinator offices in: Lubbock, Corpus Christi, Conroe, and Tyler to be co-located with the Texas Commission on Fire Protection and in Barnhart to co-locate at the Texas Department of Transportation facility.

ANIMAL DAMAGE CONTROL SERVICE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Educational and General State Support	$ 2,714,605	$ 2,688,739
Grand Total, ANIMAL DAMAGE CONTROL SERVICE	$ 2,714,605	$ 2,688,739

Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	80.0	80.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

Out of the General Revenue Fund:

A. Goal: ANIMAL DAMAGE CONTROL To protect the resources, property, and well-being of Texans from damage caused by or related to the activities of wildlife species.		
Outcomes:		
Percent of Texas Counties Receiving Direct Animal Damage Management Assistance	80%	80%
Percent of Texas Counties Receiving Animal Damage Management Technical Assistance	80%	80%
A.1.1. Strategy: DIRECT CONTROL ASSISTANCE To provide operational direct control assistance on a cooperative basis for the protection of resources and health.	$ 2,463,958	$ 2,440,957
Outputs:		
Number of Wildlife/Human Conflict On-Site Visits by TADCS Personnel	87,671	87,671
Number of Properties Provided Wildlife Damage Management Assistance	5,194	5,194
Efficiencies:		
Average Cost per Client (i.e., Cooperative Field Agreement)	455	455
A.2.1. Strategy: TECHNICAL ASSISTANCE To provide the general public with a consistent source of technical assistance and information on the proper handling of specific wildlife problems and education concerning the necessity for wildlife damage management	$ 241,659	$ 238,794
Outputs:		
Number of Technical Assistance Projects (i.e., Personal, Phone, and Written Consultations) Conducted	8,000	8,000
Number of Participants Provided Technical Assistance	16,277	16,277
Efficiencies:		
Average Cost per Technical Assistance Project	30	30
Total, Goal A: ANIMAL DAMAGE CONTROL	$ 2,705,617	$ 2,679,751

B. Goal: STAFF BENEFITS
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.

ANIMAL DAMAGE CONTROL SERVICE
(Continued)

B.1.1. Strategy: WORKERS' COMP INSURANCE Provide funding for workers' compensation insurance.	$ 8,988	$ 8,988
Grand Total, ANIMAL DAMAGE CONTROL SERVICE	$ 2,714,605	$ 2,688,739

2. **Beaver Control - East Texas.** Out of the funds appropriated above in Strategy A.1.1., Direct Control Assistance, $317,913 for fiscal year 1998 and $174,063 for fiscal year 1999 shall be used for Beaver Control - East Texas.

3. **Feral Hog Control.** Out of the funds appropriated above in Strategy A.1.1., Direct Control Assistance, $50,000 for fiscal year 1998 and $50,000 for fiscal year 1999 shall be used for Feral Hog Control.

4. **Wildlife Damage Control Specialist.** Out of the funds appropriated above, $59,576 in fiscal year 1998 and $39,212 in fiscal year 1999 shall be used for the purpose of funding one full-time Wildlife Damage Control Specialist to conduct wildlife damage management services in East Texas with emphasis in management of cattle egret damage.

TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 7,590,010	$ 7,585,510
Grand Total, TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY	$ 7,590,010	$ 7,585,510
Method of Financing:		
General Revenue Fund	$ 3,161,647	$ 3,157,147
Drug Testing Laboratory Fee Revenue, estimated	1,126,018	1,126,018
Veterinary Medical Diagnostic Laboratory Fee Revenue, estimated	3,302,345	3,302,345
Total, Method of Financing	$ 7,590,010	$ 7,585,510
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	142.0	142.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: DIAGNOSTIC & DRUG TESTING
To continue to provide a high-quality veterinary diagnostic service, drug testing, export testing and disease surveillance program to the animal industries.

TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY
(Continued)

Outcomes:		
Number of Diagnostic Services Rendered (Case Load and Telephone Inquiries)	236,500	236,500
Percent of Animals Testing Drug Free	99.5%	99.5%
A.1.1. Strategy: DIAGNOSTIC SERVICES	$ 5,481,597	$ 5,522,597
Provide diagnostic service and disease surveillance.		
Outputs:		
Number of Cases Submitted and Examined	126,000	126,000
Efficiencies:		
Number of Cases Handled per FTE	1,016	1,016
A.2.1. Strategy: DRUG TESTING SERVICE	$ 869,079	$ 869,079
Provide drug testing service primarily for the pari-mutuel animal racing industries.		
Outputs:		
Number of Animals Tested	27,180	27,510
Total, Goal A: DIAGNOSTIC & DRUG TESTING	$ 6,350,676	$ 6,391,676
B. Goal: STAFF BENEFITS		
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.		
B.1.1. Strategy: STAFF GROUP INSURANCE	$ 223,330	$ 223,330
Provide funding for staff group insurance premiums.		
B.1.2. Strategy: WORKERS' COMP INSURANCE	$ 29,351	$ 29,351
Provide funding for workers' compensation insurance.		
B.1.3. Strategy: UNEMPLOYMENT INSURANCE	$ 2,241	$ 2,241
Provide funding for unemployment insurance.		
B.1.4. Strategy: O.A.S.I.	$ 217,995	$ 217,995
Provide funding for O.A.S.I.		
B.1.5. Strategy: OPTIONAL RET PROG DIFF	$ 123,980	$ 123,980
Optional Retirement Program Differential		
Total, Goal B: STAFF BENEFITS	$ 596,897	$ 596,897
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 642,437	$ 596,937
Grand Total, TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY	$ 7,590,010	$ 7,585,510
Method of Financing:		
General Revenue Fund	$ 3,161,647	$ 3,157,147
Drug Testing Laboratory Fee Revenue, estimated	1,126,018	1,126,018
Veterinary Medical Diagnostic Laboratory Fee Revenue, estimated	3,302,345	3,302,345
Total, Method of Financing	$ 7,590,010	$ 7,585,510

TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY
(Continued)

2. **Drug Testing Laboratory Reimbursement.** From fees collected from the drug testing program for race horses and dogs, the Texas Veterinary Medical Diagnostic Laboratory shall transfer funds to the General Revenue Fund to the extent possible during the 1998-99 and 2000-2001 biennia to reimburse fully the amounts provided for start-up funding for the drug testing laboratory. It is the intent of the Legislature that all transfers be complete on or before August 31, 2001.

3. **Molecular Genetics Laboratory.** Out of funds appropriated above, Strategy A.1.1., Diagnostic Services, $250,000 for fiscal year 1998 and $250,000 for fiscal year 1999 shall be used for the Molecular Genetics Lab.

TEXAS FOOD AND FIBERS COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Educational and General State Support	$ 4,799,079	$ 4,816,589
Grand Total, TEXAS FOOD AND FIBERS COMMISSION	$ 4,799,079	$ 4,816,589
Method of Financing:		
General Revenue Fund	$ 1,478,390	$ 1,478,390
Federal Funds	529,815	489,133
Other Funds	2,790,874	2,849,066
Total, Method of Financing	$ 4,799,079	$ 4,816,589
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	3.0	3.0
Schedule of Exempt Positions		
Executive Director, Group 2	$60,833	$60,833

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROMOTE/UNDERTAKE AG RESEARCH
To promote and undertake agricultural research relating to the production and increased use of cotton, oilseeds, sheep, goats, and the natural fibers and textile products from these industries.

Outcomes:		
Percent Change in the Number of Research and Development Projects Conducted	6.2%	0%
Percent Change in the Number of Reports and Abstracts Produced	7.7%	3%

A.1.1. Strategy: RESEARCH AND DEVELOPMENT	$ 4,604,126	$ 4,621,636
Coordinate, review and fund research and development programs focused on enhancing the commercial desirability of Texas-produced cotton, wool, mohair and oil seed crops.		
Outputs:		
Number of Research and Development Projects	49	49
Efficiencies:		
Leverage Ratio of General Revenue to Other Research Funds	2.25%	2.26%
Explanatory:		
Percent of Texas-grown Cotton Processed in Texas	12%	12%
Percent of Texas-raised Mohair Processed in Texas	30%	30%
Percent of Texas-raised Wool Processed in Texas	39%	39%
Percent of Texas-grown Oil Seed Crops Processed in Texas	80%	80%
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 194,953	$ 194,953
Grand Total, TEXAS FOOD AND FIBERS COMMISSION	$ 4,799,079	$ 4,816,589
Method of Financing:		
General Revenue Fund	$ 1,478,390	$ 1,478,390
Federal Funds	529,815	489,133
Other Funds	2,790,874	2,849,066
Total, Method of Financing	$ 4,799,079	$ 4,816,589

2. **Contract Requirements.** The Texas Food and Fiber Commission is hereby authorized to contract with any institution pursuant to the provisions of V.T.C.A., Agriculture Code, Chapter 42. All funds received by the Texas Food and Fibers Commission in the form of grants and or gifts are hereby appropriated to the specific purpose or purposes authorized by the grantor, and may be withdrawn from the State Treasury; provided, however, that the Texas Food and Fibers Commission shall not accept and place in the State Treasury any grants as provided under this paragraph which would cause the violation of the specific or general provisions of this Act. It is further provided that where any grant exceeds the total cost of the specific project for which it was made, such excess may be returned to the grantor and such excess amounts are hereby appropriated for this purpose.

3. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-33 reimbursement of expenses for advisory committee members, out of the funds appropriated above, $3,000 in fiscal year 1998 and $3,000 in fiscal year 1999 is limited to the following advisory committee: Industry Advisory Committee.

Retirement and Group Insurance

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law; estimated	$ 5,619,128	$ 5,703,415
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees; estimated	$ 12,105,840	$ 12,347,957
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 17,724,968	$ 18,051,372
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 17,724,968	$ 18,051,372
Method of Financing:		
General Revenue Fund, estimated	$ 16,261,949	$ 16,552,223
Federal Funds, estimated	1,460,057	1,496,137
Other Special State Funds, estimated	2,962	3,012
Total, Method of Financing	$ 17,724,968	$ 18,051,372

Social Security and Benefit Replacement Pay

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH -- EMPLOYER Provide an employer match for Social Security contributions; estimated	$ 175,913,114	$ 186,039,166
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees; estimated	$ 2,002,216	$ 1,816,475
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 177,915,330	$ 187,855,641
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 177,915,330	$ 187,855,641

Social Security and Benefit Replacement Pay
(Continued)

Method of Financing:		
General Revenue Fund, estimated	$ 144,165,899	$ 152,182,930
General Revenue Fund - Dedicated, estimated	27,695,756	29,357,501
Federal Funds, estimated	984,248	954,770
Other Special State Funds, estimated	5,069,427	5,360,440
Total, Method of Financing	$ 177,915,330	$ 187,855,641

Bond Debt Service Payments

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE	$ 15,616,233	$ 15,609,953 & U.B.
Make general obligation bond debt service payments in compliance with bond covenants.		
Grand Total, BOND DEBT SERVICE PAYMENTS	$ 15,616,233	$ 15,609,953

Lease Payments

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS	$ 7,446,442	$ 7,401,965 & U.B.
Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.		
Grand Total, LEASE PAYMENTS	$ 7,446,442	$ 7,401,965

SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES OF HIGHER EDUCATION

The Special Provisions which follow shall apply only to agencies of higher education:

Sec. 2. **Local Funds Reappropriated**. All balances of local funds except for any identifiable general revenue in the local funds of the state institutions of higher education named in this Article, as those funds are defined in V.T.C.A., Education Code, Sec. 51.009(a), at the close of the fiscal year ending August 31, 1997, including balances in their local revolving funds at that time, and the income to said funds during the fiscal years beginning September 1, 1997 and 1998, are hereby reappropriated for the operation, maintenance, and improvement of the respective state institutions. Institutional funds, as those funds are defined in V.T.C.A., Education Code, Sec. 51.009(b), shall be expended as authorized by the laws governing the use of the funds, and unless specifically included or identified, are exempt from the Article III and IX Special Provisions of this Act.

All local funds shall be subject to the special and general provisions of Articles III and IX except where certain local funds are specifically exempted from these provisions by a provision herein or by specific statutory authority.

Sec. 3. **Purchased Utilities Reappropriated**.

1. Any unexpended balance in the informational item "Purchased Utilities," or "Utilities" for any institution as of August 31, 1998, is hereby reappropriated for the same purpose during the fiscal year beginning September 1, 1998. This provision does not apply to general revenue funds transferred into "Purchased Utilities" or "Utilities" from other line items or elements of institutional cost.

2. Notwithstanding any designation of "non-transferable" assigned to the informational item utilities of each general academic institution, health science center, health center, or technical college, upon approval by the Governor, any unexpended balances from fiscal year 1998 may be used for additional energy-saving projects, of which the costs for the entire project will be met during the current biennium. Any such expenditure of funds shall be reported to the Legislative Budget Board and to the Texas Legislature.

Sec. 4. **Definition of Terms.**

1. As used in this Act, the term "general academic institutions" shall mean only the following institutions:

   The University of Texas at Arlington
   The University of Texas at Austin
   The University of Texas at Dallas
   The University of Texas at El Paso
   The University of Texas - Pan American
   The University of Texas at Brownsville
   The University of Texas of the Permian Basin
   The University of Texas at San Antonio
   The University of Texas at Tyler
   Texas A&M University
   Texas A&M University at Galveston
   Prairie View A&M University
   Tarleton State University
   Texas A&M University - Corpus Christi
   Texas A&M University - Kingsville
   Texas A&M International University
   West Texas A&M University

Texas A&M University - Commerce
Texas A&M University - Texarkana
University of Houston
University of Houston - Clear Lake
University of Houston - Downtown
University of Houston - Victoria
Midwestern State University
University of North Texas
Stephen F. Austin State University
Texas Southern University
Texas Tech University
Texas Woman's University
Angelo State University
Lamar University - Beaumont
Lamar University Institute of Technology
Lamar University - Orange
Lamar University - Port Arthur
Sam Houston State University
Southwest Texas State University
Sul Ross State University, including:
Sul Ross State University Rio Grande College

2. **Elements of Institutional Cost.** The costs included in the various items appearing in the informational riders for the general academic institutions, health centers, health science centers, medical education programs, and technical colleges shall be considered to be all costs, including salaries, for those functions or activities in the "Definitions of the Elements of Institutional Costs," as adopted by the Texas Higher Education Coordinating Board unless otherwise provided by the terms of this Act. Bond premiums, Workers' Compensation Insurance Fund operations, Unemployment Compensation Benefits, insurance premiums where authorized by law, and major repairs and rehabilitation of buildings and facilities in addition to those specifically listed in line items, may be purchased from appropriated funds. Major repairs and rehabilitation of buildings and facilities may not be purchased from general revenue funds that are not expressly identified or allocated for such purposes.

3. "Educational and General Funds" are those funds defined in V.T.C.A., Education Code, Sec. 51.009(c) and General Revenue Fund appropriations.

Sec. 5. **Transfer Provisions**.

1. **Intercomponent Transfers**. With the approval of the respective governing board, appropriation transfers may be made among medically-related components, among academic component institutions, and among component technical colleges controlled by the board, and within each institution, transfers may be made between informational items of appropriation for the general academic institutions, health centers, health science centers, medical education programs, and technical colleges regardless of whether the informational items are general revenue or local funds in character. Transfers may not be made from medically-related components to academic components or from academic components to medically-related components except that transfers may be made from schools of nursing, pharmacy and allied health in academic components to medically-related components and from medically-related components into the health-related programs listed above in academic components. Transfers may not be made into the informational items setting the salary rate for the president, chancellor, or for any other line-item salary shown. Nothing in this section shall authorize the transfer of appropriations from Texas A&M University Service Agencies to Texas A&M University.

2. **Health to Academic Intercomponent Transfers with LBB Prior Approval**. As an exception to the provisions in Subsection 1., transfers may be made with prior approval of the Governor and Legislative Budget Board from medically-related components to general academics if it does not diminish the academic programs of the medically-related component or result in increased fees to patients at the component. The systems shall furnish whatever documentation may be required by the Governor and Legislative Budget Board to assure these conditions are met.

3. **Revenue Enhancement and Transfer Notification**. The Legislature instructs The University of Texas System to enhance local funds revenues to reduce the need for general revenue funds. The Legislature instructs The University of Texas System to give 30 days notice to the Legislative Budget Board prior to transferring local funds from any System hospital. Furthermore, notwithstanding the provisions of subsections 1 and 2 above, The University of Texas System Board of Regents shall not transfer funds from health institutions delivering patient care if such a transfer would result in a decrease in the quality or amount of indigent patient care offered by the affected institution.

4. **Reporting of Transfers**. Any transfers made pursuant to Subsections 1, 2, and 3, whether general revenue or local funds in nature, shall be reported in the Legislative Appropriations Request for the biennium beginning September 1, 1999.

5. **Tuition Revenue Bond and Revenue Bond Transfers**. Notwithstanding the other provisions of this act, transfers are not prohibited to the extent they are required to comply with proceedings authorizing bonds or other obligations now outstanding or hereafter issued pursuant to law.

Sec. 6. **Salary and Benefit Provisions**.

1. **Prorated Salaries Authorized**. Any employees who distribute their time and duties between general administration, instruction, organized activities related to instruction, and the management of auxiliary enterprises, may receive their total salary payments in proportionate parts from such activities and from the appropriated or available funds therefore.

2. **President Salaries**. Out of the educational and general funds appropriated to the general academic institutions, health centers, health science centers and medical education programs, an amount NTE $65,945 in 1998 and $65,945 in 1999 may be expended for the salary of a president. All presidents may receive in addition to the above amounts a house, utilities, and/or supplement from institutional funds. If an institutionally owned house is not available an amount NTE $7,200 per year from the institution's appropriation, and additional amounts from institutional funds where required, may be provided in lieu of house and utilities.

3. **Chancellor Salaries**. Out of the funds appropriated, transferred, or contracted to the system offices, an amount NTE $70,231 in 1998 and $70,231 in 1999 may be expended for the salary for a chancellor. All chancellors may receive in addition to the above amounts a house, utilities, and/or supplement from institutional funds. If a system owned house is not available an amount NTE $7,200 per year from the system office appropriation and additional amounts from private and institutional funds where required, may be provided in lieu of house and utilities.

4. **Merit Authorization**. It is expressly provided that institutional administrators may grant merit salary increases to employees whose job performance and productivity is consistently above that normally expected or required.

5. **Merit Requirement for Faculty and Faculty Equivalent Employees of Institutions and Agencies of Higher Education**. Notwithstanding any other provisions of this act, salary increases for faculty or faculty equivalent employees of institutions of higher education shall be

awarded on the basis of merit and performance in accepted activities. This shall not be interpreted so as to preclude salary adjustment designed to avoid salary inequities.

6. **Group Insurance Premiums**. For the biennium ending August 31, 1999, there is hereby appropriated such amounts, from local funds or educational and general income available to institutions of higher education, as may be necessary to pay the proportional share of the State's contributions for Staff Group Health Insurance Premiums. Funds appropriated by this subsection may be transferred by those institutions not retaining separate insurance programs to the Employees Retirement System at appropriate intervals to pay the proportional share of the group insurance premiums.

Sec. 7. **Expenditure Provisions**. The expenditure of the appropriations made in this Article or authorized in law for institutions of higher education except bequests and gifts specifically designated to be in some manner handled otherwise, shall be subject to the provisions of this section which follow and with exceptions only as specifically noted:

1. **Annual Operating Budgets Required**. It is expressly provided that the governing board of each of the institutions of higher education named herein shall approve on or before September 1, 1997 and 1998, an itemized budget covering the operation of the ensuing fiscal year, which budget shall be prepared within the limits of the revenue available. Each institution's operating budget shall contain a section(s) which provides budget amounts and the method of finance for each listed informational item of appropriated funds contained in this act. A copy of each budget, and any subsequent amendments thereto, shall be filed with the Legislative Reference Library and the institution's general library to be available for public inspection. Copies of each budget shall also be filed with the Legislative Budget Board and the Executive Budget Office.

2. **Clearing Accounts**.

   a. The Comptroller of Public Accounts is to credit such receipts deposited by each such institution to a separate fund account for the institution depositing the receipts. For the purpose of facilitating the transferring of such institutional receipts to the state treasury, each institution may open in a local depository bank a clearing account to which it shall deposit daily all such receipts, and shall, not less than every seven (7) days make remittances therefrom to the state treasury of all except Five Hundred Dollars ($500) of the total balance in said account, such remittances to be in the form of checks drawn on the clearing account by the duly authorized officers of the institution, and no disbursements other than remittances to the state treasury shall be made from such clearing account. All moneys so deposited in the state racer shall be paid out on warrants drawn by the Comptroller of Public Accounts, as is now provided by law.

   b. At their option, the institutions may use their local depository bank account in lieu of the special clearing account, provided that the general requirements as set out in the above paragraphs, for deposits and transfers to the state treasury, are complied with.

3. **Revolving Funds**.

   a. Each institution affected by this section, at its option, is hereby authorized to maintain a revolving fund to facilitate the payment of nominal expenses and to pay bills within cash discount periods. The institutions may use the revolving fund for regular monthly payrolls as well as for weekly and special payrolls. Disbursements from the revolving funds are to be reimbursed from respective items of educational and general appropriation made herein, the Comptroller of Public Accounts being hereby authorized to make such reimbursements on claims filed with him by the institutions under his regularly prescribed procedures except that one voucher and one warrant may cover any number of claims for this purpose. These reimbursement claims shall meet the same requirements as other claims against state

appropriations, and each institution shall prepare such a reimbursement claim as at the close of business on the last day of each month and as many times during the month as may be expedient in order to make unnecessary the maintaining of an unreasonably large revolving fund.

b. The respective governing board shall determine the amounts of the revolving funds to be set up for each institution, and may increase or decrease the amounts if necessary. Such governing board shall designate a depository bank for each revolving fund, and shall specify the officers and/or employees to sign checks drawn on each such fund. The depository bank for each revolving fund shall be required to secure the deposit as provided by law.

c. Appropriations to all institutions of higher education and systems, except funds identified exclusively for salaries, may be used to reimburse any revolving fund operated for the benefit of one or more parts or component units of an institution or system, such as a motor pool for managing automotive vehicles authorized by this Act, a feed supply center, an office supply or laboratory supply center, a computer center, or any other operations of a similar nature established by authority of the governing board of said institution or system.

4. **Local Depositories**. The governing boards of the respective institutions for which appropriations are made in this Article are hereby authorized to select depository banks for the safekeeping of funds which are authorized, by statute, to be maintained outside the state treasury. The boards shall require depository banks to furnish adequate surety bonds or securities to be posted for the assurance of safety of such deposits. The depository bank or banks so selected are hereby authorized to pledge their securities for assurance of safety for such funds. All such local funds shall be deposited in these depositories within seven (7) days from date of collection. The governing boards may require the depository so designated and selected to pay interest on deposits at a rate to be agreed upon by said depositories and said boards.

5. **Investment Reports**.

a. The Legislative Audit Committee shall require the governing board of each of the educational institutions named in this Article to file with the State Auditor, Comptroller of Public Accounts, Legislative Budget Board, and the Governor's Office a quarterly report of all investment transactions involving endowment funds, short-term and long-term investment funds, and all other securities transactions, in a method prescribed by the Legislative Budget Board. Copies of such reports shall be available for public inspection.

b. The governing boards of each educational institution named in this Article must adopt formal investment policies which emphasize safety and diversity, including liquidity for operating funds. In developing investment policies, special attention should be given to the Government Financial Officers Association Preferred Investment Practice and the investment strategies of the Permanent University Fund. Each governing board shall submit to the Legislative Budget Board a copy of their investment policy by December 31 of each year.

6. **Central Services Accounts**.

a. Out of funds appropriated in this Article, the governing boards of the university systems and their component units, and institutions of higher education may employ persons to serve two or more parts or component units of the system or institution and may pay their salaries in whole or in part from the informational items of appropriation made herein to any component unit. The governing boards are authorized to establish accounts from which salaries and expenses for the administration and supervision of the units of the system or

institution may be paid and to require the units, including any other agency the administration of which it may be charged with by law, to pay into this account from any general revenue, local, or institutional funds their proportionate share as determined by the board for the expense of such administration and supervision. The Comptroller of Public Accounts is authorized to set up an account for each of the systems or institutions and to deposit in the account funds to the amount authorized by the governing boards and executive heads of the respective units, from funds appropriated by the Legislature to the units for noninstructional salaries and general operating expenses. The Comptroller is authorized to draw warrants against such accounts based on vouchers submitted by the systems or institutions in payment of salaries, maintenance, equipment or travel incidental to the administration and supervision of the respective units.

b. The systems and institutions whose governing boards and component units are subject to the above are authorized to establish the following accounts:

Texas A&M University System Central Services Account
The University of Texas System Central Services Account
University of Houston System Central Services Account
Texas Tech University and Texas Tech University Health Sciences Center Central Services Account
University of North Texas Central Services Account
University of North Texas Health Science Center Central Service Account
Texas State University System Central Services Account

c. Travel expense incurred by a person employed by one unit of an above system or institution in connection with service to the other units may be reimbursed by the unit for which such services are performed or proportionately if more than one such unit is involved.

7. **Utility Revolving Funds**. The governing boards of Texas Woman's University, Texas Tech University, West Texas A&M University, all components of the University of Houston System, Texas State University System, and The University of Texas System are authorized to use appropriated funds, except funds expressly identified for salaries, to make payments of debt service and other payments in connection with utility plant revenue bonds and utility plant operation and maintenance expenses, and/or to reimburse any revolving fund now or hereafter established in connection with providing utility services to any building or facility of the college or university, in accordance with the general principles established in Vernon's Annotated Civil Statutes, Article 2909c-1, and the creation and maintenance of any such revolving fund is hereby authorized.

8. **Appropriation Expenditure Authorization**.

a. The educational and general appropriations made in this Act to the general academic teaching institutions, health centers, health science(s) centers, medical education programs and Texas State Technical College may be expended for the following purposes, including, but not limited to: Institutional Support; Student Services; Staff Benefits; Faculty Salaries; Departmental Operating Expense; Instructional Administration; Organized Activities; Library; Research Enhancement; Extension and Public Service; Plant Support Services; Building Maintenance; Custodial Services; Grounds Maintenance; Utilities; Special Items; Lease of Facilities; and Patient Care.

b. No educational and general funds appropriated to any institution or agency named in this article may be expended on auxiliary enterprises.

9. **Tuition Revenue Bonds and Revenue Bonds**. Funds clearly identified in separate informational strategies to the general academic teaching institutions and health sciences

centers for revenue or tuition revenue bond retirement may be expended only to reimburse institutions or centers for debt retirement authorized by V.T.C.A., Education Code, Section 55.17 (e2), (f2); Section 55.171; Section 55.1711; Section 55.1712; Section 55.172; Section 55.19, and any additional authorization enacted by the Seventy-third, Seventy-fourth, or Seventy-fifth Legislature. Any funds in excess of the amount expended for debt retirement shall be reverted to the General Revenue Fund at the end of each fiscal year.

Sec. 8. **Recruitment of Students**. No funds appropriated by this Act may be expended for travel expenses incurred outside the boundaries of the State of Texas for the purpose of direct recruitment of students.

Sec. 9. **Television Stations Prohibited**. None of the educational and general funds appropriated in this Article may be expended for the acquisition, construction or operation of television transmitter stations; provided, however, this prohibition shall not be construed so as to prevent the institutions of higher education named in this Article from using closed-circuit television for purely instructional purposes, or to prevent institutions with existing public broadcasting or transmitter stations to use them for educational purposes, or to prevent the continuance of operating arrangements with existing transmitter stations for purely educational purposes; or to prevent cooperative arrangements with public broadcast stations.

Sec. 10. **Intercollegiate Athletics**. The special and general provisions of Articles III and IX of this Act shall not apply to intercollegiate athletics. The governing boards of the respective institutions of higher education shall make such necessary rules and adjustments as may be deemed advisable for the management and operation of such activities; however, no funds under control of intercollegiate athletics may be used to purchase alcoholic beverages; no educational and general funds appropriated may be used for the operation of intercollegiate athletics; such rules and adjustments shall be designed to complement the rules applicable to other departments of the respective institution and finally, such rules and adjustments shall specifically prohibit violation of National Collegiate Athletic Association (NCAA) or other governing body rules with respect to recruitment of athletes.

Sec. 11. **Prohibition Against Additional Museums**. None of the educational and general funds appropriated in this Article shall be used for establishing additional museums or for the maintenance and operation of museums unless the language of this Act or of other acts and resolutions of the Legislature specifically authorizes such use of educational and general funds. As an exception to this provision, in order to encourage and promote gifts, grants, or donations to institutions of higher education, it is specifically provided that an institution which receives such gifts, grants or donations for the construction or establishment of a museum, which is added to an institution's building inventory after September 1, 1997, may use education and general funds appropriated by this Article for the maintenance and operation of such a museum. This exception applies only to the authority to spend appropriated funds for these purposes; such museum space shall not be included in formula calculations for purposes of determining the amounts of appropriations due for maintenance or operations of institutional facilities.

Sec. 12. **Method of Financing Scholarships**.

1. Out of the funds identified by this Article in the informational items described as "Other Educational and General Income," "Other Educational, General and Patient Income," or "Statutory Tuition Increases," the respective governing boards of the general academic teaching institutions and of the health centers, health science centers, or technical colleges may allocate and expend the actual receipts in such informational item for student scholarships pursuant to the provisions of V.T.C.A., Education Code, Sec. 56.031 to Sec. 56.038, cited as the Texas Public Educational Grants Program.

2. Out of the funds identified by this Article in the informational strategies described as "Scholarships," the respective governing boards may allocate and expend for student

scholarships and the institutional share required to match Federal Work Study Funds such amounts as the boards may determine; provided, however, that each student receiving such scholarship first shall have utilized any federal grant funds for which the student may reasonably be eligible; and, that such scholarship, when combined with all other grant or gift funds awarded to the student, shall not exceed seventy percent (70%) of the reasonable expenses to be incurred by the student in the semester or term for which the scholarship is awarded; and provided, however, that no student shall receive an amount in excess of demonstrated need. The respective governing boards may transfer up to one-half of the amount to be awarded as scholarship to each otherwise eligible student to the Texas Higher Education Coordinating Board for use as matching funds to be awarded to that student through the Texas Public Educational Grants Program.

3. Copies of such approved allocations together with copies of rules and regulations adopted by the respective governing boards concerning the award of such scholarships, shall be filed with the Coordinating Board and with the Comptroller prior to the disbursement of any moneys for scholarships. Copies of any subsequent changes in such allocations or rules shall be similarly filed with the Coordinating Board and with the Comptroller.

4. No educational and general funds appropriated in this Act for scholarships to institutions of higher education may be used to provide athletic scholarships.

5. Out of the additional funds appropriated for the 1998-99 biennium for the informational strategy described as "Scholarships," it is the intent of the Legislature that the respective governing boards shall allocate and expend such funds for need-based student scholarships regardless of the race, sex, color or ethnicity of the student recipient.

Sec. 13. **Use of Educational and General Funds for Alumni Activities Prohibited**. None of the educational and general funds appropriated by this Article may be expended by institutions of higher education for the support or maintenance of alumni organizations or activities.

Sec. 14. **Limitation of Nonresident Enrollment in Certain State-supported Professional Schools**.

1. None of the funds appropriated by this Act may be expended for the establishment, operation, or maintenance, or for the payment of any salaries to the employees in, any wholly or partially state-supported medical, dental, or law school which: (a) imposes a limitation on the number of students that it admits, (b) in an academic semester denies admission to one or more Texas residents who apply for admission and who reasonably demonstrate that they are probably capable of doing the quality of work that is necessary to obtain the usual degree awarded by such school, and (c) in the same academic semester admits, as either class, nonresidents of the State of Texas in a number greater than 10% of the class of which such nonresidents are a part. Limitation of nonresident enrollment at The University of Texas Law School, Texas Tech University School of Law, and the University of Houston Law Center may be increased to 20% of the class of which nonresidents are a part provided that the admission of such nonresident students is on the basis of academic merit alone. By the provisions of this paragraph it is intended to withhold funds appropriated by this Act from state-supported medical, dental, and law schools which limit their enrollments and which fill more than 10% of their classes with non-resident students in the case of medical and dental schools, and 20% in the case of The University of Texas Law School, Texas Tech University Law School and the University of Houston Law Center, when the result of admitting a nonresident denies admission to a qualified Texas applicant. This provision shall not apply to the funds appropriated to the Coordinating Board for the funding of Baylor College of Medicine or to funds appropriated for tuition equalization grants for students attending private colleges.

2. In addition, The University of Texas Southwestern Medical Center at Dallas may admit up to 25 competitively recruited medical students in each entering class for a specialized six-year

program of clinical and research training designed to lead to the M.D. and Ph.D. degrees irrespective of whether those students are Texas residents.

Sec. 15. **Off-campus Instruction**. General academic institutions may teach courses off campus with the following restrictions:

1. At the conclusion of each fiscal year, the Coordinating Board shall file a report with the Executive Budget Office and the Legislative Budget Board on all general academic institutions concerning off-campus semester credit hours for that fiscal year.

2. Semester credit hours generated at upper level centers authorized by the Legislature or by the Coordinating Board, as well as at Prairie View A&M's Houston nursing program and Texas Woman's University nursing programs in Dallas and Houston are not considered to be off-campus.

3. All courses taught off campus must be taught by a regular faculty member or administrator who is employed at least half-time on the main campus of the institution. The Commissioner of Higher Education may waive this requirement in special cases where institutions can justify the use of a uniquely qualified individual. Allied health and vocational instructors are exempted from this requirement.

Sec. 16. **Medical School Enrollment**.It is the intent of the Legislature that the first year class enrollment of undergraduate medical students in the fiscal years ending August 31, 1998 and August 31, 1999, shall be no less than 200 students at The University of Texas System medical colleges and 100 students at the University of North Texas Health Science Center at Fort Worth and the Texas Tech University Health Sciences Center College of Medicine. This provision shall not be construed as requiring any school of medicine to accept an unqualified applicant. In the event that a school of medicine falls below the required first year class enrollment of undergraduate medical students by more than five percent for fiscal years 1998 and 1999, the school shall report to the Legislative Budget Board the reasons for failing to meet the required enrollment. It is the intent of the Legislature that this information be taken into account when preparing the appropriation recommendations for the Seventy-sixth Legislature.

Sec. 17. **Tuition and Other Educational and General Local Fee Collection**. On or before the end of the 20th class day for each regular semester and the 15th class day for each summer session, each institution of higher education shall collect in full from each student that is to be counted for state aid purposes the amounts set by law as tuition and other education and general local fee in accordance with the installment tuition and other educational and general local fee payment plan provided for by V.T.C.A., Education Code, Chapter 54, as amended. Valid contracts with the United States Government for instruction of eligible military personnel, and valid contracts with private business and public service-type organizations or institutions such as hospitals, may be considered as collections thereunder but subject to adjustments after final payment thereof.

Sec. 18. **Compliance with Access and Equity 2000**. It is the intent of the Legislature that institutions of higher education give top priority and consideration to compliance with the spirit and mandates of the Access and Equity 2000.

Sec. 19. **Educationally Disadvantaged Student Independent Programs at UT-Austin and TAMU**. Out of the funds appropriated to The University of Texas at Austin and Texas A&M University at least $130,000 per year shall be expended for independent programs designed to recruit and retain through scholarships and financial aid educationally disadvantaged students. These universities will by the year 2000 increase the number of educationally disadvantaged students to a level which reasonably reflects the proportion of educationally disadvantaged persons in Texas. They shall be required to submit to the Governor, Lieutenant Governor, and Speaker of the House a report detailing how the funds were spent and the progress of the programs. Failure to implement and sustain the

programs will result in a reduction of $650,000 per year of funds allocated to the respective campus(es) for the biennium. Any reduction will be allocated to the program entitled Scholarship Fund for Educationally Disadvantaged Students that is administered by the Coordinating Board and will be available to all of the public colleges and universities except those which fail to abide by this provision.

Sec. 20. **Formula Variable and Educational and General Income Audits**. The Texas Higher Education Coordinating Board in consultation with the State Auditor's Office and the Legislative Budget Board, shall clearly define all variables used by the Seventy-fifth Legislature in arriving at formula appropriations for 1998 and 1999. According to an audit plan developed in consultation with the Coordinating Board and Legislative Budget Board, all variables of selected formulas used in making 1998 and 1999 formula appropriations are subject to audit by the State Auditor. The State Auditor shall report any differences from data submitted by the institutions to the Coordinating Board and the Legislative Budget Board. The Coordinating Board shall then calculate a new appropriations amount for each institution that reported data in conflict with that verified by the Auditor. These calculations shall then be reported to the Legislative Budget Board and the Comptroller of Public Accounts and may be used to revise appropriation authority accordingly. The calculation of revised appropriation amounts shall allow institutions an error rate of up to two percent.

In addition, components of educational and general income reported in the institutional requests for legislative appropriations for fiscal years 1998 and 1999 are subject to audit by the State Auditor.

The State Auditor may request the assistance of an institution's internal auditor in performing the audits described in this section.

Sec. 21. **System Offices Funding Authorized**.

1. Educational and general funds appropriated to components of The University of Texas, Texas A&M University, University of Houston, Texas State University System and Texas State Technical College Systems may be transferred or contracted to system offices to provide support for coordination, administration, and other related services.

2. The educational and general appropriation for each of the university system offices is hereby allocated to the general academic institutions based on each institution's proportionate share. On September 1 of each year of the biennium the Comptroller of Public Accounts shall transfer the appropriation from each component part to the system office for its support.

Sec. 22. **License Plate Scholarship Program**. In addition to educational and general funds amounts appropriated by this Act, available balances and the portion of fees deposited in the state treasury during the biennium ending August 31, 1999, to the credit of the general academic institutions as provided by Vernon's Annotated Civil Statutes, Article 6675a-5j, is appropriated for that period to the general academic teaching institution for which it was credited for the purpose of providing scholarships for students who demonstrate a need for financial assistance.

Sec. 23. **Annual Reports of Health Related Institutions Practice Plans**. As a limitation and restriction upon appropriations made by this Act, all agencies that have a public health related institution covered under Article III shall not expend funds after a period of one hundred twenty (120) days following the close of the fiscal year, unless there has been filed with the Governor, the State Auditor, the Legislative Budget Board, the Legislative Reference Library and the Comptroller of Public Accounts an annual report as of August 31 of the preceding fiscal year, showing the use of practice plan funds. The annual report shall conform to a uniform reporting system developed by the State Auditor’s Office for all financial data concerning the health related institutions practice plans.

Sec. 24. **Self-insurance Funds**. Any funds of an institution of higher education used for or allocated to a self-insurance fund authorized by Vernon's Annotated Civil Statutes, Article 715(c), for a risk

otherwise insurable by the institution of higher education shall be treated by the Comptroller of Public Accounts as an expenditure of the respective funds. The self-insurance funds so created shall be considered designated funds as that term is used in Sec. 51.008(b) of the Education Code. Any self-insurance fund reserves so created shall not exceed in amount the maximum value determined to be actuarially sound for each such self-insurance program.

Sec. 25. **Elements of Unsponsored Charity Care**.

1. **Financially Indigent.** Unsponsored charity care shall include unreimbursed services to the financially indigent. Financially indigent shall mean uninsured or underinsured patients accepted for care with no obligation or a discounted obligation to pay for services rendered based on a teaching hospital's or clinic's formal eligibility system which may include: (a) income levels and means testing or other criteria for determining a patient's inability to pay; or (b) other criteria for determining a patient's inability to pay that are consistent with the hospital's or clinic's mission and established policy. The federal poverty level shall serve as an index for the threshold below which patients receiving care at The University of Texas Southwestern Medical Center at Dallas, The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, The University of Texas M.D. Anderson Cancer Center, The University of Texas Health Center at Tyler, Texas A&M University Health Science Center, Texas A&M University System Baylor College of Dentistry, The Texas Tech Health Sciences Center, and The University of North Texas Health Science Center are deemed financially indigent. Financially indigent services include both noncovered services and contractual allowances for patients eligible for the Medicaid program and for the Chronically Ill and Disabled Children's Service (CIDC) program, services provided under the Maternal and Infant Health Improvement Act (MIHIA), services provided under county indigent care contracts (Sec. 28), and services provided under other state or local government programs with eligibility indexed to the federal poverty level.

2. **Medically Indigent.** Unsponsored charity care shall include unreimbursed services to the medically indigent. Medically indigent shall mean patients who are responsible for their living expenses, but whose medical and hospital bills, after payment by third-party payers, where applicable, exceed: (a) a specified percentage of the patient's annual gross income (i.e., catastrophic medical expenses) in accordance with a teaching hospital or clinic's formal eligibility system in such instances where payment would require liquidation of assets critical to living or earning a living; or (b) the criteria for determining a patient's inability to pay as established by the public health-related institutions listed in Sec. 25, Financially Indigent.

3. **Charity Care Determination.** The determination that a patient is financially or medically indigent shall occur within 120 days of the patient's discharge from the hospital or clinic setting or within 120 days of the third party payor settlement.

4. **Contractual Adjustments.** The contractual adjustments to commercial contracts, managed care contracts, and Medicare for the public health-related institutions listed in Sec. 25, Financially Indigent, shall not be counted as unsponsored charity care.

5. **Bad Debt.** Bad debts shall not be counted as unsponsored charity costs. Bad debts shall include the uncollected billed charges for services rendered to patients who do not qualify under the definition of unsponsored charity care.

Sec. 26. **Unsponsored Charity Care Reporting Requirement.** The public health-related institutions listed in Sec. 25, Financially Indigent, shall include in their biennial legislative appropriations request information including the actual amount of unsponsored charity care provided through each institution's respective physician practice plan, and if applicable, hospital or clinic using the definition of unsponsored charity care set forth in the section called "Elements of Unsponsored Charity Care."

Sec. 27. **Patient Income Eligibility Guidelines.** The University of Texas Medical Branch at Galveston, The University of Texas M. D. Anderson Cancer Center, and The University of Texas Health Center at Tyler shall use the federal poverty level indexed at an agreed-upon level as the guideline for determining indigent patient status, and those institutions' eligibility guidelines regarding copayment by patients deemed financially or medically indigent shall be the same.

The University of Texas Southwestern Medical Center at Dallas, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, Texas A&M University Health Science Center, Texas A&M University System Baylor College of Dentistry, The Texas Tech Health Sciences Center, and The University of North Texas Health Science Center may use as a basis for reporting indigent care statistical samples derived from indigent care determinations made by their affiliated teaching hospitals and designed to estimate the amounts of charity care provided using the definitions established by The University of Texas hospitals noted above.

Sec. 28. **County Indigent Care Contracts.**

1. **Contracts Required.** It is the intent of the Legislature that all institutions of higher education providing indigent health care contract with relevant counties in their service area to recover the costs associated with treating those counties' indigent patients.

2. **County Indigent Care Contracts Reporting.** The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Center at Tyler shall submit to the Legislative Budget Board at the end of each fiscal year a list of counties whose indigent residents have been served by each institution; the total amount of reimbursement received by each institution from each county pursuant to the Indigent Health Care and Treatment Act; and the total cost, by county, of services provided by each institution for which counties are liable pursuant to the Indigent Health Care and Treatment Act. In addition, each institution shall report annually to the Legislative Budget Board on the status of contract agreements or negotiations with each county whose indigent residents have been served by the institution.

Sec. 29. **Family Practice Clerkship Funding.** Each medical school or college shall expend the following amounts for the purpose of providing a clerkship in family practice during the third core clinical year pursuant to V.T.C.A., Education Code Section 51.918 (d)(1). Funding for these clerkships may include appropriated funds, institutional funds or restricted grant funds. These amounts may not be used to supplant allocations made for other purposes to family practice departments and affiliated family practice residency programs. The required third year family practice clerkship must have a set curriculum and the student must take an exam during the clerkship. The compliance of each medical school or college with the provisions of this rider shall be reviewed annually by the state auditor in conjunction with the Family Practice Advisory Committee of the Texas Higher Education Coordinating Board. The state auditor shall report the findings of the review to the Legislature.

	FY 1998	FY 1999
The University of Texas Southwestern Medical Center at Dallas School of Medicine	$764,000	$764,000
The University of Texas Medical Branch at Galveston School of Medicine	563,624	563,624
The University of Texas		

Health Science Center at Houston School of Medicine	705,584	705,584
The University of Texas Health Science Center at San Antonio School of Medicine	680,360	680,360
Texas A&M University Health Science Center	192,400	192,400
University of North Texas Health Science Center	337,620	337,620
Texas Tech University Health Sciences Center School of Medicine	286,302	286,302
Baylor College of Medicine	133,000	133,000

Sec. 30. **National Research Laboratory Commission.** It is the intent of the Legislature that all funds and assets held by the National Research Laboratory Commission shall be distributed in the following manner:

a. The General Services Commission and the General Land Office shall continue implementation of the plan for the disposition of all physical assets, including land, buildings, and equipment, associated with the Superconducting Supercollider Project. All proceeds from the sale of any real or personal property shall be deposited into the General Revenue Fund.

b. Upon receipt of funds deposited into the General Revenue Fund under the provisions of part a above, the Comptroller of Public Accounts shall transfer said funds to the Public Finance Authority to create an escrow fund for the purpose of defeasing all, or a portion of the General Obligation Bonds issued by the Texas Public Finance Authority for the state's participation in the Superconducting Supercollider Project. The Texas Public Finance Authority is authorized to create a bond escrow fund and interest and sinking fund and to transfer funds provided by this provision between bond funds for the purpose of defeasing and making debt service payments on the outstanding General Obligation bonds described in this provision.

c. All unexpended balances deposited to the General Revenue Fund and transferred to the Texas Public Finance Authority to establish the escrow fund pursuant to House Bill 1, Seventy-fourth Legislature, Article III Special Provisions, Section 31, are hereby reappropriated for the 1998-99 biennium for the purpose of defeasing and making debt service payments on the outstanding General Obligation bonds described herein.

Sec. 31. **Ethics Policy**.

a. None of the funds appropriated by this Act may be expended by an institution of higher education until its governing board has filed with the Texas Higher Education Coordinating Board an ethics policy which has been adopted by the board of regents. The ethics policy shall apply to the board of regents and its staff, the administration, staff, and faculty of the institutions under the board's governance.

b. The ethics policy adopted by each board of regents shall include specific provisions regarding sexual harassment.

Sec. 32. **Telecommunications Infrastructure**. Funding to all public institutions and agencies of higher education for: telecommunications equipment and infrastructure needed for distance learning,

library information sharing, and telemedicine services; telecommunications training of faculty and staff; development of distance learning materials and curriculum; and other related telecommunications projects and initiatives shall be provided from the Telecommunications Infrastructure Fund. Any general revenue funding provided for such items shall be reduced accordingly.

Sec. 33. **Driscoll Children's Hospital**. No funds appropriated to a health-related institution of higher education shall be used to replace or duplicate the Driscoll Children's Hospital in caring for children with special health-care needs, including pediatric cardiovascular diseases or in assuming the direct care of those children. It is legislative intent that this rider language not restrict the traditional referral patterns, utilized by physicians to refer patients to health-related institutions.

Sec. 34. **Participation in Drug Development Research Projects**. A public university may not expend funds appropriated by this Act, including appropriations of grants or gifts, to conduct a drug development research protocol involving a person who is receiving mental health services under a protective custody order, pursuant to Chapter 574, Health and Safety Code. This rider is not intended to limit or prohibit provisions for treatment established under Section 576.022, Health and Safety Code.

Sec. 35. **Performance Measures for General Academics.** The general academic teaching institutions shall report the following new measures beginning with the annual performance report for fiscal year 1998:

a. Percent of graduates who are first generation college graduates

b. Percent of incoming full time transfer students who graduate within four years

The Legislative Budget Board, in consultation with representatives from institutions, Texas Higher Education Coordinating Board, Governor's Office of Budget and Planning, and State Auditor's Office, shall develop standard definitions for these measures.

Sec. 36. **Research Funding.** Institutions of higher education shall include in the annual performance report beginning in fiscal year 1998, the amount of external research funds as a percent of funds appropriated for research, as defined by the Legislative Budget Board and the Governor's Office, in consultation with the State Auditor's Office.

Sec. 37. **Utilization of Physical Plant by General Academic Institutions.** Any general academic institution with average classroom utilization below 27 hours per week or average class laboratory utilization below 17 hours per week, as defined by the Coordinating Board, shall conduct a comprehensive review of its scheduling practices and make any changes appropriate to ensure the most cost-effective use of its physical plant.

Sec. 38. **"Academic Bootcamp" Programs.** It is the intent of the Legislature that institutions of higher education that have remediation programs should encourage the development and/or expansion of "academic bootcamp" type programs. These programs should be designed to help academically at-risk students prepare for and succeed in college-level work and may include improving math and reading skills, critical thinking skills, study and test taking skills, motivation, fitness, and leadership development. Institutions should develop both quantitative and qualitative measures to provide data on the effectiveness of the program and success of students in admissions, retention and graduation from college.

Sec. 39. **Enrollment Management Plans.** Each institution of higher education with enrollment declines of greater than five percent from fall 1993 to fall 1997, as determined by the Texas Higher Education Coordinating Board, shall file with the Coordinating Board an enrollment management plan by December 31, 1997. The enrollment management plan shall include an action plan, timeline,

and specific enrollment targets for the institution. Institutions shall submit a progress report to the Coordinating Board by December 31, 1998.

Sec. 40. **Financial Benchmarks for Athletic Programs.** All institutions operating scholarship athletic programs shall formulate and adopt benchmarks to evaluate the financial condition of these programs.

1. Types of Measures to be Adopted. The benchmarks shall measure the amount and proportion of revenue generated directly by the athletic program, the amount and proportion of student fees of any kind going to the athletic program, the amount and proportion of foundation or booster club contributions to the athletic program, and the amount and proportion of other subsidies provided to the athletic program. Additionally, the amount and proportion of athletic expenditures from reserve fund balances and transfers from other operations shall be reported. The benchmarks shall track the progress of each category of revenue and expenditure by the athletic program over a period of not less than five years. Each institution shall set a maximum threshold for each category of revenue and expenditure, except for revenues and expenditures of funds generated directly by the program or though foundation and booster club contributions, and shall report its results against those thresholds. Each institution shall be required to report reasons for deviating from the threshold and to submit a remediation plan to address the causes for the deviation.

2. Reporting Requirements. Benchmarks shall be adopted beginning September 1, 1997 and shall be reported annually to the institution's Board of Regents, the Higher Education Coordinating Board, the Legislative Budget Board, the State Auditor's Office and the institution's Student Service Fee Advisory Committee.

Sec. 41. **Academic Measures for Scholarship Athletic Programs.** All institutions operating scholarship athletic programs shall report to the Legislative Budget Board and the Governor's Office of Budget and Planning on the measures listed herein in the annual performance measure report beginning with fiscal year 1998. The measures shall be reported for each scholarship sport for men and for each scholarship sport for women. Athletes receiving either full or partial scholarships shall be included in the reporting.

Measures to be reported include: percent of first-time, full-time freshmen who earn a baccalaureate degree within six years; percent of full-time, transfer students who earn a baccalaureate degree within four years; retention rate of first-time, full-time freshmen students after one year; and grade point average. Institutions shall include explanation for each sport in which the performance varies from the performance of the total student population by more than five percent.

Sec. 42. **Post Tenure Review.** None of the funds appropriated by this Act may be expended by an institution of higher education until its governing board has filed with the Texas Higher Education Coordinating Board policies and procedures regarding post tenure review which have been adopted by the board of regents. Post tenure policies shall include review procedures to determine that a tenured faculty member is performing consistently at an acceptable, professional level and a mechanism whereby a faculty member is informed of any deficiencies and provided opportunities to effectively improve his or her performance.

Sec. 43. **Disparity Study for Institutions of Higher Education.** Each institution of higher education receiving appropriations and the Texas Higher Education Coordinating Board shall cooperate with the Comptroller of Public Accounts in developing the disparity study to be completed by the Comptroller of Public Accounts by November 1, 1998. Each institution of higher education and the Texas Higher Education Coordinating Board shall report as necessary to the Comptroller of Public Accounts to assist in preparation of the report. The Comptroller of Public Accounts shall distribute this report to all institutions of higher education, the Texas Higher Education Coordinating Board, and the Legislature.

Sec. 44. **Teacher Education and Reading Instruction.** To address the critical need for education professionals to have access to the most current research available, it is imperative that teacher education and reading instruction related programs at Texas institutions of higher education be coordinated and that collaborative efforts be undertaken to ensure that resources available or provided for this purpose be utilized in the most effective and efficient manner. It is the intent of the Legislature that the University of Texas Health Science Center at Houston, University of Texas at San Antonio, University of Texas at Brownsville, University of Texas at El Paso, University of Texas at Dallas, University of Houston, Texas A&M University and Texas A&M University Health Science Center form an inter-institutional consortium, with the ability to include other institutions as needed, to carry out joint reading research and education activities including the design of shared curricular and academic programs utilizing distance learning technologies and other methods of inter-institutional communication and sharing. The aforementioned inter-institutional consortium is authorized to undertake planning and programmatic activities designed to accomplish the intent of the Legislature. This inter-institutional consortium is directed to report to the Higher Education Coordinating Board the implementation of this program.

Sec. 45. **Technology Programs.** To address the critical need for education professionals to have access to the most current research available, it is imperative that technology related programs at Texas institutions of higher education be coordinated and that collaborative efforts be undertaken to ensure that resources available or provided for this purpose be utilized in the most effective and efficient manner. It is the intent of the Legislature that the University of Texas at Austin, Texas A&M University, Texas Tech University and the University of Houston form an inter-institutional consortium, with the ability to include other institutions as needed, to carry out joint technology research and education activities including the design of shared curricular and academic programs utilizing distance learning technologies and other methods of inter-institutional communication and sharing. The aforementioned inter-institutional consortium is authorized to undertake planning and programmatic activities designed to accomplish the intent of the Legislature. This inter-institutional consortium is directed to report to the Higher Education Coordinating Board the implementation of this program.

Sec. 46. **General Academic Funding.** Funding for general academic institutions will consist of four formulas and supplemental items.

a. **Instruction and Operations Formula.** The Instruction and Operations Formula shall provide funding for faculty salaries, including nursing, departmental operating expense, library, instructional administration, research enhancement, student services, and institutional support. These funds are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour for the 1998-99 biennium is $51.12.

Weighting is determined by the following matrix:

	Lower Division	Upper Division	Masters	Doctoral	Special Professional
Liberal Arts	1.00	1.96	3.94	12.04	
Science	1.53	3.00	7.17	19.29	
Fine Arts	1.85	3.11	6.51	17.47	
Teacher Ed	1.28	1.36	3.23	9.95	
Agriculture	2.05	2.54	6.64	16.37	
Engineering	3.01	3.46	8.20	21.40	

	Lower Division	Upper Division	Masters	Doctoral	Special Professional
Home Economics	1.58	2.12	4.34	10.79	
Law					3.22
Social Services	1.64	1.84	5.80	11.92	
Library Science	1.45	1.52	4.22	12.26	
Vocational Training	1.45	2.59			
Physical Training	1.36	1.36			
Health Services	2.87	3.46	6.47	15.98	
Pharmacy	4.00	4.64	7.55	19.11	13.43
Business Admin	1.41	1.59	4.59	13.91	
Optometry			5.46	19.12	7.00
Teacher Ed Practice	2.43	2.43			
Technology	1.99	2.56	6.61		
Nursing	4.91	5.32	6.49	16.32	

b. **Teaching Experience Supplement.** For the 1998-1999 biennium, an additional weight of five percent is added to lower division and upper division semester credit hours taught by tenured and tenure-track faculty. Beginning in fiscal year 1998, the Coordinating Board shall collect data on non-tenured faculty with a terminal degree in the discipline, appropriate professional certification, or extensive and recognized accomplishment in the field. Furthermore, it is the intent of the Legislature that for the 2000-2001 biennium, the weight shall be assigned to undergraduate semester credit hours taught by non-tenured faculty with the appropriate credentials or experience, and the weight shall increase by ten percent per biennium, up to 50 percent.

c. **Growth Supplement.** Universities projected by the Coordinating Board to experience growth in headcount enrollment from Fall 1996 to Fall 1998 will receive a $1,435 supplement for each additional student forecasted to enroll during that time period. The supplement is based on the amount of general revenue funding per student generated by the instruction and operations formula.

d. **Infrastructure Support.** Funding associated with plant-related formulas and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for

universities' educational and general activities produced by the Space Projection Model developed by the Coordinating Board. The portion of the formula related to utilities is adjusted to reflect differences in unit costs for purchased utilities, including electricity, natural gas, and water and wastewater. The average rate per square foot is $7.51.

e. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance (other educational and general income portion), workers' compensation insurance, unemployment compensation insurance, public education grants, 50 percent of indirect research costs recovered on grants, organized activities, system office operations, scholarships, tuition revenue bond payments, Skiles Act bond payments, and facility lease charges. Institutions may receive an appropriation for special items. Revenue derived from board authorized tuition would still be appropriated to the institutions levying the additional charges. Any university losing funding attributable to the proposed formula changes shall receive "formula transition funding" for implementing the new formula structure for the 1998-1999 biennium.

These formulas and supplemental items shall be reviewed and updated by study committees appointed by the Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor's Office of Budget and Planning by June 1, 1998.

Sec. 47. **Optional Retirement Program Differential.** Included in the appropriation to institutions of higher education in this act are general revenue amounts to offset local funds used for the optional retirement program employer contributions between 6% and 7.31% of salaries for employees who were on the state payroll or who were employed by a Public Community or Junior College as of August 31, 1995. These general revenue amounts are included in the funding formulas for general academic institutions and two-year institutions and in the base funding for other institutions of higher education.

Sec. 48. **Eliminate Funding for Excessive Undergraduate Credit Hours.** Contingent upon the enactment of Senate Bill 1485 or similar legislation relating to the elimination of formula funding for undergraduate semester credit hours a student has attempted in excess of 170 hours, $7,556,000 of the general revenue funds appropriated to the general academic institutions for each of the fiscal years 1998 and 1999 is hereby reduced and returned to the General Revenue Fund.

The Comptroller of Public Accounts, with the assistance of the Texas Higher Education Coordinating Board, shall calculate the amount of reductions to each individual institution based on the number of semester credit hours the undergraduate students at that particular institution have attempted that were in excess of 170 as of Fall semester 1997. The Comptroller shall make the reductions in appropriations no later than January 31, 1998 for fiscal year 1998 and no later than September 1, 1998 for fiscal year 1999.

Each general academic institution that chooses to impose increased tuition on students that have previously attempted 170 or more semester credit hours, shall maintain separate records of those additional tuition revenues and shall provide this information to the Legislature through the budget process for the 2000-2001 biennium.

Sec. 49. **Contingency for Senate Bill 572 - Public University for Central Texas.** Contingent upon enactment of Senate Bill 572 or similar legislation establishing the Public University for Central Texas and subsequent approval by the Texas Higher Education Coordinating Board, there is hereby appropriated from the General Revenue Fund to the Public University for Central Texas $50,000 for the 1998-999 biennium. The Public University for Central Texas is defined as a general academic institution and is subject to the Special Provisions for Institutions of Higher Education and General Provisions included in this Act. Any Other Educational and General Income collected by the Public University for Central Texas is hereby appropriated to the institution.

Sec. 50. **Indirect Cost Recovery Earned by Texas A&M Services.** The Texas A&M University Service agencies shall report to the Legislative Budget Board in their Legislative Appropriations Requests for 2000-2001 all indirect cost recovery revenue earned on research grants and contracts including amounts collected by the Research Foundation. It is the intent of the Legislature that fifty percent of the indirect cost recovery funds earned by A&M Services be counted in the method of financing for the Texas A&M Service agencies beginning in the 2000-2001 biennium.

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Education Agency, Texas	$ 9,247,822,612	$ 9,202,392,313
Contingency Appropriations	85,525,000	103,175,000
Appropriations Made in Other Legislation	520,000,000	520,000,000
Total	9,853,347,612	9,825,567,313
Educator Certification, State Board for	11,671,510	10,181,834
Blind and Visually Impaired, School for the	11,379,429	9,474,429
Deaf, School for the	12,841,957	12,854,288
Telecommunications Infrastructure Fund		
Teacher Retirement System and Optional Retirement Program	1,130,333,144	1,191,762,274
Group Insurance Contributions, Higher Education Employees	246,985,598	251,925,310
Higher Education Coordinating Board	195,641,745	137,281,061
Rider Appropriations	13,764,000	
Contingency Appropriations	90,000	40,000
Appropriations Made in Other Legislation	6,250,000	6,250,000
Total	215,745,745	143,571,061
Higher Education Fund	224,365,000	224,365,000
The University of Texas System: System Administration		1,050,000
Rider Appropriations		1,300,000
Total		2,350,000
Available University Fund		
The University of Texas at Arlington	64,131,401	65,198,126
The University of Texas at Austin	214,321,502	214,116,044
The University of Texas at Dallas	38,823,147	39,090,953
The University of Texas at El Paso	49,433,351	49,878,042
The University of Texas - Pan American	35,726,086	36,412,919
The University of Texas at Brownsville	12,473,222	12,435,796
The University of Texas of the Permian Basin	8,974,416	9,900,182
The University of Texas at San Antonio	49,664,562	51,581,646
The University of Texas at Tyler	13,103,320	12,617,807
Texas A&M University System: Administrative and General Offices	2,211,485	4,422,971
Appropriations Made in Other Legislation	2,500,000	
Total	4,711,485	4,422,971
Texas A&M University	192,277,113	190,382,567
Texas A&M University at Galveston	7,875,478	7,796,519
Prairie View A&M University	20,919,259	21,387,007
Tarleton State University	18,214,339	18,818,971
Texas A&M University - Corpus Christi	26,918,939	28,547,369
Texas A&M University - Kingsville	24,559,472	25,179,498
Texas A&M International University	19,063,089	21,015,610
West Texas A&M University	19,437,666	19,900,917
Texas A&M University - Commerce	22,763,639	23,021,897

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Texas A&M University - Texarkana	4,024,793	4,253,457
University of Houston System Administration		
University of Houston	108,066,241	107,293,336
University of Houston - Clear Lake	19,619,474	19,492,864
University of Houston - Downtown	15,242,041	15,399,220
University of Houston - Victoria	6,009,231	6,364,023
Midwestern State University	14,077,638	14,400,054
University of North Texas	76,710,077	77,519,249
Stephen F. Austin State University	32,511,995	32,743,170
Texas Southern University	25,858,693	26,330,591
Texas Tech University	93,868,134	95,070,821
Texas Woman's University	40,499,583	40,872,901
Texas State University System Central Office, Board of Regents		
Angelo State University	18,784,032	19,048,760
Lamar University - Beaumont	24,577,070	24,913,207
Lamar University Institute of Technology	4,336,397	4,538,128
Lamar University - Orange	3,190,294	3,406,860
Lamar University - Port Arthur	5,142,737	5,389,657
Sam Houston State University	30,482,791	30,835,565
Southwest Texas State University	54,812,715	56,238,280
Sul Ross State University	11,554,361	10,693,115
Sul Ross State University Rio Grande College	3,369,381	3,377,472
The University of Texas Southwestern Medical Center at Dallas	76,794,672	77,521,079
Rider Appropriations	2,706,320	2,706,321
Total	79,500,992	80,227,400
The University of Texas Medical Branch at Galveston	208,999,722	209,517,315
The University of Texas Health Science Center at Houston	103,418,810	103,719,278
Rider Appropriations	3,464,415	3,464,415
Total	106,883,225	107,183,693
The University of Texas Health Science Center at San Antonio	100,156,415	101,084,127
Rider Appropriations	3,968,918	3,968,918
Total	104,125,333	105,053,045
The University of Texas M. D. Anderson Cancer Center	127,307,036	127,415,130
The University of Texas Health Center at Tyler	22,936,161	22,565,573
Rider Appropriations	827,478	827,479
Total	23,763,639	23,393,052

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Texas A&M University Health Science Center	18,466,803	18,670,984
Rider Appropriations	733,081	733,081
Total	19,199,884	19,404,065
Texas A&M University System Baylor College of Dentistry	12,121,353	12,121,353
University of North Texas Health Science Center at Fort Worth	30,226,784	31,058,655
Rider Appropriations	1,070,538	1,070,538
Total	31,297,322	32,129,193
Texas Tech University Health Sciences Center	62,788,495	63,351,918
Rider Appropriations	2,229,249	2,229,249
Total	65,017,744	65,581,167
Public Community/Junior Colleges	659,516,870	683,376,495
Texas State Technical College System Administration	231,007	231,385
Texas State Technical College - Harlingen	11,718,596	12,039,395
Texas State Technical College - Sweetwater	6,699,726	6,881,085
Texas State Technical College - Waco	21,587,931	22,249,668
Agricultural Experiment Station, Texas	43,969,068	43,897,098
Agricultural Extension Service, Texas	35,450,431	35,417,773
Contingency Appropriations	300,000	300,000
Total	35,750,431	35,717,773
Texas Engineering Experiment Station	7,736,293	7,719,984
Texas Transportation Institute	2,886,036	2,883,511
Texas Engineering Extension Service	5,331,446	4,997,017
Texas Forest Service	10,782,526	10,642,633
Animal Damage Control Service	2,714,605	2,688,739
Texas Veterinary Medical Diagnostic Laboratory	3,161,647	3,157,147
Food and Fibers Commission	1,478,390	1,478,390
Subtotal, Education	$ 14,734,579,981	$ 14,741,922,813
Retirement and Group Insurance	16,261,949	16,552,223
Social Security and Benefit Replacement Pay	144,165,899	152,182,930
Subtotal, Employee Benefits	$ 160,427,848	$ 168,735,153

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Bond Debt Service Payments	15,616,233	15,609,953
Lease Payments	7,446,442	7,401,965
Subtotal, Debt Service	$ 23,062,675	$ 23,011,918
Article III, Special Provisions		
Contingency Appropriations	-7,506,000	-7,556,000
Total	-7,506,000	-7,556,000
TOTAL, ARTICLE III - Agencies of Education	$ 14,910,564,504	$ 14,926,113,884

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue - Dedicated)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Education Agency, Texas	$	$
Contingency Appropriations	500,000	500,000
Total	500,000	500,000
Educator Certification, State Board for		
Blind and Visually Impaired, School for the		
Deaf, School for the		
Telecommunications Infrastructure Fund		
Teacher Retirement System and Optional Retirement Program	53,060,318	56,104,643
Group Insurance Contributions, Higher Education Employees		
Higher Education Coordinating Board	1,410,158	1,410,158
Higher Education Fund		
The University of Texas System: System Administration		
Available University Fund		
The University of Texas at Arlington	27,039,778	28,331,643
The University of Texas at Austin	99,385,202	103,072,870
The University of Texas at Dallas	14,371,061	14,869,496
The University of Texas at El Paso	15,527,404	16,309,774
The University of Texas - Pan American	11,459,485	12,120,900
The University of Texas at Brownsville	1,638,510	1,726,862
The University of Texas of the Permian Basin	1,789,992	1,882,368
The University of Texas at San Antonio	17,091,994	17,938,458
The University of Texas at Tyler	2,732,705	2,894,063
Texas A&M University System: Administrative and General Offices		
Rider Appropriations	2,521,038	2,700,005
Total	2,521,038	2,700,005
Texas A&M University	66,464,342	69,292,645
Texas A&M University at Galveston	2,803,660	2,948,362
Prairie View A&M University	8,723,660	9,181,475
Tarleton State University	6,319,103	6,652,696
Texas A&M University - Corpus Christi	4,928,488	5,212,370
Texas A&M University - Kingsville	6,694,306	7,046,954
Texas A&M International University	1,364,394	1,445,116
West Texas A&M University	6,104,643	6,438,730
Texas A&M University - Commerce	7,174,651	7,545,009
Texas A&M University - Texarkana	914,789	963,121
University of Houston System Administration		
University of Houston	49,865,790	51,957,165
University of Houston - Clear Lake	7,510,983	7,844,517
University of Houston - Downtown	6,652,715	7,036,563
University of Houston - Victoria	1,204,101	1,260,741
Midwestern State University	4,991,929	5,265,972
Rider Appropriations	22,000	
Total	5,013,929	5,265,972

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue - Dedicated)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
University of North Texas	28,986,833	30,497,837
Stephen F. Austin State University	12,395,886	13,080,262
Texas Southern University	13,945,460	14,650,543
Texas Tech University	34,113,036	35,584,348
Rider Appropriations	75,000	
Total	34,188,036	35,584,348
Texas Woman's University	10,287,612	10,782,609
Texas State University System Central Office, Board of Regents		
Angelo State University	5,886,090	6,204,010
Lamar University - Beaumont	6,228,388	6,584,254
Lamar University Institute of Technology	834,879	884,490
Lamar University - Orange	1,238,846	1,304,691
Lamar University - Port Arthur	1,793,018	1,894,737
Sam Houston State University	15,199,755	16,000,159
Southwest Texas State University	17,235,386	18,184,739
Sul Ross State University	2,388,266	2,524,725
Sul Ross State University Rio Grande College	531,507	562,910
The University of Texas Southwestern Medical Center at Dallas	35,683,636	36,264,539
The University of Texas Medical Branch at Galveston	261,023,950	261,151,724
The University of Texas Health Science Center at Houston	25,290,452	25,362,185
The University of Texas Health Science Center at San Antonio	19,523,034	19,625,356
The University of Texas M. D. Anderson Cancer Center	323,933,754	324,197,073
The University of Texas Health Center at Tyler	30,382,898	30,382,898
Texas A&M University Health Science Center	1,308,656	1,308,653
Texas A&M University System Baylor College of Dentistry	5,834,492	5,799,494
University of North Texas Health Science Center at Fort Worth	3,897,490	3,911,285
Texas Tech University Health Sciences Center	5,793,179	6,024,678
Public Community/Junior Colleges		
Texas State Technical College System Administration	137,622	137,244
Texas State Technical College - Harlingen	2,190,992	2,190,992
Texas State Technical College - Sweetwater	939,897	973,752
Texas State Technical College - Waco	3,255,492	3,255,492
Agricultural Experiment Station, Texas	381,000	381,000
Rider Appropriations	10,000	
Total	391,000	381,000
Agricultural Extension Service, Texas	106,000	106,000
Rider Appropriations	10,000	
Total	116,000	106,000

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue - Dedicated)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Texas Engineering Experiment Station	2,284,400	2,284,400
Texas Transportation Institute	1,229,838	1,278,300
Texas Engineering Extension Service	776,747	808,455
Texas Forest Service		
Animal Damage Control Service		
Texas Veterinary Medical Diagnostic Laboratory		
Food and Fibers Commission		
Subtotal, Education	$ 1,305,400,690	$ 1,334,136,510
Retirement and Group Insurance		
Social Security and Benefit Replacement Pay	27,695,756	29,357,501
Subtotal, Employee Benefits	$ 27,695,756	$ 29,357,501
Bond Debt Service Payments		
Lease Payments		
Subtotal, Debt Service	$	$
Article III, Special Provisions		
TOTAL, ARTICLE III - Agencies of Education	$ 1,333,096,446	$ 1,363,494,011

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(Federal Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Education Agency, Texas	$ 1,775,773,393	$ 1,812,654,855
Educator Certification, State Board for	152,841	161,700
Blind and Visually Impaired, School for the	868,287	868,287
Deaf, School for the	418,524	418,524
Telecommunications Infrastructure Fund		
Teacher Retirement System and Optional Retirement Program		
Group Insurance Contributions, Higher Education Employees		
Higher Education Coordinating Board	49,703,239	49,703,239
Higher Education Fund		
The University of Texas System: System Administration		
Available University Fund		
The University of Texas at Arlington		
The University of Texas at Austin		
The University of Texas at Dallas		
The University of Texas at El Paso		
The University of Texas - Pan American		
The University of Texas at Brownsville		
The University of Texas of the Permian Basin		
The University of Texas at San Antonio		
The University of Texas at Tyler		
Texas A&M University System: Administrative and General Offices		
Texas A&M University		
Texas A&M University at Galveston		
Prairie View A&M University		
Tarleton State University		
Texas A&M University - Corpus Christi		
Texas A&M University - Kingsville		
Texas A&M International University		
West Texas A&M University		
Texas A&M University - Commerce		
Texas A&M University - Texarkana		
University of Houston System Administration		
University of Houston		
University of Houston - Clear Lake		
University of Houston - Downtown		
University of Houston - Victoria		
Midwestern State University		
University of North Texas		
Stephen F. Austin State University		
Texas Southern University		
Texas Tech University		
Texas Woman's University		
Texas State University System Central Office, Board of Regents		
Angelo State University		
Lamar University - Beaumont		
Lamar University Institute of Technology		
Lamar University - Orange		
Lamar University - Port Arthur		

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(Federal Funds)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Sam Houston State University		
Southwest Texas State University		
Sul Ross State University		
Sul Ross State University Rio Grande College		
The University of Texas Southwestern Medical Center at Dallas		
The University of Texas Medical Branch at Galveston		
The University of Texas Health Science Center at Houston		
The University of Texas Health Science Center at San Antonio		
The University of Texas M. D. Anderson Cancer Center		
The University of Texas Health Center at Tyler		
Texas A&M University Health Science Center		
Texas A&M University System Baylor College of Dentistry		
University of North Texas Health Science Center at Fort Worth		
Texas Tech University Health Sciences Center		
Public Community/Junior Colleges		
Texas State Technical College System Administration		
Texas State Technical College - Harlingen		
Texas State Technical College - Sweetwater		
Texas State Technical College - Waco		
Agricultural Experiment Station, Texas	6,167,046	6,167,046
Agricultural Extension Service, Texas	9,090,784	8,818,060
Texas Engineering Experiment Station	18,812,600	18,812,600
Texas Transportation Institute	2,696,097	2,776,977
Texas Engineering Extension Service	4,193,076	4,364,228
Texas Forest Service	2,225,000	2,225,000
Animal Damage Control Service		
Texas Veterinary Medical Diagnostic Laboratory		
Food and Fibers Commission	529,815	489,133
Subtotal, Education	$ 1,870,630,702	$ 1,907,459,649
Retirement and Group Insurance	1,460,057	1,496,137
Social Security and Benefit Replacement Pay	984,248	954,770
Subtotal, Employee Benefits	$ 2,444,305	$ 2,450,907
Bond Debt Service Payments		
Lease Payments		
Subtotal, Debt Service	$	$
Article III, Special Provisions		
TOTAL, ARTICLE III - Agencies of Education	$ 1,873,075,007	$ 1,909,910,556

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(Other Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Education Agency, Texas	$ 379,600,000	$ 383,900,000
Educator Certification, State Board for		
Blind and Visually Impaired, School for the	670,643	670,643
Deaf, School for the	1,499,847	1,499,847
Telecommunications Infrastructure Fund	124,729,341	135,229,341
Rider Appropriations	71,000,000	1,000,000
Total	195,729,341	136,229,341
Teacher Retirement System and Optional Retirement Program		
Group Insurance Contributions, Higher Education Employees		
Higher Education Coordinating Board	6,159,755	5,904,755
Higher Education Fund		
The University of Texas System: System Administration		
Available University Fund	253,168,000	252,368,000
The University of Texas at Arlington		
The University of Texas at Austin		
The University of Texas at Dallas		
The University of Texas at El Paso		
The University of Texas - Pan American		
The University of Texas at Brownsville		
The University of Texas of the Permian Basin		
The University of Texas at San Antonio		
The University of Texas at Tyler		
Texas A&M University System: Administrative and General Offices		
Texas A&M University	2,050,000	2,050,000
Texas A&M University at Galveston		
Prairie View A&M University		
Tarleton State University		
Texas A&M University - Corpus Christi		
Texas A&M University - Kingsville		
Texas A&M International University		
West Texas A&M University		
Texas A&M University - Commerce		
Texas A&M University - Texarkana		
University of Houston System Administration		
University of Houston		
University of Houston - Clear Lake		
University of Houston - Downtown		
University of Houston - Victoria		
Midwestern State University		
University of North Texas		
Stephen F. Austin State University		
Texas Southern University		
Texas Tech University		
Texas Woman's University		
Texas State University System Central Office, Board of Regents		
Angelo State University		

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(Other Funds)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Lamar University - Beaumont		
Lamar University Institute of Technology		
Lamar University - Orange		
Lamar University - Port Arthur		
Sam Houston State University		
Southwest Texas State University		
Sul Ross State University		
Sul Ross State University Rio Grande College		
The University of Texas Southwestern Medical Center at Dallas		
The University of Texas Medical Branch at Galveston		
The University of Texas Health Science Center at Houston		
The University of Texas Health Science Center at San Antonio		
The University of Texas M. D. Anderson Cancer Center		
The University of Texas Health Center at Tyler		
Texas A&M University Health Science Center		
Texas A&M University System Baylor College of Dentistry		
University of North Texas Health Science Center at Fort Worth		
Texas Tech University Health Sciences Center		
Public Community/Junior Colleges		
Texas State Technical College System Administration		
Texas State Technical College - Harlingen		
Texas State Technical College - Sweetwater		
Texas State Technical College - Waco		
Agricultural Experiment Station, Texas	5,325,261	5,325,261
Agricultural Extension Service, Texas	7,120,064	7,120,064
Texas Engineering Experiment Station	14,711,176	14,711,176
Texas Transportation Institute	16,235,152	16,802,521
Texas Engineering Extension Service	26,322,172	27,367,382
Texas Forest Service	3,220,000	3,220,000
Animal Damage Control Service		
Texas Veterinary Medical Diagnostic Laboratory	4,428,363	4,428,363
Food and Fibers Commission	2,790,874	2,849,066
Subtotal, Education	$ 919,030,648	$ 864,446,419
Retirement and Group Insurance	2,962	3,012
Social Security and Benefit Replacement Pay	5,069,427	5,360,440
Subtotal, Employee Benefits	$ 5,072,389	$ 5,363,452

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(Other Funds)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Bond Debt Service Payments Lease Payments		
Subtotal, Debt Service	$	$
Article III, Special Provisions		
TOTAL, ARTICLE III - Agencies of Education	$ 924,103,037	$ 869,809,871

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(All Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Education Agency, Texas	$ 11,403,196,005	$ 11,398,947,168
Contingency Appropriations	86,025,000	103,675,000
Appropriations Made in Other Legislation	520,000,000	520,000,000
Total	12,009,221,005	12,022,622,168
Educator Certification, State Board for	11,824,351	10,343,534
Blind and Visually Impaired, School for the	12,918,359	11,013,359
Deaf, School for the	14,760,328	14,772,659
Telecommunications Infrastructure Fund	124,729,341	135,229,341
Rider Appropriations	71,000,000	1,000,000
Total	195,729,341	136,229,341
Teacher Retirement System and Optional Retirement Program	1,183,393,462	1,247,866,917
Group Insurance Contributions, Higher Education Employees	246,985,598	251,925,310
Higher Education Coordinating Board	252,914,897	194,299,213
Rider Appropriations	13,764,000	
Contingency Appropriations	90,000	40,000
Appropriations Made in Other Legislation	6,250,000	6,250,000
Total	273,018,897	200,589,213
Higher Education Fund	224,365,000	224,365,000
The University of Texas System: System Administration		1,050,000
Rider Appropriations		1,300,000
Total		2,350,000
Available University Fund	253,168,000	252,368,000
The University of Texas at Arlington	91,171,179	93,529,769
The University of Texas at Austin	313,706,704	317,188,914
The University of Texas at Dallas	53,194,208	53,960,449
The University of Texas at El Paso	64,960,755	66,187,816
The University of Texas - Pan American	47,185,571	48,533,819
The University of Texas at Brownsville	14,111,732	14,162,658
The University of Texas of the Permian Basin	10,764,408	11,782,550
The University of Texas at San Antonio	66,756,556	69,520,104
The University of Texas at Tyler	15,836,025	15,511,870
Texas A&M University System: Administrative and General Offices	2,211,485	4,422,971
Rider Appropriations	2,521,038	2,700,005
Appropriations Made in Other Legislation	2,500,000	
Total	7,232,523	7,122,976
Texas A&M University	260,791,455	261,725,212
Texas A&M University at Galveston	10,679,138	10,744,881
Prairie View A&M University	29,642,919	30,568,482
Tarleton State University	24,533,442	25,471,667

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(All Funds)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Texas A&M University - Corpus Christi	31,847,427	33,759,739
Texas A&M University - Kingsville	31,253,778	32,226,452
Texas A&M International University	20,427,483	22,460,726
West Texas A&M University	25,542,309	26,339,647
Texas A&M University - Commerce	29,938,290	30,566,906
Texas A&M University - Texarkana	4,939,582	5,216,578
University of Houston System Administration		
University of Houston	157,932,031	159,250,501
University of Houston - Clear Lake	27,130,457	27,337,381
University of Houston - Downtown	21,894,756	22,435,783
University of Houston - Victoria	7,213,332	7,624,764
Midwestern State University	19,069,567	19,666,026
Rider Appropriations	22,000	
Total	19,091,567	19,666,026
University of North Texas	105,696,910	108,017,086
Stephen F. Austin State University	44,907,881	45,823,432
Texas Southern University	39,804,153	40,981,134
Texas Tech University	127,981,170	130,655,169
Rider Appropriations	75,000	
Total	128,056,170	130,655,169
Texas Woman's University	50,787,195	51,655,510
Texas State University System Central Office, Board of Regents		
Angelo State University	24,670,122	25,252,770
Lamar University - Beaumont	30,805,458	31,497,461
Lamar University Institute of Technology	5,171,276	5,422,618
Lamar University - Orange	4,429,140	4,711,551
Lamar University - Port Arthur	6,935,755	7,284,394
Sam Houston State University	45,682,546	46,835,724
Southwest Texas State University	72,048,101	74,423,019
Sul Ross State University	13,942,627	13,217,840
Sul Ross State University Rio Grande College	3,900,888	3,940,382
The University of Texas Southwestern Medical Center at Dallas	112,478,308	113,785,618
Rider Appropriations	2,706,320	2,706,321
Total	115,184,628	116,491,939
The University of Texas Medical Branch at Galveston	470,023,672	470,669,039
The University of Texas Health Science Center at Houston	128,709,262	129,081,463
Rider Appropriations	3,464,415	3,464,415
Total	132,173,677	132,545,878

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(All Funds)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
The University of Texas Health Science Center at San Antonio	119,679,449	120,709,483
Rider Appropriations	3,968,918	3,968,918
Total	123,648,367	124,678,401
The University of Texas M. D. Anderson Cancer Center	451,240,790	451,612,203
The University of Texas Health Center at Tyler	53,319,059	52,948,471
Rider Appropriations	827,478	827,479
Total	54,146,537	53,775,950
Texas A&M University Health Science Center	19,775,459	19,979,637
Rider Appropriations	733,081	733,081
Total	20,508,540	20,712,718
Texas A&M University System Baylor College of Dentistry	17,955,845	17,920,847
University of North Texas Health Science Center at Fort Worth	34,124,274	34,969,940
Rider Appropriations	1,070,538	1,070,538
Total	35,194,812	36,040,478
Texas Tech University Health Sciences Center	68,581,674	69,376,596
Rider Appropriations	2,229,249	2,229,249
Total	70,810,923	71,605,845
Public Community/Junior Colleges	659,516,870	683,376,495
Texas State Technical College System Administration	368,629	368,629
Texas State Technical College - Harlingen	13,909,588	14,230,387
Texas State Technical College - Sweetwater	7,639,623	7,854,837
Texas State Technical College - Waco	24,843,423	25,505,160
Agricultural Experiment Station, Texas	55,842,375	55,770,405
Rider Appropriations	10,000	
Total	55,852,375	55,770,405
Agricultural Extension Service, Texas	51,767,279	51,461,897
Rider Appropriations	10,000	
Contingency Appropriations	300,000	300,000
Total	52,077,279	51,761,897
Texas Engineering Experiment Station	43,544,469	43,528,160
Texas Transportation Institute	23,047,123	23,741,309
Texas Engineering Extension Service	36,623,441	37,537,082
Texas Forest Service	16,227,526	16,087,633

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(All Funds)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Animal Damage Control Service	2,714,605	2,688,739
Texas Veterinary Medical Diagnostic Laboratory	7,590,010	7,585,510
Food and Fibers Commission	4,799,079	4,816,589
Subtotal, Education	$ 18,829,642,021	$ 18,847,965,391
Retirement and Group Insurance	17,724,968	18,051,372
Social Security and Benefit Replacement Pay	177,915,330	187,855,641
Subtotal, Employee Benefits	$ 195,640,298	$ 205,907,013
Bond Debt Service Payments	15,616,233	15,609,953
Lease Payments	7,446,442	7,401,965
Subtotal, Debt Service	$ 23,062,675	$ 23,011,918
Article III, Special Provisions		
Contingency Appropriations	-7,506,000	-7,556,000
Total	-7,506,000	-7,556,000
TOTAL, ARTICLE III - Agencies of Education	$ 19,040,838,994	$ 19,069,328,322
Number of Full-time Equivalent Positions (FTE) - Appropriated Funds	71,922.0	71,670.0
Number of Full-time Equivalent Positions (FTE) - Total	115,290.0	115,054.5

ARTICLE IV

THE JUDICIARY

Section 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the Judiciary and other judicial service units of the state.

SUPREME COURT OF TEXAS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Appellate Court Operations	$ 3,426,639	$ 3,404,973
Outcomes:		
Disposition Rate	102%	101%
Efficiencies:		
Average Time (in Days) from Submission to Release of an Opinion	180	175
2. Supplemental Funding	$ 300,000	$ 300,000
Grand Total, SUPREME COURT OF TEXAS	$ 3,726,639	$ 3,704,973
Number of Full-time Equivalent Positions (FTE)	63.0	63.0
Schedule of Exempt Positions		
Chief Justice	$105,247	$105,247
Justice	(8) 102,463	(8) 102,463

1. **National Center for State Courts.** Out of the funds appropriated above in Item 1, Appellate Court Operations, the sum of $217,229 in Fiscal Year 1998 and $230,263 in Fiscal Year 1999, shall be expended only for dues for the National Center for State Courts. It is the intent of the Legislature that the Supreme Court utilize funds appropriated to provide full funding for the membership assessment on behalf of the Texas Judiciary during the 1998-1999 biennium.

2. **Contingency Appropriation, Senate Bill 1534.** Contingent on the passage of Senate Bill 1534, or similar legislation, by the Seventy-fifth Legislature, Regular Session, the Supreme Court is appropriated all funds in the basic civil legal services account of the judicial fund, for the purpose of distributing the funds to nonprofit organizations that provide basic civil legal services to persons meeting eligibility requirements established by the Supreme Court.

COURT OF CRIMINAL APPEALS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Appellate Court Operations	$ 3,303,434	$ 3,269,409
Outcomes:		
Disposition Rate for Petitions for Discretionary Review Which are Granted (as a Percent)	75%	75%
Efficiencies:		
Average Time (in Days) From the Time Petitions for Discretionary Review are Granted Until Disposition	350	350
Average Time From the Time Filed to Disposition for Petitions for Discretionary Review	84	84
2. Judicial and Court Personnel Training	$ 4,027,500	$ 4,027,500 & U.B.
3. Death Penalty Habeas Representation	$ 4,000,000	$ U.B.
Outcomes:		
Disposition Rate for Death Penalty Cases	35%	35%
4. Supplemental Funding	$ 300,000	$ 300,000
Grand Total, COURT OF CRIMINAL APPEALS	$ 11,630,934	$ 7,596,909
Method of Financing:		
General Revenue Fund	$ 7,780,934	$ 3,746,909
Judicial and Court Personnel Training Fund No. 540	3,850,000	3,850,000
Total, Method of Financing	$ 11,630,934	$ 7,596,909
Number of Full-time Equivalent Positions (FTE)	66.0	66.0
Schedule of Exempt Positions		
Presiding Judge	$105,247	$105,247
Judge	(8) 102,463	(8) 102,463

1. **Judicial Education.**

   a. The Court of Criminal Appeals may assign to the Office of Court Administration or to any other agency of the Judicial Branch the necessary administrative and accounting functions for the Judicial and Court Personnel Training Fund appropriation included in this Act to be performed under the direction of the Court of Criminal Appeals in compliance with V.T.C.A., Government Code, Chapter 56. To implement this provision, the Comptroller is authorized to transfer the appropriation from the Court of Criminal Appeals to the Office of Court Administration, or to any other agency of the Judicial Branch, as directed by order of the Court of Criminal Appeals. Of the amount appropriated for Item No. 2, Judicial and Court Personnel Training, $60,000 in fiscal year 1998 and $60,000 and U.B. in fiscal year 1999 shall be expended for the continuing legal education of judges of county courts performing judicial functions.

   b. None of the funds appropriated above in Item 2., Judicial and Court Personnel Training, in excess of three percent of the appropriated amount in any fiscal year shall be expended for the administration of the judicial education function. For the purposes of this provision, the term administration shall include, but not be limited to, administrative oversight functions, accounting and auditing functions, management studies, performance audits, and other studies initiated by the Court of Criminal Appeals or the Office of Court Administration.

c. Funds expended by either the Court of Criminal Appeals or the Office of Court Administration, out of the appropriation made above out of the Judicial and Court Personnel Training Fund, for the purpose of conducting management studies, performance audits, or other studies, shall be expended only in accordance with a competitive bidding process.

2. **Limitation, Judicial and Court Personnel Training.** Out of the funds appropriated above for Judicial and Court Personnel Training, $1,000,000 in the first year of the biennium and $1,000,000 and U.B. in the second year of the biennium may be expended only to provide for the training and continuing legal education of the clerks and other court personnel of the appellate courts, district courts, county courts at law, county courts, justice courts, and municipal courts of this State in accordance with V.T.C.A., Government Code, Section 74.025.

3. **Continuing Education and Technical Assistance for Prosecutors and Criminal Defense Attorneys.**

   a. The Court of Criminal Appeals is authorized to contract with a statewide professional association of prosecuting attorneys whose purposes include providing continuing legal education courses, programs and technical assistance projects for prosecutors and prosecutor office personnel, provided, however, that such contract shall not exceed $700,000 in fiscal year 1998 and $700,000 and U.B. in fiscal year 1999.

   b. The Court of Criminal Appeals is authorized to contract with a statewide professional association of criminal defense attorneys whose purposes include providing continuing legal education courses, programs and technical assistance projects for criminal defense attorneys who regularly represent indigent defendants in criminal matters, provided, however, that such contract shall not exceed $200,000 in fiscal year 1998 and $200,000 and U.B. in fiscal year 1999.

   c. Funds may be expended pursuant to this provision only out of the appropriation made above out of the Judicial and Court Personnel Training Fund No. 540.

4. **Limitation, Judicial Education.** Out of the amounts appropriated above in item 2, Judicial Education and Court Personnel Training, $177,500 in fiscal year 1998 and $177,500 and U.B. in fiscal year 1999 may be expended only for the purpose of providing continuing judicial education courses, programs and technical assistance projects for judges of county courts performing judicial functions. The limitation imposed by this provision shall apply only to that portion of the identified appropriation funded out of the General Revenue Fund as identified in the Method of Financing.

5. **Judicial Education: Reimbursement for Travel Expenses.** Funds appropriated above in Item 2, Judicial Education and Court Personnel Training, for the purposes established in Section 56.003(b) of the Government Code, may be granted only pursuant to a grant contract which provides for the reimbursement of expenses of judges pursuant to the provisions of Section 74.062 of the Government Code. This provision shall not apply to funds granted for the purpose of providing continuing legal education for judges of county courts performing judicial functions.

FIRST COURT OF APPEALS DISTRICT, HOUSTON

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Appellate Court Operations	$ 2,070,031	$ 2,070,031
Outcomes:		
Clearance Rate	100%	100%
Average Percent of Cases Under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed But Not Yet Disposed for More than 24 Months	0%	0%
2. Supplemental Funding	$ 192,500	$ U.B.
Grand Total, FIRST COURT OF APPEALS DISTRICT, HOUSTON	$ 2,262,531	$ 2,070,031
Number of Full-time Equivalent Positions (FTE)	40.0	40.0
Schedule of Exempt Positions		
Chief Justice	$97,870	$97,870
Justice	(8) 97,340	(8) 97,340

SECOND COURT OF APPEALS DISTRICT, FORT WORTH

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Appellate Court Operations	$ 1,702,385	$ 1,702,385
Outcomes:		
Clearance Rate	100%	100%
Average Percent of Cases Under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed But Not Yet Disposed for More than 24 Months	0%	0%
2. Supplemental Funding	$ 177,500	$ U.B.
Grand Total, SECOND COURT OF APPEALS DISTRICT, FORT WORTH	$ 1,879,885	$ 1,702,385
Number of Full-time Equivalent Positions (FTE)	36.0	36.0
Schedule of Exempt Positions		
Chief Justice	$97,870	$97,870
Justice	(6) 97,340	(6) 97,340

SECOND COURT OF APPEALS DISTRICT, FORT WORTH
(Continued)

1. **Workers Compensation Exemption.** Funds appropriated above in Item 1, Appellate Court Operations, or Item 2, Supplemental Funding, shall not be subject to the workers compensation reimbursement requirements contained in this Act in Article IX in the provision entitled Reimbursements for Workers Compensation Payments for claims for injuries or illness sustained or resulting from the events of July 1, 1992.

THIRD COURT OF APPEALS DISTRICT, AUSTIN

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Appellate Court Operations	$ 1,525,792	$ 1,525,792
Outcomes:		
Clearance Rate	100%	100%
Average Percent of Cases Under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed But Not Yet Disposed for More than 24 Months	0%	0%
2. Supplemental Funding	$ 170,000	$ U.B.
Grand Total, THIRD COURT OF APPEALS DISTRICT, AUSTIN	$ 1,695,792	$ 1,525,792
Number of Full-time Equivalent Positions (FTE)	30.0	30.0
Schedule of Exempt Positions		
Chief Justice	$97,870	$97,870
Justice	(5) 97,340	(5) 97,340

FOURTH COURT OF APPEALS DISTRICT, SAN ANTONIO

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Appellate Court Operations	$ 1,702,385	$ 1,702,385
Outcomes:		
Clearance Rate	100%	100%
Average Percent of Cases Under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed But Not Yet Disposed for More than 24 Months	0%	0%

FOURTH COURT OF APPEALS DISTRICT, SAN ANTONIO
(Continued)

2. Supplemental Funding	$ 177,500	$ U.B.
Grand Total, FOURTH COURT OF APPEALS DISTRICT, SAN ANTONIO	$ 1,879,885	$ 1,702,385
Number of Full-time Equivalent Positions (FTE)	33.0	33.0
Schedule of Exempt Positions		
Chief Justice	$97,870	$97,870
Justice	(6) 97,340	(6) 97,340

FIFTH COURT OF APPEALS DISTRICT, DALLAS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Appellate Court Operations	$ 2,974,144	$ 2,974,144
Outcomes:		
Clearance Rate	100%	100%
Average Percent of Cases Under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed But Not Yet Disposed for More than 24 Months	0%	0%
2. Supplemental Funding	$ 200,000	$ U.B.
Grand Total, FIFTH COURT OF APPEALS DISTRICT, DALLAS	$ 3,174,144	$ 2,974,144
Number of Full-time Equivalent Positions (FTE)	54.0	54.0
Schedule of Exempt Positions		
Chief Justice	$97,870	$97,870
Justice	(12) 97,340	(12) 97,340

SIXTH COURT OF APPEALS DISTRICT, TEXARKANA

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Appellate Court Operations	$ 835,679	$ 835,679

SIXTH COURT OF APPEALS DISTRICT, TEXARKANA
(Continued)

Outcomes:		
Clearance Rate	100%	100%
Average Percent of Cases Under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed But Not Yet Disposed for More than 24 Months	0%	0%
2. Supplemental Funding	$ 147,500	$ U.B.
Grand Total, SIXTH COURT OF APPEALS DISTRICT, TEXARKANA	$ 983,179	$ 835,679
Number of Full-time Equivalent Positions (FTE)	15.5	15.5
Schedule of Exempt Positions		
Chief Justice	$97,870	$97,870
Justice	(2) 97,340	(2) 97,340

SEVENTH COURT OF APPEALS DISTRICT, AMARILLO

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Appellate Court Operations	$ 1,051,992	$ 1,051,992
Outcomes:		
Clearance Rate	100%	100%
Average Percent of Cases Under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed But Not Yet Disposed for More than 24 Months	0%	0%
2. Supplemental Funding	$ 155,000	$ U.B.
Grand Total, SEVENTH COURT OF APPEALS DISTRICT, AMARILLO	$ 1,206,992	$ 1,051,992
Number of Full-time Equivalent Positions (FTE)	20.5	20.5
Schedule of Exempt Positions		
Chief Justice	$97,870	$97,870
Justice	(3) 97,340	(3) 97,340

EIGHTH COURT OF APPEALS DISTRICT, EL PASO

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Appellate Court Operations	$ 1,051,992	$ 1,051,992
Outcomes:		
Clearance Rate	100%	100%
Average Percent of Cases Under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed But Not Yet Disposed for More than 24 Months	0%	0%
2. Supplemental Funding	$ 155,000	$ U.B.
Grand Total, EIGHTH COURT OF APPEALS DISTRICT, EL PASO	$ 1,206,992	$ 1,051,992
Number of Full-time Equivalent Positions (FTE)	21.0	21.0
Schedule of Exempt Positions		
Chief Justice	$97,870	$97,870
Justice	(3) 97,340	(3) 97,340

NINTH COURT OF APPEALS DISTRICT, BEAUMONT

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Appellate Court Operations	$ 835,679	$ 835,679
Outcomes:		
Clearance Rate	100%	100%
Average Percent of Cases Under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed But Not Yet Disposed for More than 24 Months	0%	0%
2. Supplemental Funding	$ 147,500	$ U.B.
Grand Total, NINTH COURT OF APPEALS DISTRICT, BEAUMONT	$ 983,179	$ 835,679
Number of Full-time Equivalent Positions (FTE)	16.0	16.0
Schedule of Exempt Positions		
Chief Justice	$97,870	$97,870
Justice	(2) 97,340	(2) 97,340

TENTH COURT OF APPEALS DISTRICT, WACO

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Appellate Court Operations	$ 835,679	$ 835,679
Outcomes:		
Clearance Rate	100%	100%
Average Percent of Cases Under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed But Not Yet Disposed for More than 24 Months	0%	0%
2. Supplemental Funding	$ 147,500	$ U.B.
Grand Total, TENTH COURT OF APPEALS DISTRICT, WACO	$ 983,179	$ 835,679
Number of Full-time Equivalent Positions (FTE)	17.0	17.0
Schedule of Exempt Positions		
Chief Justice	$97,870	$97,870
Justice	(2) 97,340	(2) 97,340

ELEVENTH COURT OF APPEALS DISTRICT, EASTLAND

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Appellate Court Operations	$ 835,679	$ 835,679
Outcomes:		
Clearance Rate	100%	100%
Average Percent of Cases Under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed But Not Yet Disposed for More than 24 Months	0%	0%
2. Supplemental Funding	$ 147,500	$ U.B.
Grand Total, ELEVENTH COURT OF APPEALS DISTRICT, EASTLAND	$ 983,179	$ 835,679
Number of Full-time Equivalent Positions (FTE)	16.0	16.0
Schedule of Exempt Positions		
Chief Justice	$97,870	$97,870
Justice	(2) 97,340	(2) 97,340

TWELFTH COURT OF APPEALS DISTRICT, TYLER

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Appellate Court Operations	$ 835,679	$ 835,679
Outcomes:		
Clearance Rate	100%	100%
Average Percent of Cases Under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed But Not Yet Disposed for More than 24 Months	0%	0%
2. Supplemental Funding	$ 147,500	$ U.B.
Grand Total, TWELFTH COURT OF APPEALS DISTRICT, TYLER	$ 983,179	$ 835,679
Number of Full-time Equivalent Positions (FTE)	15.0	15.0
Schedule of Exempt Positions		
Chief Justice	$97,870	$97,870
Justice	(2) 97,340	(2) 97,340

THIRTEENTH COURT OF APPEALS DISTRICT, CORPUS CHRISTI

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Appellate Court Operations	$ 1,638,195	$ 1,551,352
Outcomes:		
Clearance Rate	100%	100%
Average Percent of Cases Under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed But Not Yet Disposed for More than 24 Months	0%	0%
2. Supplemental Funding	$ 170,000	$ U.B.
Grand Total, THIRTEENTH COURT OF APPEALS DISTRICT, CORPUS CHRISTI	$ 1,808,195	$ 1,551,352
Number of Full-time Equivalent Positions (FTE)	28.0	28.0
Schedule of Exempt Positions		
Chief Justice	$97,870	$97,870
Justice	(5) 97,340	(5) 97,340

THIRTEENTH COURT OF APPEALS DISTRICT, CORPUS CHRISTI
(Continued)

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Videoconferencing Equipment	$ 112,403	$ 25,560
Total, Capital Budget	$ 112,403	$ 25,560

FOURTEENTH COURT OF APPEALS DISTRICT, HOUSTON

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Appellate Court Operations	$ 2,070,031	$ 2,070,031
Outcomes:		
Clearance Rate	100%	100%
Average Percent of Cases Under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed But Not Yet Disposed for More than 24 Months	0%	0%
2. Supplemental Funding	$ 192,500	$ U.B.
Grand Total, FOURTEENTH COURT OF APPEALS DISTRICT, HOUSTON	$ 2,262,531	$ 2,070,031
Number of Full-time Equivalent Positions (FTE)	40.0	40.0
Schedule of Exempt Positions		
Chief Justice	$97,870	$97,870
Justice	(8) 97,340	(8) 97,340

OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Court Administration	$ 819,870	$ 825,125
Outputs:		
Monthly Reports Processed	26,000	26,000
Meetings, Conferences, and Seminars Conducted	75	75
2. Equalization of the Courts of Appeals Dockets	$ 34,665	$ 34,665 & U.B.
3. Assistance to the Administrative Judicial Regions	$ 191,137	$ 191,137
4. Child Support Enforcement Assistance	$ 50,060	$ 50,060
Outputs:		
Number of Title IV-D meetings staffed per year	9	9
5. Title IV-D Masters and Assistants Program	$ 4,098,008	$ 4,098,008
Grand Total, OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL	$ 5,193,740	$ 5,198,995
Method of Financing:		
General Revenue Fund	$ 905,732	$ 910,299
Criminal Justice Grants	100,000	100,000
Interagency Contracts	4,188,008	4,188,696
Total, Method of Financing	$ 5,193,740	$ 5,198,995
Number of Full-time Equivalent Positions (FTE)	99.0	99.0
Schedule of Exempt Positions		
* Administrative Director, Group 4	$92,217	$92,217
* General Counsel	80,000	80,000

1. **Restriction, Assistance to the Administrative Judicial Regions.** Funds appropriated in Item 3., Assistance to the Administrative Judicial Regions, may be used only for the payment of salaries of administrative assistants employed by the presiding judges of the Administrative Judicial Regions pursuant to Article 200a, V.A.C.S., as amended. The salaries paid the administrative assistants may be supplemented from sources other than appropriations provided by this Act.

† 2. **Contingency Appropriation for Senate Bill 1417.** Contingent upon enactment of Senate Bill 1417, or similar legislation, by the Seventy-fifth Legislature, Regular Session, the Office of Court Administration is hereby appropriated an amount not to exceed $2,193,954 in fiscal year 1998 and $2,774,955 in fiscal year 1999 out of receipts collected pursuant to Senate Bill 1417. In no event shall the appropriation exceed the revenues generated by Senate Bill 1417, or similar legislation. The Office of Court Administration is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act. Also contingent on the enactment of Senate Bill 1417, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 29 for fiscal year 1998 and by 29 in fiscal year 1999.

† *As amended by Senate Bill 1898, Regular Session, 1997.*

OFFICE OF THE STATE PROSECUTING ATTORNEY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Representation of the State Before the Court of Criminal Appeals	$ 337,315	$ 328,315 & U.B.
Outcomes:		
Petitions for Discretionary Review Granted by the Court of Criminal Appeals	18	18
Outputs:		
Petitions for Discretionary Review Filed by the State Prosecuting Attorney	30	30
Grand Total, OFFICE OF THE STATE PROSECUTING ATTORNEY	$ 337,315	$ 328,315
Number of Full-time Equivalent Positions (FTE)	5.0	5.0
Schedule of Exempt Positions		
State Prosecuting Attorney	$82,209	$82,209
First Assistant State's Attorney	75,927	75,927

STATE LAW LIBRARY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Administration and Operations	$ 865,313	$ 865,313
Outputs:		
New Titles Catalogued	600	600
Continuations Logged	28,000	28,000
Grand Total, STATE LAW LIBRARY	$ 865,313	$ 865,313
Method of Financing:		
General Revenue Fund	$ 745,413	$ 745,413
Appropriated Receipts	113,700	113,700
Interagency Contracts	6,200	6,200
Total, Method of Financing	$ 865,313	$ 865,313
Number of Full-time Equivalent Positions (FTE)	10.5	10.5
Schedule of Exempt Positions		
* Director, Group 1	$47,000	$47,000

STATE LAW LIBRARY
(Continued)

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of Appropriated Receipts:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Copier with Fax and Scanner	$ 40,421	$ U.B.
Total, Capital Budget	$ 40,421	$ U.B.

2. **Appropriation of Receipts: Fees and Service Charges.** All receipts collected by the State Law Library as fees and service charges, as authorized pursuant to V.T.C.A., Government Code, Section 91.011, are hereby appropriated to the State Law Library for the biennium beginning September 1, 1997.

3. **Computer-based Legal Research Services.** The State Law Library is hereby authorized to enter into interagency contracts with other state agencies and the courts for providing a computer based legal research service. The State Law Library shall charge an amount for this service equal to the cost to the library for providing this service.

4. **Fee Schedule, Duplication Services.** The State Law Library shall set a fee schedule for duplication services to the inmates of the Texas Department of Criminal Justice at the same amount per page as charged to the general public.

5. **Unexpended Balances.** Any unexpended and unobligated balances remaining in item 1., Administration and Operations, as of August 31, 1998, are hereby reappropriated, in an amount not to exceed $50,000, to the State Law Library for the purpose of acquiring legal reference materials.

COURT REPORTERS CERTIFICATION BOARD

	For the Years Ending August 31, 1998	August 31, 1999
Out of the General Revenue Fund:		
1. Examination and Certification	$ 109,002	$ 108,787
Outcomes:		
Percent of Complaints Resulting in Disciplinary Action	18%	18%
Percent of Licensees With No Recent Violations	99%	99%

COURT REPORTERS CERTIFICATION BOARD
(Continued)

Outputs:		
Number of New Licenses Issued to Individuals	150	150
Number of Licenses Renewed (Individuals)	1,300	1,800
Number of Complaints Resolved	12	12
Efficiencies:		
Average Licensing Cost Per Individual License Issued	14	14
Average Time (Days) for Complaint Resolution	120	120
Average Cost Per Complaint Resolved	160	160
Explanatory:		
Jurisdictional Complaints Received	14	14
Grand Total, COURT REPORTERS CERTIFICATION BOARD	$ 109,002	$ 108,787
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 46,687	$ 46,671
Number of Full-time Equivalent Positions (FTE)	3.0	3.0
Schedule of Exempt Positions		
* Executive Secretary, Group 1	$40,000	$40,000

1. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above as well as an amount equal to the amount identified above in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in this Act." In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

2. **Contingent Revenue.** Of the amounts appropriated above to the Court Reporters Certification Board, the amount of $36,652, and an increase in the agency's FTE cap of .5 positions, is contingent on the Court Reporters Certification Board assessing fees sufficient to generate, during the 1998-99 biennium, $41,858 in excess of $428,249, Object Code 3175, contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998 and 1999. The Court Reporters Certification Board, upon completion of necessary actions to assess or increase such additional fees and positions, shall furnish copies of the Court Reporters Certification Board minutes and other information supporting the estimated revenues to be generated for the 1998-99 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation and positions shall be made available for the intended purposes.

STATE COMMISSION ON JUDICIAL CONDUCT

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Administration and Enforcement	$ 691,257	$ 691,257
Outcomes:		
Percentage of Complaints Disposed of	108%	102%
Efficiencies:		
Average Number of Months Required to Resolve Complaints	6.1	6.1
Grand Total, STATE COMMISSION ON JUDICIAL CONDUCT	$ 691,257	$ 691,257
Method of Financing:		
General Revenue Fund	$ 593,561	$ 593,561
Criminal Justice Grants	97,696	97,696
Total, Method of Financing	$ 691,257	$ 691,257
Number of Full-time Equivalent Positions (FTE)	15.5	15.5
Schedule of Exempt Positions		
* Executive Director, Group 3	$87,500	$87,500
Deputy Director	60,000	60,000

1. **Unexpended Balances.** The State Commission on Judicial Conduct is hereby authorized to carry forward unexpended balances from fiscal year 1998 into fiscal year 1999 in an amount not to exceed $50,000.

2. **Commission Member Training.** The State Commission on Judicial Conduct shall make arrangements with the Governor's office to provide training for newly appointed members of the Commission regarding responsibilities of office, matters of public policy, and ethics.

JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. Salaries for District Judges and Criminal District Judges of the existing three-hundred-ninety-six (396) judicial district courts at $92,217 (1998) and $92,217 (1999); former district judges called to duty as visiting judges per V.T.C.A., Government Code, Section 74.061; and salaries of retired district judges assigned to special juvenile courts or domestic relations courts per Government Code, Section 24.604(f); Special Judges salaries per Government Code, Section 32.302; estimated to be	$ 38,579,439	$ 38,579,439
2. Expenses of district judges while engaged in the actual performance of their duties whose judicial district is composed of more than one (1) county per Government Code, Section 24.019, not to exceed $1,500 per county	$ 505,500	$ 505,500

3.	Per diem for active, retired, and former district judges and statutory county court of law judges serving on assignment and the per diem and expenses for active and retired justices and judges of the Supreme Court, Court of Criminal Appeals, or of a Court of Appeals when holding court out of their district or county when assigned per V.T.C.A., Government Code, Chapter 74; estimated to be	$	302,000	$	302,000
4.	Salaries of twenty (20) District Attorneys compensated on a salary basis by the State per Government Code, Chapter 43, at $73,774 (1998) and $73,774 (1999)	$	1,475,480	$	1,475,480
5.	Salaries of one hundred and twenty-four (124) District Attorneys, Criminal District Attorneys and County Attorneys performing the duties of a district attorney that are prohibited from the private practice of law by Government Code, Section 46.002 and are compensated on a salary basis by the State at $92,217 (1998) and $92,217 (1999)	$	11,434,908	$	11,434,908
6.	Salary supplementation for two (2) Assistant District Attorneys of the Fifty-third Judicial District (Travis County) per Government Code, Section 43.132, at $2,808 (1998) and $2,808 (1999)	$	5,616	$	5,616
7.	Expenses of felony prosecutors while engaged in the actual performance of their duties whose prosecutorial district is composed of more than one (1) county per Government Code Section 43.004, not to exceed $1,750 per county	$	293,500	$	293,500
8.	Salaries of two (2) Criminal District Attorneys per Government Code, Sections 44.143 (Collin) and 44.220 (Jackson); and two (2) County Attorneys performing the duties of a district attorney per Government Code, Section 45.154 (Crosby) and 45.175 (Fayette): all at $73,774 (1998) and $73,774 (1999)	$	295,095	$	295,095
9.	For the payment of salaries of Assistant District Attorneys, investigators and/or secretarial help and expenses, including travel for these personnel as determined by the District Attorney, Criminal District Attorney and County Attorneys designated in Items No. 4., 5., 8., 11., and 12. Reimbursement shall be limited to expenses for supplies or items which would normally be consumed or utilized within the fiscal year for which the funds in this item are designated. Payments shall not exceed $34,450 per district per year in multi-county districts and $17,050 per district per year in single-county districts and $34,450 for both multi-county and single-county districts for those District Attorneys, Criminal District Attorneys and County Attorneys performing the duties of a district attorney prohibited from the private practice of law per Government Code, Chapter 46; and shall be made available in three equal installments issued on the first day of September, January and May of each fiscal year. These payments shall be made directly to the District Attorney, Criminal District Attorney, or County Attorney for the purposes of disbursement as required by the attorney. The attorney receiving these payments shall be responsible				

	to the Comptroller for accounting for all expenditures of these funds.	$ 5,035,150	$ 5,035,150
10.	Apportionment to fund the operation of the Public Integrity Unit in the District Attorney's Office of the Fifty-third Judicial District (Travis County) for the payment of salaries and other necessary expenses for the operation of the Public Integrity Unit to be used for the investigation and prosecution of motor fuel tax fraud cases; insurance fraud cases; offenses involving an elected or appointed official of state government or an officer or employee of an agency of the state; and offenses relating to state government with respect to which prosecution, jurisdiction and venue, by law, lie in Travis County	$ 1,831,172	$ 1,860,745
	Outcomes:		
	Motor Fuel Tax Restitution Recovered by the Comptroller's Office in Public Integrity Unit Cases	100,000	100,000
	Motor Fuel Restitution Ordered Paid to the Comptroller in Public Integrity Unit Cases During the Reporting Period	750,000	750,000
	Insurance Fraud Restitution Recovered During the Reporting Period By State Guaranty Fund or Victims in Public Integrity Unit Cases	100,000	100,000
	Insurance Fraud Restitution Ordered Paid During the Reporting Period	750,000	750,000
	State/General Restitution Recovered During the Reporting Period for Public Integrity Unit Cases	20,000	20,000
	State/General Fraud Restitution Ordered Paid in Public Integrity Unit Cases During the Reporting Period	20,000	20,000
11.	Apportionment payable to County Officers Salary Fund in counties where there is a District Attorney per Government Code, Section 43.180 (Harris), and a Criminal District Attorney per Government Code, Section 44.157(f) (Dallas), not receiving a state salary, both pursuant to Government Code, Section 41.201; estimated to be	$ 186,840	$ 186,840
12.	Salary apportionment payable to the Officer Salary Fund for a County Attorney performing the duties of a district attorney in Oldham County per Government Code, Section 45.280; estimated to be	$ 22,132	$ 22,132
13.	Expenses of witnesses called in criminal proceedings who reside outside of the county where the trial is held pursuant to V.A.C.C.P., Articles 24.28 and 35.27; estimated to be	$ 1,100,000	$ 1,100,000
14.	Prison Prosecution Unit	$ 905,912	$ 905,912
15.	Provide payment to retired JRS members who are assigned to administrative judicial regions as visiting judges. Estimated.	$ 4,759,425	$ 4,759,425
16.	Provide payment to retired JRS members who are assigned to appellate courts as visiting judges. Estimated.	$ 438,300	$ 438,300
	Grand Total, JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT	$ 67,170,469	$ 67,200,042

JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT
(Continued)

Method of Financing:		
General Revenue Fund	$ 52,693,385	$ 52,693,385
State Highway Fund No. 006	709,865	723,786
General Revenue Fund - Dedicated - Texas Department of Insurance Operating Fund Account No. 036	861,307	876,959
Criminal Justice Grants	905,912	905,912
Judicial Fund No. 573	12,000,000	12,000,000
Total, Method of Financing	$ 67,170,469	$ 67,200,042
Number of Full-time Equivalent Positions (FTE)	546.0	546.0
Schedule of Exempt Positions		
District Judges and Criminal District Judges (Item 1.)	(396) $92,217	(396) $92,217
District Attorneys, Criminal District Attorneys, and County Attorneys performing the duties of District Attorney (Items 4. and 8.)	(24) 73,774	(24) 73,774
District Attorneys, Criminal District Attorneys, and County Attorneys performing the duties of District Attorney, subject to Government Code, Chapter 46 (Item 5.)	(124) 92,217	(124) 92,217
Assistant District Attorneys, Fifty-third Judicial District (Travis County) (Item 6.)	(2) 2,808	(2) 2,808

1. **Appropriation Source.** Pursuant to V.T.C.A., Government Code, Section 21.006, all revenues to, and fund balances in, the Judicial Fund No. 573 are hereby appropriated to the Judiciary Section, Comptroller's Department. In the event that revenues into Fund No. 573 during a fiscal year exceed the amount identified in the Method of Financing as being appropriated out of Fund No. 573 for that fiscal year the difference shall be appropriated to the Judiciary Section, Comptroller's Department and the General Revenue Fund appropriation for that fiscal year shall be reduced by a like amount.

† 2. **Appropriation Source, Public Integrity Unit.** Out of the funds appropriated above in Item 10., $1,571,172 in fiscal year 1998 and $1,600,745 in fiscal year 1999 is appropriated specifically to facilitate motor fuel tax fraud and insurance fraud investigations by the Public Integrity Unit in the District Attorney's Office of the Fifty-third Judicial District. It is the intent of the Legislature that the funds specified in the Method of Financing as being appropriated out of the State Highway Fund No. 006 and the General Revenue Fund - Dedicated, Insurance Operating Account be allocated to the appropriation made above in Item 10. In no event shall the amount of general revenue funds allocated and/or granted to the Public Integrity Unit, other than the General Revenue Fund - Dedicated Insurance Operating Account Grants identified in this provision, exceed $260,000 in any fiscal year of the biennium. In no event shall any funds appropriated above out of the Judicial Fund No. 573 be allocated to the Public Integrity Unit.

3. **Appropriation of Receipts, County Court Filing Fees and Court Costs.** The Comptroller of Public Accounts is hereby appropriated all revenues remitted to the state pursuant to V.T.C.A., Government Code, Section 51.702(d), (Section 67, House Bill 66, Seventy-second Legislature, Regular Session), for the purpose of making payments to counties eligible for compensation pursuant to V.T.C.A., Government Code, Section 25.0015. The amount of payment made to an eligible county pursuant to this provision shall not exceed $25,000 for each statutory county court judge in that county who meets the criteria established in V.T.C.A., Government Code, Section 25.0015(a).

† *As amended by Senate Bill 1898, Regular Session, 1997.*

In the event that the aggregate amount of revenue remitted to the state pursuant to Section 51.702(d) during a state fiscal year exceeds the aggregate amount of payments made to counties pursuant to Section 25.0015 for that fiscal year the excess amount is hereby appropriated to the Comptroller of Public Accounts for the purpose of remittance to counties pursuant to V.T.C.A., Government Code, Section 25.0016.

4. **Salary Limitation, District Judges.** Funds appropriated above in Item 1 shall be expended for the payment of the state salary for each district judge. However, in no event shall the aggregate, excluding any county supplement, of the state paid salary and any service retirement annuity paid pursuant to Government Code Chapter 834 exceed the base salary for any district court judge during any twelve month period. If a district judge draws a salary as a district judge and a retirement annuity pursuant to Government Code, Chapter 834, and the combined amounts exceed the annual base salary for a district judge, the amount expended out of Item 1 for the state salary of that district judge shall be reduced by an amount which will bring the total amount received by the judge to the base salary paid a district judge for a twelve month period. This provision does not apply to either retired or former judges or justices called to duty as visiting judges pursuant to Government Code Chapters 74 and 75 and Section 24.604 of the Government Code.

5. **Prison Prosecution Unit.** Out of the funds appropriated above in Item 14 and under the authority of Article 104.003, Code of Criminal Procedure, and Article V, Section 21 of the Texas Constitution, the Special Prison Prosecution Unit Board of Directors is allocated an amount not to exceed $905,912 in criminal justice grants in each year of the biennium, through the Judiciary Section of the Office of the Comptroller of Public Accounts, and the Criminal District Attorney's Office in Walker County, Texas, for the payment of salaries and other necessary expenses for the operation of the Special Prison Prosecution Unit. The funds are to be used for the investigation and prosecution of felony offenses committed by prisoners of the Texas Department of Criminal Justice and for the investigation and prosecution of other felonies and misdemeanors committed by agency employees and others when criminal conduct affects the operation of the agency in the various counties of the State where Texas Department of Criminal Justice facilities are located.

   The funds appropriated above in Item 14 shall be used to employ the services of legal and support staff plus the payment of their necessary expenses in carrying out the purposes of the Special Prison Prosecution Unit as established by its Board of Directors which is made up of those elected prosecutors who have Texas Department of Criminal Justice facilities within their respective counties.

   The Criminal District Attorney's Office of Walker County is the designated agency to administer the funds provided for the support of the Special Prison Prosecution Unit. The Criminal District Attorney shall submit a voucher containing an itemized statement of expenses to include salaries, fringe benefits and authorized expenses incurred to the Comptroller's Judiciary Section each month of the fiscal year. Such vouchers shall be reviewed by the Walker County Auditor's Office to ensure compliance with applicable State and County regulations concerning the expenditures of public funds. Upon receipt of said vouchers, the Comptroller's Judiciary Section shall issue warrants each month to reimburse the Criminal District Attorney of Walker County. The total reimbursement each year shall not exceed the amount appropriated.

   The Special Prison Prosecution Unit shall submit an annual report to the Legislative Budget Board and the Governor's Office of Budget and Planning comparing the activities of the unit to the activities outlined in the grant application made to the Criminal Justice Division of the Governor's Office and detailing the expenditure of the funds.

6. **Trial Court Measures.** Each district court judge shall provide an annual report no later than September 20, to the Office of Court Administration, indicating the Clearance Rate during the

previous year. A Clearance Rate is calculated by dividing the total number of cases disposed by the total number of cases added to the docket.

† 7. **Contingency Appropriation, New District Courts.** Contingent on the enactment of Senate Bill 20, Seventy-fifth Legislature, Regular Session, or similar legislation, the Judiciary Section, Comptroller's Department is hereby appropriated out of the General Revenue Fund $92,217 for fiscal year 1998 and $92,217 in fiscal year 1999 for each additional district court created effective September 1, 1997 and a pro rata amount out of the General Revenue Fund for each additional district court created with an effective date after September 1, 1997 pursuant to Senate Bill 20.

8. **Contingency Appropriation, Professional Prosecutors.** Contingent upon the enactment of Senate Bill 219, Senate Bill 580, Senate Bill 1012, House Bill 293, House Bill 462, House Bill 500, House Bill 844, House Bill 907, House Bill 1229, House Bill 1965, Senate Bill 324 or House Bill 3572, the Judiciary Section, Comptroller's Department is hereby appropriated out of the General Revenue Fund amounts necessary to provide for the increased salary of each felony prosecutor placed under the application of Government Code, Section 46.002, by the Seventy-fifth Legislature, Regular Session. The Judiciary Section, Comptroller's Department is also appropriated amounts necessary to increase the apportionment of each felony prosecutor to $34,450 annually. The Comptroller is hereby authorized to transfer the appropriations made herein to the appropriate line items to implement the provisions of the legislation.

9. **Contingency Appropriation, Senate Bill 1099.** Contingent upon the enactment of Senate Bill 1099, or similar legislation, by the 75th Legislature, Regular Session, the Comptroller of Public Accounts is hereby appropriated $3,458,138 in fiscal year 1998 and $3,458,138 in fiscal year 1999 out of the General Revenue Fund for the purpose of providing a state supplement to the County Salary Fund for county prosecutors as provided in that Act. Contingent upon judicial salaries being set at $98,100 in fiscal year 1998 and $101,700 in fiscal year 1999, additional amounts of $220,612 in fiscal year 1998 and $355,612 in fiscal year 1999 are appropriated to the Comptroller of Public Accounts to increase the supplement to eligible county attorneys.

10. **Contingency Appropriation, Senate Bill 310.** Contingent upon the enactment of Senate Bill 310, or similar legislation, by the Seventy-fifth Legislature, Regular Session, the Comptroller of Public Accounts is hereby appropriated $890,000 for fiscal year 1998 and $890,000 out of the General Revenue Fund for fiscal year 1999 for the purpose of funding a $5,000 supplement to the County Salary Fund for county judges as provided in that act.

Retirement and Group Insurance

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law; estimated	$ 1,841,555	$ 1,869,179
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees; estimated	$ 4,976,890	$ 5,076,427
A.1.3. Strategy: JUDICIAL RETIREMENT, PLAN 2 Maintain an actuarially sound retirement program for state judicial officers; estimated	$ 5,939,884	$ 6,438,772

† *See Veto Proclamation.*

Retirement and Group Insurance
(Continued)

A.1.4. Strategy: JUDICIAL RETIREMENT, PLAN 1 Provide for the payment of JRS-1 benefits as required by law; estimated	$ 19,804,584	$ 21,022,768
A.1.5. Strategy: JRS-1 REFUNDS Provide for membership refunds under the Judicial Retirement Program, plan one; estimated	$ 65,000	$ 65,000
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 32,627,913	$ 34,472,146
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 32,627,913	$ 34,472,146
Method of Financing:		
General Revenue Fund, estimated	$ 30,952,520	$ 32,656,848
Other Special State Funds, estimated	1,675,393	1,815,298
Total, Method of Financing	$ 32,627,913	$ 34,472,146

Social Security and Benefit Replacement Pay

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH -- EMPLOYER Provide an employer match for Social Security contributions; estimated	$ 5,419,237	$ 5,500,526
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees; estimated	$ 960,385	$ 871,291
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 6,379,622	$ 6,371,817
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 6,379,622	$ 6,371,817
Method of Financing:		
General Revenue Fund, estimated	$ 5,645,711	$ 5,631,217
Other Special State Funds, estimated	733,911	740,600
Total, Method of Financing	$ 6,379,622	$ 6,371,817

Lease Payments

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS	$ 2,084,234	$ 2,080,310 & U.B.
Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.		
Grand Total, LEASE PAYMENTS	$ 2,084,234	$ 2,080,310

SPECIAL PROVISIONS - JUDICIARY

Sec. 2. **Limitation, Salary Supplements.** Salary Differential for District Court Judges and Justices of Courts of Appeals. District Court Judges may receive a combined yearly salary rate from state and county sources which does not exceed an amount that is One Thousand Dollars ($1,000) less than the combined yearly salary rate from state and county sources received by Justices of the Courts of Appeals in whose district the District Court is located. Justices of the Courts of Appeals may receive a combined yearly salary rate from state and county sources which does not exceed the amount that is One Thousand Dollars ($1,000) less than the yearly salary provided in this Act for a Justice of the Supreme Court. In the case of Chief Justices of the Courts of Appeals, the differential shall be Five Hundred Dollars ($500).

In order that the differential set out above be maintained, each District Court Judge and Justice of the Courts of Appeals shall file a sworn statement with the Comptroller of Public Accounts setting forth the yearly amounts to be received from state and county as salary payments during the ensuing fiscal year. Amended statements shall be filed setting forth any change in the salary rate which occurs during a fiscal year.

For the purpose of salary payments by the state, the Comptroller of Public Accounts shall determine from the filed statements that the required salary differential set out above is maintained. In the event a salary is in excess of the One Thousand Dollars ($1,000) differential, the Comptroller is directed to reduce the state's portion of that salary by the amount of excess, except in the case of the Chief Justices in the Courts of Appeals where the differential shall be Five Hundred Dollars ($500).

The appropriations for salaries of District Court Judges and Justices of Courts of Appeals are made contingent upon strict compliance with the provisions of this section and the Comptroller shall have no authority to issue a warrant for salaries which violate these provisions.

Sec. 3. **Public Integrity Unit.** In Item 10., Judiciary Section, Comptroller's Department, warrants shall be drawn as necessary to reimburse the District Attorney of the 53rd Judicial District for salary and expenses previously incurred. The District Attorney shall submit a voucher containing an itemized statement of expenses to substantiate each claim. This appropriation shall be allocated in three equal installments over the fiscal year. Any unencumbered, unexpended balance existing

in a previous allocation period may be used in a subsequent period provided that period occurs within the same fiscal year.

Sec. 4. **Restriction, New District Courts.** No new district court may be funded until it has been approved by the commissioner's court of the county or a majority of the counties in that district.

Sec. 5. **Transfer of Cases.** The Chief Justices of the fourteen courts of appeals are encouraged to cooperate with the Chief Justice of the Supreme Court to transfer cases between appellate courts which are in neighboring jurisdictions in order to equalize the disparity between the workloads of the various courts of appeals.

Sec. 6. **Voice Recording.** It is the intent of the Legislature that the Supreme Court and Court of Criminal Appeals will promulgate rules authorizing the use of voice or video recording technology, including CD ROM, to make a record of court proceedings. The Legislature does not intend that the recording be a substitute for the written transcript.

Sec. 7. **Systems Compatibility.** No funds shall be utilized to purchase information technology unless it interfaces with other courts and with the Office of Court Administration and complies with the plans filed with the Department of Information Resources.

Sec. 8. **Judicial Salaries.** Contingent on a finding of fact by the Comptroller of Public Accounts at the time of certification of this Act that sufficient revenue is estimated to be available from the General Revenue Fund, there is hereby appropriated to the Comptroller of Public Accounts such amounts as may be available for the purpose of providing salary increases of $3,783,994 in fiscal year 1998 and $6,290,634 in fiscal year 1999 and additional benefits of $1,764,943 in fiscal year 1998 and $3,136,312 in fiscal year 1999.

a. Appropriated amounts are to be allocated as follows:

	For the Fiscal Year Ending August 31, 1998	August 31, 1999
Supreme Court	$ 57,049	$ 94,049
Court of Criminal Appeals	57,049	94,049
First Court of Appeals District, Houston	55,860	90,060
Second Court of Appeals District, Fort Worth	43,440	70,040
Third Court of Appeals District, Austin	37,230	60,303
Fourth Court of Appeals District, San Antonio	43,440	70,040
Fifth Court of Appeals District, Dallas	80,700	130,100
Sixth Court of Appeals District, Texarkana	18,600	30,000
Seventh Court of Appeals District, Amarillo	24,810	40,010
Eighth Court of Appeals District, El Paso	24,810	40,010
Ninth Court of Appeals District, Beaumont	18,600	30,000
Tenth Court of Appeals District, Waco	$ 18,600	$ 30,000
Eleventh Court of Appeals District, Eastland	18,600	30,000
Twelfth Court of Appeals District, Tyler	18,600	30,000
Thirteenth Court of Appeals District, Corpus Christi	37,320	60,030
Fourteenth Court of Appeals District, Houston	55,860	90,060
Judiciary Section, Comptroller's Dept.		
Item 1.	2,329,668	3,941,924
Item 4.	94,120	151,720
Item 5.	729,492	1,175,892
Item 8.	18,824	30,344
Item 12.	1,412	2,276

Totals	$ 3,783,994	$6,290,634
Employees Retirement System		
Contribution to the Judicial Retirement System, Plan 1	$ 1,295,416	$2,377,232
Contribution to the Judicial Retirement Systems, Plan 2	469,527	759,080
Total, JRS contribution	$ 1,764,943	$3,136,312
Total Salary and Benefits	$ 5,548,937	$9,426,946

b. The additional funding shall increase salaries to the following amounts:

Chief Justice of the Supreme Court	$ 110,000	$ 115,000
Presiding Judge of the Court of Criminal Appeals	$ 110,000	$ 115,000
Justices of the Supreme Court	$ 109,000	$ 113,000
Judges of the Court of Criminal Appeals	$ 109,000	$ 113,000
Chief Justices of the Courts of Appeals	$ 104,050	$ 107,850
Justices of the Courts of Appeals	$ 103,550	$ 107,350
District Judges	$ 98,100	$ 101,700
† District Attorneys (Professional Prosecutors Act)	$ 98,100	$ 101,700
District Attorneys	$ 78,480	$ 81,360
County Attorney, Oldham County	$ 23,544	$ 24,408

† *As modified by Senate Bill 1898, Regular Session, 1997.*

RECAPITULATION - ARTICLE IV
THE JUDICIARY
(General Revenue)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Supreme Court of Texas	$ 3,726,639	$ 3,704,973
Court of Criminal Appeals	7,780,934	3,746,909
First Court of Appeals District, Houston	2,262,531	2,070,031
Second Court of Appeals District, Fort Worth	1,879,885	1,702,385
Third Court of Appeals District, Austin	1,695,792	1,525,792
Fourth Court of Appeals District, San Antonio	1,879,885	1,702,385
Fifth Court of Appeals District, Dallas	3,174,144	2,974,144
Sixth Court of Appeals District, Texarkana	983,179	835,679
Seventh Court of Appeals District, Amarillo	1,206,992	1,051,992
Eighth Court of Appeals District, El Paso	1,206,992	1,051,992
Ninth Court of Appeals District, Beaumont	983,179	835,679
Tenth Court of Appeals District, Waco	983,179	835,679
Eleventh Court of Appeals District, Eastland	983,179	835,679
Twelfth Court of Appeals District, Tyler	983,179	835,679
Thirteenth Court of Appeals District, Corpus Christi	1,808,195	1,551,352
Fourteenth Court of Appeals District, Houston	2,262,531	2,070,031
Office of Court Administration, Texas Judicial Council	905,732	910,299
State Prosecuting Attorney, Office of the	337,315	328,315
State Law Library	745,413	745,413
Court Reporters Certification Board	109,002	108,787
State Commission on Judicial Conduct	593,561	593,561
Judiciary Section, Comptroller's Department	52,693,385	52,693,385
Contingency Appropriations	4,984,150	5,220,717
Total	57,677,535	57,914,102
Subtotal, Judiciary	$ 94,168,973	$ 87,930,858
Retirement and Group Insurance	30,952,520	32,656,848
Social Security and Benefit Replacement Pay	5,645,711	5,631,217
Subtotal, Employee Benefits	$ 36,598,231	$ 38,288,065
Lease Payments	2,084,234	2,080,310
Article IV, Special Provisions		
Contingency Appropriations	5,548,937	9,426,946
Total	5,548,937	9,426,946
TOTAL, ARTICLE IV - The Judiciary	$ 138,400,375	$ 137,726,179

RECAPITULATION - ARTICLE IV
THE JUDICIARY
(General Revenue - Dedicated)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Supreme Court of Texas	$	$
Court of Criminal Appeals		
First Court of Appeals District, Houston		
Second Court of Appeals District, Fort Worth		
Third Court of Appeals District, Austin		
Fourth Court of Appeals District, San Antonio		
Fifth Court of Appeals District, Dallas		
Sixth Court of Appeals District, Texarkana		
Seventh Court of Appeals District, Amarillo		
Eighth Court of Appeals District, El Paso		
Ninth Court of Appeals District, Beaumont		
Tenth Court of Appeals District, Waco		
Eleventh Court of Appeals District, Eastland		
Twelfth Court of Appeals District, Tyler		
Thirteenth Court of Appeals District, Corpus Christi		
Fourteenth Court of Appeals District, Houston		
Office of Court Administration, Texas Judicial Council		
State Prosecuting Attorney, Office of the		
State Law Library		
Court Reporters Certification Board		
State Commission on Judicial Conduct		
Judiciary Section, Comptroller's Department	861,307	876,959
Subtotal, Judiciary	$ 861,307	$ 876,959
Retirement and Group Insurance		
Social Security and Benefit Replacement Pay		
Subtotal, Employee Benefits	$	$
Lease Payments		
Article IV, Special Provisions		
TOTAL, ARTICLE IV - The Judiciary	$ 861,307	$ 876,959

RECAPITULATION - ARTICLE IV
THE JUDICIARY
(Federal Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Supreme Court of Texas	$	$
Court of Criminal Appeals		
First Court of Appeals District, Houston		
Second Court of Appeals District, Fort Worth		
Third Court of Appeals District, Austin		
Fourth Court of Appeals District, San Antonio		
Fifth Court of Appeals District, Dallas		
Sixth Court of Appeals District, Texarkana		
Seventh Court of Appeals District, Amarillo		
Eighth Court of Appeals District, El Paso		
Ninth Court of Appeals District, Beaumont		
Tenth Court of Appeals District, Waco		
Eleventh Court of Appeals District, Eastland		
Twelfth Court of Appeals District, Tyler		
Thirteenth Court of Appeals District, Corpus Christi		
Fourteenth Court of Appeals District, Houston		
Office of Court Administration, Texas Judicial Council		
State Prosecuting Attorney, Office of the		
State Law Library		
Court Reporters Certification Board		
State Commission on Judicial Conduct		
Judiciary Section, Comptroller's Department		
Subtotal, Judiciary	$	$
Retirement and Group Insurance		
Social Security and Benefit Replacement Pay		
Subtotal, Employee Benefits	$	$
Lease Payments		
Article IV, Special Provisions		
TOTAL, ARTICLE IV - The Judiciary	$	$

RECAPITULATION - ARTICLE IV
THE JUDICIARY
(Other Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Supreme Court of Texas	$	$
Court of Criminal Appeals	3,850,000	3,850,000
First Court of Appeals District, Houston		
Second Court of Appeals District, Fort Worth		
Third Court of Appeals District, Austin		
Fourth Court of Appeals District, San Antonio		
Fifth Court of Appeals District, Dallas		
Sixth Court of Appeals District, Texarkana		
Seventh Court of Appeals District, Amarillo		
Eighth Court of Appeals District, El Paso		
Ninth Court of Appeals District, Beaumont		
Tenth Court of Appeals District, Waco		
Eleventh Court of Appeals District, Eastland		
Twelfth Court of Appeals District, Tyler		
Thirteenth Court of Appeals District, Corpus Christi		
Fourteenth Court of Appeals District, Houston		
Office of Court Administration, Texas Judicial Council	4,288,008	4,288,696
Contingency Appropriations	2,193,954	2,774,955
Total	6,481,962	7,063,651
State Prosecuting Attorney, Office of the		
State Law Library	119,900	119,900
Court Reporters Certification Board		
State Commission on Judicial Conduct	97,696	97,696
Judiciary Section, Comptroller's Department	13,615,777	13,629,698
Subtotal, Judiciary	$ 24,165,335	$ 24,760,945
Retirement and Group Insurance	1,675,393	1,815,298
Social Security and Benefit Replacement Pay	733,911	740,600
Subtotal, Employee Benefits	$ 2,409,304	$ 2,555,898
Lease Payments		
Article IV, Special Provisions		
TOTAL, ARTICLE IV - The Judiciary	$ 26,574,639	$ 27,316,843

RECAPITULATION - ARTICLE IV
THE JUDICIARY
(All Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Supreme Court of Texas	$ 3,726,639	$ 3,704,973
Court of Criminal Appeals	11,630,934	7,596,909
First Court of Appeals District, Houston	2,262,531	2,070,031
Second Court of Appeals District, Fort Worth	1,879,885	1,702,385
Third Court of Appeals District, Austin	1,695,792	1,525,792
Fourth Court of Appeals District, San Antonio	1,879,885	1,702,385
Fifth Court of Appeals District, Dallas	3,174,144	2,974,144
Sixth Court of Appeals District, Texarkana	983,179	835,679
Seventh Court of Appeals District, Amarillo	1,206,992	1,051,992
Eighth Court of Appeals District, El Paso	1,206,992	1,051,992
Ninth Court of Appeals District, Beaumont	983,179	835,679
Tenth Court of Appeals District, Waco	983,179	835,679
Eleventh Court of Appeals District, Eastland	983,179	835,679
Twelfth Court of Appeals District, Tyler	983,179	835,679
Thirteenth Court of Appeals District, Corpus Christi	1,808,195	1,551,352
Fourteenth Court of Appeals District, Houston	2,262,531	2,070,031
Office of Court Administration, Texas Judicial Council	5,193,740	5,198,995
Contingency Appropriations	2,193,954	2,774,955
Total	7,387,694	7,973,950
State Prosecuting Attorney, Office of the	337,315	328,315
State Law Library	865,313	865,313
Court Reporters Certification Board	109,002	108,787
State Commission on Judicial Conduct	691,257	691,257
Judiciary Section, Comptroller's Department	67,170,469	67,200,042
Contingency Appropriations	4,984,150	5,220,717
Total	72,154,619	72,420,759
Subtotal, Judiciary	$ 119,195,615	$ 113,568,762
Retirement and Group Insurance	32,627,913	34,472,146
Social Security and Benefit Replacement Pay	6,379,622	6,371,817
Subtotal, Employee Benefits	$ 39,007,535	$ 40,843,963
Lease Payments	2,084,234	2,080,310
Article IV, Special Provisions		
Contingency Appropriations	5,548,937	9,426,946
Total	5,548,937	9,426,946
TOTAL, ARTICLE IV - The Judiciary	$ 165,836,321	$ 165,919,981
Number of Full-time Equivalent Positions (FTE)	1,221.0	1,222.0

ARTICLE V

PUBLIC SAFETY AND CRIMINAL JUSTICE

Section 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated public safety and criminal justice agencies.

ADJUTANT GENERAL'S DEPARTMENT

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: PROVIDE CAPABLE RESPONSE To provide a professional, fully-trained force capable of responding to federal and state requirements.		
Outcomes: Percentage Assigned of Authorized Military Strength	100%	100%
A.1.1. Strategy: MANAGEMENT SUPPORT Provide an effective personnel management program to support an optimal force structure for federal and state missions.	$ 90,600	$ 90,600
Outputs: Number of Personnel Retained	3,180	3,180
A.2.1. Strategy: EDUCATION & TRAINING Provide and execute an effective training program to ensure accomplishment of federal and state missions.	$ 281,500	$ 281,500
Outputs: Number of Workdays of Training Site Use	70,000	70,000
A.3.1. Strategy: MAINTAIN EQUIPMENT Sustain an effective program of equipment maintenance and modernization for the Texas National Guard.	$ 399,900	$ 399,900
Outputs: Number of Unit-level Maintenance Inspections Conducted	171	171
A.4.1. Strategy: FACILITIES MODERNIZATION Pursue effective facilities (less state-owned armories) modernization and maintenance programs while sustaining a security program for selected facilities.	$ 7,397,090	$ 5,440,000
Outputs: Number of Square Feet of Facilities Maintained	3,612,171	3,618,397
A.4.2. Strategy: DEBT SERVICE Support the Texas National Guard Armory Board in the construction/maintenance of new armories by paying rent (including debt service on outstanding revenue bonds, insurance, and administrative fees).	$ 4,300,318	$ 4,310,402

Outputs:		
Number of State-owned Armories for Which the Department Makes Rental Payments	100	100
A.4.3. Strategy: UTILITIES Pay for the costs of the department's utilities and sustain a comprehensive and effective utilities conservation program throughout the department, including armories.	$ 4,059,637	$ 4,215,247
Outputs:		
Total Square Footage of Facilities Provided Utilities	5,457,079	5,545,669
Total, Goal A: PROVIDE CAPABLE RESPONSE	$ 16,529,045	$ 14,737,649
B. Goal: COMMUNITY SUPPORT Expand and maintain individual and unit involvement that support and add value to our communities and tell the Guard story.		
Outcomes:		
Dollar Value of Community Savings Due to Specialized State Guard Service	500,000	500,000
B.1.1. Strategy: COMMUNITY SUPPORT Expand the department's community support program to include all department personnel and their families.	$ 247,500	$ 247,500
Outputs:		
Number of Community Service Projects of Specialized Support Performed by the State Guard	150	150
C. Goal: PURSUE CLEANER ENVIRONMENT Aggressively pursue a cleaner environment through the identification and correction of deficiencies and implementation of environmental protection measures.		
Outcomes:		
Percent Reduction of Identified Environmental Projects - General Revenue Funded	26.7%	33.3%
C.1.1. Strategy: ENVIRONMENTAL CLEAN-UP Conduct environmental remediation/restoration, compliance, and conservation/prevention projects throughout the department.	$ 1,863,800	$ 1,863,800
Outputs:		
Number of Environmental Remediation/Restoration Projects Completed	115	110
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADM & SUPP COSTS Indirect Administration	$ 6,044,099	$ 6,044,099
Grand Total, ADJUTANT GENERAL'S DEPARTMENT	$ 24,684,444	$ 22,893,048
Method of Financing:		
General Revenue Fund	$ 11,282,943	$ 9,877,868
Adjutant General Federal Fund No. 449	13,231,501	12,845,180
Appropriated Receipts	170,000	170,000
Total, Method of Financing	$ 24,684,444	$ 22,893,048
Number of Full-time Equivalent Positions (FTE)	526.0	526.0

ADJUTANT GENERAL'S DEPARTMENT
(Continued)

Schedule of Exempt Positions

Adjutant General, Group 3	$63,431	$63,431
Deputy Executive Director for State Affairs	54,392	54,392

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Repair Water System, Replace HVAC Units and Construct Billeting Addition	$ 2,031,090	$ 74,000
Method of Financing (Capital Budget):		
General Revenue Fund	$ 1,582,872	$ 74,000
Federal Funds	448,218	
Total, Method of Financing	$ 2,031,090	$ 74,000

2. **Support and Maintenance Expenditures.** It is hereby provided that all monies currently appropriated to the Adjutant General's Department for support and maintenance of the Texas National Guard are authorized for like expenditures for the support and maintenance, including organization, of units of the Texas Militia supplementing the Texas National Guard or replacing National Guard units inducted into Federal service.

3. **Transferability.** The Adjutant General is hereby authorized to transfer such amounts as may be necessary from one strategy to another strategy. No transfers shall be made into Strategy A.4.2., Debt Service.

4. **Travel Limitations.** Subject to the travel limitations set out in the General Provisions of this Act, the Adjutant General's Department shall pay the travel expenses of members of the National Guard when said members are acting as official representatives of the Adjutant General on behalf of the Texas National Guard.

5. **Payment of Travel - Limitation.** None of the funds appropriated above may be expended for the payment of travel of any officer or employee, except the Adjutant General of the State of Texas, Assistant Adjutant General-Army, Assistant Adjutant General-Air, and State Judge Advocate or the Adjutant General's designee for any one of these officers, to meetings of the National Guard Association of the United States.

6. **Armory Closure.** It is the intent of the Legislature that the Adjutant General's Department not close any armories due solely to insufficient funds to pay for utilities.

7. **Armory Utilities.** The Adjutant General's Department shall study each armory to ensure utility costs are kept to a minimum and the Adjutant General's Department shall charge rental fees for armories that are comparable to fees charged for similar facilities in the area where the armory

is located. In any case, the rent charged must be adequate to recover any additional utility costs associated with the rental of the armory.

8. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for the Adjutant General's Department are made contingent on the continuation of the Adjutant General's Department. In the event the agency is not continued, the funds appropriated for fiscal year 1998, or as much thereof as may be necessary, are to be used to provide for the phase out of agency operations.

9. **Temporary Program Assignment.** From the Federal Funds appropriated above, an estimated $4,342,000 in fiscal year 1998 and $4,342,000 in fiscal year 1999 is for the Truck and Bradley Rebuild Program and the Integrated Sustained Maintenance Program. Additional Federal Funds for any 100 percent federally funded project are hereby appropriated, and related additional personnel are authorized.

10. **Road Construction and Maintenance at State Facilities.** Notwithstanding any other provision in law, the Texas Department of Transportation shall construct, repair, and maintain roads in and providing access to and from Camp Mabry facilities.

11. **Water Supply Project.** Out of the funds appropriated above, the amount $1,372,872 in general revenue in fiscal 1998 is to be used only for the Camp Mabry water distribution system upgrade. Any portion of this amount not expended during fiscal year 1998 is hereby reappropriated for fiscal year 1999.

12. **Quarters and Utilities Allowance.** As of September 1, 1998, the Adjutant General, Assistant Adjutant General-Air, and the Assistant Adjutant General-Army are authorized to live in state-owned housing as set forth in Article IX, Section 178 of this Act. Fees for employee housing are hereby reappropriated to be used for maintaining employee housing.

ALCOHOLIC BEVERAGE COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: REGULATE DISTRIBUTION To promote the health, safety and welfare of the public and the well-being of the alcoholic beverage industry by taking positive steps to ensure voluntary compliance with the law and deter the illegal manufacture, distribution, sale or consumption of alcoholic beverage products.		
Outcomes:		
Percent of Criminal Cases Resulting in Conviction	85%	85%
Percent of Administrative Cases Filed by Enforcement Agents Resulting in Suspension or Cancellation	95%	95%
A.1.1. Strategy: DETER/DETECT VIOLATIONS Deter and detect violations of the Alcoholic Beverage Code by inspecting licensed establishments, by investigating complaints and by providing or sponsoring educational programs that promote voluntary compliance and increase the public's awareness of the state's alcoholic beverages laws.	$ 12,731,766	$ 13,697,436

Outputs:				
Number of Inspections Made		101,317		107,207
Number of Persons Instructed by the Agency		202,635		214,415
Efficiencies:				
Average Cost per Inspection		135.59		136.55
B. Goal: PROCESS TABC APPLICATIONS				
Process alcoholic beverage license/permit applications and to issue licenses/permits in compliance with the Alcoholic Beverage Code.				
Outcomes:				
Percent of Original License/Permit Applications Processed Within 14 Days		90		90.5
B.1.1. Strategy: ENSURE LAW COMPLIANCE	$	1,374,383	$	1,375,217
Ensure compliance with laws regarding ownership of permits/licenses, tax security, and other licensing requirements.				
Outputs:				
Number of Applications Processed		94,975		95,925
C. Goal: COLLECT FEES AND TAXES				
To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving, and distributing of alcoholic beverages.				
Outcomes:				
Percent of Agency Contacts Expressing Satisfaction With Compliance Functions		95%		95%
C.1.1. Strategy: COMPLIANCE MONITORING	$	2,036,625	$	2,024,888
Inspect, investigate and analyze all segments of the alcoholic beverage industry, verify the accuracy and timeliness of tax reporting payments, and initiate any necessary compliance and/or administrative actions for failure to comply, while providing instruction to promote voluntary compliance.				
Outputs:				
Number of Compliance and/or Administrative Actions		24,900		24,900
Number of Tax Reports Processed		9,150		9,150
Efficiencies:				
Average Cost per Tax Report Processed		2.57		2.56
C.2.1. Strategy: PORTS OF ENTRY	$	2,335,996	$	2,235,328
Identify high traffic loads and strategically place personnel or equipment at ports of entry to more effectively regulate the personal importation of alcoholic beverages and cigarette.				
Outputs:				
Number of Alcoholic Beverage Containers and Cigarette Packages Stamped		2,791,078		2,736,651
Total, Goal C: COLLECT FEES AND TAXES	$	4,372,621	$	4,260,216
D. Goal: INDIRECT ADMINISTRATION				
D.1.1. Strategy: CENTRAL ADMINISTRATION	$	1,220,240	$	1,220,757

D.1.2. Strategy: INFORMATION RESOURCES	$ 923,308	$ 923,618
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 543,259	$ 543,528
Total, Goal D: INDIRECT ADMINISTRATION	$ 2,686,807	$ 2,687,903
Grand Total, ALCOHOLIC BEVERAGE COMMISSION	$ 21,165,577	$ 22,020,772
Method of Financing:		
General Revenue Fund	$ 20,724,113	$ 21,579,308
Appropriated Receipts	79,000	79,000
Interagency Contracts	362,464	362,464
Total, Method of Financing	$ 21,165,577	$ 22,020,772
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 5,472,412	$ 5,587,779
Number of Full-time Equivalent Positions (FTE)	504.5	514.5
Schedule of Exempt Positions and Per Diem of Board Members		
Administrator, Group 3	$80,761	$80,761
Assistant Administrator	75,912	75,912
Per Diem of Board Members	3,000	3,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Border Stations	$ 90,000	$
b. Acquisition of Information Resource Technologies		
(1) Acquisition of Radio Equipment (MLPP)	264,967	508,731
c. Transportation Items		
(1) Fleet Acquisition (MLPP payments for 1996-97 acquisitions)	287,079	165,793
(2) Fleet Acquisition (MLPP)	$ 263,922	$ 778,575
Total, Transportation Items	$ 551,001	$ 944,368
Total, Capital Budget	$ 905,968	$ 1,453,099

2. **Hazardous Duty Pay Authorized.** The Alcoholic Beverage Commission is authorized to pay hazardous duty pay at a rate of Seven Dollars ($7.00) per month for each year of state service

up to and including the 30th year of service, to any commissioned law enforcement personnel as prescribed by law.

It is further provided that individuals who had received hazardous duty pay as of August 31, 1981, shall continue to receive hazardous duty pay for the biennium beginning with the effective date of this act. Individuals hired after August 31, 1981, shall not receive hazardous duty pay unless so authorized by Tex. Govt. Code ANN., § 659.062.

3. **Witness Expenses Authorized.** No other provisions of this Article shall prevent payment by the State of Texas of salaries and expenses incurred by representatives of the Alcoholic Beverage Commission in attendance on state or federal grand jury proceedings, and who may be called as witnesses in the trial of criminal or civil cases in state or federal courts involving offenses complained of against state or federal liquor regulatory or revenue laws. It is further provided that any fees collected by such representatives in performing such duties shall be deposited in the State Treasury to the credit of the appropriations made above.

4. **Revolving Fund.** The revolving change fund created by prior Legislatures in the amount of $7,500 for use at the several International Bridges is hereby reappropriated for the biennium beginning with the effective date of this Act for the same purposes.

5. **State Police Agency.** For purposes of application to the federal government for licenses, permits, or other authorizations, including radio frequencies, or for law enforcement assistance grants, the Texas Alcoholic Beverage Commission shall be considered a state police agency in accordance with the Alcoholic Beverage Code and other applicable laws.

6. **Fleet of Motor Vehicles Authorized.** It is the intent of the Legislature that the agency purchase and maintain a fleet of vehicles. If these vehicles are unmarked for law enforcement purposes these vehicles shall be utilized only by personnel who are commissioned peace officers or those persons responsible for the maintenance and repair of these vehicles. Vehicles which are properly marked pursuant to state requirements, may be utilized for other legitimate agency purposes as needed by personnel employed in the Enforcement Division.

7. **Purchase of Evidence Authorized.** From the amounts authorized above, the Texas Alcoholic Beverage Commission is hereby authorized to establish a cash fund not to exceed $50,000 for the purchase of evidence and/or information and surveillance expenses deemed necessary by the Commission.

8. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above as well as an amount equal to the amount identified above in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in this Act." In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

9. **Agent Training.** It is the intent of the Legislature that the Texas Alcoholic Beverage Commission, as part of its initial and ongoing training of its certified peace officers, emphasize the evidentiary threshold required in prosecution of criminal cases as it applies to minors in possession of alcoholic beverages.

10. **Funding for Legal Costs.** Contingent upon the Texas Alcoholic Beverage Commission increasing fees, fines, and surcharges, pursuant to Sec 5.50 of the Alcoholic Beverage Code, in an equal amount and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues are estimated to be available in excess of the Comptroller's Biennial Revenue Estimate, including

supplemental estimates used in certifying this Act, to fund the increased appropriations, the Texas Alcoholic Beverage Commission is hereby appropriated $250,000 for each year of the biennium out of the General Revenue Fund for increased costs associated with the State Office of Administrative Hearings and the Office of the Attorney General and other legal costs. It is the intent of the Legislature that the funds appropriated pay for additional costs of conducting administrative hearings and legal expenses for defending the commission. These funds may be expended to pay inter-agency contract costs or transfers with the Office of the Attorney General and the State Office of Administrative Hearings to conduct hearings, for travel costs of persons attending hearings not to exceed those rates set by this Act, for expert witness costs, for costs of any outside counsel incurred in the conducting of an administrative hearing or civil case involving the commission.

11. **Contingent Appropriations.** Out of the amounts appropriated above in A.1.1. Strategy: Deter/Detect Violations, $597,030 in fiscal year 1998 and $1,122,200 in 1999; and in C.2.1. Strategy: Ports of Entry, $90,000 in 1998; are contingent upon the Texas Alcoholic Beverage Commission increasing fees, fines, and surcharges, pursuant to Sec 5.50 of the Alcoholic Beverage Code, by $1,884,785; and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues are estimated to be available in excess of the Comptroller's Biennial Revenue Estimate, including supplemental estimates used in certifying this Act, to fund the increased appropriations and benefits.

    This appropriation is for the purpose of funding the replacement of vehicles, radio equipment, a new Agent V position and the rehabilitation/replacement of booths at the ports of entry.

12. **Contingent Appropriations for New Agents.** Out of the amounts appropriated above in A.1.1. Strategy: Deter Violations, $408,290 in fiscal year 1998 and $850,120 in 1999; are contingent upon the Texas Alcoholic Beverage Commission increasing fees, and surcharges, pursuant to Sec. 5.50 of the Alcoholic Beverage Code, by $1,491,136; and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues are estimated to be available in excess of the Comptroller's Biennial Revenue Estimate, including supplemental estimates used in certifying this Act, to fund the increased appropriations and benefits.

    This appropriation is for the purpose of funding the hiring of twenty (20) additional agents with Capital Budget items. These funds shall be expended only on alcohol education programs, such as Cops in Shops and Project SAVE, and for the enforcement and prosecution of provisions of the Alcoholic Beverage Code pertaining to health, safety and welfare.

13. **Clothing Provisions.**

    a. A commissioned officer who received a $1,200 clothing allowance pursuant to the Appropriations Act during the 1996-1997 biennium shall receive a $1,200 clothing allowance in the 1998-1999 biennium.

    b. It is the intent of the Legislature that no person shall receive a $1,200 clothing allowance unless eligible in subsection (a).

    c. An individual who is newly hired or newly commissioned after September 1, 1997 is eligible to receive a $500 cleaning allowance. No rank other than that of Agent is entitled to a $500 cleaning allowance.

    d. TABC may purchase uniforms for Tax Collectors at International Bridges.

14. **Contingency Appropriation for House Bill 2909.** Contingent upon the enactment of House Bill 2909, or similar legislation relating to the monitoring of gross receipts by the Texas

Alcoholic Beverage Commission, by the Seventy-fifth Legislature, Regular Session, the Texas Alcoholic Beverage Commission is hereby appropriated $324,100 for fiscal year 1998 and $276,100 for fiscal year 1999 out of the General Revenue Fund for the purpose of implementing that Act. This appropriation is also contingent upon the Texas Alcoholic Beverage Commission increasing fees, fines, and surcharges, pursuant to Section 5.50 of the Alcoholic Beverage Code, by $600,200 and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues are estimated to be available in excess of the Comptroller's Biennial Revenue Estimate, including supplemental estimates used in certifying this Act, to fund the increased appropriations. The Texas Alcoholic Beverage Commission is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

NATIONAL GUARD ARMORY BOARD

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: MAINTAIN PROPERTIES Maintain and preserve all properties in a state of good repair by conducting periodic inspection and reviews, determining maintenance priorities, and performing cost-effective maintenance using established procedures on standardized building components. (V.T.C.S. Chapter 435 Government Code)		
Outcomes:		
Percent of Armories/Facilities With Preventive Maintenance Scheduled and Performed	88%	88%
A.1.1. Strategy: BUILDING MAINTENANCE Repair, maintain and supply state armories/facilities. Develop and use a standardized inspection and review process to evaluate building component failures and repairs made.	$ 2,333,860	$ 2,433,221
Outputs:		
Number of Armories/Facilities Inspected	59	62
A.1.2. Strategy: DEBT SERVICE Receive sufficient rental monies for armories/facilities to pay the bond principal, interest, insurance, and administrative fees for the current fiscal year.	$ 4,300,318	$ 4,310,402
Total, Goal A: MAINTAIN PROPERTIES	$ 6,634,178	$ 6,743,623

B. Goal: UPGRADE & REPAIR ARMORIES
Construct and renovate facilities that will be modern, functional durable and attractive. As funds are made available, we will continue to upgrade our facilities to achieve energy-efficiency, safety, environmental and disability access standards. (V.T.C.A. Chapter 435 Government Code)

Outcomes:		
Average Age of Armories/Facilities	31	31
B.1.1. Strategy: BUILDING CONSTRUCTION/ RENOVATION	$ 28,714,364	$ 2,694,518
New armory/facility construction, renovation of older armories/facilities and construction projects.		
Outputs:		
Number of Renovation Projects	4	0
Grand Total, NATIONAL GUARD ARMORY BOARD	$ 35,348,542	$ 9,438,141
Method of Financing:		
General Revenue Fund	$ 788,058	$ 788,058
Federal Funds	28,250,206	3,353,720
Current Fund Balance	5,286,278	5,296,363
Bond Proceeds - Revenue Bonds	1,024,000	
Total, Method of Financing	$ 35,348,542	$ 9,438,141
Number of Full-time Equivalent Positions (FTE)	36.0	36.0
Schedule of Exempt Positions and Per Diem of Board Members		
Executive Secretary, Group 2	$53,469	$53,469
Per Diem of Board Members	2,430	2,430

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Construction of Buildings and Facilities		
(1) Construction and Renovation	$ 28,292,846	$ 2,273,000
Method of Financing (Capital Budget):		
Federal Funds	$ 27,268,846	$ 2,273,000
Bond Proceeds - Revenue Bonds	1,024,000	
Total, Method of Financing	$ 28,292,846	$ 2,273,000

2. **Reappropriation of Refunded Money.** There is hereby reappropriated to the Texas National Guard Armory Board all money refunded to said board from any source when such money was originally expended for any of the purposes in A.1.1., Building Maintenance and B.1.1., Building Construction/Renovation, above. Such reappropriated funds may be expended for any of the purposes enumerated in A.1.1., and B.1.1., above.

3. **Local Fund Authorization.** The Texas National Guard Armory Board is hereby authorized to spend, and there is hereby made available to it, any or all local funds which the board now has or which it may hereinafter acquire, in accordance with the provisions of its bond indenture dated October 1, 1979, and subsequently amended.

4. **Bond Indenture Revenues.** There is hereby appropriated to the Texas National Guard Armory Board all revenues that the board has pledged, assigned and set over and does pledge, assign and set over unto its trustee and its successors in trust, and all revenues it has received or may hereinafter receive in accordance with the provisions of its bond indenture dated October 1, 1979, and subsequently amended.

5. **Superseding of Statutes and Bond Covenants.** None of the appropriations or provisions herein shall supersede V.T.C.A., Government Code, Chapter 435, or the covenants under which bonds are issued by or on behalf of the Texas National Guard Armory Board, regarding the Board's obligations as a public bonding authority, body politic and corporate.

6. **Disposition of State-owned Property.** There is hereby appropriated to the Texas National Guard Armory Board all funds which have been or may be derived from sales of State-owned National Guard camps and other property owned by the Texas National Guard Armory Board and of land, improvements, buildings, facilities, installations and personal property in connection therewith as authorized by V.T.C.A., Government Code, Chapter 435. Such funds shall be expended by the Texas National Guard Armory Board in one or more of the following ways: (1) as a participating fund in the construction and maintenance of facilities financed in part by the United States Government; or (2) as a construction fund to be used by the Texas National Guard Armory Board; or (3) as a debt-servicing fund as provided in V.T.C.A., Government Code, Chapter 435. Provided, however, that all such funds as are not actually used for the purposes hereinbefore specified shall remain on deposit in the state treasury to the credit of the Texas National Guard Armory Board for the use and benefit of the Texas National Guard, their successors or components, as provided in V.T.C.A., Government Code, Chapter 435.

7. **Transferability.** The Texas National Guard Armory Board is hereby authorized to transfer such amounts as may be necessary between strategies A.1.1., Building Maintenance, and B.1.1., Building Construction/Renovation. Such transfers shall not be used to increase the bond indebtedness of the Board.

8. **Support and Maintenance Expenditures.** It is hereby provided that all monies currently appropriated to the Texas National Guard Armory Board for support and maintenance of the Texas National Guard are authorized for like expenditures for the support and maintenance of units of the Texas Militia replacing the Texas National Guard units inducted into Federal service.

9. **Master Plan for Armories.** Funds appropriated to the Texas National Guard Armory Board for capital construction projects are intended to be expended for those projects which are part of the Armory Master Plan. The Adjutant General and his staff shall cooperate with and provide information to the Armory Board in updating the master plan. The Armory Board shall revise the plan at least biennially and submit the plan to the Legislative Budget Board and the Governor by July 1 of every even-numbered year as part of the Legislative Appropriation Request.

10. **Renovation Priorities.** The Texas National Guard Armory Board shall give priority to those renovations which: (1) insure the structural integrity of the facilities; (2) bring such facilities into compliance with current building and safety codes; (3) increase the economic efficiency of the facilities; and (4) simplify future maintenance of the facilities.

NATIONAL GUARD ARMORY BOARD
(Continued)

11. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for the National Guard Armory Board are made contingent on the continuation of the National Guard Armory Board by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 1998, or as much thereof as may be necessary, are to be used to provide for the phase out of agency operations.

12. **Unexpended Bond Proceeds.** The Texas National Guard Armory Board is authorized to reallocate the unexpended bond proceeds of canceled projects to roof replacements for facilities located in: Beaumont, Brownfield, Abilene, Sherman, Gainesville, Hillsboro and Coleman.

13. **Temporary Program Assignment.** From the federal funds appropriated above, an estimated $5,594,706 in fiscal year 1998 and $948,720 in fiscal year 1999 is for the Peace Prairie II Renovation Project. Additional federal funds for any 100% federally funded project are hereby appropriated, and related additional personnel are authorized.

DEPARTMENT OF CRIMINAL JUSTICE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: PROVIDE PRISON DIVERSIONS To provide diversions to traditional prison incarceration by the use of community supervision and other community-based programs.		
Outcomes: Felony Community Supervision Annual Revocation Rate	7.4%	7.4%
A.1.1. Strategy: BASIC SUPERVISION Secure and distribute funding necessary to provide adequate basic community supervision services that meet required levels of supervision.	$ 92,225,456	$ 92,225,456
Outputs: Total Felony Offenders Under Direct Supervision	163,543	163,648
A.1.2. Strategy: DIVERSION PROGRAMS Allow for the development of programs to divert adult offenders to community-based programs and away from traditional incarceration.	$ 58,927,570	$ 58,927,570
Outputs: Number of Residential Beds Grant Funded	2,249	2,249
A.1.3. Strategy: COMMUNITY CORRECTIONS Provide formula-allocated aid to community-based correctional programs to encourage the development of alternatives to incarceration.	$ 44,926,005	$ 44,926,005
Outputs: Number of Residential Beds Funded	1,316	1,316
Total, Goal A: PROVIDE PRISON DIVERSIONS	$ 196,079,031	$ 196,079,031
B. Goal: SPECIAL NEEDS OFFENDERS To provide a comprehensive continuity of care system for special needs offenders through statewide collaboration and		

coordination.

Outcomes:

Percent Reduction of Arrests	20%	25%

B.1.1. Strategy: SPECIAL NEEDS PROJECTS Provide projects that coordinate multi-agency efforts for special needs offenders through case management and treatment services.	$	4,275,141	$	4,275,141

Outputs:

Number of Special Needs Offenders Served Through the Continuity of Care Programs	2,211	2,211

C. Goal: INCARCERATE FELONS
To provide for confinement, supervision, rehabilitation and reintegration of adult felons.

Outcomes:

Escapes as Percentage of Number of Inmates Incarcerated	.0171%	.0171%
Three-Year Recidivism Rate	48%	48%

C.1.1. Strategy: SECURITY/CLASSIFICATION Provide security resources and a classification system that ensures an appropriate environment.	$	683,918,822	$	690,136,878

Outputs:

Number of Inmates Incarcerated	114,743	116,063

C.1.2. Strategy: INSTITUTION GOODS/SERVICE Provide goods and services necessary to house and maintain the inmate population and operate institutional facilities.	$	281,422,884	$	284,897,352

Efficiencies:

Support Services Cost per Inmate Day	6.72	6.73

C.1.3. Strategy: PSYCHIATRIC CARE Maintain and support a professional psychiatric health care program capable of providing quality services to all inmates.	$	41,710,848	$	41,754,210

Outputs:

Psychiatric Inpatient Average Daily Census	1,915	1,915

C.1.4. Strategy: MANAGED HEALTH CARE Maintain and support a professional managed health care program capable of providing quality services to all inmates.	$	237,076,122	$	249,489,324

Efficiencies:

Medical Care Cost per Inmate Day	5.29	5.29

C.2.1. Strategy: ON-THE-JOB-TRAINING Prepare the inmate for reintegration into society by providing the opportunity for on-the-job training in a marketable skill so that suitable employment may be obtained upon release.	$	54,764,345	$	54,764,345

Outputs:

Number of Inmates Assigned to the Correctional Industries Program	4,200	4,200

C.2.2. Strategy: ACADEMIC/VOCATIONAL SKILL Offer post-secondary academic and vocational training needed for the further development of mental and job skills.	$	3,463,359	$	3,738,909

Outputs:				
Inmate Students Enrolled		16,291		16,291
C.2.3. Strategy: INMATE TREATMENT SERVICES	$	10,104,262	$	10,256,387
Provide screening during the diagnostic/intake process that identifies special needs.				
Outputs:				
Number of Sex Offenders Receiving Psychological Counseling		1,915		1,915
C.2.4. Strategy: SUBSTANCE ABUSE TREATMENT	$	71,376,017	$	71,403,512
Provide a substance abuse treatment program with well defined goals that includes a highly structured work environment, education, a graded system of rewards/sanctions, regular scheduled evaluation, and provides for post-release continuum of care.				
Outputs:				
Number of Confinees Completing Treatment in Substance Abuse Felony Punishment Facilities (SAFPF)		5,040		5,040
C.3.1. Strategy: PRE-RELEASE PROGRAMS	$	50,740,003	$	50,740,003
Operate pre-release centers that provide eligible inmates within two years of release, with substantially full-time work, educational and/or pre-release programming.				
Outputs:				
Number of Inmates in Pre-Release Centers		4,080		4,080
C.4.1. Strategy: OPERATE STATE JAILS	$	206,831,935	$	218,606,561
Provide operations of the state jail facilities.				
Outputs:				
Average Inmate Population in State Jail Facilities		23,627		24,973
Total, Goal C: INCARCERATE FELONS	$	1,641,408,597	$	1,675,787,481
D. Goal: ACCEPT INMATES IN 45 DAYS				
Ensure that there are adequate housing and support facilities for convicted felons during confinement.				
D.1.1. Strategy: FACILITIES CONSTRUCTION	$	39,300,000	$	U.B.
Construction and repair of facilities.				
E. Goal: OPERATE PAROLE SYSTEM				
To provide supervision and administer the range of options and sanctions available for felons' reintegration back into society following release from confinement.				
Outcomes:				
Releasee Annual Revocation Rate		7.2%		7.2%
E.1.1. Strategy: BOARD OF PARDONS & PAROLE	$	8,321,963	$	7,900,830
Consider eligible prisoners for release prior to completion of their sentence of confinement, exercise statutory authority for decision-making relative to parole or acts of clemency, and conduct revocation hearings as required by law.				
Outputs:				
Number of Parole Cases Considered		69,106		70,000
E.1.2. Strategy: PAROLE SELECTION	$	12,147,424	$	12,147,424
Provide necessary support to the Board of Pardons and Paroles and ensure compliance with all statutory				

requirements for parole, mandatory release, and executive clemency actions.		
Outputs:		
Number of Parole Cases Processed	29,153	31,924
E.2.1. Strategy: PAROLE SUPERVISION	$ 69,168,583	$ 74,964,754
Supervise releasees according to legally-mandated ratios.		
Outputs:		
Number of Pre-Revocation Warrants Issued	20,740	21,025
E.2.2. Strategy: RESIDENTIAL PAROLE	$ 34,683,669	$ 35,539,194
Provide sufficient resources to ensure adequate surveillance and control of clients residing in pre-parole transfer, halfway houses, and work release facilities; and ensure residents receive appropriate assistance in making the transition from prison to community life.		
Outputs:		
Number of Pre-Parole Transferees in Pre-Parole Transfer Facilities	1,299	1,299
E.2.3. Strategy: PAROLE SANCTIONS	$ 17,683,446	$ 17,683,446
Provide facilities for the temporary confinement of technical parole/mandatory release violators which serve as a punitive option to full revocation.		
Outputs:		
Number of Releasees in Intermediate Sanction Facilities	1,522	1,522
Total, Goal E: OPERATE PAROLE SYSTEM	$ 142,005,085	$ 148,235,648
F. Goal: INDIRECT ADMINISTRATION		
F.1.1. Strategy: CENTRAL ADMINISTRATION	$ 29,288,751	$ 29,288,751
F.1.2. Strategy: INFORMATION RESOURCES	$ 24,439,245	$ 29,215,744 & U.B.
F.1.3. Strategy: OTHER SUPPORT SERVICES	$ 1,456,209	$ 1,456,209
Total, Goal F: INDIRECT ADMINISTRATION	$ 55,184,205	$ 59,960,704
Grand Total, DEPARTMENT OF CRIMINAL JUSTICE	$ 2,078,252,059	$ 2,084,338,005
Method of Financing:		
General Revenue Fund	$ 1,818,850,296	$ 1,970,436,242
General Revenue U.B. from FY 1997	100,000,000	0
State Highway Fund No. 006	6,000,000	U.B.
General Revenue Fund - Dedicated - Industrial Revolving Account No. 156	54,764,345	54,764,345
Federal Funds for Incarcerated Aliens	48,000,000	41,800,000
Appropriated Receipts	7,700,000	7,700,000
Interagency Contracts	9,637,418	9,637,418
Bond Proceeds - General Obligation Bonds	33,300,000 & U.B.	U.B.
Total, Method of Financing	$ 2,078,252,059	$ 2,084,338,005

Number of Full-time Equivalent Positions (FTE)	39,577.0	40,159.0
Schedule of Exempt Positions		
* Executive Director, Group 5	$127,000	$127,000
Director, Institutional Division	110,000	110,000
Director of Facilities	95,000	95,000
Director of Administrative Services	90,000	90,000
Correctional Medical Director	136,347	136,347
Chairman, Board of Pardons and Paroles, Group 3	65,000	65,000
Parole Board Members, Group 3	(17) 62,500	(17) 62,500

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Construction of Buildings and Facilities		
(1) Lease-purchase of Facilities	$ 23,113,369	$ 23,016,732
(2) Additional Prison Capacity	U.B.	U.B.
b. Repair or Rehabilitation of Buildings and Facilities	33,300,000	U.B.
c. Construction of Roads	6,000,000	U.B.
d. Transportation Items	1,500,000	1,500,000
e. Acquisition of Capital Equipment and Items		
(1) Acquisitions for Agency Operations	2,508,182	3,192,826
(2) Lease Payments (MLPP) for 1996-97 Acquisitions	224,968	111,702
f. Acquisition of Information Resource Technologies		
(1) Lease Payments (MLPP) for 1994-95 Acquisitions	353,613	76,956
(2) Aquisitions for Reengineering Project	7,489,437	12,394,000
g. Acquisition of Land and Other Real Property		
(1) Lease Payments (MLPP) for 1996-97 Acquisitions	206,329	204,727
h. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Lease Payments (MLPP) for 1994-95 Acquisitions	28,501	5,542
(2) Lease Payments (MLPP) for 1992-93 Acquisitions	$ 10,112	$ 0
Total, Capital Budget	$ 74,734,511	$ 40,502,485

Method of Financing (Capital Budget):

General Revenue Fund	$ 35,185,166	$ 40,419,370 & U.B.
State Highway Fund No. 006	6,000,000	U.B.

General Revenue Fund - Dedicated - Industrial Revolving Account No. 156	249,345	83,115
Bond Proceeds - General Obligation Bonds	33,300,000 & U.B.	U.B.
Total, Method of Financing	$ 74,734,511	$ 40,502,485

2. **Disposition of Construction Appropriation.** Construction appropriations may be used to pay salaries of engineers, architects, superintendents, supervisors and administrative expenses and support personnel of construction projects; architectural fees and the actual and necessary travel expenses incurred by them or their representatives in making special trips of inspection at the instance of the Board of Criminal Justice or the Director of the Institutional Division during construction or repair of buildings or installation of fixed equipment in such buildings. The State Classification Officer shall approve job titles and rates of pay for such salaried positions.

3. **Temporary Loan of Construction Resources.** The Texas Department of Criminal Justice (TDCJ) may temporarily utilize materials and equipment acquired and personnel paid from one project appropriated or reappropriated for construction, repairs, and renovation, including construction of additional capacity, and building maintenance, to construct any other similar project for which funds have been appropriated. The receiving project must reimburse the providing project within twelve months with funds and/or a like amount of materials, equipment, equipment usage or personnel of equivalent value. Reimbursement with funds may be accomplished by transfer in a manner which records appropriate expenditures to the borrowing project and negative expenditures to the lending project. These transfers may be summary amounts in a manner approved by the Comptroller of Public Accounts. However, the TDCJ must maintain adequate detailed records to support such summary transfer amounts.

4. **Unexpended Balances.** Any unexpended balances as of August 31, 1997, for the Texas Department of Criminal Justice (TDCJ) in the general obligation bond appropriations made and/or reappropriated by the Seventy-third Legislature, Seventy-fourth Legislature, and Seventy-fifth Legislature for Construction Appropriations are hereby reappropriated to the TDCJ for the biennium beginning September 1, 1997, for the same purpose or for transfer and use in completing other authorized building projects in authorized amounts, provided that such reappropriated funds shall not be expended without approval of the Board of Criminal Justice and that copies of such approvals shall be filed with the Governor and the Legislative Budget Board. Up to $33.3 million of the unexpended balances reappropriated for the 1998-99 biennium may be used for facilities' repair or rehabilitation projects as reflected in TDCJ's Capital Budget rider. (Estimated to be $264,047,000).

5. **Architectural Fees.** Notwithstanding other provisions of this Act, in those instances where inmate labor is used on construction projects, the Department of Criminal Justice is authorized to pay architectural fees based on the estimated total cost of a project as if it were to be done by a private contractor. The department shall employ an independent firm, separate from the architect, to estimate the total cost of a project. Architectural fees based on the estimated cost shall be governed by other provisions of this Act.

6. **Construction Encumbrances.** Any funds legally encumbered for construction contracts for projects which are in effect as of August 31, 1997 are considered encumbered and may be carried forward to fiscal year 1998.

7. **Oversight of Construction Projects.** The Department of Criminal Justice shall contract with the Texas Youth Commission and the Juvenile Probation Commission to provide construction management services for all Youth Commission and Juvenile Probation Commission construction projects involving the expenditure of bond funds.

8. **Review of Construction Change Orders.** It is the intent of the Legislature that the Texas Department of Criminal Justice (TDCJ), upon the review of any change order, develop a procedure whereby cause of such change order shall be determined and documented in the project file. If it is determined that the change was necessitated by the error or omission of any contracted party, the TDCJ shall hold such party financially responsible.

9. **Utilization of Existing Correctional Facilities.** It is the intent of the Legislature that full consideration be given to utilizing existing correctional facilities located in the State of Texas and currently owned or operated by federal or local governments. Appropriations to the department may be used for the purposes of leasing, purchasing or contracting for operations if agreements can be reached which are beneficial to the State.

10. **Prison Construction Prioritization.** It is the intent of the Legislature that the Department of Criminal Justice prioritize any construction of additional capacity in such a way as to ensure the expeditious completion of any units on which work had been started and subsequently suspended.

11. **Salary Adjustment Authorized.** Notwithstanding other provisions of this Act, the Texas Department of Criminal Justice is authorized to adjust salaries of Correctional Officers I, Correctional Officers II, Correctional Officers III, and Sergeants of Correctional Officers positions to rates within the designated salary group, not to exceed Step 6, for the purpose of recruiting, employing and retaining career correctional personnel. Merit raises are prohibited for all Correctional Officers and Sergeants of Correctional Officers who are receiving or are eligible to receive step adjustments in the career ladder system.

12. **Meals Authorized.** Department employees assigned to work inside correctional facilities or on travel status may receive up to two free meals per shift and employees residing in employee dormitories may receive three free meals per day. None of the funds appropriated above shall be utilized to provide meals to other employees for a charge of less than $1.00 per meal or to grow, purchase, prepare, or provide food products for employees to use at their homes. Fees for meals are reappropriated to the item from which expenditures were made.

13. **Restriction, Food Service.** The Texas Department of Criminal Justice may provide food items to employees in employee dining facilities, only after the food requirements of inmates are met. The food served to inmates shall be of the same quality as food served to employees.

14. **Payroll Deduction.** Fees for meals and other services will be made by payroll deduction whenever practical.

15. **Benefit Policy Required.** The Board of Criminal Justice shall adopt a written policy relating to benefits provided in Rider 12 specifying the criteria used to award these benefits to employees, and shall develop a system to account for all costs related to these benefits and all revenues from collection of fees. The Board of Criminal Justice policy and a list of the employees approved to receive these benefits shall be filed annually with the Governor's Office of Budget and Planning, the Legislative Budget Board, and the Legislative Reference Library.

16. **State-Owned Housing Authorized.**

    (a) As of September 1, 1998, the chief Warden, Assistant Wardens, Majors of Correctional Officers, Captain of Correctional Officers, Lieutenant of Correctional Officers, Kennel Sergeants, Maintenance Supervisors, and Fire/Safety Managers at each facility are authorized to live in state-owned housing at rental rates determined by the department.

    (b) As of September 1, 1998, other department employees may live in available state-owned housing as set forth in Article IX, Section 178, Recovery Housing Costs, of this Act.

(c) Fees for employee housing are hereby reappropriated to be used for maintaining employee housing.

(d) Notwithstanding Article IX, Section 178, the department may allocate housing at reduced or no cost to employees with a demonstrated need based on location and job description.

17. **Laundry Service.** The department may launder or dry clean the uniforms of correctional officers at no charge. None of the funds appropriated above may be used to launder or dry clean other employee clothing or to provide other services unless fees are charged to recover the cost of providing the services. Fees collected for laundry and other services are reappropriated to the line item from which the expenditures were made.

18. **Inmate Labor.** It is the intent of the Legislature that inmate labor not be used to provide personal services for employees; provided, however, that they may be used to provide maintenance and upkeep to state property and equipment.

19. **Employee Medical Care.** Appropriations made in this Act not otherwise restricted in use may also be expended to provide medical attention and hospitalization by correctional medical staff and the correctional hospital facilities, or to pay necessary medical expenses for employees injured while performing the duties of any hazardous position which is not reimbursed by workers' compensation and/or employees' state insurance. For the purpose of this section, "hazardous position" shall mean one for which the regular and normal duties inherently involve the risk of peril of bodily injury or harm. Appropriations made in this Act not otherwise restricted in use may also be expended for medical tests and procedures on employees that are required by federal or state law or regulations when the tests or procedures are required as a result of the employee's job assignment or when considered necessary due to potential or existing litigation.

20. **Compensatory Time.** Exceptions to the prohibition against substituting other days for holidays may be authorized by the Director of the Texas Department of Criminal Justice for employees who are required to work on holidays due to the continuing operation of the department. Any employee who is required to work on any of the holidays authorized in the general provisions of this Act, and who does work on any of the said holidays, shall be entitled to compensating time off to be taken on such day as may be mutually agreed upon by the employee and his supervisor.

21. **Hazardous Duty Pay.** It is the legislative intent that all persons receiving hazardous duty pay as of August 31, 1985 continue to receive it. However, all persons hired after August 31, 1985 must occupy positions approved by the Texas Board of Criminal Justice and that meet statutory criteria to receive hazardous duty pay.

22. **Employment Limitation.** It is the intent of the Legislature that no one shall be employed by the Department of Criminal Justice who, in the course of his official duties, conducted business with individuals or firms with which the employee has either a direct or indirect financial interest.

23. **Grievance Procedures.**
The Board of Criminal Justice shall maintain employee disciplinary and grievance procedures in compliance with this section.

The Board's disciplinary procedures shall allow an employee of the department to be represented by a designee of the employee's selection who may participate in the hearing on behalf of an employee charged with any type of disciplinary violation.

The Board's grievance procedure shall attempt to solve problems through a process which recognizes the employee's right to bring grievances pursuant to the procedures in this section.

The grievance procedure shall include either independent mediation or independent, non-binding arbitration of disputes between the employer and the employee if the disciplining authority recommends that the employee be terminated or the employee is terminated.

Any grievance or disciplinary hearing in which a department employee serves as a representative shall be held during normal business hours on a week day, unless the employer and employee agree otherwise. The employee subject to the hearing attends such hearing as a part of regular employment duties. An employee representative who is a department employee must obtain prior approval to be placed on unpaid leave to attend a hearing.

Nothing in this provision shall authorize expenditures of appropriated funds not authorized elsewhere in this Act.

24. **Transfer Authority.** Subject to Capital Budget provisions contained in this Act the Texas Department of Criminal Justice is authorized to transfer such amounts as may be necessary within appropriations made for each goal.

    Funds may be transferred between goals; provided, that before any transfer between goals which will have the cumulative effect of changing expenditures for any goal by more than 20 percent of the amount appropriated for that goal for the fiscal year, written notification of intent to transfer be provided the Legislative and Executive Budget offices.

25. **Petty Cash Fund Authorized.** The local Petty Cash Revolving Fund in the amount of $10,000 is continued for the biennium beginning September 1, 1997, and may be used to advance or reimburse transfer agents and for the care and maintenance of convicted felons while enroute to the department from points in Texas and elsewhere in the United States; and for the payment of C.O.D. freight and express charges and similar items requiring immediate cash disbursements. The funds shall be reimbursed by warrants drawn and approved by the Comptroller out of appropriated funds to the Texas Department of Criminal Justice.

26. **Revolving Fund Authorized.** The local Inmate Release Revolving Fund of $500,000 is continued for each year of the biennium beginning September 1, 1997, and is deposited in a bank or banks in Texas; and all inmates released on parole, mandatory supervision, or conditional pardon shall be paid out of this fund. The fund shall be reimbursed by warrants drawn and approved by the Comptroller out of appropriated funds to the Texas Department of Criminal Justice.

27. **Appropriation, Agriculture Receipts.** It is the intent of the Legislature that each year of the biennium the Texas Department of Criminal Justice (TDCJ) may exchange agricultural products for other agricultural products and finished goods, and revenue accruing from the sale of agricultural commodities or livestock is reappropriated to the TDCJ. Other revenues deposited are reappropriated as they apply to sales of equipment, salvage, refunds and to recover damage claims. Any unexpended balance up to $2,000,000 remaining from revenues August 31, 1997 and August 31, 1998 is reappropriated to allow for continuity of agricultural production and sales cycles which do not conform to fiscal years (estimated to be $2,000,000).

28. **Appropriation of Receipts.** All receipts from the operation of the correctional facilities' commissaries, all gifts and all other income for inmate welfare accruing together with balances at the beginning of each year of the biennium beginning September 1, 1997, and deposited in the local Educational and Recreational Fund, are hereby appropriated to the Department of Criminal Justice subject to the following provisions:

    a. Salaries of personnel employed out of the Educational and Recreational Fund shall conform with the provisions of the Classification Plan except as otherwise provided by this Act.

b. Such fund shall be expended only with the advance, written approval of the Board of Criminal Justice.

c. It is the intent of the Legislature that such Educational and Recreational Funds shall be expended first for the purpose of meeting Ruiz requirements for construction, maintenance, equipment and operations of recreation facilities and for the income producing operations of the fund. Any balances remaining after meeting Ruiz requirements may be expended for non-court related activities.

29. **Acceptance of Grants, Gifts.** The Board of Criminal Justice is authorized to accept federal grants, donations and gifts, including those of real property, for the programs and projects of the agency. Such gifts, donations, and grants are appropriated for the purposes for which they are made available; provided, however, that in taking advantage of or accepting such funds, the board shall not incur any indebtedness which would necessitate a supplemental or additional appropriation out of any funds of this State nor deplete any of the funds herein appropriated to an amount which would necessitate a supplemental or additional appropriation out of any funds of this state to replenish said fund or funds.

30. **Appropriation of Controlled Substance Receipts.** All funds received under Chapter 59, Code of Criminal Procedure, and Chapter 71, V.A.T.S., by the Texas Department of Criminal Justice are hereby appropriated to the Department of Criminal Justice to be used for law enforcement purposes. Any funds unexpended at the close of each fiscal year are reappropriated for the following year (estimated to be $7,000).

31. **Supply Revolving Fund Authorized.** The State Comptroller shall establish a separate account from which consumable supply costs shall be paid. From funds herein appropriated, the agency may establish, maintain, and operate on a reimbursable basis a supply revolving fund which will contribute to the efficiency and economical operation of the agency.

    Rules shall be established to avoid depletion of the revolving fund. To reimburse the fund from which expenditures are made, the agency may make fund transfers from the appropriations of the activities which receive the supplies or may submit purchase vouchers through the Office of the State Comptroller.

32. **Appropriation - Industrial Revolving Receipts.** Subject to provision 33 below, all Industrial Revolving receipts in excess of those shown in the method of finance are hereby appropriated for use in Strategy C.2.1., On-The-Job Training.

33. **Disposition of Fund Balance.** The State Comptroller shall transfer any unobligated fund balances from Industrial Revolving receipts in excess of $5,000,000 to the General Revenue Fund at the end of each fiscal year. Unobligated fund balances shall be calculated as the cash balance less the outstanding accrued payables and binding encumbrances as reported in USAS within 30 days following the close of the fiscal year.

34. **Appropriation-Unexpended Balances.** In order to operate new correctional facilities or programs necessary for increased offender populations under the department's supervision, unexpended balances from appropriations made to the Department of Criminal Justice for fiscal year 1998 are hereby reappropriated to the department for fiscal year 1999 contingent upon written notification to the Legislative Budget Board by the Texas Board of Criminal Justice, not less than 30 days prior to encumbrance, which details the amount and purpose of expenditures of funds carried forward into fiscal year 1999 under authority of this provision.

35. **Transfer Limitation.** Upon any order from a federal court that requires the Texas Department of Criminal Justice to transfer funds from any appropriation made hereinabove, those funds which were attempted to be transferred shall lapse and the Comptroller shall return the amount appropriated to its respective source.

36. **Capital Expenditures Authorized.** Notwithstanding the limitations placed on the expenditure of funds for capital budget items contained in the general provisions of this Act, the Texas

Department of Criminal Justice is hereby authorized to expend funds appropriated to the Texas Department of Criminal Justice for the acquisition of capital budget items and unforeseen building maintenance as approved by the Texas Board of Criminal Justice.

37. **Offender Management Automation.** It is the intent of the Legislature that the Department of Criminal Justice automate the offender management function to the greatest extent possible. To this end, the department may contract for automation/reengineering assistance. Funds for this payment may come from benefits and savings as realized.

38. **Medicaid Services for Special Needs Offenders.** Within appropriations made above, the Department of Criminal Justice will maximize Medicaid funding for offenders with mental illness and/or mental retardation who, through interagency contracts with the department's divisions or the Council on Offenders with Mental Impairments, receive services from Community Mental Health and Mental Retardation Authorities. The department shall accomplish this goal by:

    a. Ensuring that when Medicaid-reimbursable services are funded by the department (for Medicaid-eligible special needs offenders) through state or local interagency contracts with Mental Health and Mental Retardation centers, the department's share of the service cost constitutes no more than the state share of the cost of the Medicaid services.

    b. Executing an interagency agreement by December 1, 1997, with the Texas Department of Mental Health and Mental Retardation (in coordination with the Texas Council on Offenders with Mental Impairments) that standardizes interagency policy on contracts between criminal justice agencies and MHMR authorities. The interagency agreement should specify that both agencies will use Medicaid funding for special needs services whenever possible and that the criminal justice agency's share of the service cost will constitute no more than the state share of the cost of the Medicaid services. Copies of the interagency agreement shall be filed with the Governor’s Office of Budget and Planning and the Legislative Budget Board.

39. **Council on Impaired Offenders.** The department shall continue current administrative, client services, and services of the Council on Offenders with Mental Impairments.

40. **Payments - County Prosecutors.** Out of funds appropriated above the district clerks in counties with Texas Department of Criminal Justice operational correctional facilities are to be allocated during each year of the biennium, an amount not to exceed $12,000 annually, to be allocated in equal monthly installments for the purpose of supporting enhanced efforts to prosecute persons charged with controlled substances violations on Texas Department of Criminal Justice property.

41. **Recreational Facility Fees.** Fees charged for recreation facilities owned and operated by the department are to be deposited in a special account with the Comptroller of Public Accounts. Any balances on hand August 31, 1997, and all revenues collected are hereby reappropriated for the 1998-99 biennium for the operation and maintenance of the facilities (estimated to be $2,500,000).

42. **Purchasing Through Request for Proposal.** The Texas Department of Criminal Justice may purchase care, treatment services, and residential services through the *Request for Proposal* process.

    The Texas Department of Criminal Justice shall:

    (1) negotiate purchases to achieve fair and reasonable prices at rates that do not exceed any maximum provided by law, and

(2) select service providers according to each provider's qualifications and demonstrated competence.

43. **Expedited Process for Parole Technical Violators.** Out of funds appropriated above in Strategy E.1.1., Board of Pardons and Parole, $2,372,471 in 1998 and $1,951,338 in 1999 shall be allocated for the purpose of an expedited review and disposition process for parole technical violators. Performance measures shall be developed to monitor process timeframes related to interviewing, hearings, and final dispositions.

44. **Parole Supervision Ratio.** It is the intent of the Legislature that in fiscal years 1998 and 1999 a ratio of 75 active releasees to one parole officer be maintained. The ratio will be calculated by dividing the number of supervising parole officers and caseworkers currently employed into the total number of releasees supervised, exclusive of those under intensive supervision, for which a ratio of 25 releasees to one supervising officer is to be maintained. In the event that this ratio is not maintained, the Pardons and Paroles Division shall file a statement documenting the reasons for noncompliance with the Legislative Budget Board and the Governor's Office of Budget and Planning.

45. **Super Intensive Parole Program.** Out of funds appropriated above in Strategy E.2.1., Parole Supervision, $5,056,971 in 1998 and $9,296,563 in 1999 shall be allocated to the Super Intensive Parole Program for electronic monitoring and intensive caseloads. Out of funds appropriated above in Strategy E.2.2., Residential Parole, $1,936,725 in 1998 and $2,792,250 in 1999 shall be allocated to the Super Intensive Parole Program for community residential beds.

46. **Misdemeanor Funding.** The Community Justice Assistance Division shall distribute funds at a rate not to exceed $.67 per day for each misdemeanor defendant directly supervised by a community supervision and corrections department. Funding for each misdemeanor defendant may not exceed the equivalent of 182 days per misdemeanor defendant added to the caseload.

47. **Battering Intervention Program.** Out of funds appropriated above in Strategy A.1.2., Diversion Programs, the Texas Department of Criminal Justice's Community Justice Assistance Division (CJAD) shall allocate not less than $1.4 million this biennium for funding the Battering Intervention and Prevention Program (BIPP) in the manner required by Article 42.141 of the Code of Criminal Procedure, with $400,000 of the minimum allocation contingent upon returned grant award funds during the biennium. The CJAD may prioritize up to $3.0 million this biennium for funding the BIPP. The BIPP shall be administered using a statewide allocation of direct grants from CJAD to local non-profit organizations in the manner described in Article 42.13, Section 10(b). Funds subject to this provision shall be allocated at the local level and designated for use only for these programs. Funds subject to this provision may not be utilized for administrative expenses of local community supervision and corrections departments.

48. **Reimbursement of Unexpended Balances.** The Community Justice Assistance Division shall maintain procedures to ensure that the state is refunded all unexpended and unencumbered balances of state funds held as of the close of this biennium by local community supervision and corrections departments.

49. **TAIP Program.** The Department of Criminal Justice is directed to expend $6.5 million each year of the biennium, from funds transferred to the department from the Texas Commission on Alcohol and Drug Abuse, on the Treatment Alternatives to Incarceration Program as specified in Article 42.131, Section 14, Texas Code of Criminal Procedure.

50. **Transportation - Substance Abuse.** The Department of Criminal Justice shall provide transportation for inmates who are released from Substance Abuse Felony Punishment (SAFP) or In-Prison Therapeutic Community (IPTC) facilities and transferred to a residential setting.

51. **Project Rio.** It is the intent of the Legislature that the Texas Workforce Commission, the Texas Department of Criminal Justice, and the Texas Youth Commission together enhance the effectiveness of Project RIO by improving cohesive program delivery among the three agencies. The agencies shall together develop and implement a strategic plan for the implementation of a more cohesive and effective Project RIO program which will emphasize necessary skill development, rehabilitation and appropriate assessment of the offender prior to release. Not later than March 1, 1998, the strategic plan, jointly prepared by the three agencies, and including specific strategies, measures, timeframes for program improvement, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor's Office of Budget and Planning.

52. **Prison Industries Office.** The Comptroller of Public Accounts - Texas Performance Review (TPR) shall conduct a comprehensive review of services provided by the Texas Department of Criminal Justice (TDCJ) prison industries office to determine if those services may be better provided by selecting service providers through competition with other state agency providers of the services or through private commercial sources. The review shall focus on the most effective way to capture the business of state and local governmental entities and public and private educational institutions while maintaining the primary purpose of providing inmates with effective job training.

    If the TPR determines that a service provided by the TDCJ prison industries office may be better provided by selecting the service provider through competition, the TPR shall prepare and submit recommendations to the Seventy-sixth Legislature.

53. **Aircraft Authorization.** The Texas Department of Criminal Justice (TDCJ) is authorized to own or lease, operate, and maintain one aircraft and to replace it if necessary. In the event that a temporary need arises, the TDCJ is authorized to expend funds for the lease or rental of aircraft on an as needed basis.

54. **Light Pollution.** In order to maximize the benefits of work being done at the McDonald Observatory, the following provisions apply to Department of Criminal Justice facilities in the Fort Stockton area:

    (a) An outdoor lighting fixture may be installed, replaced, maintained, or operated using state funds only if:

        (1) the new or replacement outdoor lighting fixture is a fully shielded outdoor lighting fixture that allows no direct light to travel upward into the night sky if the rated output of the outdoor lighting fixture is greater than 1,800 lumens;

        (2) full consideration has been given to conserving energy, reducing glare, preserving the natural night environment, and minimizing night sky glow caused by the scattering of artificial light in the atmosphere.

    (b) Subsection (a) does not apply if:

        (1) a federal law, rule, or regulation preempts state law;

        (2) the outdoor lighting fixture is used on a temporary basis because emergency personnel require additional illumination for emergency procedures;

        (3) special events or situations require additional illumination; or

        (4) a compelling safety interest exists that cannot be addressed by another method.

(c) Existing outdoor lighting fixtures shall be modified or replaced to comply with requirements specified in subsections (a)(1) and (a)(2) except in cases where subsection (b) applies.

55. **Expenditure Limitation - Windham School District.** None of the funds provided to the Windham School District through the Texas Education Agency shall be expended unless the Board of Criminal Justice has approved an annual operating budget for the school district prior to the expenditure of any funds. The Department of Criminal Justice shall file a copy of that operating budget of the Windham School District with the Governor's Office, the Legislative Budget Board and the appropriate legislative oversight committees at the beginning of each fiscal year.

56. **Residential Status of Inmates.** All inmates of the Texas Department of Criminal Justice are, for educational purposes only, residents of the State of Texas.

57. **Post Secondary Education Programs.** Post secondary education courses shall only be available to inmates who have:

(1) Demonstrated a clear and convincing record of rehabilitation while incarcerated, and

(2) Demonstrated an interest in a field of study that lends itself to performing specific and beneficial tasks while incarcerated, and

(3) Demonstrated the aptitude and capabilities to do college level study.

The costs of such post secondary education programs shall be reimbursed by the inmate as a condition of parole.

The Department of Criminal Justice shall not provide in-cell tutoring for inmates who are in administrative segregation.

The Department of Criminal Justice may not transfer appropriations out of Strategy C.2.2., Academic/Vocational Skill.

58. **Maximize the Financial Return for Prison Land.** The State Auditor's Office (SAO) shall prepare a report for the Legislative Audit Committee by March 1, 1998, which recommends the Texas Department of Criminal Justice (TDCJ) land parcels to be sold, leased, or used for prison operations. After the SAO's report has been received and accepted by the Legislative Audit Committee, TDCJ shall implement the recommendations of the report and provide an implementation timetable to the Legislative Budget Board and the General Land Office. Sums realized from the proceeds of the sale or lease of TDCJ property in fiscal years 1998 and 1999 shall be deposited into the General Revenue Fund. Of the general revenue funds appropriated to TDCJ for fiscal year 1999, $8,500,000 is contingent on land sales or lease revenue of not less than $8,500,000 for the biennium and if such amounts are not realized the Comptroller of Public Accounts shall reduce the general revenue appropriations to the agency for fiscal year 1999 by the contingent amount.

59. **Appropriation of FY 1997 Unexpended Balances.** Any unexpended and unobligated balances remaining as of August 31, 1997, in the appropriations made to the Texas Department of Criminal Justice for fiscal year 1997 by House Bill 1, Seventy-fourth Legislature, Regular Session, are hereby reappropriated, in an amount not to exceed $100,000,000, to the Texas Department of Criminal Justice for the biennium beginning September 1, 1997. The appropriation made by this provision is included in the method of financing above and identified as "General Revenue U.B. from FY 1997."

60. **Contingency Appropriation: Senate Bill 703.** Contingent on enactment of Senate Bill 703, all receipts from the operation of facility commissaries and all gifts and other income for inmate welfare accruing together with Education and Recreation Program account balances at the beginning of each year of the biennium beginning September 1, 1997 are hereby appropriated to the Department of Criminal Justice subject to the following provisions:

    a. All receipts collected shall be deposited in accordance with applicable statutes: (1) in the General Revenue Fund of the State Treasury; (2) in trust with the State Comptroller; or (3) in a local bank account on approval by the State Comptroller.

    b. Salaries of personnel employed by the Education and Recreation Program shall conform with the provisions of the Classification Plan except as otherwise provided by this Act.

    c. Funds deposited in Education and Recreation Program accounts shall be expended only with the advance, written approval of the Board of Criminal Justice.

    d. It is the intent of the Legislature that Education and Recreation Program receipts be expended first for the construction, maintenance, equipment and operations of recreational facilities and for the income producing operations of the program. Any remaining balances may be expended for other programs benefiting the welfare of department confinees.

    e. Contingent on enactment of Senate Bill 703, this rider supersedes TDCJ Rider 28.

† 61. **Appropriations Made in Other Legislation: Fugitive Apprehension Account.** The amount of $21,101,563 is appropriated for the 1998-99 biennium from the Fugitive Apprehension Account, a dedicated General Revenue Account, to the Texas Department of Criminal Justice in House Bill No. 2272, Seventy-fifth Legislature, Regular Session, for the purpose of contracting with counties or private entities to obtain additional capacity for incarcerating individuals convicted of felonies.

CRIMINAL JUSTICE POLICY COUNCIL

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: EFFECTIVE CRIMINAL JUSTICE SYSTEM Develop means to promote a more effective and cohesive state criminal justice system.		
Outcomes: Programs Evaluated	4	4
A.1.1. Strategy: EVALUATIONS TO REDUCE RECIDIVISM Evaluate the criminal justice programs and assist other agencies in the evaluation of programs directed at reducing recidivism.	$ 373,491	$ 373,491
Outputs: Programs Designed	4	4
A.2.1. Strategy: PROJECTION DEVELOPMENT Develop adult and juvenile correctional population projections and impact studies for use by public	$ 435,455	$ 435,455

† *As added by House Bill 2272, Regular Session, 1997.*

officials.

Outputs:		
Research Reports Distributed	5	7
A.2.2. Strategy: JUVENILE JUSTICE STUDIES	$ 385,010	$ 385,010
Collect juvenile justice data to study and monitor juvenile sentencing patterns in the state to assist in the development and evaluation of policies, to determine the impact of reforms, and to develop effective delinquency prevention, diversionary or treatment programs.		
Outputs:		
Juvenile Justice Reports Distributed	5	7
Total, Goal A: EFFECTIVE CRIMINAL JUSTICE SYSTEM	$ 1,193,956	$ 1,193,956
Grand Total, CRIMINAL JUSTICE POLICY COUNCIL	$ 1,193,956	$ 1,193,956
Method of Financing:		
General Revenue Fund	$ 661,432	$ 661,432
Criminal Justice Grants	482,524	482,524
Federal Funds	50,000	50,000
Total, Method of Financing	$ 1,193,956	$ 1,193,956
Number of Full-time Equivalent Positions (FTE)	28.0	28.0
Schedule of Exempt Positions		
Executive Director, Group 2	$75,000	$75,000
* Deputy Director	65,000	65,000

1. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for the Criminal Justice Policy Council are made contingent on the continuation of the Criminal Justice Policy Council by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 1998, or as much thereof as may be necessary, are to be used to provide for the phase out of agency operations.

COMMISSION ON FIRE PROTECTION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: EDUCATION & ASSISTANCE To assist local governments and other entities in providing information about fire prevention and the consequences of fire and related hazards to the public and to assist in providing fire fighting equipment and other resources to local fire departments.		
Outcomes:		
Percent Change in the Number of Fires and Related Hazards	-4%	-4%
A.1.1. Strategy: FIRE SAFETY INFO & EDUC PROGRAMS Collect and analyze fire and related information and collect, develop, publish and present fire prevention educational programs to provide fire safety information to the public.	$ 488,371	$ 483,819
Outputs:		
Number of Fire and Non-Fire Incident Reports Processed by the Agency	650,000	650,000
A.2.1. Strategy: ENGINEERING ASSISTANCE TO LOCAL GOVERNMENT Upon request, provide engineering assistance to local governments and other entities on fire prevention and fire suppression related issues.	$ 211,014	$ 211,344
Outputs:		
Number of Requests for Engineering Assistance Relating to Fire Suppression/Prevention and Related Issues	150	150
A.3.1. Strategy: ADMINISTER GRANT, DONATION PROGRAMS Administer a grant/loan program and a donations program to distribute resources to local fire departments.	$ 904,937	$ 904,964
Outputs:		
Amount of Loans/Grants Awarded to Fire Departments	815,501	815,501
Total, Goal A: EDUCATION & ASSISTANCE	$ 1,604,322	$ 1,600,127
B. Goal: INVESTIGATIONS & INSPECTIONS To enforce statutes and rules relating to fire investigations, fire safety inspections and fire protection and fireworks industries in order to protect the public against loss of life and property resulting from fire and related hazards.		
Outcomes:		
Percent of Fires Investigated by the Agency that Involve Insurance Claims	65%	65%
B.1.1. Strategy: INVESTIGATE FIRES FOR EVIDENCE Upon request, investigate fires to determine cause and origin, and assist in the analysis of evidence when requested by other jurisdictions.	$ 1,402,541	$ 1,389,452

Outputs:		
Number of Initial and Follow-up Fire Investigations Conducted	1,600	1,600
B.2.1. Strategy: CONDUCT PROPERTY INSPECTIONS	$ 1,307,523	$ 1,317,259
Conduct inspections of property to determine the risk of fire and related hazards to the public.		
Outputs:		
Number of Buildings Inspected or Reinspected for Fire Safety Hazards	8,000	8,000
B.3.1. Strategy: LICENSE & REGULATE INDUSTRIES	$ 558,451	$ 561,039
License and regulate the fire protection equipment and fireworks industries.		
Outputs:		
Number of Fire Alarm, Fire Extinguisher, Fire Sprinkler and Fireworks Companies and Personnel Licensed	9,360	9,100
Total, Goal B: INVESTIGATIONS & INSPECTIONS	$ 3,268,515	$ 3,267,750
C. Goal: FIRE DEPARTMENT STANDARDS		
To enforce statutes and rules to standards for fire service personnel education, training, facilities and protective equipment in order to protect the public and fire service personnel against loss of life and property resulting from fire and related hazards.		
Outcomes:		
Percent of Volunteer Fire Service Personnel in a Recognized Certification Program	37%	39%
C.1.1. Strategy: CERTIFY AND REGULATE FIRE SERVICE	$ 775,518	$ 778,446
Certify and regulate fire departments and fire service personnel according to standards adopted by the agency and as prescribed by statute.		
Outputs:		
Number of Fire Service Training Programs Evaluated	250	250
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 849,022	$ 850,963
Grand Total, COMMISSION ON FIRE PROTECTION	$ 6,497,377	$ 6,497,286
Method of Financing:		
General Revenue Fund - Dedicated - Texas Department of Insurance Operating Fund Account No. 036	$ 6,460,024	$ 6,459,933
Appropriated Receipts	37,353	37,353
Total, Method of Financing	$ 6,497,377	$ 6,497,286
Number of Full-time Equivalent Positions (FTE)	132.0	132.0
Schedule of Exempt Positions		
Executive Director, Group 3	$68,959	$68,959
State Fire Marshal	64,486	64,486

COMMISSION ON FIRE PROTECTION
(Continued)

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund - Dedicated - Texas Department of Insurance Operating Fund Account No. 036:		
a. Acquisition of Information Resource Technologies		
(1) New and Replacement Computers	$ 86,827	$ 49,241
Total, Capital Budget	$ 86,827	$ 49,241

2. **Training Restriction.** None of the funds appropriated above may be expended for fire protection or fire management training except through contract with Commission on Fire Protection approved training programs external to the commission in order to avoid duplication of service.

3. **Appropriation of Receipts—Loan Repayments Revolving Fund.** In addition to the amounts appropriated above, the Commission on Fire Protection is hereby appropriated all loan repayments, loan forfeitures and other revenue accruing to the revolving loan fund in excess of $115,501 for fiscal year 1998 and in excess of $115,501 for fiscal year 1999 for the purpose of making additional loans as established in V.T.C.A., Government Code, Chapter 419, Subchapter C. The unexpended balance in the revolving loan fund at the end of fiscal year 1998 is hereby reappropriated for fiscal year 1999.

4. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees generated by the agency pursuant to V.T.C.A., Insurance Code, Articles 5.43-1, 5.43-2, 5.43-3, and 5.43-4 cover, at a minimum, the cost of the appropriations made above for strategy item, B.3.1., License and Regulate Industries, as well as the “other direct and indirect costs” associated with this strategy, appropriated elsewhere in this Act. “Other direct and indirect costs” for strategy item B.3.1., License and Regulate Industries, are estimated to be $140,808 for fiscal year 1998 and $141,556 for fiscal year 1999. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

5. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees: Fire Protection Personnel, Volunteer, Testing, Funds Allocation, Fireworks, Fire Alarm, Fire Extinguisher, and Fire Sprinkler.

6. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for the Texas Commission on Fire Protection are made contingent on the continuation of the Texas Commission on Fire Protection by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 1998, or as much thereof as may be necessary, are to be used to provide for the phase out of agency operations.

COMMISSION ON FIRE PROTECTION
(Continued)

7. **Fire Department Inspections.** It is the intent of the Legislature that the Commission on Fire Protection not provide prior notification of an inspection to a fire department.

8. **Co-location of Regional Offices.** It is the intent of the Legislature that the Texas Commission on Fire Protection and the Texas Forest Service enter into an agreement to co-locate regional offices to the maximum space available.

9. **Staffing of Regional Offices.** The Commission on Fire Protection shall staff each regional office with a regional director and one standards compliance officer from available staff.

COMMISSION ON JAIL STANDARDS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: EFFECTIVE JAIL STANDARDS To establish reasonable minimum standards for the provision and operation of jails; monitor and enforce compliance with adopted standards; provide consultation, training, and technical assistance to local government for achieving and maintaining compliance with adopted standards; and perform state mandates for relieving felony backlog in county jails.		
Outcomes:		
Number of Jails Achieving Compliance	218	220
Number of Jails With Documented Staffing Plans	189	204
Percent of Jail Capacity at Which Facilities Operate	85%	85%
A.1.1. Strategy: DEVELOPMENT OF JAIL STANDARDS Develop and implement a plan for soliciting input on needs and effectiveness of standards from local government and criminal justice practitioners, reviewing and revising existing standards, establishing and revising standards for alternative type facilities, and publishing and distributing established and revised standards to affected agencies in a timely manner.	$ 83,511	$ 83,511
A.2.1. Strategy: INSPECTION AND ENFORCEMENT Develop and implement a uniform process to inspect, monitor compliance and ensure due process in enforcement of standards for local jails.	$ 281,842	$ 281,842
Outputs:		
Number of Annual Inspections Conducted	246	246
Number of Special Inspections Conducted	20	20
A.2.2. Strategy: JUVENILE JUSTICE SURVEY Perform annual survey of local jail facilities to determine compliance with the Juvenile Justice and Delinquency Prevention Act.	$ 24,300	$ 24,300
A.3.1. Strategy: CONSTRUCTION PLAN REVIEW Develop and implement a comprehensive facility needs analysis program and review and comment on construction documents for construction projects.	$ 109,503	$ 109,503

Outputs:		
Number of In-Office Consultations With County Representatives	40	40
Number of On-Site Consultations With County Representatives	50	50
A.3.2. Strategy: MANAGEMENT CONSULTATION Review and approve jail operational plans, provide needed jail management training and consultation, and perform objective jail staffing analyses.	$ 173,960	$ 173,960
Outputs:		
Number of Operational Plans Reviewed	534	534
Number of On-Site Consultations With County Representatives	80	80
A.4.1. Strategy: AUDITING POPULATION AND COSTS Collect, analyze, and disseminate data concerning inmate population, felony backlog, and jail operational costs.	$ 266,810	$ 266,810
Outputs:		
Number of County Reports Analyzed	3,000	3,000
Total, Goal A: EFFECTIVE JAIL STANDARDS	$ 939,926	$ 939,926
Grand Total, COMMISSION ON JAIL STANDARDS	$ 939,926	$ 939,926
Method of Financing:		
General Revenue Fund	$ 778,846	$ 778,846
Criminal Justice Grants	153,080	153,080
Appropriated Receipts	8,000	8,000
Total, Method of Financing	$ 939,926	$ 939,926
Number of Full-time Equivalent Positions (FTE)	20.0	20.0
Schedule of Exempt Positions		
* Executive Director, Group 2	$56,634	$56,634

1. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for the Commission on Jail Standards are made contingent on the continuation of the Commission on Jail Standards by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 1998, or as much thereof as may be necessary, are to be used to provide for the phase out of agency operations.

2. **Release of Out-of-State Inmates.** The Commission on Jail Standards shall require that a county or municipality that enters into a contract with any entity to house in this state inmates convicted of offenses committed against the laws of another state of the United States, must require as a condition of the contract that each inmate to be released from custody must be released in the sending state. This provision applies to a private vendor operating a correctional facility under contract with a county or municipality, but does not apply to contracts with offices of the United States Department of Justice.

JUVENILE PROBATION COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: LOCAL JUVENILE JUSTICE To develop a comprehensive, coordinated, community-based juvenile justice system for troubled children and their families throughout the state of Texas by providing funding, technical assistance, and training in partnership with juvenile boards and probation departments in order to provide maximum efficiency and effectiveness.		
Outcomes:		
Rate of Successful Completion of Deferred Prosecution Cases	85.5%	85.5%
Percentage of Delinquent Referrals Served Through Community Corrections Programs Funded by TJPC	6.2%	6.4%
Number of New Commitments to TYC	2,829	2,818
A.1.1. Strategy: BASIC PROBATION Provide funding to juvenile probation departments for the provision of basic juvenile probation services, including delinquency prevention, deferred prosecution, and court-ordered probation.	$ 35,223,016	$ 35,223,016
Outputs:		
Average Daily Population of Youth Supervised Under Court Ordered Probation	21,476	21,476
A.2.1. Strategy: COMMUNITY CORRECTIONS Provide funding to juvenile boards and departments for diversion of juveniles from commitment to the Texas Youth Commission and meet legislatively-mandated performance measures for intensive residential and non-residential diversionary services.	$ 40,303,747	$ 43,617,311
Outputs:		
Average Daily Population of Intensive Services Probation	3,166	3,166
Average Daily Population of Residential Placement Program	615	610
Efficiencies:		
Cost per Day per Youth for Intensive Services Probation	14.5	14.6
Cost per Day per Youth for Residential Placement Program	85	85
A.2.2. Strategy: PROBATION ASSISTANCE Provide training and technical assistance to juvenile boards and probation departments, including case management, program planning, and delinquency prevention; and monitor probation departments and both county and private detention and post-adjudication centers for compliance with TJPC standards and applicable federal regulations.	$ 4,535,456	$ 4,535,456
A.2.3. Strategy: JUVENILE JUSTICE ALT ED PROGRAMS Provide funding for juvenile justice alternative education programs.	$ 10,000,000	$ 10,000,000
Explanatory:		
Average Daily Population in JJAEP's	4,000	4,000
Total, Goal A: LOCAL JUVENILE JUSTICE	$ 90,062,219	$ 93,375,783

B. Goal: DIRECT AND INDIRECT ADMINISTRATION		
B.1.1. Strategy: DIRECT AND INDIRECT ADMINISTRATION	$ 524,829	$ 524,829
Grand Total, JUVENILE PROBATION COMMISSION	$ 90,587,048	$ 93,900,612
Method of Financing:		
General Revenue Fund	$ 75,893,872	$ 79,207,436
Interagency Contracts	14,693,176	14,693,176
Total, Method of Financing	$ 90,587,048	$ 93,900,612
Number of Full-time Equivalent Positions (FTE)	48.0	48.0
Schedule of Exempt Positions		
Executive Director, Group 3	$70,000	$70,000

1. **Restriction, State Aid.** None of the funds appropriated above in A.1.1. Strategy: Basic Probation, and allocated to local juvenile probation boards, shall be expended for salaries or expenses of juvenile board members.

2. **Appropriation of Federal Title IV-E Receipts.** The provisions of Title IV-E of the Social Security Act shall be used in order to increase funds available for juvenile justice services. The Juvenile Probation Commission shall certify or transfer state funds to the Department of Protective and Regulatory Services so that federal financial participation can be claimed for Title IV-E services provided by counties. Such federal receipts are appropriated to the Juvenile Probation Commission for the purpose of reimbursing counties for services provided to eligible children. It is the intent of the Legislature that any reimbursement from the Title IV-E Program be used for the placement of children or to increase and enhance services to the counties' Title IV-E Program.

3. **Juvenile Boot Camp Funding.** Out of the funds appropriated above in Strategy A.2.1., Community Corrections, the amount of $1,000,000 annually may be expended only for the purpose of providing a juvenile boot camp in Harris County.

4. **Buffalo Soldier At-Risk Program.** The commission shall fund the Buffalo Soldier At-Risk youth program pursuant to V.T.C.A., Human Resources Code, Section 141.048 at an amount of $500,000 in fiscal year 1998 and U.B., in fiscal year 1999 out of funds appropriated in A.1.1., Strategy, Basic Probation, for delinquency prevention. The administrative cost for the program oversight can not exceed 7 percent. The commission shall award contracts for the program biennially and shall annually evaluate each program funded. The commission may terminate the program in any county if the desired objectives of the program cannot be, or are not being, accomplished.

5. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for the Texas Juvenile Probation Commission are made contingent on the continuation of the Texas Juvenile Probation Commission by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 1998, or as much thereof as may be necessary, are to be used to provide for the phase out of agency operations.

6. **Unexpended Balances - Construction of Local Facilities with General Obligation Bond Proceeds.** Any unexpended and unencumbered balance (estimated to be $1,030,000) of the amount appropriated to the Texas Juvenile Probation Commission by the General

Appropriations Bill, House Bill 1, Strategy A.2.3., Acts of the Seventy-fourth Legislature, Regular Session, 1995, remaining at the end of the fiscal year 1997 are hereby appropriated for the same purpose for the fiscal biennium ending August 31, 1999.

7. **Residential Facilities.** Juvenile Boards may use funds appropriated in Strategy A.1.1., Basic Probation, and Strategy A.2.1., Community Corrections, to lease, contract for, or reserve bed space with public and private residential facilities for the purpose of diverting juveniles from commitment to the Texas Youth Commission.

8. **Substance Abuse Funds.** Amounts appropriated under Strategy A.2.1., Community Corrections above, include $2,093,868 to be transferred to the Juvenile Probation Commission via an interagency transfer from the Texas Commission of Alcohol and Drug Abuse each year of the 1998-99 biennium for the purpose of funding substance abuse grants to local juvenile probation departments.

9. **Funding for Progressive Sanctions.** Out of the funds appropriated above in A.1.1., Basic Probation, $10,200,000 in fiscal year 1998 and $10,200,000 in fiscal year 1999 can only be distributed to local probation departments for the funding of juvenile probation services associated with the sanctions levels described by Section 59.003, Subsections (a)(1), (a)(2) and (a)(3) of the Juvenile Justice Code or for the salaries of juvenile probation officers hired after the effective date of this Act. These funds may not be used by local juvenile probation departments for salary increases, employee benefits, or other costs (except salaries) associated with the employment of juvenile probation officers hired after the effective date of this Act.

10. **County Funding Levels.** To receive the full amount of state aid funds for which a juvenile board may be eligible, a juvenile board must demonstrate to the commission's satisfaction that the amount of local or county funds budgeted for juvenile services is at least equal to the amount spent for those services, excluding construction and capital outlay expenses, in the 1994 county fiscal year. This requirement shall not be waived by the commission unless the juvenile board demonstrates to the satisfaction of the commission that unusual, catastrophic or exceptional circumstances existed during the year in question to adversely affect the level of county fiscal effort. If the required local funding level is not met and no waiver is granted by the commission, the commission shall reduce the allocation of state aid funds to the juvenile board by the amount equal to the amount that the county funding is below the required funding.

11. **Local Post-adjudication Facilities.** Out of the funds appropriated above in A.2.1., Community Corrections, the amount of $2,486,909 in fiscal year 1998 and $7,070,300 in fiscal year 1999 may be used only for the purpose of funding local post-adjudication facilities.

† 12. **Juvenile Justice Alternative Education Programs.** Out of the funds transferred to JPC pursuant to TEA rider # 48 and appropriated in Item A.2.3., Juvenile Justice Alternative Education Programs above, the Juvenile Probation Commission shall initially allocate $2,000,000 in each fiscal year to be distributed on the basis of juvenile age population among the 22 mandated counties identified under Chapter 37, Education Code, at the beginning of each fiscal year.

An additional $500,000 shall be set aside in a reserve fund for each year of the biennium to allow mandated and non-mandated counties to apply for additional funds on a grant basis.

The remaining funds shall be allocated for distribution to the mandated counties at the rate of $53 per student per day of attendance in the juvenile justice alternative education program for students who are required to be expelled as provided under Section 37.007, Education Code, and are intended to cover the full cost of providing education services to such students. Counties are not eligible to receive these funds until the funds initially allocated above have been expended at the rate of $53 per student per day of attendance.

† *Should read TEA rider # 52.*

The Juvenile Probation Commission may solicit proposals from the mandated counties to provide additional services in the juvenile justice alternative education program, including but not limited to summer or extended year programs, extended day programs and other educational programs if any surplus funds become available. Unspent balances in fiscal year 1998 shall be appropriated to fiscal year 1999 for the same purposes in strategy A.2.3.

The allocations made in this rider for the Juvenile Justice Alternative Education Programs are estimated amounts and not intended to be an entitlement and are limited to the amounts transferred from the Foundation School Program pursuant to TEA rider # 48. The amount of $53 per student per day may vary depending on the total number of students actually attending the juvenile justice education programs.

13. **Training.** It is the intent of the Legislature that the Juvenile Probation Commission provide training to local juvenile probation personnel and to local Juvenile Judges to maximize the appropriate placement of juveniles according to the progressive sanction guidelines.

14. **Use of JJAEP Funds.** None of the funds appropriated above for the support of Juvenile Justice Alternative Education Programs shall be used to hire a person or entity to do lobbying.

COMMISSION ON LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: LICENSE & APPROVE COURSES To create new incentives and opportunities for law enforcement career oriented individuals to grow in their professional competency.		
Outcomes:		
Percent of Licensees With No Recent Violations	99.93%	99.93%
A.1.1. Strategy: LICENSING Issue Licenses and certificates to individuals who demonstrate required competencies.	$ 489,374	$ 489,374
Outputs:		
Number of New Licenses Issued to Individuals	10,000	10,000
Number of Individuals Examined	12,850	12,850
Efficiencies:		
Average Licensing Cost per Individual License Issued	21	21
Average Cost per Exam Administered	16.41	16.41
A.1.2. Strategy: COURSE DEVELOPMENT Manage development, delivery and quality of law enforcement training and education.	$ 348,084	$ 348,084
Outputs:		
Number of On-Site Academy Evaluations Conducted	35	35

A.1.3. Strategy: MEMORIAL FUNDING Complete construction of the Texas Peace Officers' Memorial and identify those Peace Officers who should be enshrined.	$ 10,127	$ 10,127
Total, Goal A: LICENSE & APPROVE COURSES	$ 847,585	$ 847,585
B. Goal: REGULATION To develop and implement programs designed to contribute to the reduction of per capita incidence of officer misconduct.		
Outcomes:		
Percent of Complaints Resulting in Disciplinary Action	28.95%	28.95%
B.1.1. Strategy: ENFORCEMENT Revoke licenses, suspend licenses, or reprimand licensees for violation of statutes or TCLEOSE rules.	$ 421,895	$ 421,895
Outputs:		
Complaints Resolved	190	190
Efficiencies:		
Average Time for Complaint Resolution	30	30
Average Cost per Complaint Resolved	333	333
C. Goal: LOCAL ED. GRANTS Continuing Education-Local Grants.		
C.1.1. Strategy: LOCAL CONT. ED. GRANTS Continuing Education Grants	$ 6,000,000	$ 6,000,000
Outputs:		
Number of Peace Officers Used for Grant Allocation	50,220	50,220
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 327,382	$ 327,382
Grand Total, COMMISSION ON LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION	$ 7,596,862	$ 7,596,862
Method of Financing:		
General Revenue Fund - Dedicated - Law Enforcement Officer Standards and Education Account No. 116	$ 7,556,862	$ 7,556,862
Appropriated Receipts	40,000	40,000
Total, Method of Financing	$ 7,596,862	$ 7,596,862
Number of Full-time Equivalent Positions (FTE)	39.0	39.0
Schedule of Exempt Positions		
* Executive Director, Group 2	$70,000	$70,000

1. **Appropriation of Receipts — Peace Officers' Memorial Contributions.** There is hereby appropriated to the Commission on Law Enforcement Officer Standards and Education all contributions for the Peace Officers' Memorial during the 1998-99 biennium and from any balances on hand as of August 31, 1997, for the purposes of administering, funding, designing and constructing a Texas peace officers' memorial on the grounds of the Capitol Complex in honor of those Texas peace officers who have died in the line of duty as provided by V.T.C.A., Government Code, Chapter 415, subchapter F. Expenditures for administration and support

costs related to the Peace Officers' Memorial shall be limited to a maximum of 15% of collections each year of the biennium.

2. **Appropriation of Receipts — Certificate Fees.** There is hereby appropriated to the Texas Commission on Law Enforcement Officer Standards and Education for the biennium beginning September 1, 1997, all fee revenues collected from the sale of Master Peace Officer Certificates pursuant to Section 415.010(5), Government Code.

3. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for the Texas Commission on Law Enforcement Officer Standards and Education are made contingent on the continuation of the Texas Commission on Law Enforcement Officer Standards and Education by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 1998, or as much thereof as may be necessary, are to be used to provide for the phase out of agency operations.

4. **Matching Funds Appropriation to Construct the Texas Peace Officer's Memorial:** There is hereby appropriated from General Revenue Fund Account 0116 any revenues in excess of $19,749,000 for the fiscal year 1998-99 biennium and any unencumbered balances as of August 31, 1997 in excess of $14,531,171 not to exceed $500,000 to match dollar for dollar the amount deposited to the General Revenue Fund Account 0337 for the purpose of constructing the Texas Peace Officer's Memorial on the grounds of the Capitol in honor of those Texas Peace Officers who have died in the line of duty, as provided by V.T.C.A. Government Code, Chapter 415, subchapter F. These monies are appropriated for the biennium ending August 31, 1999. The Commission on Law Enforcement and the State Preservation Board are hereby authorized to construct the Memorial, as provided by V.T.C.A. Government Code, Chapter 415, subchapter F.

5. **Contingent Appropriations:** Contingent upon the Texas Commission on Law Enforcement Officers Standards and Education establishing a fee program which provides for the collection of a $100 fee for establishing a person's eligibility to reinstate a license that has lapsed, and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the fee program has been established, the Texas Commission on Law Enforcement Officers Standards and Education is hereby appropriated $805,486 for fiscal year 1998 and $551,136 for fiscal year 1999 out of General Revenue Account 116.

POLYGRAPH EXAMINERS BOARD

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: ENFORCE POLYGRAPH ACT To aggressively enforce the Polygraph Examiners Act and ensure swift, fair, effective enforcement for all violators of the Act.		
Outcomes:		
Percent of Complaints Resolved Resulting in Disciplinary Action	5%	5%

POLYGRAPH EXAMINERS BOARD
(Continued)

A.1.1. Strategy: ENFORCEMENT	$ 80,245	$ 80,244
Coordinate formal hearings with the State Office of Administrative Hearings and the Attorney General's Office to insure due process for all parties and to effectively and efficiently process all formal hearings. Perform on-site field compliance investigations of all licensees at their various record storage sites at least once every four (4) years. Promptly perform all field investigations in response to consumer and Board initiated complaints.		
Outputs:		
Complaints Resolved	15	15
Efficiencies:		
Average Time for Complaint Resolution	90	90
Average Cost per Complaint Resolved	300	300
Explanatory:		
Jurisdictional Complaints Received	15	15
B. Goal: LICENSING		
To examine only qualified applicants and license only those who are proficient and competent as polygraph examiners.		
Outcomes:		
Percent of Licensees with No Recent Violations	99%	99%
B.1.1. Strategy: EXAMINATIONS & LICENSING	$ 7,064	$ 7,064
Develop a formal, rigorous, and timely process for verifying active Internship Training Programs. Continue to modify and evolve the licensing examination. Offer four (4) licensing examinations each year, two (2) of which will be in Austin.		
Outputs:		
Individuals Examined	15	15
Number of New Licenses Issued to Individuals	20	20
Number of Licenses Renewed	250	250
Efficiencies:		
Average Cost per Exam Administered	75	75
Average Licensing Cost per Individual License Issued	5	5
Grand Total, POLYGRAPH EXAMINERS BOARD	$ 87,309	$ 87,308
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 18,557	$ 18,531
Number of Full-time Equivalent Positions (FTE)	2.0	2.0
Schedule of Exempt Positions and Per Diem of Board Members		
Executive Officer, Group 1	$31,832	$31,832
Per Diem of Board Members	4,200	4,200

1. **Fee Rates.** The Polygraph Examiners Board shall establish reasonable fees pursuant to V.T.C.A., Government Code, Section 316.043 , to be effective during the biennium beginning on the effective date of this Act, not to exceed:

a.	Polygraph Examiners Licenses	$ 500.00
b.	Internship License	300.00
c.	Duplicate License	100.00

POLYGRAPH EXAMINERS BOARD
(Continued)

d.	Renewal Fee for Examiners License	500.00
e.	Extension or Renewal of an Internship License	150.00
f.	Examination Fee	200.00
g.	Late Fee	200.00

2. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above as well as an amount equal to the amount identified above in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in this Act." In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

3. **Vehicle Sale.** Prior to the Department of Public Safety's first public sale of vehicles following the effective date of this Act, the Department of Public Safety shall transfer one of the vehicles to be offered for public sale to the Polygraph Examiners Board for the sum of $1.

4. **Contingent Revenue.** Of the amounts appropriated above in Strategy A.1.1., Enforcement, the amount of $11,040 for 1998 and $11,040 for 1999 and in Strategy B.1.1., Examination & Licensing, the amount of $960 for 1998 and $960 for 1999 is contingent on the Polygraph Examiners Board assessing fees sufficient to generate, during the biennium, $24,000 in excess of $186,000 (Rev. Obj. 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998 and 1999. The Polygraph Examiners Board, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Polygraph Examiners Board minutes and other information supporting the estimated revenues to be generated under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

5. **Unexpended Balance Authority.** The Polygraph Examiners Board is hereby authorized to carry forward unexpended or unencumbered balances in an amount not to exceed $7,718 from the biennium ending August 31, 1997 to the biennium beginning September 1, 1997.

BOARD OF PRIVATE INVESTIGATORS AND PRIVATE SECURITY AGENCIES

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: LICENSING & ENFORCEMENT To aggressively enforce the provisions of the Act for the protection of the general public and consumers of private investigations and security services and products through the efforts of its field offices and headquarters personnel.		
Outcomes:		
Percent of Complaints Resulting in Disciplinary Action	93%	93%
Percent of Licensees With No Recent Violations	98%	98%
A.1.1. Strategy: INVESTIGATIONS Investigate allegations, reports and notices of violations of the Act and rules.	$ 769,292	$ 769,292

Outputs:				
Cases Resolved		12,000		12,000
Efficiencies:				
Average Time for Case Resolution		115		115
Average Cost per Investigation		57.2		57.2
Explanatory:				
Jurisdictional Complaints Received		11,500		11,500
A.1.2. Strategy: ENFORCEMENT Seek timely prosecution of unlicensed companies providing regulated services through the courts and take administrative action against licensed companies and registered and commissioned individuals operating in violation of the Act and rules.	$	220,666	$	220,666
Efficiencies:				
Average Cost per Disciplinary Action		51.51		51.51
A.2.1. Strategy: CRIMINAL HISTORY CHECK Obtain information regarding the identity and criminal history of applicants for company licensure and individual registration and commission (gun permit).	$	259,245	$	259,245
Outputs:				
Number of Applicants Found to Have Criminal History Records		7,200		7,200
A.2.2. Strategy: LICENSING & REGISTRATION Issue and renew company licenses and individual registrations and commissions (gun permits) of qualified applicants and deny same to those applicants who do not meet minimum standards.	$	1,163,873	$	1,163,873
Outputs:				
Number of New Licenses Issued to Individuals		35,000		35,000
Number of License Renewals		13,000		13,000
Explanatory:				
Total Number of Business Facilities Licensed		3,500		3,500
Total, Goal A: LICENSING & ENFORCEMENT	$	2,413,076	$	2,413,076
B. Goal: PUBLIC/LICENSEE EDUCATION To aggressively enforce statutory provisions for the protection of the general public and consumers of private investigations and security services and products through the efforts of its field offices and headquarters personnel.				
B.1.1. Strategy: PUBLIC EDUCATION Provide information to the public regarding the industry's limits of authority, obligations and responsibilities and the role of the agency.	$	12,158	$	12,158
Outputs:				
Number of Information Brochures Distributed		6,663		6,663
Grand Total, BOARD OF PRIVATE INVESTIGATORS AND PRIVATE SECURITY AGENCIES	$	2,425,234	$	2,425,234

BOARD OF PRIVATE INVESTIGATORS AND PRIVATE SECURITY AGENCIES
(Continued)

Method of Financing:		
General Revenue Fund	$ 1,750,234	$ 1,750,234
Appropriated Receipts	675,000	675,000
Total, Method of Financing	$ 2,425,234	$ 2,425,234
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 374,592	$ 374,405
Number of Full-time Equivalent Positions (FTE)	40.5	40.5
Schedule of Exempt Positions and Per Diem of Board Members		
Executive Director, Group 1	$44,472	$44,472
Per Diem of Board Members	2,500	2,500

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Upgrade of Mainframe/Mini Computer	$ 45,000	$ 45,000
Total, Capital Budget	$ 45,000	$ 45,000

2. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rate is established pursuant to Article 5429n, V.A.C.S., to be effective during the biennium covered by this Act:

Registration fee for private investigators, managers, branch office managers, and alarm system installers (original and renewals)	$25
Registration fee for noncommissioned security officer	$50
Registration fee for security sales persons	$25
Registration fee for alarm system monitor	$25
Registration fee for dog trainer	$25
Registration fee for owner, officer, partner, or shareholder of a license	$25

Security officer commission fee (original and renewal)	$40
Employee information update fee	$15

3. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above as well as an amount equal to the amount identified above in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in this Act." In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

4. **Reporting Requirements.** The Texas Board of Private Investigators and Private Security Agencies shall report to the State Auditor's Office on a monthly basis its progress toward addressing the issues identified by the Auditor's Office in its March 1997 report on the agency. The report to the State Auditor's Office shall include, in addition to other issues previously identified, any personnel actions taken by the Board as well as a detailed justification for each action and any issues subsequently identified by the State Auditor. The State Auditor's Office shall provide semiannually a report to the Legislative Audit Committee on the progress of the agency in addressing audit issues.

5. **Purchasing Requirements.** The Texas Board of Private Investigators and Private Security Agencies, by October 1, 1997, shall enter into an agreement with the General Services Commission for the review of all purchases made by the agency. At a minimum, such an agreement should involve detailed analyses to ensure that purchases of the Board comply with applicable state laws and guidelines.

6. **Voucher and Warrant Training.** The Texas Board of Private Investigators and Private Security Agencies shall, by October 1, 1997, enter into an agreement with the Office of the Comptroller of Public Accounts for the training of agency personnel and Board members regarding state law and guidelines related to travel and meal reimbursement as well as other policies relating to state vouchers and warrants.

7. **Backlog and Enforcement Data.** The Texas Board of Private Investigators and Private Security Agencies shall cooperate with the Legislative Budget Board on the development of appropriate performance measures to improve agency licensing and enforcement backlog statistics. The Board shall prepare and submit to the Legislative Budget Board, by October 1, 1997, a detailed plan for addressing such issues. The plan shall include specific procedures for resolving any pending complaints against the agency or its licensees.

8. **Board Meetings at State Facilities.** It is the intent of the Legislature that meetings of the Board of Private Investigators and Private Security Agencies be held only at state facilities in Austin, Texas.

9. **Contract Reports.** It is the intent of the Legislature that the Board of Private Investigators and Private Security Agencies provide the Governor's Office of Budget and Planning and the Legislative Budget Board detailed information on all current contracts, prior notification of its intent to enter into any contract, and an annual report of all contracts initiated during each fiscal year.

DEPARTMENT OF PUBLIC SAFETY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: PROMOTE TRAFFIC SAFETY To promote traffic safety.		
Outcomes:		
Annual Texas Rural Traffic Death Rate	2.2	2.2
A.1.1. Strategy: HIGHWAY PATROL Supervision of traffic on rural highways by uniformed officers.	$ 75,532,267	$ 75,676,748
Outputs:		
Traffic Law Violator Contacts	2,190,725	2,190,725
A.1.2. Strategy: COMMERCIAL TRAFFIC PATROL Supervision of commercial and "for hire" traffic on rural highways by uniformed officers.	$ 23,373,292	$ 23,373,291
Outputs:		
Traffic Law Violator Contacts	570,000	577,000
A.1.3. Strategy: DRIVER LICENSE & RECORDS Ensure the competency of Texas drivers through testing of new drivers, determining the eligibility of renewal applicants, and through the improvement or delicensing of problem drivers.	$ 51,594,082	$ 51,594,082
Outputs:		
Number of Examinations Administered	5,704,377	5,704,377
Number of Drivers Licenses Issued	4,820,593	4,868,799
A.1.4. Strategy: BREATH & BLOOD TESTING Operate a scientific breath alcohol and blood testing program statewide. Supervise and maintain this program, train operators, and testify to its validity in court.	$ 1,849,594	$ 1,849,594
Outputs:		
Number of Breath Alcohol Tests Supervised	45,500	45,500
A.1.5. Strategy: VEHICLE INSPECTION Administer the state's vehicle inspection program.	$ 14,066,482	$ 13,343,482
Outputs:		
Number of Inspection Certificates Sold to Stations	12,450,000	12,897,760
A.1.6. Strategy: TRAFFIC ACCIDENT RECORDS Administer the traffic accident records system for the State of Texas.	$ 2,041,063	$ 2,041,063
Outputs:		
Number of Accident Reports Processed	600,000	600,000
A.1.7. Strategy: EDUCATION & TRAINING Provide appropriate alcohol, drug, traffic safety, and crime prevention educational programs for the citizens of Texas and provide operational and technical training for law enforcement, emergency management, and support personnel in the state.	$ 3,743,095	$ 3,743,095
Outputs:		
Number of Alcohol, Drug, Traffic Safety, and Crime Prevention Programs Conducted	9,929	9,929

A.1.8. Strategy: PHYSICAL PLANT Construct and maintain the physical facilities necessary to conduct and administer statewide law enforcement activities.	$ 12,111,004	$ 8,863,504
Total, Goal A: PROMOTE TRAFFIC SAFETY	$ 184,310,879	$ 180,484,859
B. Goal: PREVENT & DETECT CRIME To promote the preservation of the peace and the prevention and detection of crime.		
Outcomes:		
Annual Texas Crime Index Rate	5,747	5,747
B.1.1. Strategy: NARCOTICS ENFORCEMENT Administer the Narcotics enforcement program.	$ 24,127,405	$ 24,127,405
Outputs:		
Number of Criminal Investigations of Narcotics Violations Conducted	3,000	3,000
Efficiencies:		
Average Cost of Narcotics Criminal Investigation	7,709	7,709
B.1.2. Strategy: VEHICLE THEFT ENFORCEMENT Administer the Motor Vehicle Theft enforcement program.	$ 7,328,572	$ 7,328,572
Outputs:		
Number of Criminal Investigations for Motor Vehicle Theft Conducted	13,924	13,924
Efficiencies:		
Average Cost of Motor Vehicle Theft Criminal Investigation	306	306
B.1.3. Strategy: CRIMINAL INTELLIGENCE Administer the Criminal Intelligence enforcement program.	$ 6,067,297	$ 6,067,297
Outputs:		
Number of Criminal Investigations in Criminal Intelligence Conducted	3,205	3,205
B.1.4. Strategy: TEXAS RANGERS Administer the Texas Rangers enforcement program.	$ 6,148,052	$ 6,148,052
Outputs:		
Number of Criminal Investigations	4,900	4,900
B.1.5. Strategy: CAPITOL SECURITY Provide appropriate security for public officials and property.	$ 7,965,171	$ 7,965,171
Outputs:		
Number of Parking Transactions	34,529	34,529
B.1.6. Strategy: TECHNICAL ASSISTANCE Provide high quality and timely technical assistance programs to requesting criminal justice agencies in Texas.	$ 9,292,511	$ 9,292,511
Outputs:		
Number of Drug Cases Examined	29,500	29,500

B.1.7. Strategy: OPERATIONAL ASSISTANCE	$ 13,109,100	$ 13,124,147
Provide high quality and timely operational assistance programs to requesting criminal justice and other authorized agencies and entities.		
Outputs:		
Number of Criminal History Inquiries From Authorized Agencies/Entities Processed	1,500,000	1,500,000
Number of Fingerprint Cards Processed Through Automated and Manual Systems	700,000	700,000
B.1.8. Strategy: HANDGUN LICENSING	$ 5,132,266	$ 5,132,266
Administer the handgun licensing program.		
Outputs:		
Number of Handgun Licenses Issued After the Application Has Been Received and Approved for Issue	74,108	48,030
Total, Goal B: PREVENT & DETECT CRIME	$ 79,170,374	$ 79,185,421
C. Goal: DISASTER RESPONSE		
To respond in a timely fashion to emergencies and disasters and administer a comprehensive emergency-management program.		
Outcomes:		
Percentage of Jurisdictions Receiving Planning Guidance and Assistance in Emergency Preparedness	39%	39%
C.1.1. Strategy: EMERGENCY PLANNING	$ 1,919,459	$ 1,919,459
Provide emergency management planning assistance and guidance to state agencies and local governments in Texas.		
Outputs:		
Number of Assistance Visits/Contacts	58,045	58,045
C.1.2. Strategy: DISASTER RECOVERY	$ 1,130,980	$ 1,130,980
Process and monitor all requests and applications for recovery and mitigation assistance based upon requirements and procedures.		
Outputs:		
Number of Jurisdictions Assisted	767	767
C.1.3. Strategy: RESPONSE COORDINATION	$ 716,741	$ 716,741
Review and coordinate emergency and disaster response operations.		
Outputs:		
Number of Emergency Incidents Coordinated	745	745
Total, Goal C: DISASTER RESPONSE	$ 3,767,180	$ 3,767,180
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 5,832,743	$ 5,832,743
D.1.2. Strategy: INFORMATION RESOURCES	$ 21,157,318	$ 19,985,530
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 4,893,688	$ 4,893,688
D.1.4. Strategy: REGIONAL ADMINISTRATION	$ 7,378,769	$ 7,378,769
Total, Goal D: INDIRECT ADMINISTRATION	$ 39,262,518	$ 38,090,730
Grand Total, DEPARTMENT OF PUBLIC SAFETY	$ 306,510,951	$ 301,528,190

Method of Financing:		
Concealed Handgun License Receipts (GR)	$ 5,132,266	$ 5,132,266
General Revenue Fund - Dedicated		
Motorcycle Education Account No. 501	499,311	499,311
Operators and Chauffeurs License Account No. 099	21,262,045	20,554,092
Subtotal, General Revenue Fund - Dedicated	$ 21,761,356	$ 21,053,403
Federal Funds	10,026,671	10,026,671
Other Funds		
State Highway Fund No. 006	262,344,081	258,069,273
Criminal Justice Grants	2,925,765	2,925,765
Appropriated Receipts	2,795,000	2,795,000
Interagency Contracts	1,525,812	1,525,812
Subtotal, Other Funds	$ 269,590,658	$ 265,315,850
Total, Method of Financing	$ 306,510,951	$ 301,528,190
Number of Full-time Equivalent Positions (FTE)	7,018.5	7,026.5
Schedule of Exempt Positions		
Director, Group 4	$90,000	$90,000
Assistant Director	75,756	75,756

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to V.T.C.S., Art. 601(d), Sec. 9A.

	1998	1999
a. Acquisition of Land and Other Real Property	$ 765,000	$ 700,000
b. Construction of Buildings and Facilities	7,030,000	3,837,500
c. Repair or Rehabilitation of Buildings and Facilities	1,980,000	1,990,000
d. Acquisition of Information Resource Technologies		
(1) NCIC/TLETS Upgrades (MLPP)	1,474,391	6,290,356
(2) Other Information Resources Projects	$ 3,215,000	$ 3,215,000
Total, Acquisition of Information Resource Technologies	$ 4,689,391	$ 9,505,356
e. Transportation Items (Approximately 887 vehicles)	8,701,282	8,501,100
f. Acquisition of Capital Equipment and Items	$ 2,244,000	$ 2,279,000
Total, Capital Budget	$ 25,409,673	$ 26,812,956

Method of Financing (Capital Budget):

State Highway Fund No. 006	$ 22,659,673	$ 24,062,956
Appropriated Receipts	2,750,000	2,750,000
Total, Method of Financing	$ 25,409,673	$ 26,812,956

2. **Marked Vehicles.** None of the funds appropriated hereinabove may be expended for the salaries of personnel operating motor vehicles used to stop and actually arrest offenders of highway speed laws unless such vehicles are black, white, or a combination thereof and plainly marked with the department's insignia.

3. **Restriction of Vehicle Use.** Notwithstanding the provisions of Article IX, Section 19, Subsection (4) of this Act, the Department of Public Safety may certify no more than sixty exceptions to the prohibition related to use of a state car for personal use or for commuting to and from work. Changes in department policy required by this restriction shall be implemented within a reasonable time.

4. **Emergency Calls.** The Department shall maintain for each fiscal year, the number of times supervisory officers above the rank of lieutenant respond to emergency calls requiring departure from the officer's private residence or from the office. This information shall contain specific references as to the nature of each emergency.

5. **Sale of Vehicles.** Funds derived from the sale of passenger vehicles and aircraft operated by the Department of Public Safety are hereby reappropriated to the Department of Public Safety and are to be deposited in appropriations where like purchases can be made as per Article 601b, V.A.C.S. Should the actual receipts from the sale of vehicles exceed the amount in the capital budget rider, the Department is authorized to purchase vehicles in excess of the number listed.

6. **Abandoned Vehicles.** Funds accruing to the department under the provisions of Article 4477-9a, Section 5.01 et. seq. are hereby appropriated to the department to assist in the administration of the Act.

7. **Unexpended Vehicle Appropriations.** Any unexpended balance in funds appropriated for automobile purchases in the various strategies and identified in the capital budget as transportation items, for the 1998 fiscal year are hereby reappropriated for the 1999 fiscal year.

8. **Gasoline Contingency.** In addition to funds appropriated above and contingent upon certification by the Comptroller of Public Accounts, the Department of Public Safety is hereby appropriated up to $40,000 annualized per year from State Highway Fund No. 006 for each cent increase in the average gasoline cost per gallon to the department above $.90 per gallon.

9. **Aircraft Authority.** The Department of Public Safety is authorized to own, maintain and operate helicopters in performance of its responsibilities. In addition to authority to own, maintain and operate aircraft under the provisions of Section 411.013 of the Government Code, and the General Provisions in this Act, the department is authorized to own, maintain and operate any aircraft seized pursuant to authority contained in V.T.C.A., Health and Safety Code, Chapter 481 or under any other statute authorizing the department to own, maintain, or operate seized aircraft. The department is directed to submit, as part of its Annual Report, details on the acquisition and disposition of seized aircraft.

10. **Aviator Reimbursement.** From the amounts appropriated above, an amount not to exceed $10,000 each year of the biennium may be used for aviator assistance to state agencies such as search and rescue or disaster-related functions. Reimbursements may include actual costs of aircraft operation including fuel, oil, maintenance and routine costs incurred by trained and

certified private volunteer aviators using privately-owned aircraft in state-authorized flight operations and training exercises associated with disaster related activities. The reimbursement shall not exceed the rate approved by the state per flying hour, when such aircraft costs are not reimbursable by other governmental agencies in accordance with Chapter 418, Government Code.

11. **Controlled Substances.** All amounts received under V.T.C.A., Health and Safety Code, Chapter 481 and under federal forfeiture programs are hereby appropriated to the Department of Public Safety to be used for law enforcement purposes. Any funds unexpended at the close of each fiscal year are reappropriated for the following year.

    a. Funding priority shall be given to the purchase of new equipment for field employees, with the exception of the Houston Regional Office. No funds received under V.T.C.A., Health and Human Safety Code, Chapter 481 and under federal forfeiture programs, shall be used to purchase real estate or make any improvements to real estate, with the exception of the Houston Regional Office.

    b. The Department of Public Safety is hereby appropriated a total of $3,000,000, out of the State Highway Fund 006 for the purpose of constructing a Houston Regional Office, including the acquisition of land and improvements. Any State Highway funds unexpended at the close of the 1998 fiscal year are reappropriated for fiscal year 1999 for identical purposes.

    The funds appropriated by this rider shall also be used for the purpose of constructing the Houston Regional Office.

12. **Seized Assets Report.** The Department of Public Safety shall file with the Governor and the Legislative Budget Board, no later than October 1 of each year and in a manner approved by the State Auditor's Office, a report disclosing information on seized/forfeited assets. The report shall contain, a summary of receipts, disbursements, and fund balances for the fiscal year derived from both federal and state sources and supporting detail. The detail information shall, at a minimum, include the following:

    a. regarding receipts: the court in which the case was adjudicated, the nature of the assets, the value of the assets, and the specific, intended use of the assets, and

    b. regarding disbursements: the departmental control number, the departmental category, the division making the request, the specific item and amount requested, the amount the department approved, and the actual amount expended per item.

13. **Disposition of Seized Funds.** The Department of Public Safety is hereby directed to deposit all funds currently held, or obtained in the future pursuant to seizure actions or judicial forfeiture according to rules and procedures developed by the Comptroller of Public Accounts. DPS shall cooperate with the Comptroller of Public Accounts in developing agreements and procedures for the deposit of seized state funds in accounts in the State Treasury.

14. **Witness Fees.** From the appropriations made herein, the Department of Public Safety may pay the witness fees and travel expenses of out-of-state witnesses, subject to the advance, written approval of the District Attorney for the county having venue over the law violation under investigation.

15. **Purchase of Evidence.** From the amounts appropriated above to the Department of Public Safety, an amount not to exceed One Million Dollars ($1,000,000) each year of the biennium, exclusive of amounts forfeited to the Department of Public Safety by any court of competent jurisdiction and amounts received from the United States government derived from the forfeiture of monies and property, is hereby designated for the purchase of evidence and/or

information and surveillance expenses deemed necessary by the Department of Public Safety; and accountability for expenditures as set forth above shall be governed by such rules and regulations as the Director of the Department of Public Safety may recommend, subject to review and approval by the State Auditor. Such amounts may be maintained in cash to facilitate the purchase of evidence, information and/or surveillance expense.

16. **Academy Costs.** The Department of Public Safety may charge employees and students of the DPS Academy for tuition, lodging, and meals at such prices as may be set by the department. Such funds as received are hereby appropriated to cover the expenses entailed in providing such students and employees their lodging, meals, incidental expenses, and to pay visiting instructors.

17. **Medical and Funeral Costs.** Monies appropriated above may be expended for drugs, medical, hospital, laboratory and funeral costs of law enforcement employees or other employees performing duties involving unusual risk when injury or death occurs in the performance of such duties. It is the intent of the Legislature that monies appropriated above shall not be expended for drugs, medical, hospital, laboratory or funeral costs of employees who are not actively engaged in the performance of law enforcement or other hazardous duties or of law enforcement employees when injury or death occurs in the performance of clerical or office duties as distinguished from law enforcement or other duties involving unusual risk. Monies appropriated above may also be expended for physical examinations and testing when such examinations and tests are a condition of employment or exposure to infectious diseases or hazardous materials occurs in the line of duty.

18. **Moving Expenses.** Not withstanding any other provision of this Act, the department may use appropriated funds to pay the reasonable, necessary, and resulting costs of moving the household goods and effects of a commissioned peace officer employed by the department who is transferred from one designated headquarters to another so long as the department determines that the best interests of the State will be served by such transfer.

19. **Travel for Security Personnel.** Notwithstanding other provisions of this Act, commissioned Department of Public Safety personnel when transporting and providing security for the Governor or Governor-elect and his or her spouse and immediate family; other members of the executive, legislative, and judicial branches of state government; and visiting Governors from other states when assigned, shall be reimbursed for their actual meals, lodging and incidental expenses when on official travel in or out of the state.

20. **Field Suggestions.** It is the intent of the Legislature that the Department of Public Safety design and implement by January 1, 1998, a procedure for collection and processing of budgetary and managerial suggestions from the field, including all employees. Not later than August 1, 1998, the Department shall report its procedures and findings to the House Appropriations Committee, the Senate Finance Committee, the Governor's Office of Budget and Planning and the Legislative Budget Board.

21. **Evaluation of Executive Managers.** The Department of Public Safety shall adopt policies and procedures requiring a written personnel evaluation for each executive manager, including the Director, on an annual basis.

22. **Centralization of Personnel Records.** The Department of Public Safety shall establish a central data base for personnel data and for the maintenance of human resource records.

23. **Historical Museum.** The Department of Public Safety is authorized to allow the Texas Department of Public Safety Historical Museum to utilize department property for the purpose of a historical museum. No state funds are appropriated for this purpose.

24. **Acquisitions and Construction Controls.** No later than January 1, 1998, the Department shall establish formal documented policies and procedures that specifically address planning, design, construction services procurement, and general project administration relating to projects exempt from General Services Commission oversight, pursuant to V.T.C.S., Article 2166.003.

25. **Polygraph Examinations.** None of the funds appropriated hereinabove may be expended for polygraph testing of commissioned law enforcement officers of the Department of Public Safety, unless requested by the officer.

26. **Stranded Motorist Assistance.** The Department of Public Safety is designated as the lead state agency to help motorists whose vehicles are disabled on state and federal roads. The department shall obtain the cooperation of all relevant state agencies, especially the Texas Department of Transportation, and coordinate its efforts with all local law enforcement agencies and interested private businesses. As part of this initiative, the Department of Public safety shall establish and publicize a toll free number and a universal distress signal for motorists that are in need of assistance.

27. **Supply and Inventory Cost Allocation.** The Department of Public Safety is hereby authorized to establish a supply and inventory cost pool to which appropriations may be transferred from any strategy item. These transfers shall be restricted to the purchase of supplies and inventory items. Expenditures from the cost pool shall be allocated back to the applicable strategies of the Department of Public Safety within 30 days following the close of each fiscal quarter.

28. **Criminal History Checks to Specified Licensing Agencies.** No later than January 1, 1998, the Department of Public Safety shall provide to the agencies listed in Article 60.061, Code of Criminal Procedure, a system for checking at least annually, but not more than quarterly, or as otherwise provided by Article 60.061, the existing licensees of these agencies against information in criminal history files. The Department of Public Safety may not charge or assess a fee to an agency providing information to the Department that is in excess of the actual direct cost incurred by the department.

29. **Safety Compliance Hearings.** Out of the amounts appropriated above to Strategy A.1.2., Commercial Traffic Patrol, up to $146,789 each year of the biennium, may be used for the purpose of contracting with the State Office of Administrative Hearings for costs associated with safety compliance hearings.

30. **Administrative License Revocation.** Appropriations made above to Strategy A.1.3., Driver License and Records, include $2,524,568 in fiscal year 1998 and $2,489,295 in fiscal year 1999 for the purpose of contracting with the State Office of Administrative Hearings for costs associated with the Administrative License Revocation program.

31. **Appropriations of Receipts -- Parking Violation Revenues.** The Texas Department of Public Safety shall collect a $10.00 (Ten Dollars) fine for all parking violations in the Capitol Complex. All revenue received from parking violations shall be deposited to the General Revenue Fund and is hereby appropriated for use by the Department of Public Safety for Capitol Police Security and parking for the 1998-99 biennium. All revenues collected from parking meters in the Capitol Complex are hereby appropriated to the Preservation Board, or as otherwise specified by statute.

32. **Contingency Appropriation Reduction.** The funds appropriated above to the Department are hereby reduced by an equal amount from the General Revenue Fund, State Highway Fund 006, or a combination of the two funds in the event the Department of Public Safety expends any funds not authorized by the General Appropriations Act, any provision within this Act which places a limitation on expenditures, or an affirmative action by the Legislature.

33. **Appropriation Transfers.** Notwithstanding any other provision of this bill, the Department of Public Safety may not transfer funds between items of appropriation in excess of 25 percent and shall notify the Legislative Budget Board anytime the department transfers an amount of $100,000 or more between items of appropriation. Once the cumulative total of transfers from an item exceeds $100,000, notification shall be made of each transfer from that item thereafter, regardless of the amount. Such notification shall include the amount transferred, the strategies involved, and justification for the transfer.

34. **Crime Labs.** Out of funds appropriated in Strategy B.1.6., $2,000,000 represents an increase above 1996-97 budget levels which shall be spent solely for the purpose of implementing crime labs at the department.

35. **Communications Officers.** Out of funds appropriated above in Strategies A.1.2., A.1.3., and A.1.5., $463,000 represents an amount above the 1996-97 budget levels which shall be spent solely for the increased costs for reallocation of all communications officers. The Comptroller is authorized to reduce the appropriations made above by any portion of the $463,000 not expended for this purpose.

36. **Narcotics Investigators.** Out of funds appropriated above in Strategy B.1.1., $2,000,000 represents an increase above the 1996-97 budget levels which shall be spent solely to provide salaries for Sergeant Investigators and the operating, capital and training costs associated therewith.

37. **Motor Carrier Bureau.** Out of funds appropriated above in Strategy A.1.2., $500,000 represents an increase above 1996-97 budget levels and shall be spent solely for the purpose of providing data entry clerks, clerical supervisors and capital and operating expenses associated therewith.

38. **License & Weight Troopers.** Out of funds appropriated above in Strategy A.1.2., $713,171 represents an increase above 1996-97 budget levels and shall be spent solely for the purpose of providing salaries for troopers and capital, operating, and training expenses associated therewith.

39. **Senior Trooper.** Out of funds appropriated above, $2,844,192 represents an increase above 1996-97 budget levels and shall be spent solely for the purpose of providing salaries for troopers eligible to promote to Group 6 in Salary Schedule C of this Act.

40. **Houston Regional Office.** Out of funds appropriated above in Strategy A.1.8., $3,000,000 represents an increase above 1996-97 budget levels and shall be spent solely for the purpose of constructing the Houston Regional Office.

41. **Complex Crime Unit.** From monies appropriated above, the Texas Department of Public Safety shall establish a Complex Crime Unit to investigate offenses involving theft or misapplication of government property, the investigation of which requires a level of expertise in disciplines such as accounting, computer technology, or another that is not readily available to local law enforcement agencies.

    a. The total cost of assistance including administrative costs shall not exceed $1,000,000, to be paid in $500,000 in fiscal year 1998 and $500,000 in fiscal year 1999.

    b. The Director of the Department shall employ commissioned peace officers and non-commissioned employees to perform duties required of the unit. To be eligible for employment by the Complex Crime Unit, a peace officer must have not less than four years of experience as a peace officer; and a degree from an accredited institution of higher education in law, accounting or computer science; or two or more years of experience in the investigation of complex criminal offenses or similar law.

To be eligible for employment under this section, a non-commissioned employee must meet the experience, training, and educational qualifications set by the director as requirements for investigating or assisting in the investigation of a crime.

c. On the request of an attorney representing the state and with approval of the director, the complex crime unit of the department may assist local law enforcement in the investigation of crime. On the request of the governor and with the approval of the director, the complex crime unit of the department may investigate a crime involving harm to the interests of a state agency.

d. The Texas Department of Public Safety shall develop the rules and procedures in order to implement this rider.

e. The Texas Department of Public Safety shall report to the Legislative Budget Board prior to December 1, 1998 concerning the outcomes of this rider.

42. **Appropriations Limited to Revenue Collections: Automobile Emission Inspections.** Included in amounts appropriated above in Strategy A.1.5., Vehicle Inspections is $6,126,168 in fiscal year 1998 and $5,403,168 in fiscal year 1999 which represents seventy-five percent of estimated automobile emission inspection fees collected from facilities performing activities pursuant to Section 382.037, Health and Safety Code and Executive Order GWB96-1.

It is the intent of the Legislature that fees authorized and generated by the operation of the vehicle emissions inspection and maintenance program cover, at a minimum, the costs of the appropriations made above which are included in Strategy A.1.5., Vehicle Inspections, as well as the "other direct and indirect costs" associated with the vehicle emissions inspection and maintenance program, appropriated elsewhere in this Act. "Other direct and indirect costs" for the vehicle emissions inspection and maintenance program are estimated to be $303,064 for fiscal year 1998 and $302,285 for fiscal year 1999. In the event that the actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

43. **Appropriation of Receipts: Concealed Handgun Licensing Program.** All revenues collected pursuant to V.T.C.S., Article 4413 (29ee) are hereby appropriated to the Department of Public Safety for the purpose of administering the Concealed Handgun Licensing Program. The total amount expended for the administration of the handgun licensing program, including "other direct and indirect costs" in the amount of $864,247 for fiscal year 1998 and $861,985 for fiscal year 1999, shall not exceed, in any biennium, the receipts collected pursuant to V.T.C.S., Article 4413 (29ee).

44. **Contingency Appropriation: Information Resources Technologies.**

a. The appropriation and expenditure authority provided for Information Resource Technologies, in fiscal year 1998 and in fiscal year 1999, is contingent upon the Department of Public Safety's operating plan and project development plan having been approved by the Quality Assurance Team (QAT).

b. The appropriation and expenditure authority provided for Information Resource Technologies, in fiscal year 1998 and fiscal year 1999, is contingent upon approval of the Department of Public Safety's progress regarding accomplishments of the operating plan and project development plan by the QAT.

c. The Department of Public Safety must demonstrate to the team that the department has met quarterly "milestones" as identified in the approved operating plan and project

development plan prior to the expenditure of funds for information technologies in subsequent quarters.

d. Out of funds appropriated above in Strategy D.1.2., Information Resources, the amount of $6,235,253 in fiscal year 1998 is to be expended only for upgrades and enhancements to the National Crime Information Center and Texas Law Enforcement Telecommunications System projects. Any portion of this amount not expended during fiscal year 1998 is hereby reappropriated for fiscal year 1999.

45. **Information Systems Management.**

a. Not later than September 1, 1998, the Department shall establish a detailed plan including policies and procedures for implementing recommendations made by the State Auditor related to timely back up and off site storage of Automated Fingerprint Information System (AFIS) data, and limiting physical access to computer rooms to those individuals justified by relevant daily job responsibilities.

b. No later than January 1, 1998, the Department shall establish a detailed plan for implementing recommendations made by the State Auditor for information systems, including, but not limited to: access controls, disaster recovery, and system development.

The plans shall include, at a minimum, a timetable to achieve complete implementation, with appropriate milestones and deliverables. The plan shall be subject to approval by the Quality Assurance Team and in compliance with standards and rules established by DIR.

46. **Live Scan/Electronic Arrest Reporting.** From the funds appropriated above, the Department shall provide telecommunications lines and maintenance for the Live Scan/Electronic Arrest Reporting project in 26 counties and 5 cities in Texas and telecommunications lines to Harris County for Electronic Arrest Reporting. The Department, in conjunction with the Department of Information Resources and the Criminal Justice Policy Council, shall report to the Legislature by September 1, 1998, the cost savings related to the implementation of this system.

The report shall include estimated reduced data entry costs since fingerprint images and data are transmitted computer to computer, and additional savings if “lights out” fingerprint processing is adopted, where no human intervention occurs if a fingerprint identification confidence threshold is met as calculated by the computer.

47. **Clothing Provisions.**

a. A commissioned officer who received a $1,200 clothing allowance pursuant to the Appropriations Act during the 1996-97 biennium shall receive a $1,200 clothing allowance in the 1998-1999 biennium.

b. A commissioned officer who receives a $500 cleaning allowance pursuant to the Appropriations Act for the 1996-1997 biennium shall receive a $500 cleaning allowance in the 1998-1999 biennium irrespective of promotion to any rank.

c. It is the intent of the Legislature that no person shall receive a $1,200 clothing allowance unless eligible in subsection (a).

d. An individual who is newly hired or newly commissioned after September 1, 1997 is eligible to receive a $500 cleaning allowance.

e. All non-commissioned personnel required to wear uniforms are entitled to a $500 cleaning allowance.

† 48. **Contingency Appropriation for House Bill 1200.** Contingent upon the enactment of House Bill 1200, or similar legislation relating to extended driver's licenses, by the Seventy-fifth Legislature, Regular Session, the Department of Public Safety is hereby appropriated $1,854,882 for fiscal year 1998 and $344,189 for fiscal year 1999 out of Fund 006 for the purpose of implementing that Act. The Department of Public Safety is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act. Also contingent on the enactment of House Bill 1200, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased 9 for fiscal year 1998 and by 9 for fiscal year 1999.

49. **Contingency Appropriation for Senate Bill 30.** Contingent upon the enactment of Senate Bill 30, or similar legislation relating to fraud and improper payments under the state Medicaid program and other welfare programs, by the Seventy-fifth Legislature, Regular Session, Department of Public Safety is hereby appropriated $270,662 for fiscal year 1998 and $105,478 for fiscal year 1999 out of Fund 006 for the purpose of implementing that Act. The Department of Public Safety is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

† 50. **Appropriations Made in Other Legislation: Fugitive Apprehension Account**. The amounts of $2,983,975 for fiscal year 1998 and $1,961,333 for fiscal year 1999 are appropriated from the Fugitive Apprehension Account, a dedicated General Revenue Account, to the Department of Public Safety in House Bill No. 2272, Seventy-fifth Legislature, Regular Session, for the purpose of apprehending individuals for whom warrants have been issued under Section 13, Article 42.18, Code of Criminal Procedure. House Bill No. 2272 also authorizes the "Number of Full-time Equivalent Positions (FTE)" figure indicated above to be increased by 27 for fiscal year 1998 and by 27 for fiscal year 1999 from funds appropriated in that act.

‡ 51. **Implementation of Senate Bill 35.** Out of funds appropriated above, $1,038,157 in fiscal year 1998 and $668,208 in fiscal year 1999 shall be allocated for the implementation of Senate Bill 35, Seventy-fifth Legislature, Regular Session, 1997, if that legislation becomes law.

COUNCIL ON SEX OFFENDER TREATMENT

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: PROVIDE INFORMATION		
A.1.1. Strategy: SEX OFFENDER MANAGEMENT INFORMATION	$ 115,000	$ 110,000
Maintain and disseminate information resources concerning the management of sex offenders.		
Outputs:		
Number of Providers Registered	345	362
Number of Training Presentations by Contact Hours	100	150
Grand Total, COUNCIL ON SEX OFFENDER TREATMENT	$ 115,000	$ 110,000

† *As added by House Bill 2272, Regular Session, 1997.*
‡ *As vetoed by Senate Bill 1898, Regular Session, 1997.*

COUNCIL ON SEX OFFENDER TREATMENT
(Continued)

Method of Financing:		
General Revenue Fund	$ 70,095	$ 70,095
Appropriated Receipts	44,905	39,905
Total, Method of Financing	$ 115,000	$ 110,000
Number of Full-time Equivalent Positions (FTE)	2.0	2.0
Schedule of Exempt Positions		
Executive Director, Group 1	$39,816	$39,816

1. **Unexpended Balances.** Any unexpended balances as of August 31, 1998, for the Council on Sex Offender Treatment, in general revenue appropriations or in appropriated receipts, are hereby reappropriated to the Council on Sex Offender Treatment for the 1999 fiscal year.

2. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for the Council on Sex Offender Treatment are made contingent on the continuation of the Council on Sex Offender Treatment by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 1998 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

   In the event the Council on Sex Offender Treatment is continued with its regulatory functions within the Texas Department of Health, the funds appropriated for fiscal year 1998 and fiscal year 1999 are appropriated to The Texas Department of Health under Strategy C.1.1., Health Care Standards.

YOUTH COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: PROTECT PUBLIC To protect the public from the delinquent and criminal acts of TYC youth while they are in institutional or community-based correctional programs.		
Outcomes:		
Arrests Prevented Through Custody in Correctional Programs	18,490	20,000
A.1.1. Strategy: CORRECTIONAL PROGRAMS Provide a continuum of TYC-operated and contracted correctional programs under conditions that promote the youth's positive development, and the interests and safety of the public, youth and staff.	$ 117,093,645	$ 129,385,759
Outputs:		
Average Daily Population: Correctional Programs	4,740	5,128
Youth per On-Duty Direct Care Staff	8	8
A.1.2. Strategy: ASSESSMENT AND ORIENTATION Provide a system of assessment and orientation which is culturally competent and accurately determines the relative security risk and treatment needs of	$ 2,823,310	$ 2,823,310

committed youth so they are placed in appropriate programs.

Outputs:

Average Daily Population: Assessment and Orientation	356	356

A.1.3. Strategy: CONSTRUCT AND RENOVATE FACILITIES	$ 27,470,171	$ U.B.
Construct and renovate TYC facilities in order to provide sufficient capacity and proper conditions.		
Total, Goal A: PROTECT PUBLIC	$ 147,387,126	$ 132,209,069
B. Goal: ENABLE PRODUCTIVITY		
To enable TYC youth through habilitation to become productive and responsible citizens.		
Outcomes:		
Diploma or GED Rate	24%	20%
B.1.1. Strategy: EDUCATION AND WORKFORCE PROGRAMS	$ 18,347,243	$ 17,736,046
Provide or facilitate 12-month academic, GED, and workforce preparation programs.		
Outputs:		
Average Daily Attendance in TYC-Operated Schools	3,459	3,776
Average Daily Attendance in Career and Technology Education Courses in TYC-Operated Schools	1,386	1,409
Efficiencies:		
Education and Workforce Cost in TYC-Operated Schools per Youth Day	14.53	12.87
C. Goal: PROVIDE REHABILITATION		
To reduce the delinquent and criminal behavior of youth committed to TYC, and of youth currently residing in Texas and adjudicated delinquent by other states.		
Outcomes:		
One-Year Rearrest Rate	45%	44%
One-Year Rearrest Severity Rate	22%	20%
One-Year Reincarceration Rate: Total	27%	26%
C.1.1. Strategy: CORRECTIONAL TREATMENT	$ 13,257,639	$ 13,889,434
Provide, through a competency-based resocialization system, correctional treatment programs appropriate to youth of all cultures.		
Outputs:		
Average Daily Population: Correctional Treatment	4,234	4,622
C.1.2. Strategy: SPECIALIZED CORRECTIONAL	$ 5,425,546	$ 5,623,950
Specialized Correctional Treatment. Provide a system of culturally competent specialized correctional treatment programs for youth with the specialized needs of capital offense history, sex offense history, chemical abuse dependence, emotional disturbance, gang membership, or mental retardation.		
Outputs:		
Average Daily Population: Specialized Correctional Treatment	769	836
Efficiencies:		
Specialized Correctional Treatment Cost per Youth Day	19.33	18.43
C.1.3. Strategy: AFTERCARE SERVICES	$ 8,593,169	$ 9,218,049
Provide a system of aftercare services.		
Outputs:		
Average Daily Population: Aftercare	3,054	3,406
Efficiencies:		
Specialized Aftercare Cost per Youth Day	10.76	10.77

C.1.4. Strategy: INTERSTATE AGREEMENT	$ 201,587	$ 177,622
Implement the interstate cooperative agreement regarding the return and supervision of runaways and the supervision of juvenile probationers and parolees.		
Outputs:		
Youth Served Through Interstate Compact	3,028	3,149
Total, Goal C: PROVIDE REHABILITATION	$ 27,477,941	$ 28,909,055
D. Goal: PREVENT DELINQUENCY		
Help prevent delinquent behavior.		
D.1.1. Strategy: PROVIDE PREVENTION INFORMATION	$ 150,000	$ 150,000
Provide assistance and information to support state and local efforts in delinquency prevention.		
E. Goal: INDIRECT ADMINISTRATION		
E.1.1. Strategy: CENTRAL ADMINISTRATION	$ 3,929,862	$ 3,952,745
E.1.2. Strategy: INFORMATION RESOURCES	$ 4,293,477	$ 4,409,851
E.1.3. Strategy: OTHER SUPPORT SERVICES	$ 833,745	$ 833,755
Total, Goal E: INDIRECT ADMINISTRATION	$ 9,057,084	$ 9,196,351
Grand Total, YOUTH COMMISSION	$ 202,419,394	$ 188,200,521
Method of Financing:		
General Revenue Fund	$ 158,286,575	$ 169,341,884
Federal Funds	11,623,678	1,245,835
Appropriated Receipts	994,205	994,205
Interagency Contracts	15,629,443	16,533,597
Bond Proceeds - General Obligation Bonds	15,800,493	
Earned Federal Funds	85,000	85,000
Total, Method of Financing	$ 202,419,394	$ 188,200,521
Number of Full-time Equivalent Positions (FTE)	4,170.5	4,395.5
Schedule of Exempt Positions and Per Diem of Board Members		
* Executive Director, Group 4	$90,000	$90,000
Deputy Executive Director	79,968	79,968
Per Diem of Board Members	3,600	3,600

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

YOUTH COMMISSION
(Continued)

		1998	1999
a.	Construction of Buildings and Facilities		
	(1) Utility-Site Work	$ 4,819,094	$
	(2) Construct Admin Detention Unit - Brownwood (30) Beds	2,209,127	
	(3) Construct Mezzanine in Warehouse - Giddings	85,402	
	(4) Construct New Unit for an estimated 330 beds (with infrastructure for an estimated 660 beds) to meet projected capacity demand in 2000/2001.	$ 19,270,927	$ U.B.
	Total, Construction of Buildings and Facilities	$ 26,384,550	$ U.B.
b.	Repair or Rehabilitation of Buildings and Facilities		
	(1) Convert Classrooms to Additional Beds - Sheffield	46,000	
	(2) Repair warehouse and metal soffits for 7 buildings at Corsicanna	565,480	
	(3) Repairs to foundations and roof, replacement of boilers at 12 building s at Crockett	$ 474,141	$ U.B.
	Total, Repair or Rehabilitation of Buildings and Facilities	$ 1,085,621	$ U.B.
c.	Acquisition of Information Resource Technologies		
	(1) Telephone System (MLPP)		20,600
	(2) Computer Equipment & Software: New Facilities (MLPP)	331,478	483,140
	(3) Casework Automation (MLPP Payments for 1994/95 Acquisitions)	22,218	
	(4) Computer Equipment and Software (MLPP Payments for 1996/97 Acquisition s)	$ 978,638	$ 813,993
	Total, Acquisition of Information Resource Technologies	$ 1,332,334	$ 1,317,733
d.	Transportation Items		
	(1) Acquisition of Transportation Items (MLPP)	403,392	914,537
	(2) Acquisition of Transportation Items (MLPP Payments for 1996/97 Acquisi tions)	$ 293,489	$ 248,707
	Total, Transportation Items	$ 696,881	$ 1,163,244
	Total, Capital Budget	$ 29,499,386	$ 2,480,977

Method of Financing (Capital Budget):

General Revenue Fund	$ 2,075,215	$ 2,480,977
Federal Funds	11,623,678	
Bond Proceeds - General Obligation Bonds	15,800,493	
Total, Method of Financing	$ 29,499,386	$ 2,480,977

2. **Interagency Contract Authorized, West Texas State School.** The Texas Youth Commission is authorized to lease from The University of Texas, for a term of years and upon conditions that are mutually agreeable to the Texas Youth Commission and The University of Texas, under authority of the Interagency Cooperation Act, certain facilities situated at Pyote Air Force Base, in Ward County, Texas (same being located in Block 16, University Lands). The Texas Youth Commission is authorized to pay to The University of Texas as rental for such a lease a sum not to exceed Ten Dollars ($10) per year.

3. **Appropriation of Other Agency Funds.** Any unexpended balances remaining in Independent School District Funds (Not to Exceed $155,000), the Student Benefit Fund (Not to Exceed $250,000), the Canteen Revolving Funds (Not to Exceed $7,500) and the Conference Account (Not to Exceed $3,500) and any gifts, grants, and donations as of August 31, 1997 and August 31, 1998 and any revenues accruing to those funds are appropriated to those funds for the succeeding fiscal years. Funds collected by vocational training shops at Texas Youth Commission institutions, including unexpended balances as of August 31, 1997 (Not to Exceed $35,000) are hereby appropriated for the purpose of purchasing and maintaining parts, tools, and other supplies necessary for the operation of those shops.

4. **Revolving Funds.** The Texas Youth Commission may establish out of any funds appropriated herein a revolving fund not to exceed Ten Thousand Dollars ($10,000) in the Central Office, and Ten Thousand Dollars ($10,000) in each institution, field office, or facility under its direction. Payments from these revolving funds may be made as directed by the commission. Reimbursement to such revolving funds shall be made out of appropriations provided for in this Article.

5. **Student Employment.** Subject to the approval of the Texas Youth Commission, students residing in any Texas Youth Commission facility may be assigned necessary duties in the operations of the facility and be paid on a limited basis out of any funds available to the respective institutions or facility not to exceed Fifty Thousand Dollars ($50,000) a year for each institution and Ten Thousand Dollars ($10,000) a year for any other facility.

6. **Support Payment Collections.** Out of the funds appropriated above, $30,000 in each year of the biennium is appropriated specifically to provide for the administrative activities necessary to maximize the collection of court ordered support payments pursuant to V.T.C.A., Family Code Section 54.06(a). The Texas Youth Commission shall annually report to the Governor's Office of Budget and Planning and to the Legislative Budget Board the number of active accounts, including the amounts owed to the state pursuant to Section 54.06(a) court orders, and the total amount of funds collected.

7. **Federal Foster Care Claims.** Within the appropriations made above, the Department of Protective and Regulatory Services, the Texas Youth Commission and the Juvenile Probation Commission shall:

   Document possible foster care claims for children in juvenile justice programs and maintain an interagency agreement to implement strategies and responsibilities necessary to claim additional federal foster care funding; and consult with juvenile officials from other states and national experts in designing better foster care funding initiatives. These initiatives should include, but

not be limited to, claiming federal foster care reimbursement for child welfare training contracts and developing financing for family preservation programs.

8. **Services to Employees.** Out of the appropriations authorized, the Texas Youth Commission may provide treatment and hospitalization, at the facilities under their direction, of employees injured in the performance of their duties and may reimburse employees in an amount not to exceed $500 per incident per employee for damage to eyeglasses, hearing aids, false teeth, and other prosthetic devices caused by agency clients.

9. **Fire Prevention and Safety.** In instances in which regular employees of facilities operated by the Texas Youth Commission are assigned extra duties in fire prevention programs, the following payments are authorized in addition to the salary rates stipulated by the provisions of Article IX of this Act relating to the position classifications and assigned salary ranges:

Fire Chief	$75 per month
Assistant Fire Chief	$65 per month
Fire Brigade Members	$50 per month

10. **Charges to Employees and Guests.**

    a. Collections for services rendered Texas Youth Commission employees and guests shall be made by a deduction from the recipient's salary or by cash payment in advance. Such deductions and other receipts for these services from employees and guests are hereby reappropriated to the facility. Refunds of excess collections shall be made from the appropriation to which the collection was deposited.

    b. As compensation for services rendered and notwithstanding any other provision in this Act, any facility under the jurisdiction o the Texas Youth Commission may provide free meals for food service personnel and volunteer workers, and may furnish housing facilities, meals and laundry service in exchange for services rendered by interns, chaplains in training, and student nurses.

11. **Gifts, Donations, and Federal Grants.**

    a. The Texas Youth Commission is authorized to accept gifts, donations, and federal grants for the programs and projects intended to improve the care and treatment of patients or students for which the agencies are responsible. Such gifts, donations, and grants are appropriated for the purposes for which they are made available; however, the Texas Youth Commission shall not incur any indebtedness which would necessitate a supplemental or additional appropriation nor deplete any of the funds appropriated to an amount which would necessitate a supplemental or additional appropriation.

    b. In carrying out the wishes of the donor within the meaning of this subsection, the Texas Youth Commission is authorized to enter into such contracts with any person, firm, corporation or governmental agency as may be necessary.

    c. Any gifts, grants, or donations received pursuant to this subsection shall be expended only in accordance with the applicable provisions of this act, and subject to the restrictions stated herein.

12. **Oversight of Construction Projects.** The Commission shall contract with the Department of Criminal Justice for construction management services for all construction projects involving the expenditure of bond funds appropriated above.

13. **Specialized Treatment Report.** The Texas Youth Commission shall, in its annual report, provide an assessment of the effectiveness of specialized treatment, emphasizing re-arrest rates of offenders receiving treatment.

14. **Unexpended Balances.** Any unobligated balances (estimated to be $1,500,000) as of August 31, 1997, in appropriations made by House Bill 1, Acts of the Seventy-fourth Legislature, Regular Session, 1995, as identified in Article V, Section 1, Capital Budget, and Senate Bill No. 5, Acts of the Seventy-third Legislature, Regular Session, 1993, as identified in Article II, Section 1, Capital Budget are reappropriated for the identical purposes for the biennium beginning September 1, 1997. A total of $1.5 million of the unexpended balances reappropriated for the 1998-99 biennium shall be used to match federal funds for the construction of a new facility as reflected in TYC's Capital Budget Rider.

15. **Audit of Rates for Residential Placements.** The State Auditor's Office shall review, on a biennial basis, the actual rates negotiated and paid by the Texas Youth Commission for the provision of residential placements. The Auditor's review shall assess the extent to which the Texas Youth Commission negotiated the most cost effective rate possible based on the demand for the respective service in the area.

16. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for the Texas Youth Commission are made contingent on the continuation of the Texas Youth Commission by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 1998, or as much thereof as may be necessary, are to be used to provide for the phase out of agency operations.

17. **Project RIO.** It is the intent of the Legislature that the Texas Workforce Commission, the Texas Department of Criminal Justice, and the Texas Youth Commission together enhance the effectiveness of Project RIO by improving cohesive program delivery among the three agencies. The agencies shall together develop and implement a strategic plan for the implementation of a more cohesive and effective Project RIO program which will emphasize necessary skill development, rehabilitation and appropriate assessment of the offender prior to release. Not later than March 1, 1998, the strategic plan, jointly prepared by the three agencies, and including specific strategies, measures, timeframes for program improvement, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor's Office of Budget and Planning.

18. **Salaries, Education Professionals.**

    a. Each principal, supervisor, and classroom teacher employed in an institution operated by the Texas Youth Commission shall receive a monthly salary to be computed as follows: The applicable monthly salary rate plus increments specified in Section 16.056, Texas Education Code, as amended, shall be multiplied by twelve to arrive at an annual salary rate. Such rate shall be divided by the number of days required in Section 16.055, Texas Education Code, for pay grades 1-11 twelve-month employees, and the resulting daily rate shall be multiplied by the number of on-duty days required of Texas Youth Commission educators, resulting in the adjusted annual salary. The adjusted annual salary is to be divided by twelve to arrive at the monthly rate. Salary rates for educational aides shall be calculated in the same manner, using 60 percent of the salary rate plus increments specified in Section 16.056, Texas Education Code.

    b. The Texas Youth Commission may authorize salary rates at amounts above the adjusted annual salary determined in the preceding formula, but such rates, including longevity for persons commencing employment on September 1, 1983, or thereafter, and excluding hazardous duty pay, shall never exceed the rates of pay for like positions paid in the public schools of the city in which the Texas Youth Commission institution is located. Any authorized local increments will be in addition to adjusted annual salaries.

19. **State Owned Housing Authorized.** As of September 1, 1998, the chief superintendent, assistant superintendent and the director of security are authorized to live in state-owned housing at a rate determined by the Commission. Other commission employees may live in state-owned housing as set forth in Article IX, Section 178, Recovery Housing Costs, of this Act. Fees for employee housing are hereby reappropriated to be used for maintaining employee housing.

Retirement and Group Insurance

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law; estimated	$ 81,509,529	$ 83,452,446
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees; estimated	$ 161,921,806	$ 165,160,242
A.1.3. Strategy: LAW ENFORCEMENT BENEFITS Provide for the payment of death benefits to beneficiaries of law enforcement officials as required by Section 615, Government Code; estimated.	$ 875,000	$ 875,000
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 244,306,335	$ 249,487,688
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 244,306,335	$ 249,487,688
Method of Financing:		
General Revenue Fund, estimated	$ 202,720,455	$ 207,132,161
General Revenue Fund - Dedicated, estimated	7,299,479	7,441,469
State Highway Fund No. 006, estimated	31,448,548	32,023,983
Federal Funds, estimated	2,238,116	2,277,580
Other Special State Funds, estimated	599,737	612,495
Total, Method of Financing	$ 244,306,335	$ 249,487,688

Social Security and Benefit Replacement Pay

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH -- EMPLOYER Provide an employer match for Social Security contributions; estimated	$ 101,897,064	$ 104,720,997
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees; estimated	$ 35,364,398	$ 32,083,710
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 137,261,462	$ 136,804,707
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 137,261,462	$ 136,804,707
Method of Financing:		
General Revenue Fund, estimated	$ 114,284,142	$ 114,070,764
General Revenue Fund - Dedicated, estimated	3,031,016	3,005,767
State Highway Fund No. 006, estimated	18,380,769	18,182,465
Federal Funds, estimated	1,219,586	1,196,274
Other Special State Funds, estimated	345,949	349,437
Total, Method of Financing	$ 137,261,462	$ 136,804,707

Bond Debt Service Payments

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE Make general obligation bond debt service payments in compliance with bond covenants.	$ 221,126,934	$ 223,928,881 & U.B.
Grand Total, BOND DEBT SERVICE PAYMENTS	$ 221,126,934	$ 223,928,881

Bond Debt Service Payments
(Continued)

Method of Financing:		
General Revenue Fund	$ 218,351,025	$ 222,090,498
Current Fund Balance	2,775,909	1,838,383
Total, Method of Financing	$ 221,126,934	$ 223,928,881

Lease Payments

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS	$ 1,624,683	$ 1,625,659 & U.B.
Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.		
Grand Total, LEASE PAYMENTS	$ 1,624,683	$ 1,625,659

SPECIAL PROVISIONS RELATING TO PUBLIC SAFETY AND CRIMINAL JUSTICE

Sec. 2. **Authorization to Receive, Administer, and Disburse Federal Crime Funds.** Out of funds appropriated above, the Texas Department of Criminal Justice, the Texas Juvenile Probation Commission, and the Texas Youth Commission, may allocate matching funds in order to secure federal grants for the construction, expansion, renovation, and operation of correctional facilities and services, as authorized by federal legislation. These agencies are authorized to receive and disburse, in accordance with plans acceptable to the responsible federal agency, all federal monies that are made available to the state for programs, projects, or services that otherwise could not be funded or undertaken without the receipt of such funding. Such federal funds are hereby appropriated to the specific purpose or purposes for which they are granted or otherwise made available, and may be expended only with the prior written approval of the Governor and Legislative Budget Board.

Sec. 3. **Purchase of TDCJ Products**. It is the intent of the Legislature that state public safety and criminal justice agencies use products produced by the Institutional Division of the Texas Department of Criminal Justice to the greatest extent possible when either renovating existing facilities or constructing new facilities.

RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(General Revenue)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Adjutant General's Department	$ 11,282,943	$ 9,877,868
Alcoholic Beverage Commission	20,724,113	21,579,308
Contingency Appropriations	574,100	526,100
Total	21,298,213	22,105,408
Armory Board, National Guard	788,058	788,058
Criminal Justice, Department of	1,918,850,296	1,970,436,242
Rider Appropriations	4,507,000	
Total	1,923,357,296	1,970,436,242
Criminal Justice Policy Council	661,432	661,432
Fire Protection, Commission on		
Jail Standards, Commission on	778,846	778,846
Juvenile Probation Commission	75,893,872	79,207,436
Law Enforcement Officer Standards and Education, Commission on		
Polygraph Examiners Board	87,309	87,308
Rider Appropriations	7,718	
Total	95,027	87,308
Private Investigators and Private Security Agencies, Board of	1,750,234	1,750,234
Public Safety, Department of	5,132,266	5,132,266
Sex Offender Treatment, Council on	70,095	70,095
Youth Commission, Texas	158,371,575	169,426,884
Subtotal, Public Safety and Criminal Justice	$ 2,199,479,857	$ 2,260,322,077
Retirement and Group Insurance	202,720,455	207,132,161
Social Security and Benefit Replacement Pay	114,284,142	114,070,764
Subtotal, Employee Benefits	$ 317,004,597	$ 321,202,925
Bond Debt Service Payments	218,351,025	222,090,498
Lease Payments	1,624,683	1,625,659
Subtotal, Debt Service	$ 219,975,708	$ 223,716,157
TOTAL, ARTICLE V - Public Safety and Criminal Justice	$ 2,736,460,162	$ 2,805,241,159

RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(General Revenue - Dedicated)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Adjutant General's Department	$	$
Alcoholic Beverage Commission		
Armory Board, National Guard		
Criminal Justice, Department of	54,764,345	54,764,345
Appropriations Made in Other Legislation	21,101,563	
Total	75,865,908	54,764,345
Criminal Justice Policy Council		
Fire Protection, Commission on	6,460,024	6,459,933
Jail Standards, Commission on		
Juvenile Probation Commission		
Law Enforcement Officer Standards and Education, Commission on	7,556,862	7,556,862
Rider Appropriations	805,486	551,136
Contingency Appropriations	500,000	
Total	8,862,348	8,107,998
Polygraph Examiners Board		
Private Investigators and Private Security Agencies, Board of		
Public Safety, Department of	21,761,356	21,053,403
Appropriations Made in Other Legislation	2,983,975	1,961,333
Total	24,745,331	23,014,736
Sex Offender Treatment, Council on		
Youth Commission, Texas		
Subtotal, Public Safety and Criminal Justice	$ 115,933,611	$ 92,347,012
Retirement and Group Insurance	7,299,479	7,441,469
Social Security and Benefit Replacement Pay	3,031,016	3,005,767
Subtotal, Employee Benefits	$ 10,330,495	$ 10,447,236
Bond Debt Service Payments		
Lease Payments		
Subtotal, Debt Service	$	$
TOTAL, ARTICLE V - Public Safety and Criminal Justice	$ 126,264,106	$ 102,794,248

RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(Federal Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Adjutant General's Department	$ 13,231,501	$ 12,845,180
Alcoholic Beverage Commission		
Armory Board, National Guard	28,250,206	3,353,720
Criminal Justice, Department of	48,000,000	41,800,000
Criminal Justice Policy Council	50,000	50,000
Fire Protection, Commission on		
Jail Standards, Commission on		
Juvenile Probation Commission		
Law Enforcement Officer Standards and Education, Commission on		
Polygraph Examiners Board		
Private Investigators and Private Security Agencies, Board of		
Public Safety, Department of	10,026,671	10,026,671
Sex Offender Treatment, Council on		
Youth Commission, Texas	11,623,678	1,245,835
Subtotal, Public Safety and Criminal Justice	$ 111,182,056	$ 69,321,406
Retirement and Group Insurance	2,238,116	2,277,580
Social Security and Benefit Replacement Pay	1,219,586	1,196,274
Subtotal, Employee Benefits	$ 3,457,702	$ 3,473,854
Bond Debt Service Payments		
Lease Payments		
Subtotal, Debt Service	$	$
TOTAL, ARTICLE V - Public Safety and Criminal Justice	$ 114,639,758	$ 72,795,260

RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(Other Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Adjutant General's Department	$ 170,000	$ 170,000
Alcoholic Beverage Commission	441,464	441,464
Armory Board, National Guard	6,310,278	5,296,363
Criminal Justice, Department of	56,637,418	17,337,418
Rider Appropriations	264,047,000	
Total	320,684,418	17,337,418
Criminal Justice Policy Council	482,524	482,524
Fire Protection, Commission on	37,353	37,353
Jail Standards, Commission on	161,080	161,080
Juvenile Probation Commission	14,693,176	14,693,176
Rider Appropriations	1,030,000	
Total	15,723,176	14,693,176
Law Enforcement Officer Standards and Education, Commission on	40,000	40,000
Polygraph Examiners Board		
Private Investigators and Private Security Agencies, Board of	675,000	675,000
Public Safety, Department of	269,590,658	265,315,850
Contingency Appropriations	2,125,544	449,667
Total	271,716,202	265,765,517
Sex Offender Treatment, Council on	44,905	39,905
Youth Commission, Texas	32,424,141	17,527,802
Rider Appropriations	451,000	
Total	32,875,141	17,527,802
Subtotal, Public Safety and Criminal Justice	$ 649,361,541	$ 322,667,602
Retirement and Group Insurance	32,048,285	32,636,478
Social Security and Benefit Replacement Pay	18,726,718	18,531,902
Subtotal, Employee Benefits	$ 50,775,003	$ 51,168,380
Bond Debt Service Payments	2,775,909	1,838,383
Lease Payments		
Subtotal, Debt Service	$ 2,775,909	$ 1,838,383
TOTAL, ARTICLE V - Public Safety and Criminal Justice	$ 702,912,453	$ 375,674,365

RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(All Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Adjutant General's Department	$ 24,684,444	$ 22,893,048
Alcoholic Beverage Commission	21,165,577	22,020,772
Contingency Appropriations	574,100	526,100
Total	21,739,677	22,546,872
Armory Board, National Guard	35,348,542	9,438,141
Criminal Justice, Department of	2,078,252,059	2,084,338,005
Rider Appropriations	268,554,000	
Appropriations Made in Other Legislation	21,101,563	
Total	2,367,907,622	2,084,338,005
Criminal Justice Policy Council	1,193,956	1,193,956
Fire Protection, Commission on	6,497,377	6,497,286
Jail Standards, Commission on	939,926	939,926
Juvenile Probation Commission	90,587,048	93,900,612
Rider Appropriations	1,030,000	
Total	91,617,048	93,900,612
Law Enforcement Officer Standards and Education, Commission on	7,596,862	7,596,862
Rider Appropriations	805,486	551,136
Contingency Appropriations	500,000	
Total	8,902,348	8,147,998
Polygraph Examiners Board	87,309	87,308
Rider Appropriations	7,718	
Total	95,027	87,308
Private Investigators and Private Security Agencies, Board of	2,425,234	2,425,234
Public Safety, Department of	306,510,951	301,528,190
Contingency Appropriations	2,125,544	449,667
Appropriations Made in Other Legislation	2,983,975	1,961,333
Total	311,620,470	303,939,190
Sex Offender Treatment, Council on	115,000	110,000
Youth Commission, Texas	202,419,394	188,200,521
Rider Appropriations	451,000	
Total	202,870,394	188,200,521
Subtotal, Public Safety and Criminal Justice	$ 3,075,957,065	$ 2,744,658,097

RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(All Funds)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Retirement and Group Insurance	244,306,335	249,487,688
Social Security and Benefit Replacement Pay	137,261,462	136,804,707
Subtotal, Employee Benefits	$ 381,567,797	$ 386,292,395
Bond Debt Service Payments	221,126,934	223,928,881
Lease Payments	1,624,683	1,625,659
Subtotal, Debt Service	$ 222,751,617	$ 225,554,540
TOTAL, ARTICLE V - Public Safety and Criminal Justice	$ 3,680,276,479	$ 3,356,505,032
Number of Full-time Equivalent Positions (FTE)	52,180.0	53,005.0

ARTICLE VI

NATURAL RESOURCES

Section 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated natural resources agencies.

DEPARTMENT OF AGRICULTURE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: MARKETS & PUBLIC HEALTH To enable Texas farmers, ranchers and agribusinesses to expand profitable markets for their agricultural products while protecting public health and our state's natural resources.		
Outcomes:		
Percent Increase from the 1996 Level in the Number of Marketing Opportunities for Texas Farmers, Ranchers and Agribusinesses	15%	22%
Percent Reduction from the 1994 Level in the Number of Pesticide-Related Violations	7%	7%
A.1.1. Strategy: GENERATE MARKETS Generate marketing opportunities for Texas farmers, ranchers and agribusinesses.	$ 6,775,971	$ 6,775,971
Outputs:		
Number of Companies Enrolled in TDA Marketing Programs	1,310	1,310
Number of Acres Inspected	190,000	190,000
A.1.2. Strategy: REGULATE PESTICIDE USE Regulate pesticide use through registration, certification, education and enforcement.	$ 4,956,604	$ 4,956,604
Outputs:		
Number of Licenses and Certificates Issued to Pesticide Applicators	14,350	14,350
Number of Pesticide Complaint Investigations Conducted	250	250
Efficiencies:		
Average Cost per Pesticide Applicator Licensed	41.1	38.8
A.1.3. Strategy: INTEGRATED PEST MANAGEMENT Assist farmers with integrated pest management practices to reduce pesticide use.	$ 2,012,281	$ 2,012,281
Outputs:		
Hours Spent Informing Producers and Surveying Cotton for Compliance with Cotton Stalk Destruction Deadlines	14,000	14,000
Number of Inspections to Verify Compliance for Organic or Other Crop Production Certification Programs	839	864
A.1.4. Strategy: CERTIFY PRODUCE Certify fruits, vegetables and peanuts to enhance their marketability.	$ 289,467	$ 289,467

Outputs:		
Number of Pounds of Fruits, Vegetables, Peanuts and Nuts Inspected (in billions)	2.3	2.3
Total, Goal A: MARKETS & PUBLIC HEALTH	$ 14,034,323	$ 14,034,323
B. Goal: ENFORCE STANDARDS To protect consumers by establishing and enforcing standards for agricultural commodities		
Outcomes:		
Percent of Seed Samples Found to be in Full Compliance With State and Federal Standards	97%	98%
B.1.1. Strategy: NURSERY/FLORAL REGULATION Inspect and register nursery and floral production and retail outlets.	$ 1,971,466	$ 1,971,466
Outputs:		
Number of Nursery and Floral Establishment Inspections Conducted	10,000	10,000
Number of Stop Sales and Notices of Noncompliance Issued	350	350
B.1.2. Strategy: VERIFY SEED QUALITY Verify that farmers, ranchers and home gardeners receive the quality and type of seeds desired.	$ 1,751,216	$ 1,751,216
Outputs:		
Number of Seed Samples Analyzed	23,000	23,000
Number of Enforcement Actions Taken	150	125
B.1.3. Strategy: VERIFY EGG QUALITY Inspect chicken egg producer, dealer-wholesaler and retail establishments to verify and enforce compliance with state and federal standards for quality. License egg packers, wholesalers, and distributors.	$ 426,177	$ 426,175
Outputs:		
Number of Egg Producer, Dealer, Wholesaler, and Retailer Samples Taken or Inspections Conducted	15,000	15,000
B.1.4. Strategy: COMMODITY WAREHOUSES Verify that commodity warehouses are capable of properly storing and handling commodities. Assist producers and sellers of Texas grown citrus and vegetables recover monies owed to them.	$ 657,519	$ 657,519
Outputs:		
Number of Agricultural Commodity Warehouse Inspections, Re-Inspections and Audits Conducted	700	700
Number of Licenses, Permits and Registrations Issued to Agricultural Commodity Warehouses	500	500
Efficiencies:		
Average Cost per Inspection/Reinspection of Agricultural Commodity Warehouses	426	426
Total, Goal B: ENFORCE STANDARDS	$ 4,806,378	$ 4,806,376
C. Goal: ENSURE PROPER MEASUREMENT To increase the likelihood that goods offered for sale to Texas consumers are properly measured, priced and marketed.		

Outcomes:		
Percent of Total Weights and Measures Inspections Conducted Resulting in Finding of Full Compliance with State and Federal Standards	98%	98%
C.1.1. Strategy: INSPECT MEASURING DEVICES	$ 2,652,485	$ 2,652,485
Inspect weighing and measuring devices and remove inaccurately measured, priced or marketed goods from sale.		
Outputs:		
Number of Weights and Measures Inspections Conducted	105,500	105,500
Number of Stop Sales and Notices of Noncompliance Issued	7,700	7,400
Grand Total, DEPARTMENT OF AGRICULTURE	$ 21,493,186	$ 21,493,184
Method of Financing:		
General Revenue Fund	$ 19,853,548	$ 19,853,546
Earned Federal Funds	184,147	184,147
General Revenue - Dedicated		
Young Farmer Loan Guarantee Account No. 5002	100,000	100,000
Federal Funds	818,094	818,094
Other Funds		
Farm and Ranch Finance Program Fund Account No. 575	112,221	112,221
Appropriated Receipts	174,399	174,399
Texas Agricultural Fund No. 683	240,777	240,777
Interagency Contracts	10,000	10,000
Subtotal, Other Funds	$ 537,397	$ 537,397
Total, Method of Financing	$ 21,493,186	$ 21,493,184
Number of Full-time Equivalent Positions (FTE)	502.5	502.5
Schedule of Exempt Positions		
Commissioner of Agriculture, Group 4	$92,217	$92,217
Deputy Commissioner	78,007	78,007

1. **Capital Budget.** Funds appropriated above may be expended for capital budget items as listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Computer Equipment/Software	$ 100,000	$ 100,000

b. Transportation Items		
(1) Fleet Vehicles	$ 200,000	$ 300,000
Total, Capital Budget	$ 300,000	$ 400,000

2. **Appropriation of Receipts: Yardage Fees.** Fifty percent of the total amount of yardage fee revenue collected by the Texas Department of Agriculture in each fiscal year pursuant to the Agriculture Code, Sec. 146.021, is hereby appropriated to the department for the biennium beginning September 1, 1997, for the purpose of paying livestock export facility lease and maintenance expenses. The remaining fifty percent of the total yardage fee revenue collected in each fiscal year shall be transferred to the unobligated portion of the General Revenue Fund and is not subject to appropriation by this provision or by Article IX of this Act. Amounts appropriated pursuant to this provision are included above in Strategy Item A.1.1., Generate Markets, and are identified above in the method of finance as Appropriated Receipts in an estimated amount of $97,552 for each fiscal year.

   Any unexpended and unobligated balances remaining as of August 31, 1997 in the appropriation made by rider provision 2, House Bill 1, Seventy-fourth Legislature, Regular Session, on page VI-4, are hereby reappropriated for the biennium beginning September 1, 1997 for the identical purposes.

3. **Appropriation: Land Donations.** The Department of Agriculture is hereby authorized to lease, and/or accept the donation of land or the use of land from either governmental agencies, private firms, corporations, or individuals to be used in connection with the performance of its various responsibilities and programs.

4. **Appropriation: Publication Fees.** The department is hereby appropriated any subscription fees, royalties, advertising revenues, or charges collected for publications, services or products produced by the department, subject to any restrictions on publications fee appropriations contained elsewhere in this Act.

5. **Fee Increase Authority and Limitation.** For the purpose of implementing the intent of the Legislature, that the department collect fee amounts which offset, when feasible, the direct and indirect costs of administering its regulatory activities, the department is hereby authorized to and shall increase the fees by a percentage sufficient to offset costs associated with its regulatory activities. It is the intent of the Legislature that the cost offset percentage shall be 100 percent. The following activities are exempt from this requirement: Seed Testing, Quarantine Enforcement/Education; Piece Rate Crop Survey; Pest Management Program; Agriculture Hazard Communication Act; Boll Weevil Control Act; Predatory Management Program.

6. **Pay for Regular Compensatory Time: Livestock Export Pen Operations.** It is expressly provided that the Department of Agriculture, to the extent permitted by law, may pay FLSA nonexempt employees in classified positions who are stationed at Department of Agriculture livestock export pens for compensatory time hours on a straight-time basis when the taking of compensatory time off would be disruptive to normal working activities and other critical functions relating to livestock export pen operations.

7. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Department of Agriculture is hereby authorized to direct agency resources, and transfer such amounts appropriated above between strategy line items.

8. **Appropriation: Young Farmer Loan Guarantee Program.** Out of the Young Farmer Loan Guarantee Fund, the Texas Agriculture Finance Authority is hereby appropriated for the

biennium beginning September 1, 1997, all necessary amounts required to cover any defaults on loans provided under Chapter 253, Texas Agriculture Code.

9. **Appropriation: Fair Park Structure Restoration.** The Texas Department of Agriculture is hereby appropriated $1,974,600 from the General Revenue Fund for the biennium beginning September 1, 1997 to be used solely for restoration of historically significant structures within the National Historic District at Fair Park.

10. **Appropriation: Earned Federal Funds.** The Department of Agriculture is hereby appropriated all earned federal funds received during the biennium beginning with the effective date of this Act that are in addition to those earned federal funds specified in the method of financing above.

11. **Unexpended Balances.** Any unexpended balances as of August 31, 1998 in the appropriations made herein to the Department of Agriculture are hereby reappropriated for the same purpose for the fiscal year beginning September 1, 1998.

12. **Appropriation: Texas-Israel Exchange Program.** Any unexpended balances remaining as of August 31, 1997 in appropriations made to the Department of Agriculture, are hereby reappropriated to the department for fiscal year 1998 to fund the Texas-Israel Exchange program in an amount not to exceed $250,000.

13. **Contingency Appropriation for Senate Bill 665.** Contingent upon the enactment of Senate Bill 665 or similar legislation relating to regulation of motor fuels containing ethanol or methanol by the Seventy-fifth Legislature, Regular Session, the Department of Agriculture is hereby appropriated $412,733 for fiscal year 1998 and $355,137 for fiscal year 1999 out of additional revenues collected pursuant to Senate Bill 665 for the purpose of implementing that Act. The department is authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

† 14. **Contingency Appropriation for Senate Bill 1355.** Contingent upon the enactment of Senate Bill 1355 or similar legislation relating to regulation of retail stores by the Seventy-fifth Legislature, Regular Session, the Department of Agriculture is hereby appropriated $418,333 for fiscal year 1998 and $227,561 for fiscal year 1999 out of additional revenues collected pursuant to Senate Bill 1355 for the purpose of implementing that Act. The department is authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

15. **Contingency Appropriation Reduction for Senate Bill 1124.** Contingent upon the enactment of Senate Bill 1124 or similar legislation relating to the regulation of aquaculture by the Seventy-fifth Legislature, Regular Session, appropriations out of the General Revenue Fund to the Department of Agriculture in Strategy item A.1.1., General Markets, are hereby reduced $6,500 for fiscal year 1998 and $6,500 for fiscal year 1999.

† *See Veto Proclamation.*

ANIMAL HEALTH COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: REDUCE LIVESTOCK DISEASE To ensure that Texas livestock, poultry, and exotic livestock and fowl are minimally impacted by targeted diseases, thus facilitating enhanced productivity and marketability while sustaining reduced human health risks.		
Outcomes:		
Percent Change in Known Prevalence of Bovine Brucellosis From the 1994 Level.	-80%	-91%
Percent Change in Known Prevalence of Bovine Tuberculosis From the 1994 Level.	-57%	-57%
A.1.1. Strategy: DISEASE PREVENTION To reduce the amount of known infection in Texas livestock, poultry, and exotic livestock and fowl resulting from movement between premises.	$ 740,307	$ 726,500
Outputs:		
Number of Livestock Vehicles Inspected	2,550	2,650
A.1.2. Strategy: SURVEILLANCE To identify and locate infection or infestation.	$ 7,029,989	$ 6,898,877
Outputs:		
Number of Surveillance Laboratory Tests Conducted	2,300,000	2,400,000
A.1.3. Strategy: DISEASE DIAGNOSIS To determine presence or absence of disease where exposure, infection, or infestation is indicated.	$ 1,167,107	$ 1,145,340
Outputs:		
Number of Herds and Flocks Diagnosed as Infected	450	400
A.1.4. Strategy: CONTROL AND ERADICATION To limit disease exposure and restore to non-disease status infected or infested herds and flocks.	$ 729,183	$ 713,719
Outputs:		
Number of Equine Infectious Anemia Quarantines Issued	273	246
Total, Goal A: REDUCE LIVESTOCK DISEASE	$ 9,666,586	$ 9,484,436
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: CENTRAL ADMINISTRATION	$ 896,013	$ 853,268
B.1.2. Strategy: INFORMATION RESOURCES	$ 345,986	$ 331,058
B.1.3. Strategy: OTHER SUPPORT SERVICES	$ 235,899	$ 225,722
Total, Goal B: INDIRECT ADMINISTRATION	$ 1,477,898	$ 1,410,048
Grand Total, ANIMAL HEALTH COMMISSION	$ 11,144,484	$ 10,894,484

ANIMAL HEALTH COMMISSION
(Continued)

Method of Financing:		
General Revenue Fund	$ 8,644,484	$ 8,894,484
Federal Funds	2,365,000	1,892,000
Earned Federal Funds	135,000	108,000
Total, Method of Financing	$ 11,144,484	$ 10,894,484
Number of Full-time Equivalent Positions (FTE)	226.0	226.0
Schedule of Exempt Positions and Per Diem		
* Executive Director, Group 3	$72,500	$72,500
* Assistant Executive Director for Animal Health Programs	69,065	69,065
Per Diem	2,500	2,500

1. **Payment of Brucellosis and Tuberculosis Depopulation Funds.** The Animal Health Commission is authorized to expend funds appropriated above for costs of brucellosis and tuberculosis depopulation indemnity payments. Rules promulgated and adopted by the Commission determine the eligibility and compensation criteria.

2. **Unexpended Balance Authority: Between Fiscal Years.** The Texas Animal Health Commission is hereby authorized to carry forward and is appropriated any unexpended balances from fiscal year 1998 to fiscal year 1999.

3. **Laboratory Testing.** It is the intent of the Legislature that laboratory testing for animal diseases be performed at the Texas Veterinary Medical Diagnostic Lab to the extent of the agency's capabilities. Furthermore, laboratory tests that are already performed at the Texas Veterinary Medical Diagnostic Lab are not to be duplicated at the Texas Animal Health Commission.

† 4. **Contingency Appropriation for Senate Bill 1124.** Contingent upon the enactment of Senate Bill 1124, or similar legislation relating to the regulation of aquaculture, by the Seventy-fifth Legislature, Regular Session, the Animal Health Commission is hereby appropriated $13,000 for fiscal year 1998 and $13,000 for fiscal year 1999 out of revenues collected pursuant to Senate Bill 1124 for the purpose of implementing that Act. The Animal Health Commission is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

GENERAL LAND OFFICE AND VETERANS' LAND BOARD

	For the Years Ending August 31, 1998	August 31, 1999
A. Goal: ENHANCE STATE ASSETS To enhance the value of state assets and the revenues they generate through prudent and innovative management of state-owned land, minerals, and other assets.		
Outcomes:		
Percent of PSF Uplands Acreage Leased	77%	77%

† *See Veto Proclamation.*

A.1.1. Strategy: MINERAL LEASE MANAGEMENT	$ 3,804,737	$ 3,258,803
Assess the revenue potential of state mineral lands and conduct aggressive mineral leasing and revenue management activities to maximize that potential.		
Outputs:		
Annual Mineral Lease Revenue (Millions)	140	130
A.1.2. Strategy: SURFACE MINERAL LEASING	$ 1,138,437	$ 1,138,497
Promote and conduct aggressive leasing activities for Permanent School Fund and State Agency land.		
Outputs:		
Annual Revenue From Uplands Surface Leases	1,280,000	1,280,000
Annual Revenue from Coastal Leases	800,000	850,000
A.1.3. Strategy: ASSET MANAGEMENT	$ 1,579,398	$ 1,559,878
Evaluate Permanent School Fund and State Agency Land and dispose of selected tracts through sale or trade.		
Outputs:		
Annual Revenue From the Sale of State Land	16,500,000	4,700,000
Number of Land Sales and Other Dispositions and Acquisitions Closed	107	107
A.1.4. Strategy: MONITOR SURFACE ACREAGE	$ 248,512	$ 248,512
Inspect and monitor the use of state-owned surface acreage to ensure compliance with lease terms.		
Outputs:		
Number of Acres of PSF Land Inspected	400,000	500,000
A.2.1. Strategy: IN-KIND GAS/OIL PROGRAMS	$ 897,360	$ 898,940
Promote and expand the in-kind gas and oil programs.		
Outputs:		
Average Monthly Volume of In-Kind Gas Sold in Thousand Cubic Feet (MCF)	1,790,000	2,200,000
Average Monthly Volume of In-Kind Oil Sold in Barrels	100,000	100,000
A.2.2. Strategy: ROYALTY AUDITS	$ 1,615,341	$ 1,616,921
Conduct on-site audits and in-house reconciliations of state mineral leases.		
Outputs:		
Amount of Revenue Detected from Audits	6,000,000	6,000,000
Amount of Revenue Detected from Reconciliations	1,250,000	1,250,000
Total, Goal A: ENHANCE STATE ASSETS	$ 9,283,785	$ 8,721,551

B. Goal: VETERANS' LAND BOARD
To provide benefits to Texas veterans, and stimulate the Texas economy, by offering low interest loans for the purchase of land, homes, and home improvements at no cost to the state.

Outcomes:		
Percentage of Texas Veterans Reached Annually Through Public Information Efforts	16%	17%

B.1.1. Strategy: VETERANS LOANS Provide veterans with information and lending opportunities throughout the state, perform prompt and efficient loan services, and manage active loan accounts and bond funds to ensure the financial integrity of the program.	$	12,096,054	$	12,095,925
Outputs:				
Number of Active Loan Accounts Maintained		44,600		43,200
Number of Delinquent Accounts Serviced		2,300		2,300
C. Goal: PROTECT THE ENVIRONMENT To improve and protect the Texas environment and promote the wise use of resources while creating new markets and jobs, through environmental initiatives in partnership with the public and private sectors.				
Outcomes:				
Percent Change in the Number of Oil Spill Responses from the 1994 Level		-.19%		-.18%
Percent Increase in the Number of Acres Evaluated for Sustainable Energy Development Projects from the 1995 Level		7%		8%
Percentage of Texans Reached Annually Through Public Information Efforts Concerning the Purchase of Recycled Products		50%		52%
C.1.1. Strategy: COASTAL MANAGEMENT Evaluate coastal permit applications for compliance with Coastal Coordination Council rules; and recruit, coordinate and direct volunteers for the Texas Adopt-a-Beach Program.	$	7,507,333	$	7,399,623
Outputs:				
Number of Coastal Permit Applications Reviewed and Evaluated for Compliance		40		40
Number of Grant Proposals Reviewed		60		70
C.1.2. Strategy: OIL SPILL RESPONSE Develop and implement a comprehensive oil spill prevention and response program to monitor the integrity of oil transport through Texas coastal waters and respond quickly and efficiently to oil spills.	$	9,945,116	$	9,970,315
Outputs:				
Number of Oil Spill Responses		1,222		1,246
Number of Vessel Response Plans Reviewed and Evaluated		1,911		2,011
Explanatory:				
Total Amount of Oil Spill Response Program Costs Recovered		229,230		210,260
C.2.1. Strategy: PROMOTE NATURAL GAS Promote the use of natural gas for vehicles and sustainable energy development projects and facilitate the advancement of natural gas technology.	$	738,181	$	761,231
Outputs:				
Number of People Contacted Through Conferences, Seminars, etc.		1,350		1,350
C.2.2. Strategy: RENEWABLE ENERGY RESOURCE Promote the development of renewable energy resources on state lands.	$	493,038	$	493,398
Outputs:				
PSF Revenue from Renewable Energy Development Projects		106,080		108,120

C.3.1. Strategy: RECYCLED PRODUCTS USAGE	$ 464,105	$ 470,925
Conduct a market development research and information program designed to aid in expanding markets for recycled products in Texas.		
Outputs:		
Number of Public Service Information Pieces Delivered to the Public	35,000	40,000
Total, Goal C: PROTECT THE ENVIRONMENT	$ 19,147,773	$ 19,095,492
Grand Total, GENERAL LAND OFFICE AND VETERANS' LAND BOARD	$ 40,527,612	$ 39,912,968
Method of Financing:		
General Revenue Fund	$ 13,583,902	$ 13,057,732
Earned Federal Funds	24,000	24,000
General Revenue - Dedicated		
Coastal Protection Account No. 027	10,574,730	10,640,145
Coastal Public Lands Management Fee Account No. 450	172,825	173,045
Subtotal, General Revenue - Dedicated	$ 10,747,555	$ 10,813,190
Federal Funds	2,414,415	2,254,339
Other Funds		
Veterans Land Program Administration Fund No. 522	12,096,054	12,095,925
Appropriated Receipts	1,661,686	1,667,782
Subtotal, Other Funds	$ 13,757,740	$ 13,763,707
Total, Method of Financing	$ 40,527,612	$ 39,912,968
Number of Full-time Equivalent Positions (FTE)	682.0	682.0
Schedule of Exempt Positions		
Commissioner, Group 4	$92,217	$92,217
First Deputy Land Commissioner - Chief Clerk	87,288	87,288
Deputy Land Commissioner - Executive Secretary, Veterans' Land Board	74,400	74,400

1. **Capital Budget.** Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

	1998	1999
a. Construction of Buildings and Facilities		
(1) Oily Bilge Reclamation System	$ 40,000	$ 40,000
b. Acquisition of Information Resource Technologies		
(1) Oil Spill-Related Technologies	61,100	63,500
(2) Computer System and Network Upgrades (MLPP Payments for 1996-97 Acquisitions)	61,072	61,072

c. Transportation Items		
(1) Field Response and Survey Vehicles	134,000	169,000
d. Acquisition of Capital Equipment and Items		
(1) Oil Spill Equipment	413,951	467,451
(2) Furnishings and Reference Materials	$ 38,284	$ 38,284
Total, Capital Budget	$ 748,407	$ 839,307

Method of Financing (Capital Budget):

General Revenue Fund	$ 71,647	$ 71,647
General Revenue Fund - Dedicated - Coastal Protection Account No. 027	652,719	743,619
Veterans Land Program Administration Fund No. 522	24,041	24,041
Total, Method of Financing	$ 748,407	$ 839,307

2. **Deposit of Permit Fees.** The Commissioner of the General Land Office shall deposit in the State Treasury to the credit of the General Revenue Fund any moneys received by the Commissioner by contract or otherwise, as fees for the issuance of permits for geological, geophysical and other surveys and investigations, for minerals other than those contained in Chapter 53, Subchapter B, Natural Resources Code, and any amendments thereto, and which are in addition to the moneys received under the provisions of Chapter 31, Subchapter D, Natural Resources Code.

3. **Transfer of Surplus.** As a charge for services rendered, the Land Commissioner shall designate the amounts to be transferred from residue accumulating as surplus in the Veterans' Land Group Insurance Account No. 957, and the Comptroller shall transfer such amounts to the General Revenue Fund and it shall become part of such fund and be available for regular appropriation.

4. **Per Diem: School Land Board and Veterans' Land Board.** Citizen members of the School Land Board and Veterans' Land Board may be paid per diem at a rate not to exceed the amount established elsewhere in this Act and actual expenses from funds appropriated above.

5. **Reimbursement of Notary Public Fees.** Appropriations made above may be used to reimburse employees for the fees and the costs of a bond that would be required for appointment as a notary public.

6. **Appropriation Source: Veterans' Land Program.** It is the intent of the Legislature that the Veterans' Land Program and Veterans' Housing Assistance Program shall be self-sustaining from fee revenue and bond proceeds and that no general revenue shall be used in funding the Veterans' Land Program and Veterans' Housing Assistance Program. In order to assure that the programs are self-sustaining and that no general revenue shall be used in funding those programs, there is hereby appropriated from the Veterans' Land Funds and the Veterans' Housing Assistance Funds all amounts necessary to administer the Veterans' Land Program and Veterans' Housing Assistance Program, including the amounts incurred in issuing bonds, in compensating a Housing Program Administrator, and in paying contracts for services rendered in administering the land and housing programs, as created and authorized by Article III, Sections 49b, 49b-1, and 49b-2 of the Texas Constitution, as amended.

Any unexpended balance as of August 31, 1998, from appropriations made above out of the Veterans Land Program Administration Fund and authorized pursuant to Article III, Section 49b, Texas Constitution are hereby reappropriated to the General Land Office for the fiscal year beginning September 1, 1998.

7. **Appropriation of Receipts: Land Sales and Sales Expenses.** Pursuant to Section 51.401, Natural Resources Code, the General Land Office is hereby appropriated all receipts from land sales of Permanent School Fund property conducted by the agency that are necessary to purchase fee or lesser interests in replacement real property for the use and benefit of the Permanent School Fund. Any receipts collected pursuant to Section 51.401, Natural Resources Code, and appropriated pursuant to this provision, which remain unexpended for a period exceeding two years are to be transferred into the Permanent School Fund as required by law. In addition, pursuant to Sections 31.1571, 31.158 and 32.112, Natural Resources Code, there is hereby appropriated to the General Land Office receipts from the Permanent School Fund land sales sufficient to cover the usual and customary costs of conducting real estate transactions authorized to be retained by the General Land Office and the School Land Board.

8. **Appropriation: Refunds.** Pursuant to Sections 52.137 and 52.138, Natural Resources Code, as much of the respective royalties, penalties, and interest which are collected and administered by the General Land Office as may be necessary is hereby appropriated to pay refunds as provided by law.

9. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the General Land Office and Veterans' Land Board, is hereby authorized to direct agency resources, and transfer such amounts appropriated above between appropriation line items.

10. **Permanent School Fund Title, Relinquishment Act, Royalty Deficiency, and Other Mineral Lease Claims or Cases.** Out of the amounts appropriated above in Strategy A.1.1., Mineral Lease Management, $1,000,000 may be expended by the General Land Office during the biennium beginning September 1, 1997, for the defense of title to Permanent School Fund lands, and the prosecution of Relinquishment Act, royalty deficiency and other mineral lease claims or cases. In addition to the amounts appropriated above, an amount not to exceed $ 1,000,000 is hereby appropriated to the General Land Office, out of funds recovered for the Available School Fund by settlement and/or judgement in such claims or cases, to prosecute additional claims or cases to defend title to Permanent School Fund lands.

11. **Appropriation: Galveston Bay National Estuary Program.** Out of the amounts above in Strategy C.1.1., Coastal Management, $750,000 is appropriated each year of the 1998-1999 biennium from the Coastal Protection Account for the purpose of implementing the Galveston Bay National Estuary Program. This appropriation is made contingent upon the receipt of matching funds from affected units of local government and the continuation of a memorandum of understanding between the General Land Office and the Texas Natural Resource Conservation Commission to implement and jointly administer the program.

12. **Appropriation of Receipts and Account Balances: Surface Damages.**
    a. The General Land Office is hereby appropriated an amount equal to the unencumbered balances on hand as of August 31, 1997, estimated to be $8,200, collected as surface damages pursuant to Section 52.297, 53.155, 31.051, 51.291, and 51.295, Natural Resources Code, for the purpose of funding conservation or reclamation projects making permanent improvements on Permanent School Fund land, and making grants to a lessee of Permanent School Fund land for these purposes.

    b. The General Land Office is hereby appropriated all amounts collected as surface damages during the biennium beginning September 1, 1997, pursuant to Section 52.297, 53.155, 31.051, 51.291, and 51.295, Natural Resources Code, for the purposes previously stated.

13. **Beach Cleanup and Inmate Labor.** The General Land Office may use trusty inmates from the Texas Department of Criminal Justice to provide labor for cleanup of Texas beaches under the General Land Office's Beach Maintenance and Adopt-a-Beach programs.

14. **Appropriation: Receipts and Fund Balances for Easement Purchases.**
    a. The General Land Office is hereby appropriated an amount equal to unencumbered available balances on hand as of August 31, 1997, from revenue collected pursuant to Sections 52.297 and 51.401, Natural Resources Code, for the purpose of purchasing easements for access to Permanent School Fund land as authorized by Section 11.079, Natural Resources Code.
    b. The General Land Office is hereby appropriated such amounts from land sales receipts and surface damages collected during the biennium beginning September 1, 1997, as may be necessary to purchase easements for access to Permanent School Fund land, pursuant to Section 11.079, Natural Resources Code.

15. **Appropriation: Easement Fees for Use of State-owned Riverbeds.**

    a. The General Land Office is hereby appropriated out of the General Revenue Fund an amount equal to the unencumbered available balances on hand as of August 31, 1997, collected as easement fees for use of state-owned riverbeds pursuant to Section 51.291, Natural Resources Code, and/or agency rules, for the removal of unauthorized structures on Permanent School Fund lands.

    b. The General Land Office is hereby appropriated all amounts collected as easement fees for use of state-owned riverbeds, pursuant to Section 51.291, Natural Resources Code, during the biennium beginning September 1, 1997, for the purposes previously stated.

16. **Appropriation: Maintenance and Disposition Expenses for Superconducting Super Collider Real Property.** There is hereby appropriated $873,000 to the General Land Office out of the fiscal years 1997 and 1998 proceeds from the disposition of the Superconducting Super Collider real property in Ellis County. The funds may be expended for the maintenance and costs associated with the disposition of the Superconducting Super Collider real property in Ellis County.

    There is hereby appropriated to the General Land Office an additional $873,000 out of the fiscal years 1998 and 1999 proceeds from the disposition of the Superconducting Super Collider real property in Ellis County. The funds may be expended for the maintenance and costs associated with the disposition of the Superconducting Super Collider real property in Ellis County.

17. **Appropriation: Veterans' Land Board Fee Receipts and Unexpended Balances.** There is hereby appropriated to the General Land Office from the General Revenue Fund an amount equal to the unexpended balance on hand of all fees and revenues collected pursuant to Sections 161.069, 161.070, and 162.002, Natural Resources Code, as of August 31, 1997. There are also appropriated all fees and revenues collected pursuant to Sections 161.069, 161.070, and 162.002, Natural Resources Code, in excess of the amounts appropriated above, during each fiscal year of the biennium beginning with the effective date of this Act. The estimated additional appropriations of this provision are $240,000 in 1998 and $250,000 in 1999.

18. **Appropriation of Receipts and Account Balances: Coastal Protection.** In addition to the other amounts appropriated by this Act, there is hereby appropriated to the General Land Office an amount not to exceed $10 million from the Coastal Protection Account for expenditures necessary for the implementation of Subsections (2), (3), (4), and (7), Section 40.152, Texas Natural Resources Code; and, further, upon certification by the Commissioner pursuant to Subsection (c), Section 40.155, Texas Natural Resources Code, the remainder of the balance of

the Coastal Protection Account is hereby appropriated to the General Land Office for emergency response.

Out of the $10 million appropriated to the General Land Office elsewhere in this provision, an amount not to exceed $300,000 shall be expended only for interagency contracts in cooperation with the Water Development Board, the Blucher Institute at Texas A&M-Corpus Christi, and Lamar University for operation and maintenance of the Texas Coastal Ocean Observation Network of tide gauges and related monitoring instrumentation.

19. **Unexpended Balances.** Any unexpended balances as of August 31, 1998 in the appropriations made herein to the General Land Office and Veterans' Land Board are hereby reappropriated for the same purpose for the fiscal year beginning September 1, 1998.

† 20. **Contingency Appropriation for Senate Bill 1339.** Contingent upon the enactment of Senate Bill 1339, or similar legislation relating to Coastal Erosion, by the Seventy-fifth Legislature, Regular Session, the General Land Office is hereby appropriated $103,800 for fiscal year 1998 and $135,500 for fiscal year 1999 out of additional revenues collected pursuant to Senate Bill 1339 for the purpose of implementing that Act. The General Land Office is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

LOW-LEVEL RADIOACTIVE WASTE DISPOSAL AUTHORITY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund - Dedicated - Low Level Waste Account No. 088:		
A. Goal: WASTE DISPOSAL FACILITY License and design a disposal facility for low-level radioactive waste from the Texas compact so that inappropriate storage and disposal activities are eliminated, the general public is protected from unacceptable exposure to radioactive waste, and the beneficial uses of radioactive materials can be continued.		
Outcomes:		
Percent of Site Licensing Complete	100%	100%
A.1.1. Strategy: COMPLETE LICENSE PROCESS Complete the license interrogatory process and license hearing.	$ 5,032,723	$ 586,861 & U.B.
A.2.1. Strategy: PAYMENTS TO HOST COUNTY Impact assistance payments to Hudspeth county. Estimated	$ 591,950	$ 591,950
A.2.2. Strategy: PAYMENTS TO HOST COUNTY Impact assistance payments to Hudspeth county. Estimated.	$	$
Total, Goal A: WASTE DISPOSAL FACILITY	$ 5,624,673	$ 1,178,811
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 593,436	$ 581,136

† *See Veto Proclamation.*

LOW-LEVEL RADIOACTIVE WASTE DISPOSAL AUTHORITY
(Continued)

Grand Total, LOW-LEVEL RADIOACTIVE WASTE DISPOSAL AUTHORITY	$ 6,218,109	$ 1,759,947
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 185,889	$ 185,917
Number of Full-time Equivalent Positions (FTE)	17.5	17.5
Schedule of Exempt Positions		
General Manager, Group 2	$76,385	$76,385
Deputy General Manager	(2) 66,893	(2) 66,893

1. **Appropriation Limited to Revenue Collections.** It is the intent of the Legislature that revenues collected pursuant to Chapters 402 and 403, Texas Health and Safety Code cover, at a minimum, the cost of the appropriations made above as well as an amount equal to the amount identified above in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in this Act". In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

2. **Local Public Projects.** The Low-Level Radioactive Waste Disposal Authority is hereby authorized to transfer that portion of fees collected pursuant to Chapters 402 and 403, Texas Health and Safety Code, to the Commissioners Court of the host county, for the purpose of funding local projects and entities. For the 1998-99 biennium, the amounts transferred shall be not less than $591,950 in fiscal year 1998 and $591,950 in fiscal year 1999.

3. **Compact Commission.** Contingent upon the ratification of the compact agreement between Texas, Maine, and Vermont by the United States Congress, the Low-Level Radioactive Waste Disposal Authority is directed to transfer up to $200,000 for the 1998-1999 biennium to the Compact Commission to fund the Commission's operations. Revenue received by the Compact Commission pursuant to Chapter 403, Section 4.05(6), Texas Health and Safety Code shall be paid to reimburse the Authority.

4. **Limitation of Expenditures.** None of the funds appropriated in this Act shall be expended without the prior approval of the Legislative Budget Board and the Office of the Governor or the Legislature, if in session, for the purpose of responding to, or participating in, any appeal or judicial review of a final decision from a contested case hearing relating to an application for a license to operate a waste disposal facility by the Low Level Radioactive Waste Disposal Authority.

5. **Limit on Transferability.** Notwithstanding limitations on appropriation transfers contained in Article IX of this Act, none of the amounts appropriated above to the Low Level Radioactive Waste Disposal Authority may be transferred between strategies.

6. **Legislative Intent: Notification of Substantial Change in Licensing Time frames.** The appropriations made above to the Low Level Radioactive Waste Disposal Authority assume completion of the licensing process by December 31, 1998. It is the intent of the Legislature that if the Low Level Radioactive Waste Disposal Authority determines that a substantial change in the time frames for the licensure of the facility will occur, it shall provide written notification to the Legislative Budget Board and the Governor's Office of Budget and Planning.

NATURAL RESOURCE CONSERVATION COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: ASSESSMENT AND PERMITTING To protect public health and the environment by accurately assessing environmental conditions; by preventing or minimizing the level of contaminants released to the environment through regulation and permitting of facilities or activities with potential to contribute to pollution levels; by promoting voluntary efforts to prevent pollution; and by assuring the delivery of safe drinking water to Texas citizens at affordable rates.		
Outcomes:		
Annual Percent of Stationary and Mobile Source Pollution Reductions in Non-attainment Areas	4%	5%
Percent Reduction in Pollution from Point Source Discharges per Capita from the 1994 Level	3.6%	3.8%
Percent Reduction in Discharge Volume from Point Source Discharges per Capita from the 1994 Level	2.1%	2.3%
Percent of Texas Surface Water Meeting or Exceeding Water Quality Standards	85%	86%
Percent Reduction in Disposal of Municipal Solid Waste per Capita from the 1992 Level	35.7%	45.5%
Percent Decrease in the Toxic Releases in Texas from the 1992 Level	19%	22%
Percent Decrease in the Amount of Municipal Solid Waste Going into Texas Landfills from the 1992 Level	15.2%	28.1%
Percent of Used Tires Forwarded to End-use	75%	
Percent of Texas Population Served by Public Water Systems Which Meet Drinking Water Standards	95.8%	96.1%
A.1.1. Strategy: AIR QUALITY PERMITTING Perform complete and timely reviews of applications to release pollutants into the air.	$ 11,553,278	$ 11,553,278
Outputs:		
Number of Air Quality Permit Applications Reviewed	6,120	6,120
Number of Federal Air Quality Operating Permits Reviewed	400	1,680
A.1.2. Strategy: WATER RESOURCE PERMITTING Perform complete and timely reviews of applications to utilize the state's water resources or to discharge to the state's waterways.	$ 6,921,543	$ 6,669,782
Outputs:		
Number of Applications to Address Water Quality Impacts Reviewed	2,584	2,584
Number of Applications to Address Water Rights Impacts Reviewed	750	750
Number of Concentrated Animal Feeding Operation (CAFO) Permits Reviewed	60	60
A.1.3. Strategy: WASTE PERMITTING Perform complete and timely reviews of applications relating to management and disposal of municipal and industrial solid and hazardous waste.	$ 10,436,310	$ 10,407,554

Outputs:				
Number of Corrective Actions Approved for Sites Contaminated by Solid Waste		450		450
Number of Non-hazardous Waste Permit Applications Reviewed		22		23
Number of Hazardous Waste Permit Applications Reviewed		109		95
A.2.1. Strategy: AIR QUALITY ASSESSMENT AND PLANNING	$	27,147,137	$	26,307,207
Reduce and prevent air pollution by monitoring and assessing air quality, developing and/or revising plans to address identified air quality problems, and assisting in the implementation of approaches to reducing motor vehicle emissions.				
Outputs:				
Number of Point Source Air Quality Assessments		2,400		2,400
Number of Area Source Air Quality Assessments		1,600		1,600
Number of Mobile Source Air Quality Assessments		990		990
Number of Air Monitors Operated		351		390
Efficiencies:				
Average Cost per Monitoring Station/Site Operated		27,840		27,840
A.2.2. Strategy: WATER ASSESSMENT AND PLANNING	$	18,798,685	$	14,734,099
Develop plans to ensure an adequate, affordable supply of clean water by monitoring and assessing water quality and availability.				
Outputs:				
Number of Surface Water Assessments		49		66
Number of Ground Water Assessments		92		92
Number of Dam Safety Assessments		200		200
A.2.3. Strategy: WASTE ASSESSMENT AND PLANNING	$	12,906,806	$	12,763,514
Ensure the proper and safe disposal of pollutants by monitoring the generation, treatment and storage of waste and assessing the capacity of waste disposal facilities; and by providing financial and technical assistance to municipal solid waste planning regions for the development and implementation of solid waste reduction plans.				
Outputs:				
Number of Municipal Solid Waste Facility Capacity Assessments		210		200
Number of Regional Solid Waste Management Plan Implementation Grants Awarded		24		24
Number of Hazardous Waste and Industrial Non-hazardous Waste Surveys Conducted		75		75
Explanatory:				
Total Number of Years of Municipal Solid Waste Capacity Available Statewide		21		21
Number of Solid Waste Management Grants Awarded by the Councils of Government		265		265
A.3.1. Strategy: PREVENTION & RECYCLING	$	2,973,461	$	2,463,681
Promote voluntary pollution prevention and recycling through a combination of technical assistance and public education, and by organizing and promoting voluntary prevention initiatives.				

Outputs:		
Number of On-Site Technical Assistance Visits	70	67
Number of Governmental Entities, Industries, Businesses, and Institutions Participating in Voluntary Waste Reduction Programs	2,360	2,655
Efficiencies:		
Average Cost per On-site Technical Assistance Visit	2,300	2,300
Explanatory:		
Tons of Agricultural Waste Chemicals Collected by TNRCC-sponsored Entities	175	175
A.3.2. Strategy: AUTO WASTE RECYCLING	$ 10,299,765	$ 299,730
Promote the proper disposal and recycling of waste tires and used oil through regulatory oversight, technical assistance, and the use of recognized recycling mechanisms.		
Outputs:		
Number of Tires Diverted from Landfills and Processed (in millions)	24	0
Number of Quarts of Used Oil Diverted from Landfills and Processed	8.5	9.5
Explanatory:		
Number of Registered Waste Tire Processors	20	0
Number of Sites Listed on the Waste Tire Priority Enforcement List (PEL)	75	0
A.4.1. Strategy: SAFE DRINKING WATER	$ 7,631,245	$ 7,151,245
Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources consistent with the requirements of the Safe Drinking Water Act.		
Outputs:		
Number of Public Drinking Water Systems Which Meet Primary Drinking Water Standards	6,400	6,440
Number of Drinking Water Samples Collected	17,486	17,486
A.4.2. Strategy: WATER UTILITIES OVERSIGHT	$ 2,729,757	$ 2,641,922
Provide regulatory oversight of water and sewer utilities to ensure that charges to customers are necessary and cost-based and to promote and ensure adequate customer services.		
Outputs:		
Number of Utility Rate Reviews Performed	120	115
Number of District Applications Processed	425	425
Number of Certificates of Convenience and Necessity Applications Processed	225	220
Total, Goal A: ASSESSMENT AND PERMITTING	$ 111,397,987	$ 94,992,012

B. Goal: ENFORCEMENT AND COMPLIANCE
To protect public health and the environment by administering enforcement programs that promote voluntary compliance with environmental laws and regulations while providing strict, sure, and just enforcement when environmental laws are violated.

Outcomes:		
Percent of Petroleum Storage Tanks in Compliance with Environmental Protection Agency (EPA) Standards	90%	90%
Percent of Licensees with No Recent Complaints	90%	90%
Percent of Complaints Against Licensees Resulting in Disciplinary Action	60%	60%

B.1.1. Strategy: FIELD INSPECTIONS & COMPLAINTS	$ 28,571,475	$ 28,058,499
Promote compliance with environmental laws and regulations by conducting field inspections and responding to citizen complaints.		
Outputs:		
Number of Regulated Air Facilities Inspected	4,449	4,449
Number of Water Rights Site Inspections	33,650	33,650
Number of Regulated Water Facilities Inspected	7,200	9,500
Number of Annual and Follow-up Compliance Inspections of Livestock and Poultry Operations	700	700
Number of Municipal Waste Facilities Inspected	1,704	1,704
Number of Industrial and Hazardous Waste Facilities Inspected	1,100	1,050
Number of Petroleum Storage Tank Inspections	6,700	8,700
Number of Spill Cleanup Inspections	800	800
B.1.2. Strategy: ENFORCEMENT & COMPLIANCE SUPPORT	$ 8,517,686	$ 8,115,760
Maximize voluntary compliance with environmental laws and regulations by providing educational outreach and assistance to businesses and units of local governments; and assure compliance with environmental laws and regulations by taking swift, sure and just enforcement actions to address violation situations.		
Outputs:		
Number of Small Businesses Assisted by Small Business Assistance Program (SBAP)	20,000	20,000
Number of Air Program Administrative Enforcement Orders Issued	225	225
Number of Water Program Administrative Enforcement Orders Issued	447	447
Number of Waste Program Administrative Enforcement Orders Issued	190	180
B.1.3. Strategy: OCCUPATIONAL LICENSING	$ 1,815,868	$ 1,784,718
Establish and maintain professional certification programs to ensure compliance with statutes and regulations aimed at protecting environmental resources.		
Outputs:		
Number of Examinations Administered	11,125	11,625
Number of New Licenses Issued	8,150	8,675
Number of Licenses Renewed	21,750	22,250
Explanatory:		
Number of TNRCC-certified Environmental Professionals	46,500	47,500
Total, Goal B: ENFORCEMENT AND COMPLIANCE	$ 38,905,029	$ 37,958,977
C. Goal: POLLUTION CLEANUP		
To protect public health and the environment by identifying, assessing, and prioritizing contaminated sites, and by assuring timely and cost-effective cleanup based on good science and current risk factors.		
Outcomes:		
Percent of Leaking Petroleum Storage Tank Sites Cleaned Up	60%	65%
Percent of Superfund Sites Cleaned Up	19%	12%

C.1.1. Strategy: STORAGE TANK ADMIN	$ 6,405,593	$ 6,405,593
Regulate the installation and operation of underground storage tanks and administer a program to identify and remediate sites contaminated by leaking storage tanks.		
Outputs:		
Number of Petroleum Storage Tanks Registered	1,000	800
Efficiencies:		
Average Cost per Petroleum Storage Tank Registered	240	300
C.1.2. Strategy: STORAGE TANK CLEANUP	$ 124,101,847	$ 124,101,847
Provide prompt and appropriate reimbursement to contractors and owners for the cost of remediating sites contaminated by leaking storage tanks.		
Outputs:		
Number of Emergency Response Actions at Petroleum Storage Tank Sites	30	30
Number of Petroleum Storage Tank Reimbursement Applications Processed	3,000	3,000
Number of Petroleum Storage Tank Cleanups Completed	2,000	2,500
C.1.3. Strategy: HAZARDOUS MATERIALS	$ 35,610,533	$ 51,253,504
Aggressively pursue the investigation, design and cleanup of federal and state superfund sites; and facilitate voluntary cleanup activities at other sites and respond immediately to spills which threaten human health and environment.		
Outputs:		
Number of Emergency Response Cleanups Completed	2,500	2,500
Number of Superfund Remedial Actions in Progress	65	60
Number of Voluntary and Brownfield Cleanups Completed	25	25
Number of Superfund Evaluations Underway	10	22
Number of Superfund Cleanups Underway	16	19
Number of Superfund Cleanups Completed	12	8
Total, Goal C: POLLUTION CLEANUP	$ 166,117,973	$ 181,760,944
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 15,895,439	$ 14,991,027
D.1.2. Strategy: INFORMATION RESOURCES	$ 11,058,164	$ 7,683,053
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 15,643,154	$ 15,643,154
Total, Goal D: INDIRECT ADMINISTRATION	$ 42,596,757	$ 38,317,234
Grand Total, NATURAL RESOURCE CONSERVATION COMMISSION	$ 359,017,746	$ 353,029,167
Method of Financing:		
General Revenue Fund	$ 15,609,521	$ 16,334,730
Earned Federal Funds	2,996,815	2,996,815
General Revenue Fund - Dedicated		
Water Well Drillers Account No. 079	378,827	378,827
Used Oil Recycling Account No. 146	862,948	862,948
Clean Air Account No. 151	65,839,009	65,544,346
Water Quality Account No. 153	12,310,628	7,078,612
Water Rights Administration Account No. 158	785,014	785,014

Water Utility Account No. 172	2,681,900	2,681,900
Radioactive Substance Fee Account No. 340	653,595	667,595
Texas Board of Irrigators Account No. 468	118,772	118,772
Department of Health Public Health Services Fee Account No. 524	3,247,734	3,247,734
Hazardous and Solid Waste Fees Account No. 549	14,202,071	14,202,072
Hazardous and Solid Waste Remediation Fee Account No. 550	22,430,604	32,096,604
Storage Tank Account No. 583	3,338,894	3,338,894
Petroleum Storage Tank Remediation Account No. 655	129,455,223	129,455,223
Solid Waste Disposal Account No. 5000	22,076,212	21,972,647
Waste Tire Recycling Account No. 5001	10,003,545	0
Subtotal, General Revenue Fund - Dedicated	$ 288,384,976	$ 282,431,188
Federal Funds		
Federal Air Control Board Fund	4,531,435	4,531,435
Federal Funds	39,043,871	39,043,871
Subtotal, Federal Funds	$ 43,575,306	$ 43,575,306
Other Funds		
Appropriated Receipts	1,214,500	934,500
Interagency Contracts	7,236,628	6,756,628
Subtotal, Other Funds	$ 8,451,128	$ 7,691,128
Total, Method of Financing	$ 359,017,746	$ 353,029,167
Number of Full-time Equivalent Positions (FTE)	2,973.5	2,973.5
Schedule of Exempt Positions		
Commissioners, Group 5	(3) $90,071	(3) $90,071
* Executive Director, Group 5	115,000	115,000
Deputy Executive Director	88,000	88,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Building Renovations	$ 187,000	$ 150,000
b. Acquisition of Information Resource Technologies		
(1) Growth and Expansion of Infrastructure	1,462,500	1,457,500
(2) Office of Air Quality Enhanced Data Management-RISC	100,000	100,000
(3) Federal Clean Air Act Information Management System	1,000,000	1,000,000
(4) Drinking Water Data Management	1,700,000	1,300,000

(5) Drinking Water Source Contamination Mapping	1,000,000	1,000,000
c. Transportation Items		
(1) Replacement Vehicles	829,000	809,000
d. Acquisition of Capital Equipment and Items		
(1) Growth and Maintenance of Air Monitoring Network	1,300,500	1,274,500
(2) Field Operations Houston Laboratory Equipment	$ 445,800	$ 200,000
Total, Capital Budget	$ 8,024,800	$ 7,291,000

Method of Financing (Capital Budget):

General Revenue Fund	$ 93,511	$ 77,587
Federal Air Control Board Fund	27,017	27,017
Used Oil Recycling Account No. 146	26,569	26,569
Clean Air Account No. 151	3,323,565	3,095,516
Water Quality Account No. 153	412,352	156,522
Department of Health Public Health Services Fee Account No. 524	96,489	100,000
Hazardous and Solid Waste Fees Account No. 549	1,174,013	1,220,043
Hazardous and Solid Waste Remediation Fee Account No. 550	134,284	265,333
Storage Tank Account No. 583	37,000	0
Petroleum Storage Tank Remediation Account No. 655	0	22,413
Interagency Contracts	2,700,000	2,300,000
Total, Method of Financing	$ 8,024,800	$ 7,291,000

2. **Appropriation Source: Consolidated Receipts.** The amounts specified above from the following sources are hereby appropriated for the biennium with the effective date of this Act from fees and proceeds collected and deposited to the credit of the General Revenue Fund.

   Natural Resource Conservation Commission Fee Receipts
   On-Site Wastewater Research Fee Receipts
   On-Site Wastewater Permit Fee Receipts
   On-Site Wastewater Installer Registration Fee Receipts
   Residential Water Treatment Fee Receipts
   Water Works Operator Fee Receipts
   Plumbing Fixture Inspection Fee Receipts
   On-Site Wastewater Research Receipts
   Pollution Control Equipment Receipts

3. **Appropriation Source: Dedicated Receipts.** The amounts specified above from the following sources are hereby appropriated for the biennium beginning with effective date of this Act from any balances on hand and from fees and proceeds collected and deposited as follows:

   Water Well Drillers Account
   Used Oil Recycling Account
   Clean Air Account
   Water Quality Account
   Water Rights Administration Account

Water Utility Account
Texas Board of Irrigators Account
Hazardous and Solid Waste Fee Account
Hazardous and Solid Waste Remediation Fee Account
Storage Tank Account
Petroleum Storage Tank Remediation Account
Solid Waste Disposal Account
Waste Tire Recycling Account
Department of Health Public Health Service Fee Account
Radioactive Substance Fee Account

4. **Contingency Cash Flow.** If the Legislative Budget Board and Governor determines after review of relevant information that cash flow difficulties will occur as a result of the appropriations made above, the board and Governor may authorize the commission to temporarily expend general revenue funds for the purpose of meeting the temporary cash flow needs of the commission, limited to the amounts appropriated above. The transfer of funds shall be repaid to the General Revenue Fund by the end of the fiscal year in which the funds were transferred under procedures and standards established by the Comptroller of Public Accounts.

5. **Authorization: Aircraft Chartering.** Notwithstanding any other provision of this Act, the agency is authorized to spend appropriated funds for the chartering of aircraft for the purposes of monitoring environmental quality, and the enforcement of environmental and water rights laws of the State.

6. **Fee Appropriation: Regional Assessment of Water Quality.** Revenues assessed by the agency under the authority of Water Code § 26.0135 are appropriated to the agency and included in amounts appropriated above out of the Water Quality Account for fiscal year 1998 in an amount not to exceed $5,000,000. Except as provided by Water Code § 26.0135 these funds shall be paid to river authorities and other designated districts for the recovery of costs of administering authorized water quality management programs.

7. **Authorization: Legal Services.** From the amounts appropriated above, the Commission shall employ attorneys for the purpose of administering and enforcing the statutory authority of the commission and its regulations and requirements. Nothing in this act shall preclude or limit the authority of the commission to refer a legal matter to the Attorney General for prosecution where otherwise authorized by statute, rule or agreement of the commission and the Attorney General.

8. **Fee Appropriation: Waste Facility Applications.** Amounts appropriated above, out of the Hazardous and Solid Waste Remediation Fee Account, include and shall not exceed $75,000 in each fiscal year of the biennium from permit application fees assessed by the agency for industrial solid waste and hazardous waste facilities as authorized by Health and Safety Code § 361.137.

9. **Authorization: Water and Air Program Fee Rates and Revenue Appropriation.** To provide for the recovery of costs of processing applications, the following fee rate is established pursuant to Subchapter E, Chapter 316, Government Code, to be effective during the biennium covered by this Act.

   The maximum rate for the fees authorized under Section 5.235(b) and Section 5.235(c), Water Code, shall be $2,000.

   The maximum rate for fees authorized under Section 382.062 of the Health and Safety Code shall be $80,000.

In addition to amounts appropriated elsewhere in this Act, any amounts collected by the Texas Natural Resource Conservation Commission pursuant to Sections 5.235(b) and 5.235(c), Water Code, on or after September 1, 1997 in excess of $261,000 in fiscal year 1998 and $151,000 in fiscal year 1999 are hereby appropriated to the agency.

10. **Appropriations Limited to Revenue Collections: Automobile Emission Inspections.** Included in amounts appropriated above in strategy item A.2.1., Air Quality Assessment and Planning is $1,615,000 in 1998 and $1,637,950 in 1999 which represents twenty-five percent of estimated automobile emission inspection fees collected by the Department of Public Safety for the Texas Motorist's Choice Program from facilities performing activities pursuant to Section 382.037, Health and Safety Code and Executive Order GWB96-1. These funds are for the purpose of developing, administering, evaluating, and maintaining the vehicle emissions inspection and maintenance program, including federally required reporting measures to demonstrate compliance with applicable federal and state laws.

    It is the intent of the Legislature that fees authorized and generated by the operation of the vehicle emissions inspection and maintenance program cover, at a minimum, the costs of the appropriations made above which are included in strategy item A.2.1., Air Quality Assessment and Planning, as well as the "other direct and indirect costs" associated with the Texas Motorist's Choice Program, appropriated elsewhere in this Act. "Other direct and indirect costs" for the Texas Motorist's Choice Program are estimated to be $157,816 for fiscal year 1998 and $159,129 for fiscal year 1999. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

11. **Local Air Pollution Grants Allocation.** From the funds appropriated above an amount not less than $1,491,000 in each year of the biennium shall be utilized to fund grants or cooperative agreements with eligible local air pollution programs under Section 382.0622, Texas Health and Safety Code. It is provided, however, that the combined federal and state share of the funding for any such local air pollution programs shall not exceed 67 percent of the total allocation to the programs, with the local share being based on the local dollars allocated pursuant to maintenance-of-effort requirements for federal air pollution grants.

12. **Fee Appropriation: Pollution Control Equipment Exemptions.** Pursuant to Section 11.31, Tax Code, included in amounts appropriated above out of the General Revenue Fund is $133,600 each fiscal year from fee revenue collected beginning with the effective date of this Act for the purpose of determining whether pollution control equipment is exempt from taxation.

13. **Authorization: Operating Fund.** The Commission is hereby authorized to make transfers from any appropriation made to the Commission into a single account in the General Revenue Fund known as the "Texas Natural Resource Conservation Commission Operating Fund" for the purpose of making expenditures for which appropriations were made in this Act. After the expenditures have been made from the fund and as soon as the proper strategies have been identified, the Commission shall process adjustments to the Comptroller in summary accounts to facilitate accurate cost allocations. Provided, however, that each special account and fund shall be used for the purposes as now described by law and nothing shall be done to jeopardize or divert the special accounts and funds or any portion thereof including federal aid.

14. **Consolidation of Drinking Water Appropriations.** Included in amounts appropriated above out of the Department of Health Public Health Service Fee Account, is $3,247,734 each fiscal year from fees collected pursuant to the provisions of Health and Safety Code, Chapter 341, for the biennium beginning with the effective date of this Act, for the purpose of implementing the provisions of that statute and the Federal Safe Drinking Water Act. These fee revenues shall be deposited to and appropriated from the Public Health Service Fee Account, for the purpose of

consolidation of appropriations for public drinking water programs. In addition to amounts appropriated elsewhere in this Act, any amounts collected by the Texas Natural Resource Conservation Commission pursuant to Health and Safety Code, Chapter 341, on or after September 1, 1997 in excess of $3,247,734 each fiscal year are hereby appropriated to the agency.

15. **Fee Appropriation: On-site Sewage Disposal System Regulation.** Included in amounts appropriated above out of the General Revenue Fund, is $739,472 in fiscal year 1998 and $708,322 in fiscal year 1999 from estimated revenues assessed and collected pursuant to Chapter 366, Subchapters D and E, Health and Safety Code, for the purpose of administration of programs for the regulation and management of on-site sewage disposal systems. In addition to amounts appropriated elsewhere in this Act, any amounts collected by the Texas Natural Resource Conservation Commission pursuant to Health and Safety Code, Chapter 366, Subchapters D and E on or after September 1, 1997 in excess of $739,472 in fiscal year 1998 and $708,322 in fiscal year 1999 are hereby appropriated to the agency.

16. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees:

    Irrigators Advisory Council
    Small Business Compliance Advisory Panel
    Water Well Drillers Advisory Council

17. **Appropriation: Near Non-Attainment Area Air Quality Planning.** Included in amounts appropriated above out of Clean Air Receipts in Strategy A.2.1., Air Quality Assessment and Planning is $1,605,000 for the biennium for air quality planning activities in areas considered to be near non-attainment for the ozone standard under the federal Clean Air Act Amendments of 1990, which include Austin, Corpus Christi, Longview-Tyler-Marshall, San Antonio, and Victoria. These activities may include identifying, inventorying, and monitoring of current pollution levels; modeling future pollution levels; and the identification and quantification of potential pollution reduction through voluntary controls. The areas receiving funds shall coordinate with the Texas Natural Resource Conservation Commission (TNRCC) to ensure that these activities are consistent with agency monitoring, inventory and modeling approaches and infrastructure.

    In addition to appropriations made above out of the Clean Air Receipts, an amount not to exceed $1,000,000 dollars is hereby appropriated for the same purpose from receipts which are in excess of the Comptroller of Public Accounts Biennial Revenue Estimate for the Clean Air Account No. 151, for fiscal years 1998 and 1999.

    Any unexpended balances from this appropriation as of August 31, 1998 are hereby appropriated for the same purpose for the fiscal year beginning September 1, 1998.

18. **Petroleum Storage Tank Remediation Fund Restrictions.** Out of funds appropriated for Strategy C.1.1., Storage Tank Administration, not more than $5,675,810 each year of the 1998-1999 biennium may be allocated from Petroleum Storage Tank Remediation (PSTR) funds. Furthermore, the Texas Natural Resource Conservation Commission shall not transfer PSTR funds from Strategy C.1.2., Storage Tank Cleanup, to any other strategy.

19. **Cost Recovery of Printing and Publication Services: Establishment of Revolving Account.** It is the intent of the Legislature that the Comptroller of Public Accounts establish the "Natural Resource Conservation Commission Revolving Account" to account for the expenditures, revenues, and balances of a full cost-recovery operation of its print shop estimated to be $1,978,495 in 1998 and $1,743,495 in 1999 in Strategy D.1.3., Other Support

Services. Any unobligated balances for these operations as of August 31, 1998, are appropriated for the same purpose during fiscal year 1999.

20. **Cost Recovery of Waste Tire Audits.** Included in amounts appropriated above is $600,000 in fiscal year 1998 and $320,000 in fiscal year 1999 as Appropriated Receipts for Strategy D.1.1., Central Administration, from revenues generated from the audits of waste tire processors, recyclers and energy recovery facilities as reimbursements and collected as authorized by Chapter 361, Subchapter P, Health and Safety Code.

21. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for strategy item B.1.3., Occupational Licensing, as well as the "other direct and indirect costs" associated with this strategy, appropriated elsewhere in this Act. "Other direct and indirect costs" for strategy item B.1.3, Occupational Licensing, are estimated to be $221,574 for fiscal year 1998 and $222,819 for fiscal year 1999. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

22. **Unexpended Balance Authority: Grants and Contracts.** There is hereby appropriated to the agency for the biennium beginning with the effective date of this act, any unexpended balances at the end of the previous biennium for grants and contracts including funds required as matching funds under federal contracts. Any grants or contracts executed prior to August 31, 1998, are hereby appropriated for the same purpose for the year beginning September 1, 1998.

23. **Contingency Appropriation for National Pollutant Discharge Elimination System (NPDES) Delegation.** Contingent upon the delegation of the National Pollutant Discharge Elimination System to the state, the Texas Natural Resource Conservation Commission (TNRCC) is hereby appropriated an amount not to exceed $2,861,102 for fiscal year 1998 and $2,517,102 for fiscal year 1999 out of additional revenues collected pursuant to Section 26.0291 of the Water Code for the purpose of implementing that provision. The TNRCC is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above, and to increase the number of full-time equivalent employees by 44 in 1998 and 44 in 1999.

24. **Bosque River Water Quality Monitoring.** Out of funds appropriated above in Strategy A.2.2., Water Assessment and Planning, the Texas Natural Resource Conservation Commission shall conduct water quality monitoring of the Bosque River.

25. **Contingency Appropriation: Fee Appropriation for Watermaster Offices.** In addition to appropriations made above out of the Water Rights Administration Account, there is hereby appropriated all revenue collected by the Texas Natural Resource Conservation Commission (TNRCC) from additional fees generated pursuant to Section 11.329 of the Water Code due to the implementation of increased fee rates at the Rio Grande and South Texas watermaster offices, and due to new watermaster offices created on or after September 1, 1997 by petition of the affected water rights holders.

    Any unexpended balances from this appropriation as of August 31, 1998 are hereby appropriated for the same purpose for the fiscal year beginning September 1, 1998.

26. **Appropriation: Assessment of Poultry Operations on Water Quality.** From the amounts appropriated above, the Texas Natural Resource Conservation Commission (TNRCC) is authorized to expend an amount not to exceed $250,000 for the biennium beginning with the effective date of this act to conduct an assessment of the impacts of poultry operations, including waste disposal practices of the operations, on the quality of the water resources of the state. Any unexpended balance of this appropriation from fiscal year 1998 is reappropriated for

the same purpose for fiscal year 1999. The TNRCC is hereby authorized to transfer the appropriations made under this provision from any appropriate strategy to A.2.2. Strategy: Water Assessment and Planning.

27. **Contingency Appropriation for House Bill 1016.** Contingent upon the enactment of House Bill 1016, or similar legislation relating to fees imposed for certain plans subject to the approval of the Texas Natural Resource Conservation Commission under the Commission's rules for the protection of the Edwards Aquifer, by the Seventy-fifth Legislature, Regular Session, the Texas Natural Resource Conservation Commission is hereby appropriated $289,250 for fiscal year 1998 and $289,250 for fiscal year 1999 out of additional revenues collected pursuant to House Bill 1016 for the purpose of implementing that Act. The Texas Natural Resource Conservation Commission is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

28. **Contingency Appropriation for House Bill 1190.** Contingent upon the enactment of House Bill 1190, or similar legislation relating to monitoring of water quality in watersheds and river basins, by the Seventy-fifth Legislature, Regular Session, the Texas Natural Resource Conservation Commission is hereby appropriated $5,000,000 for fiscal year 1999 out of additional revenues collected pursuant to House Bill 1190 for the purpose of implementing that Act. The Texas Natural Resource Conservation Commission is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

† 29. **Contingency Appropriation for Senate Bill 1586: Scrap Tire Recycling Account, Unexpended Balances.** Contingent upon the enactment of Senate Bill 1586, or similar legislation relating to the Scrap Tire Recycling Program, by the Seventy-fifth Legislature, Regular Session, the Texas Natural Resource Conservation Commission (TNRCC) is hereby appropriated an amount not to exceed $9,065,460 which is one-half of the estimated fund balance of the Scrap Tire Recycling Fund (Account #5001) as of August 31, 1997. These funds shall only be used to make payments to actual end users of shredded tire pieces and of whole scrap tires from a priority enforcement list site identified in an inventory conducted by the TNRCC after September 1, 1997.

The Texas Natural Resource Conservation Commission is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items listed above. Any unexpended balances from the appropriation as of August 31, 1998 are hereby appropriated for the same purpose for the fiscal year beginning September 1, 1998.

† 30. **Contingency Appropriation for Senate Bill 1586.** Contingent upon the enactment of Senate Bill 1586, or similar legislation relating to the Scrap Tire Recycling Program, by the Seventy-fifth Legislature, Regular Session, the Texas Natural Resources Conservation Commission is hereby appropriated $12,496,455 for fiscal year 1998 and $22,500,000 for fiscal year 1999 out of additional revenues collected pursuant to Senate Bill 1586 for the purpose of implementing that Act. The Texas Natural Resource Conservation Commission is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items listed above.

Also contingent upon the enactment of Senate Bill 1586, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 27.2 for fiscal year 1998 and by 27.2 for fiscal year 1999.

The following incremental changes to key measure targets reflect funding levels contingent upon enactment of Senate Bill 1586, by the Seventy-fifth Legislature, Regular Session:

† *Repealed by Senate Bill 1898, Regular Session, 1997. See also Veto Proclamation.*

	For the Fiscal Year Ending August 31, 1998	For the Fiscal Year Ending August 31, 1999
Percent of Used Tires Forwarded to End-use (percentage points)	0	75
Number of Tires Diverted from Landfills and Processed (in millions)	0	24
Number of Registered Waste Tire Processors	-10	10
Number of Sites Listed on the Waste Tire Priority Enforcement List (PEL)	150	150

31. **Contingency Appropriation for Senate Bill 1.** Contingent upon the enactment of Senate Bill 1, or similar legislation relating to the development and management of the water resources of the state, by the Seventy-fifth Legislature, Regular Session, the Texas Natural Resource Conservation Commission is hereby appropriated $2,820,457 for fiscal year 1998 and $2,763,971 for fiscal year 1999 out of the funds listed below for the purpose of implementing that Act.

	For the Fiscal Year Ending August 31, 1998	For the Fiscal Year Ending August 31, 1999
General Revenue	$ 2,714,945	$ 2,671,808
Federal Funds	$ 105,512	$ 92,163

The Texas Natural Resource Conservation Commission is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items listed above. Included in amounts appropriated to the Texas Natural Resource Conservation Commission by this rider are $1,570,000 in fiscal year 1998 and $1,570,000 in fiscal year 1999 which shall be expended solely for capital budget purposes relating to the acquisition of information resource technologies. Also contingent on the enactment of Senate Bill 1, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 22 for fiscal year 1998 and 22 for fiscal year 1999.

The following incremental changes to key measure target(s) reflect funding levels contingent upon enactment of Senate Bill 1, by the Seventy-fifth Legislature, Regular Session:

	For the Fiscal Year Ending August 31, 1998	For the Fiscal Year Ending August 31, 1999
Number of Ground Water Assessments	8	8

† 32. **Appropriation Made in Other Legislation: Waste Tire Recycling.** In accordance with provisions in Section 8 (c) of Senate Bill 1898, Seventy-fifth Legislature, Regular Session, $9,065,460 for the biennium beginning September 1, 1997, out of the Waste Tire Recycling Account No. 5001 is appropriated by Senate Bill 1898 to the Texas Natural Resource Conservation Commission (TNRCC) for the sole purpose of making payments to actual end

† *As added in Senate Bill 1898, Regular Session, 1997.*

users of shredded tire pieces and of whole scrap tires from a priority enforcement list site identified in an inventory conducted by the TNRCC after September 1, 1997.

† 33. **Appropriation Made in Other Legislation: Tejas Testing Technology One.** In accordance with provisions in Section 15 (a) of Senate Bill 1898, Seventy-fifth Legislature, Regular Session, the sum of $5,240,567 out of the Hazardous and Solid Waste Remediation Fee Fund No. 550 for the one-year period beginning on the effective date of the Act, and an additional sum of $5,240,567 for the one-year period beginning with the first anniversary of the effective date of the Act, is appropriated by Senate Bill 1898 to the Texas Natural Resource Conservation Commission (TNRCC) solely for the purpose of making payments under the settlement agreement entered in Cause No. 95-1462, Tejas Testing Technology One, L.C., et al. v. The State of Texas, et al. In addition, in accordance with Section 15 (b) of the same Act, $16,842,389 in each fiscal year of the biennium from appropriations made above to the TNRCC out of the Petroleum Storage Tank Remediation Fund No. 655 is also available for the same purpose.

PARKS AND WILDLIFE DEPARTMENT

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: OUTDOOR RECREATION To strengthen traditional services for core constituents such as hunters, anglers, park visitors, and other outdoor enthusiasts by improving habitat and access to outdoor areas and maintaining quality and safety.		
Outcomes:		
Annual Percent Change in Public Hunting Days Provided	3%	3%
Annual Percent Change in Recreational Catch Rate	.5%	.5%
Percent of Maintenance Needs Met	50%	50%
Percent of Major Repair Needs Met	14%	14%
A.1.1. Strategy: INCREASE/IMPROVE HABITAT Provide public hunting and public fishing opportunities; through acquisition, improvement, or accessing additional public fisheries, wildlife and their habitat.	$ 17,116,943	$ 17,116,943
Outputs:		
Number of Fingerlings Stocked (in Millions)	52	52
Acres of Public Hunting Lands Provided	1,450,000	1,450,000
A.2.1. Strategy: PUBLIC LANDS OPERATIONS Plan for proper use and operate existing state parks and wildlife management areas safely and cost effectively.	$ 31,958,754	$ 31,958,753
Outputs:		
Number of State Parks in Operation	125	125
Efficiencies:		
Percent of Operating Costs for Public Lands Recovered from Revenues	58%	58%
A.2.2. Strategy: CAPITAL PROGRAMS Implement capital improvement, major repair, and cultural and natural resource management programs	$ 6,482,247	$ 6,115,247

† *As added in Senate Bill 1898, Regular Session, 1997.*

for existing facilities.

Outputs:

Number of Projects Completed	140	141

Explanatory:		
Cost of Remaining Repair and Improvement Needs (in millions)	231	231
Total, Goal A: OUTDOOR RECREATION	$ 55,557,944	$ 55,190,943
B. Goal: REACH NEW CONSTITUENCIES		
To broaden efforts to reach new constituencies through natural and cultural resource education, outreach programs, and by offering additional recreational opportunities.		
Outcomes:		
Annual Percent Change in Opportunities Provided for Youth, Minorities, and the Physically Challenged	7.1%	7.1%
Percent of Public Survey Respondents Demonstrating Awareness of the Department's Role and Responsibilities	40%	40%
B.1.1. Strategy: OUTREACH PROGRAMS	$ 3,011,008	$ 3,011,008
Design and implement outreach programs to expand fishing, hunting and wildlife viewing opportunities for targeted user groups.		
Outputs:		
Number of Fish and Wildlife Events and Programs Held for Targeted User Groups	3,250	3,275
B.2.1. Strategy: DEVELOPMENT AND ACQUISITION	$ 179,709	$ 179,709
Develop and open new public lands. Acquire identified priority natural, cultural and recreational resources.		
Outputs:		
Number of Acres Acquired	3,270	3,270
B.2.2. Strategy: LOCAL PARKS	$ 15,570,073	$ 15,570,073
Strengthen the ability of local governments to provide outdoor recreation opportunities by providing grants and technical assistance.		
Outputs:		
Number of Grant Assisted Projects Completed	50	50
Efficiencies:		
Program Costs as a Percent of Total Grant Dollars Awarded	3.8%	3.8%
B.3.1. Strategy: PUBLIC INFORMATION	$ 3,787,802	$ 3,787,802
Effectively communicate the Department's natural and cultural resource conservation messages using various educational programs and media, including television, radio, newspapers and magazines.		
Outputs:		
Number of Students Trained (Boater Education/Water Safety and Hunter Education/Firearm Safety Programs)	35,000	40,000
Total, Goal B: REACH NEW CONSTITUENCIES	$ 22,548,592	$ 22,548,592
C. Goal: RESOURCE PROTECTION		
To protect fish and wildlife resources and their habitat and manage the natural and cultural heritage of Texas.		

Outcomes:		
Public Compliance Rate	97%	97%
Percent of Total Projects and Activities Requiring Department Review That Avoid or Minimize Adverse Impacts to Fish, Wildlife, or Their Habitats	55%	55%
Percent of Fish and Wildlife Kills or Pollution Cases Resolved Successfully	80%	80%
C.1.1. Strategy: LAW ENFORCEMENT	$ 30,063,086	$ 30,063,086
Supervise the users of natural resources in Texas and ensure the public's safety on state waterways.		
Outputs:		
Miles Patrolled in Vehicles (in Millions)	11	11
Hours Patrolled in Boats	130,000	130,000
Number of Criminal Environmental Investigations	270	270
C.2.1. Strategy: MANAGE FISH AND WILDLIFE	$ 23,686,039	$ 23,686,039
Conserve and manage Texas fish, wildlife and plant resources through habitat assessments, population studies, scientific research, regulatory permit evaluations, and recommendations, private landowner assistance with habitats, fish and wildlife kill investigations, and restoration of damaged resources.		
Outputs:		
Number of Environmental Documents/Permits/Regulations Receiving Substantial Review	875	875
Number of Pollution Complaints Investigated	147	147
Number of Management Agreements With Landowners in Place	1,475	1,500
Total, Goal C: RESOURCE PROTECTION	$ 53,749,125	$ 53,749,125
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 5,659,542	$ 5,659,542
D.1.2. Strategy: INFORMATION RESOURCES	$ 4,246,236	$ 4,246,236
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 2,549,641	$ 2,549,641
Total, Goal D: INDIRECT ADMINISTRATION	$ 12,455,419	$ 12,455,419
Grand Total, PARKS AND WILDLIFE DEPARTMENT	$ 144,311,080	$ 143,944,079
Method of Financing:		
General Revenue Fund	$ 12,157,292	$ 11,790,291
Sporting Goods Tax - State Parks	15,500,000	15,500,000
Sporting Goods Tax - Local Parks	15,500,000	15,500,000
Sporting Goods Tax - Capital Account	1,000,000	1,000,000
Subtotal, General Revenue Fund	$ 44,157,292	$ 43,790,291

General Revenue Fund - Dedicated		
Game, Fish and Water Safety Account No. 9	63,284,716	63,284,716
State Parks Account No. 64	15,132,853	15,132,853
Non-Game and Endangered Species Conservation Account No. 506	287,415	287,415
Shrimp License Buy Back Account No. 5023	192,000	192,000
Subtotal, General Revenue Fund - Dedicated	$ 78,896,984	$ 78,896,984
Federal Funds	18,200,000	18,200,000
Appropriated Receipts	3,056,804	3,056,804
Total, Method of Financing	$ 144,311,080	$ 143,944,079
Number of Full-time Equivalent Positions (FTE)	2,951.0	2,951.0
Schedule of Exempt Positions and Per Diem of Commission Members		
Executive Director, Group 5	$105,000	$105,000
Deputy Director	81,384	81,384
Per Diem of Commission Members	5,400	5,400

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Acquisition of Land and Other Real Property		
(1) Habitat Acquisition	$ 1,635,000	$ 1,635,000
b. Construction and Major Repairs	8,250,000	8,250,000
c. Repair or Rehabilitation of Buildings and Facilities		
(1) Franklin Mountains Tramway	367,000	U.B.
d. Acquisition of Information Resource Technologies		
(1) Mainframe Upgrades, Microcomputers, and Other Equipment	1,208,763	1,210,000
(2) Computer Hardware (MLPP)	141,237	140,000
e. Transportation Items		
(1) Purchase of Vehicles	1,500,000	1,500,000
f. Acquisition of Capital Equipment and Items		
(1) Office, Field, Marine and Lab Equipment	$ 700,000	$ 700,000
Total, Capital Budget	$ 13,802,000	$ 13,435,000

Method of Financing (Capital Budget):

General Revenue Fund	$ 367,000	$ 0
Sporting Goods Tax - Capital Account	1,000,000	1,000,000
General Revenue Fund - Dedicated - Game, Fish and Water Safety Account No. 009	10,435,000	10,435,000
General Revenue Fund - Dedicated - State Parks Account No. 064	2,000,000	2,000,000
Total, Method of Financing	$ 13,802,000	$ 13,435,000

2. **Appropriation: Texas Park Development Bonds Interest and Sinking Receipts.** There are hereby appropriated all Texas Park Development Bonds Interest and Sinking Receipts pursuant to and for the purposes as set out by the provisions of Section 49-e of Article III of the Texas Constitution and Parks and Wildlife Code, Chapter 21.

3. **Appropriation: Escrow Accounts.** Any unexpended balances at the beginning of this biennium, and any revenue received during this biennium, consisting of either principal or interest, from trust or escrow accounts set up to benefit the Parks and Wildlife Department are hereby appropriated. Funds in an escrow account within the Land and Water Conservation Account may be transferred to an escrow account within the Game, Fish and Water Safety Account and are hereby appropriated.

4. **Authorization: Purchase of Evidence.** From amounts appropriated above the Parks and Wildlife Department is hereby authorized to establish a cash fund, for the purchase of evidence and/or information and surveillance deemed necessary by the department for enforcement of laws under the Parks and Wildlife Code.

5. **Authorization: Acceptance of Payment with Goods and Services.** The Parks and Wildlife Department is hereby authorized to accept goods and/or services in lieu of cash for sales of products or rights on the department's public land areas. These goods and services may be on the same public land area as the product or right sold or any other public land area. In order to procure the goods and services in the amounts needed that equal the value of products or rights sold, an escrow bank account may be utilized.

6. **Real Estate Fees Prohibited.** None of the funds appropriated to, or otherwise available to, the Parks and Wildlife Department shall be expended, directly or indirectly, in compensation or reimbursement to any person as a fee or commission for their services in connection with the acquisition of real property by said department, for its own use or for the benefit of others.

7. **Commissioned Peace Officer Compensation.** The Executive Director of the Parks and Wildlife Department may not provide for the compensation of a state-commissioned peace officer at a rate less than the rate paid by any other state agency to a state-commissioned peace officer performing similar duties.

8. **Public Hunting Program.** None of the funds appropriated above to the Parks and Wildlife Department may be expended on acquiring or leasing additional U.S. Forest Service public land for the department's public hunting program. The Parks and Wildlife Department shall not enter into any contracts or other arrangements with the U.S. Forest Service which result in the addition of public lands being made available for the public hunting program.

9. **Coordination of Tourism and Travel Promotion.** It is the intent of the Legislature that state spending for travel and tourism promotion be coordinated. The Texas Department of Commerce, the Texas Parks and Wildlife Department, and the Texas Department of Transportation shall maintain the memorandum of understanding that details the travel and

tourism promotion objectives of each agency and continues to provide interagency coordination and support in the achievement of the objectives.

10. **Big Bend Ranch.** It is the intent of the Legislature that the Parks and Wildlife Department maintain the longhorn herd at the Big Bend Ranch and develop the Big Bend Ranch to provide areas for camping, hiking, and for trail rides.

11. **Outreach Programs.** Out of the funds appropriated above for Strategy B.2.2., Local Parks, the Parks and Wildlife Department shall continue partnership projects by contracting a total of $250,000 each fiscal year of the 1998-99 biennium in partnership programs for underserved populations.

12. **Unexpended Balance Authorized: Construction Projects.** The department is hereby appropriated for each fiscal year of the biennium beginning with the effective date of this Act, any unexpended balances from appropriations previously made for construction, repair, acquisition, and renovation projects in House Bill No. 1, Acts of the Seventy-fourth Legislature, Regular Session and Senate Bill No. 5, Acts of the Seventy-third Legislature, Regular Session for the purposes that these appropriations were originally made (estimated to be $7,100,000). Any unexpended balances remaining in such appropriation items at August 31, 1998, are hereby reappropriated for the same purposes for the fiscal year beginning September 1, 1998. Any appropriation or reappropriation made in this Act to the Parks and Wildlife Department for construction and improvement projects shall include labor and all necessary costs involved in the project. It is provided, however, that the Parks and Wildlife Department shall have information available at the close of each fiscal year showing the progress and costs involved in the expenditure of such appropriation items.

13. **Local Parks.** Funds appropriated for local parks that are utilized for grants awarded for local park construction projects in excess of $20,000 shall be treated as construction appropriations for the purpose of determining the life of the appropriation under the provisions of Section 403.071, Government Code.

14. **Caddo Lake Boat Lane.** Out of the funds appropriated above, $40,000 for the biennium shall be used for clearance and maintenance of boat roads at Caddo Lake. Any unexpended balances for the year ending August 31, 1998, for this purpose are hereby appropriated for the fiscal year beginning September 1, 1998.

15. **State Parks, Community Concerns, and Inmate Labor.** The Parks and Wildlife Department is directed to give priority to community concerns regarding state parks, and may utilize inmates from the Texas Department of Criminal Justice to provide labor for park development and repair, and to provide labor for cleanup at beaches within state parks.

16. **Fund Transfer Authority.** The Parks and Wildlife Department is hereby authorized to transfer funds between any funds/accounts authorized by the Parks and Wildlife Code in order to alleviate cash flow problems during the biennium. All funds transferred must be returned to the original fund/account before the end of the biennium.

17. **Appropriation: Receipts.** The Parks and Wildlife Department is hereby appropriated any revenues, including concession revenue, deposited to an account of the Department for the biennium beginning with the effective date of this Act (estimated to be $10,711,581). The Department is specifically authorized to expend these funds only for salaries, operating and capital as authorized by the Parks and Wildlife Code, including concession expenditures for the establishment and operation of concessions, including salaries and wages, supplies and materials, current and recurring operating expenses, equipment and other capital outlay.

18. **Appropriation: Unclaimed Refunds of Motorboat Fuel Taxes.** In accordance with Section 153.502 (c) of the Tax Code, all money deposited from unclaimed refunds of fuel taxes on fuel

used in motorboats to the General Revenue Fund shall be appropriated to the Parks and Wildlife Department. The amount of $11,790,292 in fiscal year 1998 and $11,790,291 in fiscal year 1999 has been appropriated herein from unclaimed refunds. If deposits of unclaimed refunds exceed $11,790,292 in fiscal year 1998 and $11,790,291 in fiscal year 1999, such excess (estimated to be $4,819,417) is hereby appropriated to the Texas Parks and Wildlife Department for each year of the biennium ending August 31, 1999, to fund the statewide employee pay raise authorized in the General Provisions of this Act. The Department must exhaust this appropriation for the pay raise before accessing the appropriation provided in the General Provisions of this Act for the statewide salary increase.

19. **Contingency Appropriation for House Bill 966.** Contingent upon the enactment of House Bill 966, or similar legislation relating to water safety, by the Seventy-fifth Legislature, Regular Session, the Parks and Wildlife Department is hereby appropriated $300,000 for fiscal year 1998 and $250,000 for fiscal year 1999 out of additional revenues collected pursuant to House Bill 966 for the purpose of implementing that Act. The Parks and Wildlife Department is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

20. **Contingency Appropriation for House Bill 3061.** Contingent upon the enactment of House Bill 3061, or similar legislation relating to the regulation of the import, export and management of deer, by the Seventy-fifth Legislature, Regular Session, the Parks and Wildlife Department is hereby appropriated $217,000 for fiscal year 1998 and $217,000 for fiscal year 1999 out of additional revenues collected pursuant to House Bill 3061 for the purpose of implementing that Act. The Parks and Wildlife Department is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

21. **Contingency Appropriation for House Bill 3189.** Contingent upon the enactment of House Bill 3189, or similar legislation relating to the issuance of revenue bonds for infrastructure repairs, by the Seventy-fifth Legislature, Regular Session, the Parks and Wildlife Department is hereby appropriated $65,000,000 for fiscal year 1998 and $5,000,000 for fiscal year 1999 out of the funds listed below for the purpose of implementing that Act.

	For the Years Ending	
	August 31, 1998	August 31, 1999
General Revenue Fund	$ 5,000,000	$ 5,000,000
Texas Parks Development Fund 408	$ 60,000,000	U.B.

The Department may transfer the bond proceeds out of the Texas Parks Development Fund 408 to the Texas Parks and Wildlife Capital Fund Account 5004.

The Parks and Wildlife Department is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

The following incremental changes to a key measure target reflects funding levels contingent upon enactment of House Bill 3189, by the Seventy-fifth Legislature, Regular Session:

	1998	1999
Percent of Major Repair Needs Met (percentage points)	0	6

22. **Contingency Appropriation for Senate Bill 1.** Contingent upon the enactment of Senate Bill 1, or similar legislation relating to the development and management of the water resources of the state, by the Seventy-fifth Legislature, Regular Session, the Parks and Wildlife Department is hereby appropriated $239,000 for fiscal year 1998 and $239,000 for fiscal year 1999 out of the General Revenue Fund for the purpose of implementing that Act. The Parks and Wildlife Department is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Also contingent on the enactment of Senate Bill 1, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by three for fiscal year 1998 and by three for fiscal year 1999.

23. **Contingency Appropriation for Senate Bill 920.** Contingent upon the enactment of Senate Bill 920, or similar legislation relating to the regulation of certain commercial crab fishing, by the Seventy-fifth Legislature, Regular Session, the Parks and Wildlife Department is hereby appropriated $10,000 for fiscal year 1998 and $50,000 for fiscal year 1999 out of additional revenues collected pursuant to Senate Bill 920 for the purpose of implementing that Act. The Parks and Wildlife Department is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

24. **Clothing Provision.** It is the intent of the Legislature that no funds may be expended to provide a clothing or cleaning allowance to any non-uniformed personnel. The Department may continue to expend funds for a cleaning allowance not to exceed $500 per year.

RAILROAD COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: REGULATION & PROTECTION To prevent the degradation of land and water resources by providing regulatory environmental protection that considers the environmental risk, economic cost to the public and the state's continuing energy requirements. To ensure the timely and safe reclamation and remediation of all land and water within allocated resources.		
Outcomes:		
Percentage of Inspections Conducted Where Pollution-Related Violations Were Detected and Corrective Action Initiated	32%	32%
A.1.1. Strategy: PREVENT POLLUTION Prevent pollution from oil and gas exploration and production by monitoring and testing facilities, and administering a federally approved and funded underground injection control program.	$ 8,580,381	$ 8,580,381
Outputs:		
Number of Pollution-Related Violations Where Operations are Brought Into Compliance by Enforcement Action of the Commission	800	825
A.1.2. Strategy: WELL PLUGGING & SITE CLEANUP Plug abandoned oil and gas wells when there is an identified risk of pollution, and clean up pollution sites associated with oil and gas operations as necessary.	$ 13,767,685	$ 14,079,683

Outputs:		
Number of Known Abandoned Wells Plugged With the Use of State Funds	1,400	1,400
Number of Identified Pollution Sites Cleaned Up With the Use of State Funds	180	180
Explanatory:		
Number of Known Inactive Wells, Not Currently in Compliance With the Commission Plugging Rule	22,200	21,800
A.2.1. Strategy: SURFACE MINING REGULATION	$ 5,531,630	$ 5,282,678
Enforce federal and state regulations and laws relating to surface mining operations and reclaim abandoned mine lands with the acquisition of all available federal funds.		
Outputs:		
Number of Acres Permitted for Mining and Reclamation Activities	205,000	205,000
Number of Acres Reclaimed	100	150
Total, Goal A: REGULATION & PROTECTION	$ 27,879,696	$ 27,942,742

B. Goal: ENSURE ENERGY SUPPLIES
To seek to increase the exploration, development and conservation of domestic energy supplies by maintaining sound regulatory practices, developing and promoting legislative and regulatory incentives, encouraging research, and providing accessibility to energy-related information maintained by the Commission. Be proactive in recognizing changing roles and responsibilities of the Commission by identifying and analyzing changes in the oil and gas industry.

Outcomes:		
Percent Change in Oil Production Annually	5.5%	5%
Percent Change in Gas Production Annually	1%	1.5%
B.1.1. Strategy: ENFORCE OIL & GAS LAWS	$ 7,100,372	$ 7,084,655
Enforce Commission regulations and state laws relating to the production, transportation, and conservation of oil and gas through permitting, auditing reports, and monitoring well completions.		
Outputs:		
Number of Wells Monitored	360,000	360,000
Efficiencies:		
Average Number of Cases Completed Per Examiner	85	85
B.1.2. Strategy: ENERGY INFO DATABASE	$ 894,694	$ 910,399
Provide a readily accessible energy-related information database for utilization as a resource in locating promising areas for exploration of new oil and gas production.		
Outputs:		
Number of Well Locations Tied to an On-Line Wellbore Information Database	629,743	679,783

B.1.3. Strategy: TERRA SECONDARY RECOVERY	$ 284,600	$ 284,600
Promote future research, development and experimentation of oil and gas recovery techniques and future production through a pool of mechanically sound, non-polluting oil and gas wells maintained in the Texas Experimental Research and Recovery Activity (TERRA) Program.		
Outputs:		
Number of Wells Transferred into the TERRA Program	120	120
Total, Goal B: ENSURE ENERGY SUPPLIES	$ 8,279,666	$ 8,279,654
C. Goal: RAIL TRANSPORTATION		
To encourage an efficient and productive Texas railroad transportation industry, and to oversee the rail transportation of goods and people to ensure public safety, a competitive atmosphere, and economic opportunity for all the people of Texas.		
Outcomes:		
Percentage of Rail Safety Defect Reports Reconciled and Brought Into Compliance Annually	100%	100%
C.1.1. Strategy: RAIL SAFETY AND REHABILITATION	$ 1,102,498	$ 1,099,512
Inspect railroad facilities, equipment and operations, provide safety instruction, and administer a shortline track rehabilitation project.		
Outputs:		
Number of Locomotives, Cars, and Track Miles Inspected	48,000	48,000
D. Goal: FAIR GAS UTILITY RATE		
To ensure a fair gas utility rate structure that promotes safe, efficient, reliable, low-cost service and surety of supply.		
Outcomes:		
Average Texas Residential Gas Price, for Commission-Regulated Utilities, as a Percentage of the National Gas Price	97%	97%
D.1.1. Strategy: GAS UTILITY COMPLIANCE	$ 1,253,564	$ 1,253,564
Enforce compliance by all gas utilities operating in Texas with rates established by the Commission and with Commission regulations.		
Outputs:		
Number of Field Audits of Gas Utilities Conducted	140	140
E. Goal: USE OF ALTERNATIVE FUELS		
To promote research, education, and greater use of alternative fuels as a means of lessening demand on foreign energy supplies, environmental pollution, and increasing the economic well-being of the state. Be proactive in recognizing changing roles and responsibilities of the Commission by identifying and analyzing changes in the alternative fuels industry.		
Outcomes:		
Annual Percentage Change in the Level of Weather-normalized Alternative Fuels Research and Education Account Fee Revenue	2%	2%
E.1.1. Strategy: INCREASE LP GAS USAGE	$ 2,832,461	$ 2,832,461
Develop and implement a research and technical services, marketing, and public education plan for the increased use of LP Gas as an alternative fuel.		

Outputs:		
Annual Number of Training Hours Provided to Texas LP-Gas Licensees and Certificate Holders	1,200	1,200
Efficiencies:		
Administrative Costs as a Percentage of Alternative Fuels Research and Education Account Fee Revenue	6%	6%
F. Goal: ENSURE PIPELINE SAFETY		
To encourage an efficient and economical pipeline industry. As the enforcement agency for both state and federal intrastate pipeline safety programs, oversee pipeline activities to ensure compliance with state and federal safety regulations and promote public safety and awareness.		
Outcomes:		
Percent Change in Intrastate Accidents Involving Noncompliance	0%	0%
F.1.1. Strategy: REDUCE PIPELINE ACCIDENTS	$ 2,492,262	$ 2,492,262
Enforce compliance by pipeline operators with federal and state laws and regulations.		
Outputs:		
Number of Operator Units Brought Into Compliance by Enforcement Action of the Commission	10	10
G. Goal: REGULATE GASES/QUARRIES		
To protect the health, welfare, and safety of the general public through the promulgation and administration of regulations and/or standards for the liquefied petroleum gas/ compressed natural gas/liquefied natural gas industries and the quarry and aggregate mining industry.		
Outcomes:		
Percent Change of Reported LPG/CNG/LNG Related Accidents That Resulted in Fatalities or Injuries	-2%	-2%
Percentage of Hazardous Aggregate Quarries and Pits That Have Hazards Eliminated	2.7%	3%
G.1.1. Strategy: REGULATE LPG/CNG/LNG	$ 1,664,800	$ 1,657,501
Enforce compliance by the LPG/CNG/LNG industries with Commission regulations and state law and educate the industry and the public concerning LPG/ CNG/LNG regulations.		
Outputs:		
Number of LPG/CNG/LNG Safety Inspections Conducted	18,375	18,375
G.2.1. Strategy: PIT SAFETY CERTIFICATION	$ 51,891	$ 51,891
Issue safety certification to regulated aggregate quarries and pits.		
Outputs:		
Number of Regulated Aggregate Quarries and Pits That Have Applied For and Received Safety Certification	45	45
Total, Goal G: REGULATE GASES/QUARRIES	$ 1,716,691	$ 1,709,392
Grand Total, RAILROAD COMMISSION	$ 45,556,838	$ 45,609,587

Method of Financing:		
General Revenue Fund	$ 22,120,098	$ 22,134,494
Earned Federal Funds	118,738	118,738
General Revenue Fund - Dedicated		
Alternative Fuels Research and Education Account No. 101	2,297,821	2,297,821
Oil Field Cleanup Account No. 145	12,854,438	13,166,436
TERRA Account No. 5014	160,236	160,236
Subtotal, General Revenue Fund - Dedicated	$ 15,312,495	$ 15,624,493
Federal Funds	5,363,564	5,114,611
Other Funds		
Appropriated Receipts	1,628,430	1,603,738
Interagency Contracts	1,013,513	1,013,513
Subtotal, Other Funds	$ 2,641,943	$ 2,617,251
Total, Method of Financing	$ 45,556,838	$ 45,609,587
Number of Full-time Equivalent Positions (FTE)	874.5	874.5
Schedule of Exempt Positions		
Commissioners, Group 4	(3) $92,217	(3) $92,217
Executive Director	88,408	88,408

1. **Capital Budget.** Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

	1998	1999
a. Acquisition of Information Resource Technologies		
(1) Microcomputers/Peripherals and Software	$ 204,100	$ 311,800
(2) Telecommunications Equipment	12,000	10,000
b. Transportation Items		
(1) Vehicles	504,000	407,000
c. Acquisition of Capital Equipment and Items		
(1) Furniture/Equipment	$ 52,500	$ 59,390
Total, Capital Budget	$ 772,600	$ 788,190
Method of Financing (Capital Budget):		
General Revenue Fund	$ 509,950	$ 387,799
General Revenue Fund - Dedicated - Alternative Fuels Research and Education Account No. 101	137,650	106,091
General Revenue Fund - Dedicated - Oil Field Cleanup Account No. 145	48,000	200,000
Federal Funds	77,000	94,300
Total, Method of Financing	$ 772,600	$ 788,190

2. **Appropriation: Oil Field Cleanup Account.** In addition to amounts appropriated above, the Railroad Commission is hereby appropriated for the biennium beginning September 1, 1997 any balances or receipts remaining in the Oil Field Cleanup Account as of August 31, 1997, and all revenues deposited to the Oil Field Cleanup Account in excess of $12,854,438 during fiscal year 1998 and in excess of $13,166,436 during fiscal year 1999 to carry out duties authorized by Subchapter D, Chapter 91, Natural Resources Code. The commission shall pay all associated oil field cleanup expenses, including administrative costs, from funds received pursuant to Subchapter D of Chapter 91. Any unexpended balances as of August 31, 1998, from appropriations made above out of the Oil Field Cleanup Account are hereby reappropriated to the Railroad Commission for the fiscal year beginning September 1, 1998.

3. **Appropriation: Abandoned Mine Land Funds.** The Railroad Commission is hereby appropriated both federal grant money from the U.S. Department of Interior and interest on those funds, for the purposes authorized by Subchapter G, Chapter 134, Natural Resources Code. Unexpended balances and the earned interest therefrom shall be carried forward at the end of each fiscal year.

4. **Unexpended Balance Authority: Alternative Fuels Research and Education Account.** Any unexpended balances as of August 31, 1998, from appropriations made above out of the Alternative Fuels Research and Education Account and collected pursuant to Natural Resources Code, Section 113.243 are hereby appropriated to the Railroad Commission for the fiscal year beginning September 1, 1998. In addition, any funds remaining in the Alternative Fuels Research and Education Account as of August 31, 1997, are hereby appropriated for the biennium beginning September 1, 1997.

5. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Texas Railroad Commission is hereby authorized to direct agency resources, and transfer such amounts appropriated above between appropriation line items.

6. **Unexpended Balance Authority: TERRA Account.** Any unexpended balances as of August 31, 1998 from appropriations made above out of the Texas Experimental Research and Recovery Activity (TERRA) Account and collected pursuant to Natural Resources Code, Section 93.004 are hereby appropriated to the Railroad Commission for the fiscal year beginning September 1, 1998. In addition, any funds remaining in the TERRA Account as of August 31, 1997, are hereby appropriated for the biennium beginning September 1, 1997 (estimated to be $1,525,402).

7. **Limitation of Expenditure of State Funds.** Only funds appropriated above out of the Alternative Fuels Research and Education Account may be expended to administer, manage or otherwise support the propane water heater rebate program.

8. **Unexpended Balances.** Any unexpended balances as of August 31, 1998 in the appropriations made herein to the Railroad Commission are hereby reappropriated for the same purpose for the fiscal year beginning September 1, 1998.

TEXAS RIVER COMPACT COMMISSIONS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: CANADIAN RIVER COMPACT The Canadian River Compact will ensure the delivery of Texas' equitable share of quality water from the Canadian River and its tributaries as apportioned by the Canadian River Compact.		
Outcomes:		
Percent Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Canadian River Compact.	95%	95%
A.1.1. Strategy: WATER DELIVERY ACCOUNTING Prepare and resolve the annual accounting of water stored by each compacting state.	$ 20,935	$ 20,937
Outputs:		
Acre-Feet of Quality Water Impounded in Texas' Reservoirs as Apportioned by the Canadian River Compact	350,000	350,000
B. Goal: PECOS RIVER COMPACT The Pecos River Compact will ensure delivery and maximize the availability of Texas' equitable share of quality water from the Pecos River and its tributaries as apportioned by the Pecos River Compact.		
Outcomes:		
Percent Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Pecos River Compact	90%	90%
B.1.1. Strategy: WATER DELIVERY ACCOUNTING Prepare and resolve the annual accounting of water deliveries to Texas by New Mexico as apportioned by the Pecos River Compact and U.S. Supreme Court Decree.	$ 130,082	$ 130,083
Outputs:		
Acre-Feet of Quality Water Received By Texas Annually as Apportioned by the Pecos River Compact	64,000	64,000
C. Goal: RED RIVER COMPACT The Red River Compact will ensure delivery of Texas' equitable share of quality water from the Red River and its tributaries as apportioned by the Red River Compact.		
Outcomes:		
Percent Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Red River Compact	100%	100%
C.1.1. Strategy: WATER DELIVERY ACCOUNTING Develop and implement an annual accounting system of water deliveries to each compacting state.	$ 33,263	$ 33,264
Outputs:		
Number of Users of Texas' Water Apportioned by the Red River Compact	250	250
D. Goal: RIO GRANDE COMPACT The Rio Grande River Compact will ensure delivery and maximize the availability of Texas' equitable share of quality water from the Rio Grande and its tributaries as apportioned by the Rio Grande Compact.		

TEXAS RIVER COMPACT COMMISSIONS
(Continued)

Outcomes:		
Percent Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Rio Grande Compact	95%	95%
D.1.1. Strategy: WATER DELIVERY ACCOUNTING Prepare and resolve the annual accounting of water deliveries to Texas by Colorado and New Mexico as apportioned by the Rio Grande Compact.	$ 161,680	$ 161,681
Outputs:		
Number of Acre-Feet of Quality Water Received by Texas as Apportioned by the Rio Grande Compact	750,500	750,500
E. Goal: SABINE RIVER COMPACT The Sabine River Compact will ensure delivery of Texas' equitable share of quality water from the Sabine River and its tributaries as apportioned by the Sabine River Compact.		
Outcomes:		
Percent Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Sabine River Compact	100%	100%
E.1.1. Strategy: WATER DELIVERY ACCOUNTING Prepare and resolve the annual accounting of water diversions by Texas and Louisiana as apportioned by the Sabine River Compact.	$ 53,576	$ 53,577
Outputs:		
Acre-Feet Water Diversions by Texas and Louisiana as Apportioned by the Sabine River Compact	135,000	135,000
Grand Total, TEXAS RIVER COMPACT COMMISSIONS	$ 399,536	$ 399,542
Number of Full-time Equivalent Positions (FTE)	8.5	8.5
Schedule of Exempt Positions		
Red River Compact Commissioner	$24,225	$24,225
Rio Grande Compact Commissioner	41,195	41,195
Sabine River Compact Commissioner	(2) 8,487	(2) 8,487
Canadian River Compact Commissioner	10,767	10,767
* Pecos River Compact Commissioner	32,247	32,247

1. **General Provisions Exemption: Working Hours and Leave.** The Red River Compact, Sabine River Compact, Canadian River Compact and Pecos River Compact Commissions are specifically exempt from compliance with the Employee Working Hours and Holidays and Employees Vacations and Leaves sections of the General Provisions of this Act.

SOIL AND WATER CONSERVATION BOARD

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: PROTECT TEXAS FARM AND GRAZING LAND To protect and enhance the farm and grazing land of Texas by ensuring that a quality conservation program is available and being applied in all soil and water conservation districts in Texas.		
Outcomes:		
Percent of District Financial Needs Met by Soil and Water Conservation Board Grants	30%	30%
Percent of Soil and Water Resource Needs With Conservation Plans or Specific Programs Developed to Address Those Needs	25%	30%
A.1.1. Strategy: PROGRAM MANAGEMENT ASSISTANCE Provide program expertise and technical guidance on a statewide basis in managing and directing conservation programs.	$ 181,086	$ 181,086
Outputs:		
Number of Statewide Workshops, Training Sessions and Seminars Conducted	20	20
A.1.2. Strategy: FINANCIAL AND TECHNICAL ASSISTANCE Provide soil and water conservation districts with financial and technical assistance.	$ 2,893,166	$ 2,893,166
Outputs:		
Number of Grants-Related Claims Processed	1,600	1,600
Number of District Directors and District Employees Contacted by Field Staff	5,250	5,250
Total, Goal A: PROTECT TEXAS FARM AND GRAZING LAND	$ 3,074,252	$ 3,074,252
B. Goal: ABATEMENT-NONPOINT SOURCE POLLUTION To effectively administer a program for the abatement of nonpoint source pollution caused by agricultural and silvicultural uses of the state's soil and water resources.		
Outcomes:		
Percent of Areas With Identified Problems and Concerns Having Pollution Prevention Programs Designed and Implemented	50%	60%
Percent of Affected Agricultural/Silvicultural Operations Having District-Approved Pollution Abatement Plans Developed and Certified	6%	10%
B.1.1. Strategy: STATEWIDE MANAGEMENT PLAN Implement and update as necessary a statewide management plan for the control of agricultural and silvicultural nonpoint source water pollution.	$ 2,619,973	$ 2,039,942
Outputs:		
Number of Agricultural/Silvicultural Nonpoint Source Site-Specific Areas Evaluated for Potential Nonpoint Source Problem	4	4

B.2.1. Strategy: POLLUTION ABATEMENT PLANS	$ 3,413,248	$ 3,413,248
Develop and implement pollution abatement plans for agriculture/silviculture operations in identified problem areas.		
Outputs:		
Number of Pollution Abatement Plans Certified	600	600
Number of Water Quality Treatment Grants Made	400	400
Efficiencies:		
Average Number of Days to Certify Pollution Abatement Plans	30	30
Total, Goal B: ABATEMENT-NONPOINT SOURCE POLLUTION	$ 6,033,221	$ 5,453,190
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 516,665	$ 516,665
Grand Total, SOIL AND WATER CONSERVATION BOARD	$ 9,624,138	$ 9,044,107
Method of Financing:		
General Revenue Fund	$ 6,969,328	$ 6,969,328
General Revenue Fund - Dedicated - Agricultural Soil and Water Conservation Account No. 563	106,000	106,000
Federal Funds	2,548,810	1,968,779
Total, Method of Financing	$ 9,624,138	$ 9,044,107
Number of Full-time Equivalent Positions (FTE)	60.0	60.0
Schedule of Exempt Positions and Per Diem of Board Members		
Executive Director, Group 2	$60,000	$60,000
Assistant Executive Director	(3) 57,000	(3) 57,000
Per Diem of Board Members	9,000	9,000

1. **Matching Requirements.** Funds appropriated above for conservation assistance grants for Soil and Water Conservation Districts may be expended only when matched by equal amounts from sources other than state funds or earnings from state funds, not to exceed Seven Thousand Five Hundred Dollars ($7,500) in any district per annum.

2. **Reappropriation: District Unexpended Balances.** Any unexpended balances in the reappropriation of funds and properties to the Soil Conservation Districts are hereby reappropriated for the biennium beginning with the effective date of this Act, for the purposes provided for under the soil conservation statutes.

3. **Appropriation: Unexpended Balances in Agricultural Soil and Water Conservation Account.** Any unexpended balances as of August 31, 1997 in the Agricultural Soil and Water Conservation Account, estimated to be $10,000, are hereby appropriated for the biennium beginning September 1, 1997. Any balances remaining as of August 31, 1998, are hereby appropriated for fiscal year 1999.

4. **Allocation of Grant Funds.** It is the intent of the legislature that an allocation of 80 percent of Technical Assistance and Subchapter H Technical Assistance Program grant funds to local soil and water conservation districts by the Soil and Water Conservation Board shall be made at the beginning of each fiscal year. The remaining 20 percent of grant funds shall be allocated by the

Soil and Water Conservation Board to districts on a discretionary basis during the remainder of the fiscal year. Grant allocations are made contingent upon districts filing quarterly expenditure reports and an annual grant expenditure summary report with the Soil and Water Conservation Board.

5. **Appropriation: Earned Federal Funds.** It is the intent of the Legislature that the Soil and Water Conservation Board prepare all necessary documentation and submit an application(s) to the appropriate federal oversight agency in order to receive all available earned federal funds beginning in fiscal year 1998. There is hereby appropriated any earned federal funds received during the biennium beginning with the effective date of this Act. Earned federal funds appropriated herein to the Soil and Water Conservation Board may be used for the operations of the agency as authorized by state and federal statutes.

6. **Contingent Appropriation.** Contingent on the reduction of federal funds allocated to the state of Texas from fiscal year 1997 to fiscal year 1998 from the budget of the Natural Resource Conservation Service, the State Soil and Water Conservation Board is authorized to transfer appropriations within Strategy A.1.2., Financial/Technical Assistance, from fiscal year 1999 to fiscal year 1998 in an amount not to exceed $482,756. The Board shall notify the Legislative Budget Board and the Governor's Office of Budget and Planning prior to the appropriations transfer.

WATER DEVELOPMENT BOARD

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: WATER RESOURCE PLANNING Plan and guide the conservation, orderly and cost-effective development, and best management of the State's water resources for the benefit of all Texans.		
Outcomes:		
Percent of State Drinking Water Sources for Which Adequate Quantity and Quality Information is Provided by the TWDB	53%	53%
Percent of Texas Communities and Other Entities for Which the TWDB has Developed Long-term Water Supply Plans	50%	60%
Percent of Texas Communities and Other Entities Receiving Technical and Financial Assistance for Water-related Conservation and for Planning, Maintaining and Operating Water-related Infrastructure	15%	15%
A.1.1. Strategy: DATA COLLECTION Operate a statewide data collection and water resources evaluation program that provides information to conduct planning assessments of current and future water resource needs.	$ 3,018,508	$ 3,049,088
Outputs:		
Number of Data Records Collected and/or Processed by TWDB Staff in Support of Monitoring, Investigating, and Defining the State's Surface Water and Ground-Water Resources	12,000	12,000
Number of Bay and Estuary Freshwater Inflow and Stream Segment Instream Flow Studies Completed	15	17.5

A.1.2. Strategy: LONG-RANGE PLANNING	$ 2,179,263	$ 2,175,762
Update Texas Water Plan information based on significantly changed demographic, economic, or other water-related conditions through the involvement of key water interests and the general public in the planning process.		
Outputs:		
Number of Water User Groups for Which Adequate Long-term Water Supply Plans are Identified	1,109	1,331
A.1.3. Strategy: TEXAS NATURAL RESOURCE INFO SYSTEM	$ 379,399	$ 379,399
Operate TNRIS to facilitate state agency and public access to natural resource and census data.		
Outputs:		
Number of State Agency Requests for TNRIS Information Answered	1,400	1,400
Number of Public Agency Requests for TNRIS Information Answered	6,800	6,800
A.2.1. Strategy: REGIONAL PLANNING	$ 2,689,737	$ 2,689,737
Provide technical and financial assistance to Texas communities and other entities for the development of regional plans for areas of the state which lack long-term water supplies, adequate wastewater treatment or flood protection.		
Outputs:		
Number of Regional Water, Wastewater, Flood, and Research Studies in Progress Assisted by Grants From the Research and Planning Fund	95	95
A.2.2. Strategy: MULTI-YEAR & REGION PLAN	$ 131,461	$ 131,313
Provide technical and financial assistance to Texas communities and other entities in developing and implementing detailed multi-year or multi-region water and wastewater service plans.		
Outputs:		
Number of Water and Wastewater Service Plans That Are in Progress	6	6
A.2.3. Strategy: CONSERVATION ASSISTANCE	$ 724,894	$ 724,893
Provide water conservation and other technical and/or financial assistance to Texas communities and other entities to promote increased water use efficiency and improve water systems operations.		
Outputs:		
Number of Water Conservation Technical Assistance Activities Conducted by TWDB Staff	550	550
Reported Annual Water Savings in Acre-feet Resulting From TWDB Financial Assistance Programs	150,000	150,000
Total, Goal A: WATER RESOURCE PLANNING	$ 9,123,262	$ 9,150,192

B. Goal: FINANCING WATER-RELATED PROJECTS
Provide cost-effective financing for the development of water supply, for water quality protection, and for other water-related projects.

WATER DEVELOPMENT BOARD
(Continued)

Outcomes:		
Percent of Texas Communities Financing Needed Water and Wastewater Related Infrastructure with Financial Assistance From the TWDB	50%	50%
Percent of Estimated Total Colonia Population Provided Water or Sewer Services in EDAP-Eligible Counties	57.2%	75.2%
B.1.1. Strategy: FINANCIAL ASSISTANCE	$ 4,936,923	$ 4,953,220
Provide financial assistance to Texas communities for water supply, wastewater treatment and flood protection.		
Outputs:		
Number of Small (less than 15,000 population) Communities Provided Financial Assistance/Loan Commitments	86	86
Number of Construction Contracts in Progress for Water Supply Projects	60	140
Number of Construction Contracts in Progress for Wastewater Treatment Projects	170	175
B.1.2. Strategy: ECONOMICALLY DISTRESSED AREAS	$ 3,233,367	$ 3,301,187
Provide special financial assistance to aid economically distressed areas (e.g., colonias) in order to provide residents access to adequate water supplies and/or wastewater treatment systems.		
Outputs:		
Number of Financially Assisted Economically Distressed Area Projects in Progress	80	76
Number of Completed Colonia or Economically Distressed Area Projects	22	26
Total, Goal B: FINANCING WATER-RELATED PROJECTS	$ 8,170,290	$ 8,254,407
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 1,295,740	$ 1,295,740
C.1.2. Strategy: INFORMATION RESOURCES	$ 318,904	$ 318,904
C.1.3. Strategy: OTHER SUPPORT SERVICES	$ 379,521	$ 379,521
Total, Goal C: INDIRECT ADMINISTRATION	$ 1,994,165	$ 1,994,165
Grand Total, WATER DEVELOPMENT BOARD	$ 19,287,717	$ 19,398,764
Method of Financing:		
General Revenue Fund	$ 6,471,055	$ 6,501,635
Earned Federal Funds	1,135,000	1,087,000
General Revenue Fund - Dedicated - Agricultural Soil and Water Conservation Account No. 563	106,000	106,000
Federal Funds	4,558,474	4,075,790
Other Funds		
Water Assistance Fund No. 480	3,156,106	3,156,106
Agricultural Trust Fund No. 562	225,000	225,000
Appropriated Receipts	3,636,082	4,247,233
Subtotal, Other Funds	$ 7,017,188	$ 7,628,339
Total, Method of Financing	$ 19,287,717	$ 19,398,764

Number of Full-time Equivalent Positions (FTE)	299.0	299.0
Schedule of Exempt Positions and Per Diem of Board Members		
* Executive Administrator, Group 3	$80,000	$80,000
Deputy Executive Administrator	(3) 72,614	(3) 72,614
Per Diem of Board Members	5,400	5,400

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Acquisition of Information Resource Technologies	$ 218,403	$ 190,875
b. Transportation Items		
(1) Vehicles	48,000	72,500
(2) Vehicles (MLPP)	9,417	9,340
c. Acquisition of Capital Equipment and Items	$ 68,321	$ 66,316
Total, Capital Budget	$ 344,141	$ 339,031

Method of Financing (Capital Budget):

General Revenue Fund	$ 125,310	$ 125,310
Federal Funds	103,808	89,850
Agricultural Trust Fund No. 562	0	24,500
Appropriated Receipts	115,023	99,371
Total, Method of Financing	$ 344,141	$ 339,031

2. **Principal and Interest Payments.** There are hereby appropriated such amounts as may be necessary to pay the principal and interest on such bonds that mature or become due during the biennium beginning with the effective date of this Act, pursuant to Section 49-C and 49-d-7 of Article III of the Texas Constitution and Texas Water Code, Chapter 17, Subchapter C. These funds shall be transferred to the Water Development Bonds Interest and Sinking Fund 352, or Interest and Sinking Fund 357 related to EDAP Bond debt.

3. **Use of TWRFA and Related Funds.** Of the amounts appropriated above, $350,063 in fiscal year 1998 and $349,915 in fiscal year 1999 are derived from the sale of the Texas Water Development Board's (TWDB) bond portfolio to the Texas Water Resources Finance Authority (TWRFA). Of such amounts, $465,000 is transferred to the Water Assistance Fund, and is appropriated for uses authorized for the Fund, and the remaining amount is shown as Appropriated Receipts. Of the amounts appropriated above, $566,648 is derived as an operating cost of TWRFA to reimburse TWDB for expenditures incurred by the TWDB in administering the TWRFA portfolio, and is shown as Appropriated Receipts.

4. **Appropriation: State Participation Bonds.** The Texas Water Development Board is authorized to issue and sell an amount not to exceed $50,000,000 in state participation bonds under the authority of Texas Constitution, Article III, Section 49-d-2 or 49-d-8. There is hereby

appropriated to the Texas Water Development Board for the biennium beginning with the effective date of this Act $3,750,000 to pay the principal of and interest on such bonds issued for state participation that mature or become due during such biennium, to be transferred as provided by the Texas Constitution and Texas Water Code to the Water Development Bonds Interest and Sinking Fund 352, or to the State Participation Account established pursuant to Article III, Section 49-d-8.

5. **Appropriation: Water Assistance Fund.** There is hereby appropriated for the biennium beginning with the effective date of this Act any revenues accruing to this fund and any balances on hand in the Water Assistance Fund No. 480.

6. **Appropriation: Water Resources Fund.** Any monies deposited into the Texas Water Resources Fund No. 591, including but not limited to proceeds from revenue bond sales, investment earnings, and loan repayments, are hereby appropriated to the Board for the biennium beginning with the effective date of this Act.

7. **Appropriation: Agricultural Water Conservation Fund.** Any monies deposited into the Agricultural Water Conservation Fund No. 358, including but not limited to proceeds from agricultural water conservation bond sales, investment earnings, and loan repayments, are hereby appropriated to the Board for the biennium beginning with the effective date of this Act, for use pursuant to Section 50-d of Article III of the Texas Constitution and Texas Water Code, Chapter 17, Subchapter J. There are hereby appropriated such amounts as may be necessary to pay the principal and interest on such bonds that mature or become due during the biennium beginning with the effective date of this Act, pursuant to Section 50-d of Article III of the Texas Constitution and Texas Water Code, Chapter 17, Subchapter J, to be transferred to the Agricultural Water Conservation Interest and Sinking Fund 359.

8. **Texas Water Resources Finance Authority Reporting Requirement.** The Texas Water Development Board shall prepare an annual financial report for the Texas Water Resources Finance Authority using the same format and reporting requirements of the annual financial report for the Texas Water Development Board.

9. **Coordination with Department of Housing and Community Affairs.** The Texas Water Development Board (TWDB) and the Texas Department of Housing and Community Affairs (TDHCA) shall continue to coordinate funds out of the Economically Distressed Areas Program (EDAP) administered by the TWDB and the Colonia Fund administered by TDHCA as outlined in a Memorandum of Understanding (MOU) so as to maximize delivery of the funds and minimize administrative delay in their expenditure. At the beginning of each fiscal year of the 1998-99 biennium, the TWDB shall provide the TDHCA a list of EDAP-funded areas whose colonia residents cannot afford the cost of service lines, hook-ups, and plumbing improvements associated with being connected to an EDAP-funded system. No later than September 15, 1998, the TWDB and the TDHCA shall submit a joint report to the Legislative Budget Board that describes and analyzes the effectiveness of projects funded as a result of coordinated Colonia Fund/EDAP efforts.

10. **Fee Appropriation: State Revolving Fund Program Operation.** The Texas Water Development Board is hereby appropriated all fee revenue collected for administration and operation of the State Revolving Fund (SRF) Program or additional state revolving funds created under Subchapter J, Chapter 15, Texas Water Code. All fee revenue collected pursuant to the SRF program and additional state revolving funds may be deposited into an operating fund held in the Safekeeping Trust Company. Monies in the SRF or additional SRFs operating fund, including interest may be used only for the purposes of reimbursing expenditures from appropriations in this Act. Such reimbursement shall include both direct expenditures for salaries and other expenditures and fringe benefits. In addition, the Water Development Board may transfer amounts from the operating fund to the SRF or additional SRFs for uses pursuant to the Texas Water Code, Chapter 15, Subchapter J.

11. **Capital Improvements to Drilling Rig.** Of the amounts appropriated above in Strategy A.1.1, Data Collection, up to $60,000 for the biennium shall be used for maintenance of the Texas Water Development Board's drilling rig.

12. **Appropriation: Unexpended Balances in Agricultural Soil and Water Conservation Account.** Any unexpended balances in the appropriation made above out of the Agricultural Soil and Water Conservation Account as of August 31, 1998, are hereby appropriated for fiscal year 1999.

13. **Appropriation: Unexpended Balance Authority**. The Water Development Board is hereby appropriated any unexpended balances as of August 31, 1997, from the general revenue fund for the Canadian River Basin Chlorine Control Project. The Board is authorized to expend these funds only for its original purposes.

14. **Appropriation: Feasibility Study.** There is hereby appropriated to the Texas Water Development Board from the General Revenue Fund an amount not to exceed $100,000 for the biennium beginning with the effective date of this Act, to be used as a twenty-five percent match of other non-state sources of funding for the purpose of a cooperative study with the Brazos River Authority and/or Erath County relating to a waste management feasibility study of a regional animal waste management facility in the North Bosque River watershed. The use of this appropriation may include capital expenditures, including leasing, operation and maintenance costs and equipment related to the study. To the extent that the cost of the study is less than $400,000 and/or less than $300,000 in non-state sources are raised, the appropriation made herein is reduced accordingly.

15. **Contingency Appropriation for Senate Bill 1.** Contingent upon the enactment of Senate Bill 1, or similar legislation relating to the development and management of the water resources of the state, by the Seventy-fifth Legislature, Regular Session, the Water Development Board is hereby appropriated $27,168,208 for fiscal year 1998 and $15,110,642 for fiscal year 1999 out of the funds listed below for the purpose of implementing that Act.

	For the Years Ending	
	August 31, 1998	August 31, 1999
General Revenue Fund	$19,818,055	$7,760,487
Federal Funds	5,671,584	5,671,585
Appropriated Receipts	1,678,569	1,678,570

The Water Development Board is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Included in amounts appropriated to the Water Development Board by this rider are $208,279 in fiscal year 1998 and $281,542 in fiscal year 1999 which shall be expended solely for capital budget purposes. Also contingent on the enactment of Senate Bill 1, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 14.5 for fiscal year 1998 and 14.5 for fiscal year 1999.

Of the amounts appropriated in this rider, $3.4 million shall be used to benefit the community/noncommunity water system financial assistance account, and $9 million shall be used to benefit the economically disadvantaged community account provided that such amounts may be deposited into any account in the Safe Drinking Water Revolving Fund (including any interest and sinking fund) to allow the more efficient delivery of funds to applicants and to expedite the receipt of federal funds if an equivalent amount of federal grants is made available to the designated accounts.

The following incremental changes to key measure targets reflect funding levels contingent upon enactment of Senate Bill 1, by the Seventy-fifth Legislature, Regular Session:

WATER DEVELOPMENT BOARD
(Continued)

	1998	1999
Percent of State Drinking Water Sources for Which Adequate Quantity and Quality Information is Provided by the TWDB (percentage points)	5.6	5.6
Number of Data Records Collected and/or Processed by TWDB Staff in Support of Monitoring, Investigating, and Defining the State's Surface Water and Ground-Water Resources	5,560	5,560
Number of Regional Water, Wastewater, Flood, and Research Studies in Progress Assisted by Grants From the Research and Planning Fund	16	16

DEBT SERVICE PAYMENTS FOR THE ECONOMICALLY DISTRESSED AREA PROGRAM

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: ECONOMICALLY DISTRESSED AREA PROG Provide special financial assistance for colonia and other economically distressed area residents so they will have access to adequate water supplies and waste water treatment systems.		
A.1.1. Strategy: BOND DEBT SERVICE Make general obligation bond debt service payments in compliance with bond covenants	$ 6,817,241	$ 13,007,922
Grand Total, DEBT SERVICE PAYMENTS FOR THE ECONOMICALLY DISTRESSED AREA PROGRAM	$ 6,817,241	$ 13,007,922
Method of Financing:		
General Revenue Fund	$ 0	$ 7,601,486
Economically Distressed Areas Clearance Interest and Sinking Fund No. 357	6,817,241	5,406,436
Total, Method of Financing	$ 6,817,241	$ 13,007,922

1. **Payment of Debt Service.** All monies received by the Texas Water Development Board and deposited to the Economically Distressed Areas Clearance Interest and Sinking Fund 357 are hereby appropriated for the payment of principal and interest on bonds issued to provide financial assistance for water and wastewater infrastructure through the Economically Distressed Areas Program that mature or become due during the biennium beginning with the effective date of this Act, pursuant to Sections 49-c and 49-d-7 of Article III of the Texas Constitution and Texas Water Code, Chapter 17, Subchapter C. The amounts identified above in the Method of Financing as the Economically Distressed Areas Clearance Interest and

DEBT SERVICE PAYMENTS FOR THE ECONOMICALLY DISTRESSED AREA PROGRAM
(Continued)

Sinking Fund are estimated amounts to be received from repayments of loan principal and interest and excess coverage payments transferred from the Texas Water Resources Finance Authority. Any excess coverage payments from the Texas Water Resources Finance Authority not transferred to pay debt service for the Economically Distressed Areas Program during the 1998-99 biennium shall be held in reserve until such time as they are needed for debt service.

In the event that the amounts deposited into the Economically Distressed Areas Clearance Interest and Sinking Fund during a fiscal year exceed the amount identified above in the Method of Financing for that fiscal year the difference shall be appropriated for Debt Service Payments for the Economically Distressed Areas Program and the General Revenue Fund appropriation for that fiscal year shall be reduced by like amount.

Retirement and Group Insurance

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law; estimated	$ 16,616,937	$ 16,866,191
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees; estimated	$ 28,064,323	$ 28,625,610
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 44,681,260	$ 45,491,801
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 44,681,260	$ 45,491,801
Method of Financing:		
General Revenue Fund, estimated	$ 15,463,630	$ 15,753,207
General Revenue Fund - Dedicated, estimated	21,351,056	21,737,472
Federal Funds, estimated	6,264,055	6,369,997
Other Special State Funds, estimated	1,602,519	1,631,125
Total, Method of Financing	$ 44,681,260	$ 45,491,801

Social Security and Benefit Replacement Pay

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH -- EMPLOYER Provide an employer match for Social Security contributions; estimated	$ 21,339,519	$ 21,659,612
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees; estimated	$ 6,814,245	$ 6,182,100
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 28,153,764	$ 27,841,712
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 28,153,764	$ 27,841,712
Method of Financing:		
General Revenue Fund, estimated	$ 8,826,992	$ 8,749,224
General Revenue Fund - Dedicated, estimated	14,442,055	14,269,712
Federal Funds, estimated	3,771,675	3,718,845
Other Special State Funds, estimated	1,113,042	1,103,931
Total, Method of Financing	$ 28,153,764	$ 27,841,712

Bond Debt Service Payments

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the Current Fund Balance:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE Make general obligation bond debt service payments in compliance with bond covenants.	$ 4,122,748	$ 4,202,720 & U.B.
Grand Total, BOND DEBT SERVICE PAYMENTS	$ 4,122,748	$ 4,202,720

Lease Payments

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.	$ 805,622	$ 810,907 & U.B.
Grand Total, LEASE PAYMENTS	$ 805,622	$ 810,907

SPECIAL PROVISION RELATING TO NATURAL RESOURCES

1. **Appropriation: Earned Federal Funds.** In addition to earned federal funds appropriated for use by the agencies in this Article, agencies are hereby appropriated earned federal funds in an amount not to exceed 50 percent of appropriated amounts during the 1998-99 biennium contingent on their use as matching funds for federal grant awards.

RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(General Revenue)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Agriculture, Department of	$ 20,037,695	$ 20,037,693
Rider Appropriations	1,252,300	987,300
Contingency Appropriations	824,566	576,198
Total	22,114,561	21,601,191
Animal Health Commission	8,779,484	9,002,484
General Land Office and Veterans' Land Board	13,607,902	13,081,732
Rider Appropriations	248,200	250,000
Total	13,856,102	13,331,732
Low-Level Radioactive Waste Disposal Authority		
Natural Resource Conservation Commission	18,606,336	19,331,545
Contingency Appropriations	2,714,945	2,671,808
Total	21,321,281	22,003,353
Parks and Wildlife Department	44,157,292	43,790,291
Rider Appropriations	4,669,708	2,549,709
Contingency Appropriations	5,239,000	5,239,000
Total	54,066,000	51,579,000
Railroad Commission of Texas	22,238,836	22,253,232
River Compact Commissions	399,536	399,542
Soil and Water Conservation Board	6,969,328	6,969,328
Water Development Board	7,606,055	7,588,635
Rider Appropriations	3,850,000	
Contingency Appropriations	19,818,055	7,760,487
Total	31,274,110	15,349,122
Debt Service Payments for the Economically Distressed Area Program		7,601,486
Subtotal, Natural Resources	$ 181,019,238	$ 170,090,470
Retirement and Group Insurance	15,463,630	15,753,207
Social Security and Benefit Replacement Pay	8,826,992	8,749,224
Subtotal, Employee Benefits	$ 24,290,622	$ 24,502,431
Bond Debt Service Payments		
Lease Payments	805,622	810,907
Subtotal, Debt Service	$ 805,622	$ 810,907
TOTAL, ARTICLE VI - Natural Resources	$ 206,115,482	$ 195,403,808

RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(General Revenue - Dedicated)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Agriculture, Department of	$ 100,000	$ 100,000
Animal Health Commission		
Contingency Appropriations	13,000	13,000
Total	13,000	13,000
General Land Office and Veterans' Land Board	10,747,555	10,813,190
Low-Level Radioactive Waste Disposal Authority	6,218,109	1,759,947
Natural Resource Conservation Commission	288,384,976	282,431,188
Contingency Appropriations	4,750,352	8,406,352
Appropriations Made in Other Legislation	14,306,027	5,240,567
Total	307,441,355	296,078,107
Parks and Wildlife Department	78,896,984	78,896,984
Rider Appropriations	15,411,581	
Contingency Appropriations	527,000	517,000
Total	94,835,565	79,413,984
Railroad Commission of Texas	15,312,495	15,624,493
Rider Appropriations	1,525,402	
Total	16,837,897	15,624,493
River Compact Commissions		
Soil and Water Conservation Board	106,000	106,000
Rider Appropriations	10,000	
Total	116,000	106,000
Water Development Board	106,000	106,000
Debt Service Payments for the Economically Distressed Area Program		
Subtotal, Natural Resources	$ 436,415,481	$ 404,014,721
Retirement and Group Insurance	21,351,056	21,737,472
Social Security and Benefit Replacement Pay	14,442,055	14,269,712
Subtotal, Employee Benefits	$ 35,793,111	$ 36,007,184
Bond Debt Service Payments		
Lease Payments		
Subtotal, Debt Service	$	$
TOTAL, ARTICLE VI - Natural Resources	$ 472,208,592	$ 440,021,905

RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(Federal Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Agriculture, Department of	$ 818,094	$ 818,094
Animal Health Commission	2,365,000	1,892,000
General Land Office and Veterans' Land Board	2,414,415	2,254,339
Low-Level Radioactive Waste Disposal Authority		
Natural Resource Conservation Commission	43,575,306	43,575,306
Contingency Appropriations	105,512	92,163
Total	43,680,818	43,667,469
Parks and Wildlife Department	18,200,000	18,200,000
Railroad Commission of Texas	5,363,564	5,114,611
River Compact Commissions		
Soil and Water Conservation Board	2,548,810	1,968,779
Water Development Board	4,558,474	4,075,790
Contingency Appropriations	5,671,584	5,671,585
Total	10,230,058	9,747,375
Debt Service Payments for the Economically Distressed Area Program		
Subtotal, Natural Resources	$ 85,620,759	$ 83,662,667
Retirement and Group Insurance	6,264,055	6,369,997
Social Security and Benefit Replacement Pay	3,771,675	3,718,845
Subtotal, Employee Benefits	$ 10,035,730	$ 10,088,842
Bond Debt Service Payments		
Lease Payments		
Subtotal, Debt Service	$	$
TOTAL, ARTICLE VI - Natural Resources	$ 95,656,489	$ 93,751,509

RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(Other Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Agriculture, Department of	$ 537,397	$ 537,397
Animal Health Commission		
General Land Office and Veterans' Land Board	13,757,740	13,763,707
Contingency Appropriations	103,800	135,500
Total	13,861,540	13,899,207
Low-Level Radioactive Waste Disposal Authority		
Natural Resource Conservation Commission	8,451,128	7,691,128
Parks and Wildlife Department	3,056,804	3,056,804
Contingency Appropriations	60,000,000	
Total	63,056,804	3,056,804
Railroad Commission of Texas	2,641,943	2,617,251
River Compact Commissions		
Soil and Water Conservation Board		
Water Development Board	7,017,188	7,628,339
Rider Appropriations	900,000	500,000
Contingency Appropriations	1,678,569	1,678,570
Total	9,595,757	9,806,909
Debt Service Payments for the Economically Distressed Area Program	6,817,241	5,406,436
Subtotal, Natural Resources	$ 104,961,810	$ 43,015,132
Retirement and Group Insurance	1,602,519	1,631,125
Social Security and Benefit Replacement Pay	1,113,042	1,103,931
Subtotal, Employee Benefits	$ 2,715,561	$ 2,735,056
Bond Debt Service Payments	4,122,748	4,202,720
Lease Payments		
Subtotal, Debt Service	$ 4,122,748	$ 4,202,720
TOTAL, ARTICLE VI - Natural Resources	$ 111,800,119	$ 49,952,908

RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(All Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Agriculture, Department of	$ 21,493,186	$ 21,493,184
Rider Appropriations	1,252,300	987,300
Contingency Appropriations	824,566	576,198
Total	23,570,052	23,056,682
Animal Health Commission	11,144,484	10,894,484
Contingency Appropriations	13,000	13,000
Total	11,157,484	10,907,484
General Land Office and Veterans' Land Board	40,527,612	39,912,968
Rider Appropriations	248,200	250,000
Contingency Appropriations	103,800	135,500
Total	40,879,612	40,298,468
Low-Level Radioactive Waste Disposal Authority	6,218,109	1,759,947
Natural Resource Conservation Commission	359,017,746	353,029,167
Contingency Appropriations	7,570,809	11,170,323
Appropriations Made in Other Legislation	14,306,027	5,240,567
Total	380,894,582	369,440,057
Parks and Wildlife Department	144,311,080	143,944,079
Rider Appropriations	20,081,289	2,549,709
Contingency Appropriations	65,766,000	5,756,000
Total	230,158,369	152,249,788
Railroad Commission of Texas	45,556,838	45,609,587
Rider Appropriations	1,525,402	
Total	47,082,240	45,609,587
River Compact Commissions	399,536	399,542
Soil and Water Conservation Board	9,624,138	9,044,107
Rider Appropriations	10,000	
Total	9,634,138	9,044,107
Water Development Board	19,287,717	19,398,764
Rider Appropriations	4,750,000	500,000
Contingency Appropriations	27,168,208	15,110,642
Total	51,205,925	35,009,406
Debt Service Payments for the Economically Distressed Area Program	6,817,241	13,007,922
Subtotal, Natural Resources	$ 808,017,288	$ 700,782,990

RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(All Funds)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Retirement and Group Insurance	44,681,260	45,491,801
Social Security and Benefit Replacement Pay	28,153,764	27,841,712
Subtotal, Employee Benefits	$ 72,835,024	$ 73,333,513
Bond Debt Service Payments	4,122,748	4,202,720
Lease Payments	805,622	810,907
Subtotal, Debt Service	$ 4,928,370	$ 5,013,627
TOTAL, ARTICLE VI - Natural Resources	$ 885,780,682	$ 779,130,130
Number of Full-time Equivalent Positions (FTE)	8,678.0	8,678.0

ARTICLE VII

BUSINESS AND ECONOMIC DEVELOPMENT

Section 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated business and economic development agencies.

TEXAS AEROSPACE COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: EXPAND AEROSPACE INDUSTRY Maintain and expand aerospace industry resources, investment and jobs while enhancing business and public awareness and recognition of the space and aviation industries and their benefit to the people and economy of Texas.		
Outcomes:		
Number of New Jobs Announced in the Aerospace Industry in Texas Attributed to the Activities of the Texas Aerospace Commission	800	1,000
Number of Newly Created or Expanded Aerospace Facilities Announced in Texas Attributed to the Activities of the Texas Aerospace Commission	8	10
A.1.1. Strategy: ATTRACT AEROSPACE INDUSTRY Work with industry, government and academe to attract aspects of space and aviation industry to Texas and to implement a plan to enhance the recognition of the industry in Texas.	$ 239,480	$ 239,480
Outputs:		
Number of Commission Projects	3	3
Number of Joint Projects with Other Entities	3	3
Number of Information Projects Completed	3	3
Efficiencies:		
Average Cost Per New Job Announced in the Aerospace Industry in Texas Attributed to the Activities of the Texas Aerospace Commission	229	183
Average Cost per $1,000 in Value of Newly Created or Expanded Aerospace Facilities Announced in Texas Attributed to the Activities of the Texas Aerospace Commission	2,544	2,036
Explanatory:		
Number of Contacts with Industry and Government Entities to Affect Decisions to Base Aerospace Business Activity in Texas	200	200
Percent of Growth/Decline in the Aerospace Industry in Texas Attributed Directly to Contacts and Initiatives of the Texas Aerospace Commission Compared to the U.S. National Average	3%	3%
Grand Total, TEXAS AEROSPACE COMMISSION	$ 239,480	$ 239,480

TEXAS AEROSPACE COMMISSION
(Continued)

Method of Financing:		
General Revenue Fund	$ 179,480	$ 179,480
Appropriated Receipts	60,000	60,000
Total, Method of Financing	$ 239,480	$ 239,480
Number of Full-time Equivalent Positions (FTE)	3.0	3.0
Schedule of Exempt Positions		
* Executive Director, Group 3	$75,000	$75,000

1. **Unexpended Balances.** Any balances on hand as of August 31, 1998 are hereby reappropriated to the Aerospace Commission for the fiscal year beginning September 1, 1998, for the purpose specified.

2. **Appropriation of Aerospace Commission License Plate Fees.** In addition to the amounts appropriated above, all fees deposited in the General Revenue Fund as authorized by V.T.C.A., Transportation Code Section 502.271, estimated to be $10,000 annually, are hereby appropriated for the 1998-99 biennium for the economic development of the aerospace industry consistent with the provisions of V.T.C.A., Government Code, Section 482.003.

DEPARTMENT OF COMMERCE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: BUSINESS DEVELOPMENT		
To improve the state's economy by assisting businesses and communities to be globally competitive while strengthening the state as an economic region in a worldwide marketplace.		
Outcomes:		
Number of Job Opportunities Announced by Businesses That Receive TDOC Assistance	18,125	18,175
Number of Actual Jobs Created by Businesses That Receive TDOC Assistance	6,380	6,530
Number of Defense Dependent Communities That Implement Programs Enhancing Their Capabilities to Retain, Expand, and Create Globally Competitive Businesses or Defense Missions	12	18
A.1.1. Strategy: ASSIST BUSINESSES	$ 40,929,099	$ 40,129,099
Assist business to create and retain jobs by increasing productivity; developing worker skills; diversifying customer base; and accessing finance.		
Outputs:		
Number of Smart Jobs Participants Trained for New Jobs	15,167	15,622
Number of Manufacturing Companies Assisted by TMAC with High Impact Project	325	399
Efficiencies:		
Average Cost per Smart Jobs Trainee Served	1,265	1,265

A.1.2. Strategy: INTERNATIONAL BUSINESS	$ 842,267	$ 842,267
Assist Texas businesses in developing international markets and partners.		
Outputs:		
Number of National and International Trade Leads Generated Through TDOC-Sponsored Activities	2,500	2,750
A.1.3. Strategy: MARKET TEXAS BUSINESSES	$ 569,974	$ 569,974
Market Texas to expand opportunities for Texas businesses in the U.S. or recruit U.S. business to Texas.		
Outputs:		
Number of Businesses Developed as Expansion/Recruitment Prospects	405	410
A.2.1. Strategy: COMMUNITY ASSISTANCE	$ 572,630	$ 572,630
Provide economic development assistance to communities to enhance their ability to retain, expand, and recruit businesses that will ensure long term economic impact through jobs and investment.		
Outputs:		
Number of Assists to Communities Including Rural, to Increase Their Economic Development Competitiveness and Improve Their Business Climate	2,000	2,000
A.2.2. Strategy: DEFENSE DEPENDENT COMMUNITIES	$ 20,000,000	$ U.B.
Provide economic development assistance to defense dependent communities		
Outputs:		
Number of Communities Provided with Retention/Expansion/ Transition/ Program Support	17	21
Number of Defense Dependent Businesses Assisted	18	22
Efficiencies:		
Average Cost per Community Assisted	10,765	8,714
Explanatory:		
Total Value of Federal Grants and Loans Received by the Local Community or Redevelopment Authority (in millions)	10	12
Total, Goal A: BUSINESS DEVELOPMENT	$ 62,913,970	$ 42,113,970
B. Goal: TOURISM		
Enhance the growth of the Texas economy through tourism development and the marketing of Texas as a travel destination.		
Outcomes:		
Annual Percent Change in the Number of Domestic Pleasure Travelers to Texas	3%	3%
Dollars Generated by Travelers in Texas Resulting from Travel Industry Sales Activities (in millions)	16.9	17.3
B.1.1. Strategy: TEXAS TRAVEL PROMOTION	$ 13,327,714	$ 14,121,377
Advertise and promote Texas as a travel destination in selected national and international markets.		
Outputs:		
Number of Consumer Inquiries in Response to Advertising	1,320,000	1,400,000

B.1.2. Strategy: TRADE SHOWS	$ 889,933	$ 943,142
Participate in national and international consumer and travel trade shows, missions, tours for prospective tour operators, and promotional activities.		
Outputs:		
Dollar Value of Complimentary Promotional Assistance Leveraged by TDOC Travel Industry Sales	334,987	356,612
B.1.3. Strategy: ASSIST TRAVEL BUSINESSES	$ 711,806	$ 754,514
Track and report travel information and provide economic development assistance to small communities for marketing, retention, relocation, and expansion of travel-related businesses.		
Outputs:		
Number of Assists to Businesses or Organizations for Tourism Development	5,000	5,000
Total, Goal B: TOURISM	$ 14,929,453	$ 15,819,033
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 1,836,407	$ 1,836,407
C.1.2. Strategy: INFORMATION RESOURCES	$ 190,404	$ 190,404
C.1.3. Strategy: OTHER SUPPORT SERVICES	$ 458,162	$ 458,162
Total, Goal C: INDIRECT ADMINISTRATION	$ 2,484,973	$ 2,484,973
Grand Total, DEPARTMENT OF COMMERCE	$ 80,328,396	$ 60,417,976
Method of Financing:		
General Revenue Fund	$ 27,052,253	$ 7,052,253
Earned Federal Funds	432,450	432,450
General Revenue Fund - Hotel Occupancy Tax Deposits Account	15,425,472	16,315,052
Subtotal, General Revenue Fund	$ 42,910,175	$ 23,799,755
Rural Economic Development Account No. 425	221,630	221,630
Texas Exporters Loan Account No. 668	127,982	127,982
Subtotal, General Revenue - Dedicated	$ 349,612	$ 349,612
Department of Commerce Federal Fund No. 596	7,452,850	6,652,850
Appropriated Receipts	354,695	354,695
Interagency Contracts	368,250	368,250
Texas Economic Development Fund	40,000	40,000
Smart Jobs Fund	28,852,814	28,852,814
Total, Method of Financing	$ 80,328,396	$ 60,417,976
Number of Full-time Equivalent Positions (FTE)	195.0	195.0
Schedule of Exempt Positions		
Executive Director, Group 4	$79,535	$79,535
Chief Administrative Officer	73,450	73,450

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the Department of Commerce Federal Fund No. 596:		
a. Acquisition of Information Resource Technologies		
(1) Local Area Network	$ 65,000	$ 65,000
b. Acquisition of Capital Equipment and Items		
(1) Acquisition of Capital Equipment and Items	$ 25,000	$ 25,000
Total, Capital Budget	$ 90,000	$ 90,000

2. **Appropriation: Texas Economic Development Fund.** All interest paid on money in the Fund, investment earnings, and fees received during the 1998-99 biennium, and all authorized fees and earnings from unexpended balances in the Texas Economic Development Fund No. 851, as authorized by V.T.C.A., Government Code, Section 481.056 and 481.074 are hereby appropriated to the Department of Commerce for the biennium beginning September 1, 1997, for the purposes of implementation and administration of the Texas Economic Development Program.

3. **Appropriation: Fees.** All fees that the Texas Department of Commerce is authorized to collect are hereby appropriated for the specific purpose named in statute for the biennium beginning September 1, 1997.

4. **Appropriation: Texas Small Business Industrial Development Corporation.** The Texas Department of Commerce shall review the financial statements of the Texas Small Business Industrial Development Corporation to determine the net earnings of the Corporation, and shall make such determination no later than January 1, 1998 and January 1, 1999. The Department shall ensure that the net earnings, of an amount not to exceed $75,000 shall be transferred to a special fund in the State Treasury during each fiscal year of the 1998-99 biennium to be used to finance activities of Strategy A.1.1., Assist Businesses. Any net earnings in excess of $150,000 for the 1998-99 biennium shall be deposited into the General Revenue Fund and 25 percent of that amount over $150,000 is appropriated to Strategy A.1.1., Assist Businesses of the Department of Commerce for administration of small and minority business finance programs.

5. **Administration: Foreign Offices.**

   a. It is the intent of the Legislature that the Texas Department of Commerce provide services to develop trade investment and tourism in strategic world markets with specific emphasis to benefit small businesses in the State of Texas. Offices may be operated in Mexico and in other foreign markets including Europe, the Pacific Rim, and Latin America coinciding with market opportunities for Texas business. The offices shall be named the "State of Texas Office" and their services shall be available to other state agencies through interagency contracts. Foreign office trade investment and tourism development efforts, as well as location of the offices, shall be based on analysis of the current world market opportunities. The department shall expend funds for the Mexico offices out of any funds available, but shall not expend any funds appropriated under this Act for any office or staff

at any other foreign offices established by the department. The department may seek and use alternative funding sources other than funds appropriated under this Act for offices in locations other than Mexico.

b. The Department of Commerce shall maintain a tracking system that documents the direct benefits that result from the operation of the foreign office. The department shall utilize the tracking system to file a quarterly report with the Governor and the Legislative Budget Board regarding the activities of the office. The report shall contain, at a minimum, information detailing the number of contacts with foreign and domestic businesses, the name of each business, the nature of the contact, and the results of each contact. The report shall also contain the name of each Texas community assisted, and information regarding the nature and results of the assistance.

6. **Appropriation: Small Business Incubator and Product Development Bonds.** The Department of Commerce is hereby appropriated fee revenue and bond proceeds necessary for administration and payment of debt service for the small business incubator and product development programs as authorized by the Texas Constitution, Article XVI, Section 71 and the Vernon's Texas Code Annotated, Government Code, Chapter 481. In no event, however, shall the department operate the small business incubator and product development programs in such a manner that would require general revenue to be used for the debt service on bonds issued for these programs.

7. **Appropriation: Dedicated Hotel/Motel Tax Revenue.** Any unexpended balances as of August 31, 1998 in the appropriations of the amounts specified above in the method of financing out of the dedicated Hotel/Motel tax are hereby reappropriated for fiscal year 1999 for the same purposes. All amounts collected during the 1998-99 biennium over and above those shown in the method of financing for Hotel/Motel Tax revenue are hereby appropriated for purposes identified above and elsewhere in this Act.

8. **Appropriation: Smart Jobs Fund.** All transfers, gifts, grants, donations, fees and any other money received during the fiscal year 1998, and all unexpended balances as of August 31, 1998, in the Smart Jobs Fund No. 891 as established by V.T.C.A., Government Code, Section 481.154 are hereby appropriated for fiscal year 1999.

9. **Appropriation: Licensing and Merchandising Fees.** All fees that the Texas Department of Commerce Tourism Division is authorized to collect pursuant to Texas Government Code, Section 481.021 (a) (7) are hereby appropriated to the department for the biennium beginning September 1, 1997, to be used for tourism advertising and marketing activities of the department.

10. **Coordination of Tourism and Travel Promotion.** It is the intent of the Legislature that state spending for travel and tourism promotion be coordinated. The Texas Department of Commerce, the Texas Parks and Wildlife Department, and the Texas Department of Transportation shall maintain the memorandum of understanding that details the travel and tourism promotion objectives of each agency and continues to provide interagency coordination and support in the achievement of the objectives.

11. **Transfer: Promotion of Historical Sites.** From the amounts appropriated above in Strategy B.1.1., Texas Travel Promotion, the Texas Department of Commerce, pursuant to V.T.C.A., Government Code, Chapter 481.172, shall transfer $300,000 during the biennium beginning September 1, 1997 to the Texas Historical Commission to encourage travel to the state's historical attractions.

12. **Contingency Appropriation: Business Assistance Programs.** The Texas Department of Commerce is hereby appropriated out of the General Revenue Fund an amount not to exceed

$350,000 for the biennium beginning September 1, 1997, for the purpose of honoring guaranties against defaults for the Rural Economic Development Program.

None of the funds appropriated above may be expended by the Department of Commerce unless the Department of Commerce Board files a finding of fact with the Governor's Office of Budget and Planning and the Legislative Budget Board, and neither office issues a written disapproval within 45 days of receipt of the finding of fact.

13. **Defense Infrastructure Support.** It is the intent of the Legislature that the Department of Commerce prepare an annual Master Plan of how the department shall support the defense infrastructure of the Texas economy. The plan shall contain at a minimum, information detailing the department's proactive strategy for providing support to the Texas defense industry, how the strategy will be implemented, what results shall be achieved and how shall the results be measured and evaluated. The plan shall be made available to the Legislature at the beginning of each fiscal year. In addition, the department shall prepare a quarterly statement detailing the economic impact of the defense industry (military and civilian) on the Texas economy.

14. **Unexpended Balances, Smart Jobs Fund.** In addition to the funds appropriated above, any balances up to $50,000,000 remaining in the Smart Jobs Fund No. 0891 established by V.T.C.A., Government Code, Section 481.154 are hereby appropriated for the biennium beginning September 1, 1997, for the purposes of implementation and administration of the Smart Jobs Fund.

15. **El Paso Quadricentennial Commission.** Out of amounts appropriated above in Strategy B.1.1., Texas Travel Promotion, the Department of Commerce shall allocate $250,000 for the biennium to provide funding for the El Paso Quadricentennial Commission.

16. **Assistance to Defense-dependent Communities.** Out of amounts appropriated above in Strategy A.2.2. Defense Dependent Communities, the Department of Commerce is authorized to expend $360,000 in order to pay for administrative expenses incurred by the agency to implement the program.

17. **Contingency Appropriation: Senate Bill 266.** Contingent upon the enactment of Senate Bill 266 or similar legislation, by the Seventy-fifth Legislature, Regular Session, and upon a finding of fact by the Comptroller of Public Accounts after certification of this Act that sufficient new revenue is estimated to be available from the General Revenue Fund or the Capital Access Fund, there is hereby appropriated up to $7,000,000 from the Capital Access Fund to the Texas Department of Commerce for the biennium beginning September 1, 1997 for the purposes specified in Senate Bill 266.

18. **Contingency Allocation: Senate Bill 1041.** Contingent upon the enactment of Senate Bill 1041 or similar legislation, by the Seventy-fifth Legislature, Regular Session, the Department of Commerce shall allocate up to $50,000 each year, out of the amounts appropriated above in Strategy A.1.2., International Business, for the reimbursement of expenses for the International Trade Task Force, pursuant to V.T.C.S., Article 6252-33.

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: AFFORDABLE HOUSING To increase and preserve the availability of safe, decent, and affordable housing for very low, low and moderate income persons and families.		
Outcomes:		
Percent of Households/Individuals of Very Low, Low, and Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-Related Assistance	.93%	.95%
Number of Households/Individuals of Very Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-Related Assistance	3,552	3,802
Percent of Households/Individuals of Very Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-Related Assistance	.34%	.35%
Number of Households/Individuals of Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-Related Assistance	10,439	10,658
Percent of Households/Individuals of Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-Related Assistance	2.62%	2.67%
Number of Households/Individuals of Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-Related Assistance	545	545
Percent of Households/Individuals of Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-Related Assistance	.46%	.46%
A.1.1. Strategy: HOUSING TRUST FUND Provide state housing loans and grants through the Housing Trust Fund for very low and low income households.	$ 3,367,185	$ 1,382,729
Outputs:		
Projected Number of Very Low and Low Income Households Benefiting from Housing Trust Fund Loans and Grants	210	210
Efficiencies:		
Average Grant and/or Loan Amount per Projected Household Served Through the Housing Trust Fund	11,813	11,912
A.1.2. Strategy: HOME PROGRAM Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program for very low and low income families, focusing on the construction of single family and multi-family housing units in rural areas of the state through partnerships with the private sector.	$ 32,199,733	$ 32,235,967
Outputs:		
Projected Number of Very Low Income Households Benefiting from HOME Investment Program Loans and Grants	842	842
Projected Number of Low Income Households Benefiting from HOME Investment Program Loans and Grants	1,264	1,264
Efficiencies:		
Average Amount of Subsidy Provided per Household by the HOME Program	13,770	13,770

A.1.3. Strategy: SECTION 8 RENTAL ASSISTANCE Provide federal rental assistance through Section 8 certificates and vouchers for the very low income.	$	5,508,227	$	5,512,640
Outputs:				
Number of Very Low Income Households that Received Section 8 Certificates and Vouchers		1,700		1,750
A.1.4. Strategy: FEDERAL TAX CREDITS Provide federal tax credits to develop rental housing for very low and low income households.	$	1,149,756	$	1,221,839
Outputs:				
Number of Rental Units Projected to be Developed as a Result of Federal Tax Credits Provided Through TDHCA		7,320		7,539
Efficiencies:				
Projected Average Cost Per Unit Developed		3,607		3,715
Explanatory:				
Number of Federal Tax Credit Allocations Made by TDHCA		56		58
A.1.5. Strategy: MRB PROGRAM - SINGLE FAMILY Provide federal mortgage loans, through the Department's Mortgage Revenue Bond (MRB) Program, which are below the conventional market interest rates to very low, low, and moderate income homebuyers.	$	1,774,070	$	1,760,065
Outputs:				
Number of Very Low and Low Income Households That Received Loans Through the MRB Program		1,530		1,530
Number of Moderate Income Households That Received Loans Through the MRB Program		170		170
Efficiencies:				
Average Amount Provided per First-Time Homebuyer Loan		64,000		64,000
A.1.6. Strategy: MRB PROGRAM-MULTI-FAMILY Provide federal mortgage loans through the Department's Mortgage Revenue Bond (MRB) program for the acquisition, rehabilitation, construction and preservation of multi-family rental units for very low, low and moderate income families.	$	171,227	$	181,309
Outputs:				
Number of Multi-Family Rental Units Acquired, Rehabilitated, Constructed or Preserved Through the MRB Program		1,500		1,500
Efficiencies:				
Average Cost Per Multi-Family Rental Units Developed		25,000		25,000
A.1.7. Strategy: RTC MONITORING To monitor occupancy requirements of Texas properties sold under the Resolution Trust Corporation's (RTC) Affordable Housing Disposition Program.	$	579,328	$	604,444
Outputs:				
Number of RTC Multi-Family Properties Monitored		390		400
Total, Goal A: AFFORDABLE HOUSING	$	44,749,526	$	42,898,993

B. Goal: COMMUNITY DEVELOPMENT
To better Texas communities by supporting community and economic development and by helping local governments to become more effective.

Outcomes:				
Percent of Persons in Small Communities Funded Annually Benefiting from Public Facility, Economic Development, Housing, and Planning Projects		30%		30%
Percent of CDBG-eligible Colonia Areas Receiving Technical Assistance from the Field Offices		100%		100%
B.1.1. Strategy: TRAIN LOCAL OFFICIALS	$	249,551	$	249,514
Administer a state program providing information, advice and training to officials of communities of less than 10,000 people.				
Outputs:				
Number of City and County Officials Trained		1,500		1,500
B.2.1. Strategy: DEVELOPMENT PROJECTS GRANTS	$	87,815,999	$	87,809,139
Maintain a competitive application process to distribute HUD federal funds that gives priority to basic human need projects (water, sewer, and housing), funds economic development projects that create or retain jobs, and provides ongoing technical assistance, monitoring and contract management to ensure that needs of persons to be served are met.				
Outputs:				
Number of New Community and Economic Development Contracts Awarded Annually		280		280
Number of Projected Beneficiaries from Community and Economic Development Projects - New Contracts Awarded Annually		350,000		350,000
Number of On-Site Technical Assistance Visits Conducted Annually		350		350
B.2.2. Strategy: COLONIA SERVICE CENTERS	$	558,967	$	573,527
To provide technical assistance to colonias through field offices.				
Outputs:				
Number of On-Site Technical Assistance Visits Conducted Annually from the Field Offices		400		400
Total, Goal B: COMMUNITY DEVELOPMENT	$	88,624,517	$	88,632,180
C. Goal: POOR AND HOMELESS PROGRAMS				
Improve living conditions for the poor and homeless and reduce the cost of home energy for very low income Texans.				
Outcomes:				
Percent of Persons in Poverty that Received Homeless and Poverty Related Assistance		9.09%		9.09%
Percent of Very Low Income Households Receiving Energy Assistance		4.8%		4.8%
C.1.1. Strategy: POVERTY-RELATED FUNDS	$	24,985,745	$	23,478,122
Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low income persons throughout the state.				
Outputs:				
Number of Persons Assisted Through Homeless and Poverty-Related Funds		341,000		341,000
Number of Shelters Assisted		40		40

C.2.1. Strategy: ENERGY ASSISTANCE PROGRMS Administer the state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and for assistance to very low income households for heating and cooling expenses and energy-related emergencies.	$ 26,825,478	$ 26,696,311
Outputs:		
Number of Households with TDHCA Assistance for Heating and Cooling Expenses	52,463	52,463
Efficiencies:		
Average Cost per Household Served	20.25	20.4
Total, Goal C: POOR AND HOMELESS PROGRAMS	$ 51,811,223	$ 50,174,433
D. Goal: MANUFACTURED HOUSING To administer the manufactured housing program in a fair, equitable, and efficient manner, ensuring that all individuals and enterprises participating in the program are protected from unsafe practices, illegal operations, and fraud, and to ensure public awareness of available services and established procedures.		
Outcomes:		
Percent of Consumer Complaint Inspections Conducted Within 15 Days of Request	36%	39%
Percent of Complaints Resulting in Disciplinary Action	20%	20%
D.1.1. Strategy: TITLING AND REGISTRATION Provide titling and registration services in a timely and efficient manner and enforce the titling and registration requirements that assure protection for the general public and protect consumers from illegal operations, fraud and unsafe practices.	$ 742,555	$ 770,142
Outputs:		
Number of Manufactured Housing Titles Issued	86,000	94,000
Efficiencies:		
Average Cost Per Manufactured Housing Title Issued	9	9
D.1.2. Strategy: INSTALLATION INSPECTIONS Conduct inspections of manufactured homes in a timely and efficient manner, to ensure proper installation, make warranty determinations, and determine that manufactured homes are safe for consumers and the general public.	$ 1,708,675	$ 1,772,154
Outputs:		
Number of Routine Inspections Conducted	20,000	20,000
Efficiencies:		
Average Cost Per Routine Inspection	120	120
Explanatory:		
Number of Installation Reports Requiring an Inspection	46,305	48,620
D.1.3. Strategy: ENFORCEMENT Analyze data, process consumer complaints, conduct investigations, and take administrative actions to protect the general public and consumers from unsafe practices, fraud, or illegal actions.	$ 2,312,159	$ 2,399,072

Outputs:		
Number of Complaints Resolved	1,800	1,800
Efficiencies:		
Average Cost Per Complaint Resolved	1,350	1,350
Average Number of Days for Complaint Resolution	165	160
Total, Goal D: MANUFACTURED HOUSING	$ 4,763,389	$ 4,941,368
E. Goal: INDIRECT ADM & SUPP COSTS		
E.1.1. Strategy: CENTRAL ADMINISTRATION	$ 4,731,036	$ 4,941,317
E.1.2. Strategy: INFORMATION RESOURCE TECH Information Resources	$ 815,525	$ 839,401
E.1.3. Strategy: OPERATING/SUPPORT Other Support Services	$ 418,970	$ 437,135
Total, Goal E: INDIRECT ADM & SUPP COSTS	$ 5,965,531	$ 6,217,853
Grand Total, DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS	$ 195,914,186	$ 192,864,827
Method of Financing:		
General Revenue Fund	$ 5,286,024	$ 5,287,825
Federal Funds	174,064,448	174,080,331
Appropriated Receipts	8,611,164	8,937,145
Interagency Contracts	4,801,424	1,250,000
Earned Federal Funds	1,357,577	1,445,992
Manufactured Homeowner's Recovery Fund No. 926	1,793,549	1,863,534
Total, Method of Financing	$ 195,914,186	$ 192,864,827
Number of Full-time Equivalent Positions (FTE)	361.0	361.0
Schedule of Exempt Positions		
Executive Director, Group 4	$90,177	$90,177
Deputy Executive Director	77,571	77,571

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Acquisition of Information Resource Technologies		
(1) Normal Growth/Integrate Systems	$ 281,065	$ 233,900
(2) Client/Server Accounting System	253,582	241,035
(3) Imaging and Document Management System	100,000	0
b. Repair or Rehabilitation of Buildings and Facilities	0	120,000

c. Acquisition of Capital Equipment and Items		
(1) Modular Furniture	0	40,000
(2) Modular Furniture for Acquisitions Made in 1996-97 (MLPP)	$ 200,000	$ 200,000
Total, Capital Budget	$ 834,647	$ 834,935

Method of Financing (Capital Budget):

General Revenue Fund	$ 64,168	$ 81,173
Federal Funds	137,544	151,430
Appropriated Receipts	156,381	187,727
Earned Federal Funds	259,875	185,883
Manufactured Homeowner's Recovery Fund No. 926	216,679	228,722
Total, Method of Financing	$ 834,647	$ 834,935

2. **Reporting Requirements.** Within 90 days following the conclusion of a contract issued by the Texas Department of Housing and Community Affairs or, at the option of the contracting party, within 90 days following the conclusion of the contracting party's fiscal year during which a contract was in force, the contracting party shall provide to the Executive Director a full accounting of state funds expended under the terms of the contract. This requirement shall be a part of any contract entered into by the department and contracting entities. Failure of a contracting party to provide full accounting of state funds expended under the terms of any contract under the conditions stated above shall be sufficient reason to terminate that contract and for the department to deny any future contracts to that contracting party.

3. **Housing Assistance.** The housing finance division shall adopt a goal to apply a minimum of 15 percent of the division’s total housing funds toward housing assistance for individuals and families earning less than 30 percent of median family income. No less than 20 percent of the division’s total housing funds shall be spent for individuals and families earning between 31 percent and 60 percent of median family income. In those counties where the median family income is lower than the state average median family income, the department shall use the average state median income in interpreting this rider. The department shall provide a quarterly report to the Legislative Budget Board documenting its expenditures in each income category.

4. **Coordination with Texas Water Development Board.** The Texas Department of Housing and Community Affairs (TDHCA) and the Texas Water Development Board (TWDB) shall continue to coordinate funds as outlined in a Memorandum of Understanding (MOU) so as to assure that none of the funds appropriated above are expended in a manner that aids the proliferation of colonias or are otherwise used in a manner inconsistent with the intent of the Economically Distressed Areas Program (EDAP) operated by the Texas Water Development Board (TWDB); and maximize delivery of the funds and minimize administrative delay in their expenditure. The MOU shall be amended, if necessary, prior to the distribution of the Colonia Fund in fiscal years 1998 and 1999. In distributing funds out of the Colonia Fund, the TDHCA shall provide top funding priority to those projects that are in EDAP-funded areas and which assist colonia residents who cannot afford the cost of service lines, hook-ups, and plumbing improvements associated with being connected to an EDAP-funded system. None of the funds appropriated above for Strategy B.2.1., Development Projects Grants, may be expended in EDAP-eligible counties that have not adopted, or are not enforcing, the Model Subdivision Rules established pursuant to Section 16.343 of the Water Code. No later than September 15, 1998, the TDHCA and the TWDB shall submit a joint report to the Legislative Budget Board

that describes and analyzes the effectiveness of projects funded as a result of coordinated Colonia Fund/EDAP efforts.

5. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees:

   Texas Weatherization Policy Advisory Council
   State Interagency Council for the Homeless
   Consolidated Plan/CHAS Committee
   State Community Development Review Committee
   Colonia Residents Advisory Committee

6. **Local Site Visits.** From monies appropriated above, when the Texas Department of Housing and Community Affairs receives a letter from the mayor or county judge of an affected city or county opposing an application for a federal tax incentive to develop rental housing, a site visit by an employee of the Texas Department of Housing and Community Affairs with the mayor or county judge shall take place within 30 days following notification. The site visit must occur before the incentive can be approved. The Texas Department of Housing and Community Affairs is authorized to obtain reimbursement from the applicant for a federal tax incentive for necessary travel and expenses at a rate not to exceed the federally authorized rate.

7. **Colonia Set-Aside Program Allocation.** The Texas Department of Housing and Community Affairs shall continue the Community Development Block Grant (CDBG) Colonia Set-Aside Program by allocating not less than 10 percent of the yearly allocation of CDBG funds for eligible activities to assist in providing for the housing, planning, and infrastructure needs in colonias. From this 10 percent yearly allocation, $2,000,000 shall be reserved to provide financial assistance to units of general local government located in economically distressed areas as defined by Section 17.921, Water Code, to pay for residential service lines, hookups, and plumbing improvements associated with being connected to a water supply or sewer service system, any part of which is financed under the economically distressed areas program established under Subchapter J, Chapter 16, Water Code and Subchapter K, Chapter 17, Water Code. The department by rule shall provide that an application for assistance under the program hereby authorized may be submitted after construction of the water supply or sewer service system begins. The department shall approve or disapprove a timely application before construction of the water supply or sewer service is completed in order to eliminate delay in connection once construction is completed. The department shall coordinate the application process with the Texas Water Development Board to avoid duplication of effort and the necessity for applicants to submit dual applications.

   In addition, the department shall allocate 2.5 percent of the CDBG monies to support the operation of Self-Help Owner-Builder Housing Programs.

8. **Low/Moderate Income Housing Construction.** Out of the funds appropriated above, not less than $500,000 each year of the biennium shall be expended on low/moderate income housing construction in enterprise zone areas.

9. **Limitation on Use of Funds for Credit Enhancement.** The Texas Department of Housing and Community Affairs and the Texas State Affordable Housing Corporation are prohibited from using state or federal funds to provide credit enhancement of a bond issued under this section unless the credit enhancement would facilitate the creation or preservation of affordable housing by 501(c)(3) nonprofit entities.

10. **Low Income Assistance: Scoring Criteria.** It is the intent of the Legislature that the department add to its contract award scoring criteria for the construction, acquisition, or rehabilitation of single and multi-family housing, and for the operation of multi-family housing,

a system that gives increased points for comprehensive services to low-income citizens, such as case management, home-buyer assistance, and family budgeting. The department is also encouraged to develop a sliding scale fee schedule for the low-income tax credit program and the 501c(3) bond program to encourage increased participation by non-profit entities such as community development housing organizations.

11. **Limitation on Expenditure.** Under Strategy A.1.4., Federal Tax Credits, no funds shall be used for processing or approving applications for allocations unless the department adopts or amends administrative rules containing the following:

    a. All representations made by an applicant for an allocation are enforceable by the department, including enforcement by administrative penalties for failure to perform as stated in the representations and enforcement by inclusion in deed restrictions to which the department is a party.

    b. The department shall inspect all construction for quality during the construction process while defects can reasonably be corrected.

    c. A general contractor hired by an applicant or an applicant, if the applicant serves as general contractor, must demonstrate a history of constructing similar types of housing without the use of federal tax credits.

    d. The department shall give notice of a proposed project to the state representative and senator representing the area where a project would be located. The state representative or senator may hold a community meeting at which the department shall provide appropriate representation.

    e. The department shall allocate credits among as many different entities as practicable without diminishing the quality of the housing that is built.

12. **Manufactured Homeowner Consumer Claims.** In addition to appropriations in Goal D, Manufactured Housing, the Department of Housing and Community Affairs is appropriated an amount required for the purpose of paying manufactured housing consumer claims according to V.T.C.S., Art. 5221f(j), from the Manufactured Homeowner's Recovery Trust Fund No. 926 during the 1998-99 biennium.

13. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for the strategy items in Goal D., Manufactured Housing, as well as the "other direct and indirect costs" associated with this goal, appropriated elsewhere in this Act. "Other direct and indirect costs" for Goal D., Manufactured Housing, are estimated to be $914,865 for fiscal year 1998 and $926,385 for fiscal year 1999. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

14. **Intergovernmental Task Force on Housing Investment.** Out of funds appropriated above in Goal A, Affordable Housing, the Department of Housing and Community Affairs shall establish an Intergovernmental Task Force on Housing Investment. The Task Force shall compile and submit to the Seventy-sixth Legislature its findings and recommendations concerning potential investment products for affordable housing, including the advisability of the creation of an intermediary organization similar to the Texas Growth Fund. The Task Force is composed of one representative from each of the five statewide public pension systems appointed by the administrative head of each system and one representative from each of the following entities appointed by the administrative head of each entity: the Department of Housing and

Community Affairs, the Texas Association of Public Employee Retirement Systems, the Texas Pension Review Board, the Bond Review Board; one representative appointed by the Speaker of the House of Representatives; one Senator appointed by the Lieutenant Governor; and two representatives of statewide community development organizations appointed by the Governor. A member serves without compensation but is entitled to reimbursement for reasonable and necessary expenses incurred in performing the member's duties (payable by the appointing entity). The department shall provide staff support to the Task Force.

15. **501(c)(3) Bond Issues.** Contingent upon the passage of HB 2577 or similar legislation providing for the issuance of 501(c)(3) bonds by the Department of Housing and Community Affairs, it is the intent of the Legislature that the Department of Housing and Community Affairs (TDHCA) issue 501(c)(3) bonds in a manner that maximizes the construction and preservation of very low-income housing units by ensuring that either twenty percent of the total units in each project financed under the program are set aside for individuals and families at fifty percent of the area median family income (AMFI), or forty percent of the total units in each project are set aside for individuals and families at sixty percent of the AMFI, or abide by such other set asides or restrictions as required by the Internal Revenue Service as outlined in a determination letter for the nonprofit borrower, while the department assures the highest reasonable bond rating for those bonds that are rated.

16. **Mortgage Revenue Bond Program.** The Department of Housing and Community Affairs (TDHCA) shall operate the First-Time Homebuyer Mortgage Revenue Bond Program in a manner that maximizes the creation of very low-income single family housing by ensuring that at least thirty percent of the lendable bond proceeds are set aside for a period of one year for individuals and families at sixty percent and below the area median family income (AMFI), while assuring the highest reasonable bond rating. In an effort to facilitate the origination of single family mortgage loans to individuals and families at sixty percent and below the AMFI, the department shall utilize down payment and closing cost assistance or other assistance methods.

17. **Conversions of Executory Contracts.** Out of the funds appropriated above, the department shall spend not less than $4,000,000 for the biennium for the sole purpose of contract for deed conversions for families that reside in a colonia and earn 60 percent or less of the applicable area median family income. It is the intent of the Legislature that the department complete at least 400 contract for deed conversions by August 31, 1999.

18. **Home Buyer Education Program.** The Texas Department of Housing and Community Affairs (TDHCA) shall work with the Texas Agriculture Extension Service (TAEX) and experienced home buyer education providers to implement a home buyer education program statewide. TDHCA shall fund the program using either appropriated funds or other funds administered by the department, such as bond fees or proceeds or other funds received. TDHCA shall develop this program with the input from the Texas Agricultural Extension Service, the Texas Department of Human Services, the Texas A&M Real Estate Research Center, the Texas Workforce Commission, experienced home buyer education providers and affordable housing advocates. The TDHCA shall make full use of existing training materials available from the U.S. Housing and Urban Development Agency, the Neighborhood Reinvestment Corporation, the Cooperative Extension System, and other sources. The development of local education programs should begin by November 15, 1997, with the home buyer education program implemented and materials available in all counties by September 1, 1998.

19. **Administrative Allocation: Councils of Governments.** From the federal administrative monies made available to the department under the Community Development Block Grant Program, an amount equal to 19 percent of such monies shall be allocated to councils of government to continue staff support to the 24 Regional Review Committees of local elected officials appointed by the Governor.

TEXAS LOTTERY COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: OPERATE LOTTERY Efficiently operate a lottery that is self-supporting, revenue producing, and secure.		
Outcomes:		
Percentage of Lottery Proceeds Spent on Agency Administration, Which Includes Marketing/Promotion	7%	7%
Ratio of Advertising Expense to Gross Lottery Sales	1.1%	1%
State Revenue Received Per Advertising Dollar Expended	28	29
A.1.1. Strategy: LOTTERY OPERATIONS License lottery retailers, maintain and monitor retailer accounts and collections; ensure vendor and retailer compliance with contracts and policies, and operate 24 claim centers; oversee payments on contracts to primary vendors for instant ticket manufacturing, vending machines, warehousing and distribution of instant scratch off tickets and other lottery retailing services.	$ 311,755,917	$ 326,025,961
Outputs:		
Number of Retailer Business Locations Licensed	17,000	17,500
Efficiencies:		
Average Cost per Retailer Location License Issued	80	90
A.1.2. Strategy: MARKETING, RESEARCH AND PROMOTION Determine the interests, opinions, awareness levels and purchase behaviors of adult Texans for the planning, development and implementation of effective games; educate players and provide opportunities to learn about lottery products; broadcast lottery drawings to ensure the integrity of the Lottery's numbers games; communicate game information, marketing ideas and operational information to lottery retailers; recruit new retailers; measure retailer satisfaction with lottery operations and service.	$ 10,239,676	$ 10,687,498
Outputs:		
Number of Surveys Issued to Retailers	51,000	52,500
Efficiencies:		
Average Cost per Survey Issued	12.5	12.5
A.1.3. Strategy: ADVERTISING Inform adult Texans by mass media (television, radio, newspaper, billboards), point-of-sale materials and merchandising regarding lottery games; provide consumers and retailers with notice of end-of-game dates; provide information regarding procurement opportunities for minority vendors.	$ 36,000,000	$ 40,000,000
Efficiencies:		
Percentage of Adult Texans Aware of Lottery Advertising	60%	60%

A.1.4. Strategy: SECURITY Protect and maintain the security and integrity of lottery games, systems and drawings; assure the physical security of all Commission operating sites; and investigate possible criminal and regulatory violations.	$ 3,492,050	$ 3,512,467
Outputs:		
Number of Lottery Complaints Resolved	215	215
Efficiencies:		
Average Cost per Complaint Resolved	125	125
A.1.5. Strategy: CENTRAL ADMINISTRATION Execute and support all functions of the Texas Lottery Commission through executive management, accounting, systems administration, information systems support, communications, legal services, purchasing support, budgeting and human resources.	$ 9,512,357	$ 9,774,074
Total, Goal A: OPERATE LOTTERY	$ 371,000,000	$ 390,000,000
B. Goal: ENFORCE BINGO LAWS Enforce regulations to ensure the fair conducting of bingo games to maximize distributions to authorized charities.		
Outcomes:		
Percentage of Complaints Resulting in Disciplinary Action	5%	5%
Net Bingo Games Revenue Received by Charitable Organizations (In Millions)	46.6	46.7
B.1.1. Strategy: BINGO LAW ENFORCEMENT Conduct inspections and compliance audits of bingo licensees, initiate sanctions, and increase employee and licensee understanding of bingo laws through training and public education.	$ 1,592,365	$ 1,592,365
Outputs:		
Number of Bingo Complaints Resolved	780	780
Efficiencies:		
Average Cost per Complaint Resolved	120	120
B.2.1. Strategy: BINGO LICENSING Process bingo applications in a timely manner and ensure eligibility of bingo applicants.	$ 1,099,432	$ 1,099,432
Outputs:		
Number of Original Licenses Issued to Individuals and Organizations	250	250
Number of Licenses Renewed to Individuals and Organizations	2,350	2,350
Number of Temporary Licenses Issued to Organizations	3,600	3,600
Efficiencies:		
Average Cost per Original License Issued	200	200
Average Cost per Temporary License Issued	34	34
Total, Goal B: ENFORCE BINGO LAWS	$ 2,691,797	$ 2,691,797
Grand Total, TEXAS LOTTERY COMMISSION	$ 373,691,797	$ 392,691,797

TEXAS LOTTERY COMMISSION
(Continued)

Method of Financing:		
General Revenue Fund	$ 2,691,797	$ 2,691,797
General Revenue Fund - Dedicated - Lottery Account No. 5025	371,000,000	390,000,000
Total, Method of Financing	$ 373,691,797	$ 392,691,797
Number of Full-time Equivalent Positions (FTE)	335.0	335.0
Schedule of Exempt Positions		
Executive Director, Group 5	$110,000	$110,000
Deputy Executive Director	83,401	83,401
Lottery Operations Director	71,584	71,584

1. **Appropriation, Operate Lottery.** Pursuant to Government Code 466, appropriations made to Goal A., Operate Lottery, shall not exceed fifteen percent of the gross revenue from the sale of lottery tickets. This appropriation shall be used for the administration of the lottery and for retailer commissions. Out of funds appropriated, the Comptroller of Public Accounts is hereby directed to transfer a total of $238,140,000 during the biennium to the unobligated portion of the General Revenue Fund.

2. **Appropriation, Payment of Prizes.** In addition to the amounts appropriated above for the administration of the Lottery and retailer commissions, there is hereby appropriated pursuant to Government Code 466, out of the State Lottery Account in the General Revenue Fund, sufficient funds for the payment of prizes to the holders of winning tickets.

3. **Adjustments to Appropriated Amounts.** In the event the Texas Lottery Commission determines that activities which previously have been outsourced to a private contractor or vendor should be operated by the agency in order to ensure greater accountability or improved services, the commission may, upon approval from the Governor and the Legislative Budget Board, exceed: 1) the number of full-time equivalent positions listed above; 2) the transfer restrictions included under Appropriation Transfers, Article IX, General Provisions of this Act; and 3) the capital budget restrictions included under Limitation on Expenditures - Capital Budget, Article IX, General Provisions of this Act. Prior to submitting a written request to the Governor and Legislative Budget Board to exceed the above mentioned limitations, the commission must submit a detailed plan of operation to the State Auditor's Office for review and comment.

4. **Limitation on Transfer Authority.** Funds appropriated above in item A.1.3., Advertising, may be transferred into other items in the Lottery Commission appropriations, but none of the funds appropriated in other items may be transferred into Strategy A.1.3., Advertising.

5. **Compulsive Gambling Helpline.** Out of funds appropriated above in Strategy A.1.1., Lottery Operations, $375,000 for each year of the biennium may be expended only for the purpose of offering assistance to compulsive gamblers to be provided by the Texas Commission on Alcohol and Drug Abuse through an interagency contract agreement.

6. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-23, reimbursement of expenses for Advisory Committee Members, out of funds appropriated above, is limited to the following advisory committee: Bingo Advisory Committee.

7. **Unclaimed Lottery Prize Winnings.** At the beginning of fiscal year 1998, the Comptroller shall transfer to the unobligated portion of the General Revenue Fund all unclaimed lottery prize winnings on hand at the end of fiscal year 1997. At the end of fiscal year 1998 and fiscal

year 1999, respectively, the Comptroller shall transfer to the unobligated portion of the General Revenue Fund all unclaimed lottery prize winnings on hand for that fiscal year.

8. **Appropriation, Local Bingo Prize Fees.** Out of bingo prize fees collected pursuant to Article 179d, Section 19b, V.T.C.S., the commission is hereby appropriated amounts for allocation to counties and municipalities as required by Article 179d, Section 19c.

   Contingent upon the passage of legislation transferring the collection and administration of bingo prize fees to another state agency, the amounts appropriated for allocation to counties and municipalities pursuant to Article 179d, Section 19c are transferred to the responsible agency.

9. **Appropriation, Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the operation of charity bingo cover, at a minimum, the cost of the appropriations made above for the strategy items in Goal B., Enforce Bingo Laws, as well as the "other direct and indirect costs" associated with this goal, appropriated elsewhere in this Act. "Other direct and indirect costs" for Goal B., Enforce Bingo Laws, are estimated to be $558,527 for fiscal year 1998 and $557,848 for fiscal year 1999. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

10. **Implementation of Senate Bill 1031.** Out of funds appropriated above, $30,000 in 1998 and $25,000 in 1999 shall be allocated for the implementation of Senate Bill 1031, or similar legislation relating to assignment of a Lottery prize, by the Seventy-fifth Legislature, Regular Session, if such Act should become law.

DEPARTMENT OF TRANSPORTATION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: TRANS. SERVICES & SYSTEMS To provide the State of Texas with transportation services and systems that: - work together; - are safe, comfortable, durable, and affordable; - are environmentally sensitive; and - support economic and social prosperity.		
Outcomes:		
Percent of State Highway System Mainlane Pavement Mileage Rated Good or Better Based on the Pavement Management Information System Condition Score	85%	85%
Percent Change in Highway Emission Levels Within Areas not Attaining Air Quality Standards	-4.2%	-3.4%
Percent of General Aviation Airport Needs Funded	48%	48%
Percent Change in the Number of Public Transportation Trips	.4%	.2%
Percent of Motor Vehicle Consumer Complaints Resolved	75%	75%
Percent of Change in Statewide Traffic Accident Fatality Rates	-2.5%	-3%
Percent Change in Auto Theft Rate	-4%	-4%
A.1.1. Strategy: PLAN / DESIGN / MANAGE Plan, design and manage highway projects.	$ 360,269,069	$ 382,766,512

Outputs:		
Number of Construction Project Preliminary Engineering Plans Completed	1,030	1,030
Dollar Volume of Construction Contracts Awarded in Fiscal Year (in millions)	1,740	1,740
Number of Highway Construction Projects Contracted	2,754	2,754
Number of Highway Construction Contracts Completed	809	819
A.1.2. Strategy: RIGHT-OF-WAY ACQUISITION	$ 192,000,000	$ 192,000,000
Optimize timing of highway right-of-way acquisition and utility adjustment.		
Outputs:		
Number of Parcels of Right-of-Way Acquired On Schedule to Meet Contract Letting	1,080	1,100
A.1.3. Strategy: HIGHWAY CONSTRUCTION	$ 1,884,541,415	$ 1,843,828,862 & U.B.
Contract for the construction of the highway system and facilities. Estimated		
Outputs:		
Number of New Location Lane Miles Contracted	155	155
Number of Lane Miles Contracted to Increase Capacity	386	386
Number of Lane Miles Contracted for Rehabilitation	2,848	2,848
A.1.4. Strategy: CONTRACTED ROUTINE AND PREVENTIVE MAINTENANCE	$ 318,612,765	$ 359,955,410 & U.B.
Contract for highway maintenance program.		
Outputs:		
Number of Lane Miles Contracted for Asphaltic Seal Coat Surfacing	11,161	13,753
Number of Lane Miles Contracted for Asphaltic Concrete Pavement Overlay	2,087	2,429
A.1.5. Strategy: ROUTINE MAINTENANCE	$ 392,488,185	$ 411,765,659 & U.B.
Provide for routine maintenance and operation of the state highway system.		
Outputs:		
Number of Highway Lane-Miles Resurfaced With Seal-Coat	3,029	3,047
Number of Lane Miles Resurfaced With Overlays	2,405	2,413
Efficiencies:		
Average Cost to Issue State Highway System Oversize/ Overweight Permit	6	6
A.1.6. Strategy: AVIATION SERVICES	$ 30,005,928	$ 30,006,165 & U.B.
Support and promote general aviation.		
Outputs:		
Number of General Aviation Airports Selected for Financial Assistance	23	23
Efficiencies:		
Administrative and Support Costs as a Percent of Facility Grant Funds Expended	7%	7%
A.1.7. Strategy: PUBLIC TRANSPORTATION	$ 74,939,291	$ 2,376,895 & U.B.
Support and promote public transportation.		
Outputs:		
Number of Transit Projects Funded With Both State and Federal Dollars	43	43

Efficiencies:				
Administrative and Support Costs as Percent of State and Federal Grant Funds Expended		5%		5%
A.1.8. Strategy: GULF WATERWAY	$	1,735,849	$	252,697 & U.B.
Support the Gulf Intracoastal Waterway.				
Outputs:				
Number of Acres Made Available for Dredge Material		450		450
A.1.9. Strategy: FERRY SYSTEM	$	9,742,963	$	9,849,360
Maintain and operate ferry systems in Texas.				
Outputs:				
Number of Vehicles Carried on Ferryboats at Galveston		2,255,000		2,300,000
Number of Vehicles Carried on Ferryboats at Port Aransas		2,100,000		2,150,000
A.1.10. Strategy: REGISTRATION & TITLING	$	41,161,418	$	42,715,253
Administer the provisions of the motor vehicle registration and titling statutes.				
Outputs:				
Number of Registration Renewal Notices Mailed		13,295,160		13,428,112
Number of Titles Issued		4,335,425		4,378,779
Efficiencies:				
Average Number of Days to Issue and Mail Titles		5		5
A.1.11. Strategy: VEHICLE DEALER REGULATION	$	2,448,352	$	2,518,080
Administer the provisions of the Texas Motor Vehicle Commission Code.				
Efficiencies:				
Average Number of Weeks for Complaint Resolution		26		26
A.1.12. Strategy: RESEARCH	$	18,000,000	$	18,000,000
Fund and participate with state-supported colleges and universities in research and development programs that can improve transportation operations.				
Outputs:				
Number of Research Projects Completed		80		80
Efficiencies:				
Percent of Structure Research Recommendations Implemented		75%		75%
Percent of Pavement Design Research Recommendations Implemented		60%		60%
Percent of Traffic Operations Research Recommendations Implemented		70%		70%
Percent of NAFTA-related Research Recommendations Implemented		30%		30%
Percent of Ports, Waterway, and Rail Research Recommendations Implemented		50%		50%
A.2.1. Strategy: TRAFFIC SAFETY	$	14,148,432	$	14,475,856 & U.B.
Identify problem areas and implement projects to reduce the number and severity of traffic accidents through the statewide traffic safety program.				
Outputs:				
Number of Traffic Safety Grants and/or Projects With Agencies, Cities, Counties, and Schools		725		725
A.2.2. Strategy: TRAVEL INFORMATION	$	17,211,408	$	17,850,345
Support and promote tourism.				

Outputs:		
Number of Travel Literature Requests Filled	1,400,000	1,450,000
A.3.1. Strategy: ADVERTISING / JUNKYARDS	$ 501,091	$ 517,933
Control the use of outdoor advertising signs, junkyards, and auto graveyards adjacent to transportation system.		
Outputs:		
Number of Sign Permits and Licenses Issued	13,340	13,340
A.4.1. Strategy: AUTO THEFT PREVENTION	$ 11,000,000	$ 11,000,000
Reduce the incidence of vehicle theft in Texas through prevention efforts and the support of motor vehicle theft laws.		
Outputs:		
Dollar Amount of Automobile Theft Prevention Authority Grants Awarded	10,200,000	10,200,000
Efficiencies:		
Administrative and Support Costs for ATPA as a Percentage of Grant Funds Expended	7.8%	7.8%
Total, Goal A: TRANS. SERVICES & SYSTEMS	$ 3,368,806,166	$ 3,339,879,027
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: CENTRAL ADMINISTRATION	$ 28,105,981	$ 29,587,991
B.1.2. Strategy: INFORMATION RESOURCES	$ 34,796,849	$ 35,470,199
B.1.3. Strategy: OTHER SUPPORT SERVICES	$ 44,416,437	$ 38,583,448
B.1.4. Strategy: REGIONAL ADMINISTRATION	$ 60,613,636	$ 64,285,272
Total, Goal B: INDIRECT ADMINISTRATION	$ 167,932,903	$ 167,926,910
Grand Total, DEPARTMENT OF TRANSPORTATION	$ 3,536,739,069	$ 3,507,805,937
Method of Financing:		
General Revenue Fund	$ 30,030,710	$ 12,365,710
State Highway Fund No. 006, estimated	2,107,334,375	2,099,923,367
General Revenue - Dedicated		
Texas Highway Beautification Account No. 71	501,091	517,933
Federal Funds, estimated	1,390,076,825	1,393,682,927
Appropriated Receipts	310,000	310,000
Interagency Contracts	8,486,068	1,006,000
Total, Method of Financing	$ 3,536,739,069	$ 3,507,805,937
Number of Full-time Equivalent Positions (FTE)	14,721.0	14,721.0
Schedule of Exempt Positions		
* Executive Director, Group 5	$115,000	$115,000
Commissioner	(3) 15,914	(3) 15,914
Deputy Executive Director	(2) 86,000	(2) 86,000
Assistant Executive Director	(2) 84,000	(2) 84,000
Assistant Executive Director	(2) 82,000	(2) 82,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A. Capital budgeted funds appropriated under the "Acquisition of Information Resources Technologies" may be used to lease Information Resources Hardware and/or Software versus the purchase of Information Resources Hardware and/or Software, if determined by agency management to be in the best interest of the State of Texas.

		1998	1999
Out of the State Highway Fund No. 006:			
a.	Acquisition of Land and Other Real Property	$ 2,336,250	$ 621,250 & U.B.
b.	Construction of Buildings and Facilities	19,404,000	38,080,500 & U.B.
c.	Repair or Rehabilitation of Buildings and Facilities	5,022,000	886,000 & U.B.
d.	Acquisition of Information Resource Technologies	19,228,164	19,980,486 & U.B.
e.	Transportation Items	11,582,000	12,069,669 & U.B.
f.	Acquisition of Capital Equipment and Items	13,580,770	12,365,960 & U.B.
	Total, Capital Budget	$ 71,153,184	$ 84,003,865 & U.B.

2. **Use of Previous Fiscal Year Funds.** It is the intent of the Legislature that funds authorized for capitalized equipment in the first year of a biennium may be carried over to the next fiscal year for procurement contracts that were properly encumbered during the fiscal year, but because of extenuating circumstances, the contract was voided before the end of the fiscal year.

3. **Transfer Authority.** The Department of Transportation is hereby authorized to transfer appropriations from any Strategy into Strategy A.1.4., Contracted Routine and Preventive Maintenance, Strategy A.1.2., Right-of-Way Acquisition, and Strategy A.1.3., Highway Construction. In addition, funds may be transferred between Strategies, except that no funds may be transferred out of Strategies A.1.4., Contracted Routine and Preventive Maintenance, or A.1.2., Right-of-Way Purchase, or A.1.3., Highway Construction, except that transfers may be made between those Strategies.

4. **Public Transportation Financing.** Funds appropriated above to Strategy A.1.7., Public Transportation include $24,535,000 for the biennium from State Highway Fund 006 and $17,665,000 in general revenue. Of such funds, $20,800,000 shall be allocated to Section 18 rural transportation contractors and $5,200,000 shall be allocated to Section 09 urban public transportation contractors, and shall be exempt from the formula and matching provisions provided by V.T.C.A., Transportation Code, Section 456.001, or similar legislation.

5. **Magazine Appropriations.** The Department of Transportation Commission is directed to set subscription rates and other charges for Texas Highways Magazine at a level that will generate

receipts approximately sufficient to cover the costs incurred in the production and distribution of the magazine. In addition to funds appropriated above, the department is hereby appropriated to Strategy A.2.2., Travel Information, any magazine revenues generated above $6,246,571 for the 1998 fiscal year and $6,596,571 for the 1999 fiscal year. Funds may be utilized only for the purpose of magazine costs. The Department of Transportation may transfer to Strategy A.2.2., from revenue available from prior years subscription fees, in the event of unforeseen or unusual expenditures associated with the production costs of the Texas Highways Magazine. The Department of Transportation is hereby appropriated all revenue collected from the sale of promotional items as authorized by V.A.C.S., Article 6144e.

6. **Road Utility District Provision.** The Comptroller of Public Accounts is authorized to transfer to State Highway Fund No. 006 all receipts deposited in the General Revenue Fund pursuant to V.T.C.A., Transportation Code, Section 441.011. Such funds are hereby appropriated for the biennium beginning with the effective date of this act for the purpose of defraying the costs of hearing and processing Road Utility District petitions. Any balance remaining after defraying such costs may be used by the department for the maintenance and construction of highways.

7. **Hourly Wage Rates.** The Department of Transportation Commission is expressly authorized to determine the wage rates paid to hourly employees subject to the qualifications provided hereinafter; provided, however, that it is the intent of the Legislature that the commission, in carrying out its employee compensation policy, shall provide for a merit wage increase program for the department's hourly paid employees comparable to that authorized for its classified employees as provided by the General Provisions of this Act. It is provided further that it is the intent of the Legislature that such merit wage increase program for hourly paid employees be administered uniformly throughout the department, statewide, and as between administrative districts, and not be superseded by district administrative policy interpretation. In expending the funds appropriated herein, the department may award merit raises in varying amounts according to the nature of work performed or the job title held, provided such merit raises do not exceed the top step for a particular job as determined by the Department.

8. **Holiday Pay Provision.** Notwithstanding other provisions of this bill, the Department of Transportation is authorized to grant compensatory time off or to pay hourly employees for work performed on official state holidays in addition to any applicable holiday pay.

9. **Compensatory Pay Provision.** In order to operate in the most economical manner, when inclement weather or other circumstances beyond the control of the Department prevent construction or maintenance employees from performing their normal duties, the Department of Transportation is authorized to grant such employees time off with pay with the hours charged to the Compensatory Time Taken Account, provided that such advanced time must be repaid by the employee at a time, and in the most appropriate manner as determined by the Department within the following twelve months or at termination, whichever is sooner.

10. **Stand by Pay.** It is expressly provided that the Department of Transportation, to the extent permitted by law, may pay compensation for on-call time at the following rates: credit for 1 hour worked per day on-call during the normal work week, and 2 hours worked per day on-call during weekends and holidays; this credit would be in addition to actual hours worked during normal duty hours or while on-call. Nonexempt employees who work a normal 40 hour work week, and also work on-call duty, will receive FLSA overtime rates for the on-call duty.

11. **Pay for Regular Compensatory Time.** It is expressly provided that the Department of Transportation, to the extent permitted by law, may pay FLSA exempt and FLSA nonexempt employees on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions.

12. **Underwater Bridge Inspections.** To more adequately compensate employees who perform hazardous duties for the state, the Department of Transportation is authorized to compensate employees who perform underwater bridge inspections an additional rate of pay of up to twenty-five dollars per hour for actual time spent performing underwater bridge inspections.

13. **Equal Employment.** To the maximum extent feasible, the Department shall implement its Equal Employment Opportunity Plan to hire and promote qualified minority employees into vacant supervisory and management positions.

14. **Workers' Compensation Insurance.** Any necessary amounts appropriated above may be used to pay all expenses as authorized by V.T.C.A., Transportation Code, Section 201.106. The department is expressly authorized to employ a sufficient number of employees necessary to carry out the terms and provisions of said Act.

15. **Limitation on Residences.** None of the funds appropriated hereinabove may be expended for the purchase, construction, or maintenance of residences for employees of the Department of Transportation except maintenance camps in isolated areas and bridge tenders' buildings.

16. **Court Costs.** Any necessary amounts appropriated above may be used by the Department of Transportation to pay refunds authorized by law, and to pay court costs in suits involving the Department of Transportation. Such costs shall include payments for judgments, settlements, and other costs associated with right-of-way acquisition and inverse condemnation.

17. **License Plate Contracts.** Any necessary amounts appropriated above may be used by the Department of Transportation to reimburse the Department of Criminal Justice for the cost of manufacturing motor vehicle license plates, and the Department of Criminal Justice shall be reimbursed as license plates are delivered and invoices are rendered to the department. At the time manufacture is started, the General Services Commission shall fix a price to be paid per license plate, and shall use as the basis for such price the costs of steel, paints and other material purchased, and the inmate maintenance cost per day, and overhead expense, and miscellaneous charges, and the amount of profit previously approved for such work.

18. **License Plate Appropriation Balances.** Any unobligated balance of the appropriation remaining after the first year of the biennium for Strategy A.1.10., Registration and Titling, above which is intended for the purchase of vehicle license plates and vehicle registration validation stickers, may be used for the same purpose during the second year of the biennium.

19. **Payment of Fuel Taxes.** The Department of Transportation is authorized to pay directly to the Comptroller of Public Accounts, out of funds appropriated for operations and maintenance, any fuel taxes as required by law.

20. **Internal Audit.** The Department of Transportation shall maintain an internal auditing program in compliance with the provisions the Texas Internal Auditing Act, which shall incorporate, at a minimum, the assignment of an internal auditor at each district office and within each division of the Department. Each internal auditor assigned pursuant to this provision shall report either directly to the Commissioners of the Department of Transportation or to the internal auditor appointed pursuant to Section 2102.006, Government Code.

    An internal auditor whose duty station is assigned pursuant to this provision may consider suggestions from a District Engineer in developing proposals for the Department's annual audit plan.

21. **Non-dedicated Revenues.** The Legislature hereby determines that all programs statutorily under the jurisdiction of the Department of Transportation result in the improvement of the state highway system as specified in V.T.C.A., Transportation Code, Section 222.001. Therefore, it is the intent of the Legislature that non-constitutionally dedicated revenues to State

Highway Fund No. 006 may be utilized to finance any program statutorily under the jurisdiction of the Department of Transportation. Non-constitutionally dedicated revenues may be expended for departmental purposes which are not authorized for constitutionally dedicated revenues.

22. **Minimum Wage Contracts.** In contracting for maintenance and construction contract work with the private sector, the Department of Transportation shall require that contractors and subcontractors are paying all employees and contract labor at a rate at least equal to the federal minimum wage. The department shall withhold payments to contractors until their contractual obligations for paying employees and the contract labor have been fulfilled.

23. **Gross Weight and Axle Weight Fees.** Amounts collected from gross weight and axle weight fees are appropriated for distribution to counties as provided in V.T.C.A., Transportation Code, Section 621.353. All unexpended balances as of August 31, 1997 and all revenue received during the 1998-99 biennium are appropriated.

24. **Free Trade Agreement and International Trade.** The Department of Transportation shall review its proposed highway projects annually to determine whether an adequate number of highways with adequate capacity linking major entry points in Texas and Mexico are planned to meet the projected volume of highway traffic, especially truck traffic, resulting from a free trade agreement with Mexico and increased international trade. The department shall reassign priorities to its projects in accordance with the review. In accordance with V.T.C.A., Transportation Code, Section 201.608, the department shall report to the legislature on the ability of the state highway system to handle the projected volume of highway traffic resulting from a free trade agreement with Mexico and increased international trade.

25. **Appropriation of Loan Fund Balances.** Balances, from the General Revenue Fund and estimated to be $250,000, in and revenues accruing to the department's special aviation loan fund are hereby appropriated for the same purpose for the biennium beginning September 1, 1997.

26. **Appropriation: Grant Funds.** Any balances, from State Highway Fund 006 and estimated to be $750,000, remaining as of August 31, 1997, of appropriations made to the department for airport development grants in House Bill No. 1, Acts of the Seventy-fourth Legislature, Regular Session, 1995, are reappropriated for the same purpose for the biennium beginning September 1, 1997.

27. **Transportation Fee Rates.** The Texas Department of Transportation shall maintain rules providing for the following transportation fees at the rates specified to defray a portion of the state's cost of registering "For Hire" Ground Transportation:

Vehicle Registration Fee	$ 10.00
Specialized Motor Carrier	$100.00
Insurance Filing Fee, per carrier	$100.00
International Stamps, per trip/per vehicle	$ 10.00

All fee collections are to be deposited into the General Revenue Fund.

28. **International Stamp Fees.** It is the intent of the Legislature that the Texas Department of Transportation shall collect the International Stamp Fees specified in Rider No. 27 above in a uniform, consistent and equitable manner at all points of entry along the Texas and Mexico border. All fee collections are to be deposited in the General Revenue Fund.

Only if an insurance agent elects to file evidence of a master liability policy under which temporary insurance policies are issued, or to issue temporary insurance, may the Department require an insurance agent to obtain international registration stamps as provided by Department rules.

29. **Appropriation: Motor Carrier Audit Fees.** The Texas Department of Transportation, under the provisions of V.T.C.A., Article 911b, Sec. 19 (as amended), may bill out-of-state trucking firms for all expenses relative to conducting motor carrier registration and insurance compliance audits. All audit proceeds are hereby appropriated to the Texas Department of Transportation and may be expended for the associated expenses in conducting audits. Employees performing out of state audits are authorized actual reimbursement of travel expenses.

30. **Appropriation: Tow Truck Registration.** Out of the funds appropriated above in Strategy A.1.10. Registration and Titling and pursuant to V.T.C.A., 6687-9b (as amended), $310,000 in fiscal year 1998 and $310,000 in fiscal year 1999, from appropriated receipts, shall be used for the administration of the tow truck registration program.

31. **Coordination of Tourism and Travel Promotion.** It is the intent of the Legislature that state spending for travel and tourism promotion be coordinated. The Texas Department of Commerce, the Texas Parks and Wildlife Department and the Texas Department of Transportation shall maintain a memorandum of understanding that details the travel and tourism promotion objectives of each agency and continues to provide interagency coordination and support in the achievement of the objectives.

32. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for advisory committee members, out of the funds appropriated above, is limited to the following advisory committees:

    Bicycle Advisory Committee
    Aviation Advisory Committee
    Public Transportation Advisory Committee

33. **Automobile Theft Prevention Reimbursement.** The Department of Transportation shall be reimbursed by the Automobile Theft Prevention Authority for providing staffing assistance and related administrative services as necessary for the effective operation of the Automobile Theft Prevention Authority. Staff for this program shall not exceed five full-time equivalent positions above and beyond the Department of Transportation allocation.

    From funds appropriated above out of the General Revenue Fund in strategy item A.4.1., Auto Theft Prevention, $11.0 million in fiscal year 1998 and $11.0 million in fiscal year 1999 shall be used for the purposes outlined in V.A.C.S. Article 4413(37).

34. **Special Funds Balance.** In addition to funds appropriated above, any funds remaining as of August 31, 1997 in the department's special fund Aviation Trust Fund No. 525, are hereby appropriated for the same purpose for the biennium beginning September 1, 1997.

35. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for Texas Department of Transportation and the Automobile Theft Prevention Authority are made contingent on the continuation of the Texas Department of Transportation and the Automobile Theft Prevention Authority by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 1998 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

36. **Interagency Agreements.** Out of funds appropriated in Strategy A.2.2., Travel Information, $670,000 through interagency contracts with the Commission on the Arts and $500,000 through interagency contracts with the Texas Historical Commission each fiscal year, shall be used to showcase the arts, culture, and historical diversity in Texas to promote tourism.

37. **Travel Literature Fulfillment.** The Department of Transportation may use any amounts appropriated above to reimburse the Department of Criminal Justice or vendor for the fixed cost per travel literature fulfillment packet based on the cost of programming, data entry, data

processing, packaging, telecommunications, transportation, warehousing, creation of labels, and mailing of travel literature, and the Department of Criminal Justice or vendor shall be reimbursed as tourism mailings are distributed and invoices are rendered to the department.

38. **Project Status.** The Department of Transportation shall provide to each member of the House and Senate a status report on all highway construction projects, by legislative district, currently under contract or awaiting funding. The report shall include projects that would be funded fully or in part by state, federal, or toll funds. The report shall be filed prior to January 1, each fiscal year. In addition, 90 (ninety) days prior to any loan being granted by the department for any project, all members of the district shall be notified on the status of the project and how other projects in any district would be affected.

39. **Trust Fund 927.** The Department of Transportation is hereby authorized to receive and hold funds in Trust Fund 927 (county or political subdivision road participation account) from governmental and private entities for purposes of reimbursing Highway Fund 006 for expenses incurred with transportation projects, including highway and aviation.

40. **State Highway Fund Reimbursement.** To the extent that funds are made available from local governments under Transportation Code 22.055(b), the department is hereby appropriated amounts as necessary from State Highway Fund 006 for purposes authorized by Chapter 22 of the Texas Transportation Code. Funds made available to the department under Transportation Code 22.055(b) are to be used only for the purpose of reimbursing State Highway Fund 006.

41. **District Discretionary Funds.** Out of the funds appropriated above in Strategy A.1.3., Highway Construction, the Department of Transportation shall allocate a minimum of $2 million for each district to the State District Discretionary Category each fiscal year.

42. **Travel Information.** If the department determines that it cannot meet anticipated production and distribution for the Texas Travel Guide and related travel literature from funds appropriated in Strategy A.2.2., Travel Information, the department shall transfer sufficient funds to meet demand for each year of the biennium.

43. **Local Government Assistance.** The Texas Department of Transportation shall assist cities and counties with the maintenance of city streets and county roads by providing engineering/maintenance expertise on roadway maintenance and when surplus materials are available, the department shall make available the surplus materials to any local government needing such materials.

44. **Outsourcing of Professional Services.** During the 1998-99 biennium, the Texas Department of Transportation shall, out of funds appropriated, expend at least $207,000,000 out of Strategies A.1.1., Plan/Design/Manage, A.1.2., Right-of-Way Acquisition and A.1.6., Aviation Services with private sector providers for the following services: engineering, land surveying, environmental, transportation feasibility/financial, architectural, real estate appraisal, and materials laboratory services.

45. **Oil Overcharge Funds for Public Transportation.** Out of oil overcharge funds appropriated in Article I, in the General Services Commission, for Public Transportation $5,125,717 shall be allocated to small urban providers and $4,366,351 to rural providers to be distributed as provided by V.T.C.A., Transportation Code, Section 456.024, or House Bill 3443, Seventy-fifth Legislative Session, Regular Session.

46. **Full-time Equivalent: Summer Hire Program.** Full-time Equivalent (FTE) positions associated with the Summer Hire Program of the Department of Transportation, not to exceed 300 FTEs, shall be exempt from the Article IX provision requiring reductions to the FTE cap of the department and shall also be exempt from the Article IX provision establishing a limitation on state agency employment levels.

47. **Clothing Provision.** The department may provide a cleaning allowance for Travel Counselors not to exceed $500 per year.

48. **Contingency Appropriation for Senate Bill 370.** Contingent upon the enactment of Senate Bill 370 or similar legislation relating to the continuation of the Texas Department of Transportation or the creation of the Texas Turnpike Authority division within the department, by the Seventy-fifth Legislature, Regular Session, the Department of Transportation is hereby appropriated all money and other funds received by the department as a result of the abolition of the Texas Turnpike Authority and the creation of the Texas Turnpike Authority division for the purpose of implementing that Act. The Department of Transportation is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

TEXAS WORKFORCE COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: COMMUNITIES ASSISTANCE To support a statewide service delivery and evaluation system that assists local communities to identify and meet the workforce needs of employers and workers of the state.		
Outcomes:		
Percent of Local Workforce Development Board Members Trained Within 90 Days of Member Beginning Service on the Board	100%	100%
Percent of Local Workforce Development Areas, Independent School Districts, and Community Colleges With Access to Automated Workforce Information	100%	100%
Percent of Businesses Inspected Not In Violation of Child Labor Law	90%	90%
Percent of Payday Law Complaint Cases Resolved Without Employer Violations Found	55%	55%
Percent of Unemployment Insurance Claimants Paid Timely	97%	97%
Percent of Unemployment Insurance Dispute Cases Resolved With Lower Appeal	77.2%	77.2%
Percent of Unemployment Insurance Dispute Cases Resolved With Higher Appeal	99.2%	99.1%
Percent of All Unemployment Insurance Claims Filed Successfully Using Automated Voice Response System	95%	95%
Percent of Proprietary School Graduates Obtaining Employment in the Field for Which They Were Trained	68%	69%
Percent of Licensed Proprietary Schools Recommended for Administrative Penalties	6%	6%
Percent of Local Workforce Development Boards With No Sanctions During the Fiscal Year	95%	95%
A.1.1. Strategy: LOCAL PROGRAM ASSISTANCE Provide policy development, planning, program technical assistance, and training for local workforce development areas and staff (TWC and local) through teams of program and support specialists.	$ 4,111,464	$ 3,838,522
Outputs:		
Number of On-Site Technical Assistance Visits	160	115
Number of Full-Service One-Stop Career Centers Supported	73	80
Efficiencies:		

Average Cost per Training Session Conducted		4,000		4,500
Average Cost per On-Site Technical Visit		1,400		1,400
A.1.2. Strategy: INTEGRATED INFORMATION SERVICES	$	1,899,904	$	1,848,773
Operate a statewide automated system to collect, research, analyze, disseminate and integrate labor market and workforce information to support service delivery and informed decision making in Texas by individuals, business, labor, educational institutions, legislators and other interested parties.				
Outputs:				
Number of Labor Market Information Requests Closed		88,100		91,300
A.2.1. Strategy: UNEMPLOYMENT INSURANCE	$	69,829,977	$	70,371,647
Provide monetary assistance to eligible workers during times of unemployment through collection of taxes, payment of benefits, and impartial resolution of disputes.				
Outputs:				
Number of Initial Unemployment Insurance Claims Filed		792,761		803,236
Number of Unemployment Insurance Claims Filed Using Automated Voice Response System		5,719,088		5,827,300
Number of Lower Authority Unemployment Insurance Appeal Decisions		73,080		76,739
Number of Higher Authority Unemployment Insurance Appeal Decisions		15,200		15,300
Number of Employer Accounts Established		63,601		64,110
Number of Delinquent Employer Wage and Tax Reports Secured		167,660		169,336
Efficiencies:				
Average Cost per Initial Unemployment Insurance Claim Filed		36.17		36.17
Average Cost per Unemployment Insurance Claim Filed Using Automated Voice Response System		2.6		2.6
Percent of Lower Unemployment Insurance Appeals Decisions Issued Within 45 Days of the Date of Filing		80%		80%
Percent of Higher Unemployment Insurance Appeals Decisions Issued Within 75 Days of the Date of Filing		93%		93%
A.2.2. Strategy: ENFORCEMENT: WAGE, CHILD LABOR	$	3,376,928	$	3,376,927
Assist workers in obtaining payment of wages due and protect children from exploitation in the workplace.				
Outputs:				
Number of Determination Orders Issued		18,500		18,500
Number of On-Site Visits Completed for Child Labor Law Education and Compliance		1,800		1,800
Number of Documented Violations of Texas Child Labor Law		200		200
A.2.3. Strategy: PROGRAM MONITORING AND COMPLIANCE	$	3,402,966	$	3,402,966
Operate a program to monitor and evaluate compliance of local area service delivery for fiscal accountability and program effectiveness through on-site visits and audits, and ensure that veterans and students of proprietary schools receive appropriate instruction.				
Outputs:				
Number of Local Workforce Development Area On-Site Compliance Visits and Audits Conducted		58		43

Total, Goal A: COMMUNITIES ASSISTANCE	$ 82,621,239	$ 82,838,835

B. Goal: EMPLOYEE ASSISTANCE
To prepare, place and retain individuals in employment and provide appropriate support services.

Outcomes:		
Percent of Job Seekers Receiving Employment Services	69%	71%
Percent of Employment Services Recipients Entering Employment	30%	30%
Percent of Employment Services Job Openings Filled	62%	62%
Percent of Enrollees (Seniors) Placed in Unsubsidized Employment	20%	20%
Percent of JOBS Eligibles Who Participate in the JOBS Program	29.07%	31.8%
Percent of JOBS Participants Who Enter Employment	50.4%	50.4%
Percent of JOBS Participants Entering Employment Whose Salary Is Above Minimum Wage	78.29%	78.29%
Percent of Food Stamp Employment and Training Participants Who Enter Employment	21%	21%
Percent of JTPA Title IIA (Adult) Participants Who Entered Employment	66%	66%
Percent of JTPA Title IIC (Youth 18-21) Participants Who Entered Employment	51%	52%
Percent of Reintegration of Offenders (RIO) Participants Who Entered Employment	68%	69%
Percent of Job Placements Employed One Year Later (JOBS)		
JOBS Participation Rate for Two-Parent Families	75%	90%
JOBS Participation Rate for All Families	41%	45%
Percent of Child Care Management System (CCMS) Vendors Who Have Met Designated Vendor Criteria	35%	39%
Percent of High School Students Participating in Relevant Structured Work Site Learning Experience	15%	20%
Percent of Texas Businesses With 5 or More Employees Providing Structured Work Site Learning Experiences for Students	6%	8%
Percent of Apprenticeship Program Graduates With Jobs for Which They Were Trained	98%	98%
Percent of Communities-In-Schools (CIS) Participants Remaining in School	90%	90%

B.1.1. Strategy: PROVIDE LOCAL WORKFORCE SERVICES	$ 440,005,558	$ 443,795,550

Provide employment, training and volunteer resources through a locally-based network of career development centers administered by Local Workforce Development Boards or TWC, as appropriate, that assess and meet the workforce needs of individual clients.

Outputs:		
Number of Clients Served in Component Activities: JOBS	42,027	43,099
Number of JOBS and E&T Participants Served Whose Initial Component Activity is Job Search (Work First)	17,497	17,350
Number of People Served Through Transportation Services: JOBS and E&T	21,322	22,003
Number of Children Served Through Child Care Services: JOBS and E&T	16,443	17,800
Number of Clients Served by the Self-Sufficiency Fund	1,800	1,800
Number of Clients Served by Job Retention Services	1,459	1,459
Number of Local Innovation Grants	5	5
Number of People Served by Local Innovation Projects	500	500
Number of Federal JOBS Participants in Two-Parent Families Per Month	5,299	6,788
Number of Federal JOBS Participants in All Families Per Month	16,607	17,490
Number of Individuals in Two-Parent Families Subject to Work Requirements	7,065	7,542
Number of Individuals in All Families Subject to Work		

Requirements	40,468	38,832

Efficiencies:		
Average Cost per Individual Who Participated (All Programs)	47	47
Average Cost per Individual Who Participated in Job Search Seminars	50	50
Explanatory:		
Percent of Employers Listing Job Openings Through Employment Services	12%	12%
Average Non-Agricultural Wage Identified in TWC Job Orders as a Percent of Average Non-Agricultural Wage Paid in Texas	49.2	49.2
B.2.1. Strategy: EARLY CHILD CARE	$ 224,132,704	$ 242,731,046
Provide access to child care for eligible children in low-income families to enable parents to work or attend school or training.		
Outputs:		
Average Number of Children Served per Day, Excluding JOBS and E&T Services	67,321	71,163
Efficiencies:		
Average Number of Children Served per CCMS Client Intake Worker	255	255
Explanatory:		
Percent of Potential Eligible Children Served Through Child Care Services	4.62%	4.63%
Average Cost per Child per Day for Child Care Services, Excluding JOBS and E&T Services	12.11	12.46
B.2.2. Strategy: SCHOOL TO CAREERS	$ 22,277,682	$ 17,106,682
Provide funding to assist in the development of a school-to-work system that prepares young people for transition from the school environment into the labor market.		
Outputs:		
Number of Students Served Through State-Sponsored Apprenticeship Training Programs	2,200	2,375
Number of Employers Participating in School-To-Careers Network	7,000	10,000
B.2.3. Strategy: COMMUNITIES IN SCHOOLS	$ 16,629,083	$ 16,629,083
Provide funding, guidance and support, including training, referrals and monitoring to local Communities-In-Schools program sites for services for at-risk students.		
Outputs:		
Number of Individuals Trained Through Communities-In-Schools (CIS)	875	875
Efficiencies:		
Average Cost per Individual Trained Through Communities-In-Schools	20	20
Explanatory:		
Number of Students Participating in Communities-In-Schools (CIS) Program	38,000	40,000
Average State Cost per Communities-In-Schools (CIS) Participant	438	416
Total, Goal B: EMPLOYEE ASSISTANCE	$ 703,045,027	$ 720,262,361
C. Goal: INDIRECT ADMINISTRATION		
Indirect Administrative and Support Costs		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 20,324,487	$ 18,229,217
C.1.2. Strategy: INFORMATION RESOURCES	$ 14,807,741	$ 12,587,248

C.1.3. Strategy: OTHER SUPPORT SERVICES	$ 7,888,595	$ 7,687,692
C.1.4. Strategy: REGIONAL ADMINISTRATION	$ 204,442	$ 204,442
Total, Goal C: INDIRECT ADMINISTRATION	$ 43,225,265	$ 38,708,599
Grand Total, TEXAS WORKFORCE COMMISSION	$ 828,891,531	$ 841,809,795
Method of Financing:		
General Revenue Fund	$ 44,955,960	$ 49,704,480
Certification and Proprietary School Funds	781,644	781,644
General Revenue: Temporary Assistance for Needy Families	34,681,426	34,681,426
Subtotal, General Revenue Fund	$ 80,419,030	$ 85,167,550
General Revenue Fund - Dedicated - Unemployment Compensation Special Administration Account No.165	911,282	897,721
Workforce Commission Federal Account No. 5026	715,722,450	723,990,644
Other Federal Funds	2,667,522	2,598,374
Subtotal, Federal Funds	$ 718,389,972	$ 726,589,018
Appropriated Receipts	2,635,340	2,635,340
Interagency Contracts	22,478,325	22,461,040
Advance Interest Trust Fund No. 935	4,057,582	4,059,126
Subtotal, Other Funds	$ 29,171,247	$ 29,155,506
Total, Method of Financing	$ 828,891,531	$ 841,809,795
Number of Full-time Equivalent Positions (FTE)	5,512.5	5,512.5
Schedule of Exempt Positions		
Commissioner, Group 4	(3) $84,660	(3) $84,660
Executive Director, Group 5	125,000	125,000
Workforce Division Director	92,000	92,000
Division Director	(5) 89,000	(5) 89,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
a. Repair or Rehabilitation of Buildings and Facilities	$ 1,690,000	$ 1,730,000
b. Acquisition of Information Resource Technologies	9,444,736	6,076,941
c. Acquisition of Capital Equipment and Items	55,000	125,000

d. Other Lease Payments to the Master Lease Purchase Program (MLPP)	$ 143,004	$ 34,938
Total, Capital Budget	$ 11,332,740	$ 7,966,879

Method of Financing (Capital Budget):

General Revenue Fund	$ 766,087	$ 634,806
Federal Funds	3,563	5,321
Interagency Contracts	20,143	30,085
Section 903, Social Security Act (Reed Act)	727,684	335,549
Workforce Commission Federal Account No. 5026	9,815,263	6,961,118
Total, Method of Financing	$ 11,332,740	$ 7,966,879

2. **Appropriation: Federal Funds.** All moneys granted to this state by the federal government for the administration of the Unemployment Compensation Act or which are now on deposit to the credit of any funds maintained by the State Comptroller, Treasury Operations for the Texas Workforce Commission, and any moneys received for the credit of such funds are hereby appropriated for the purposes authorized by the provisions of the Texas Unemployment Compensation Act and/or for the purposes for which such moneys were granted.

3. **Appropriation: Section 903, Social Security Act Funds.**

   a. Out of amounts credited to this state's account in the Federal Unemployment Trust Fund under Section 903 of the Social Security Act, there is hereby appropriated $727,684 in fiscal year 1998 and $335,549 in fiscal year 1999 for withdrawal and use by the Texas Workforce Commission for the administration of the Texas Unemployment Compensation Act and its Public Employment Offices. Said funds may be used to provide necessary office facilities and automated equipment, to include the purchase of land and construction of buildings, and the construction of improvements on property owned by the Texas Workforce Commission, including the cost of repairs and alterations to such property, and the purchase of computers and related peripheral equipment.

   b. No part of said amounts specified immediately above, herein appropriated out of amounts credited to this state's account in the Federal Unemployment Trust Fund under Section 903 of the Social Security Act, shall be expended after the close of the period covered by this Appropriation Act and any unused portion of such amounts shall, at such close, revert to this state's said account in the Federal Unemployment Trust Fund. The amount obligated pursuant to this act shall not exceed at any time the amount by which (a) the aggregate of the amounts transferred to the account of this state pursuant to Section 903 of the Social Security Act exceeds (b) the aggregate of the amounts obligated for administration and paid out for benefits and required by law to be charged against the amounts transferred to the account of this State.

4. **Appropriation: Petty Cash Funds.** The Texas Workforce Commission is authorized to establish and maintain petty cash funds in local offices for the purpose of reimbursing transportation costs for job training participants in accordance with the regulations of the agency or agencies granting such funds. Any and all such funds received by the Texas Workforce Commission are hereby appropriated for the purposes authorized and the Texas Workforce Commission is authorized to disburse such funds for the purposes for which they are granted.

5. **Authorization: Sale of Agency-owned Buildings.** In order to facilitate the transfer of responsibility for service provision to local workforce development boards, the agency is hereby authorized to sell agency-owned buildings. Any such sale must be based on a finding by the commission that no other economically viable alternative exists, and specifically that operation within agency-owned or leased buildings would not be feasible. Furthermore, in order to accommodate sudden and unexpected fluctuations in federal funding, the agency is hereby authorized to sell agency-owned buildings as it deems necessary. The authority granted in this provision is contingent upon the filing of a written notice with the Governor's Office of Budget and Planning and the Legislative Budget Board at least 90 days prior to the planned date of sale and is subject to the disapproval of either office within 90 days after notification.

6. **Payment of Unemployment Benefits - State Agencies.** It is the intent of the Legislature that the Texas Workforce Commission charge the Comptroller of Public Accounts only for unemployment benefits paid based on wages earned from agencies appropriated funds under the General Appropriations Act, and that agencies outside the General Appropriations Act be maintained as individual reimbursing employers.

7. **Appropriation: Smart Jobs Assessment.** On August 31 of each year collection cost for the Smart Jobs assessment shall be transferred out of the Smart Jobs Fund 891 for the purpose of reimbursing the Federal Government for the cost of collecting the Smart Jobs Assessment. The amount of the transfer shall depend on the amount of the assessment transferred from the Smart Jobs Holding Fund 890 to the Smart Jobs Fund 891 and the tax collection cost methodology agreed to by the Texas Workforce Commission and the U.S. Department of Labor.

8. **Appropriation: Apprenticeship Program.** Out of the general revenue funds appropriated in Strategy B.2.2., School-to-Careers, the Texas Workforce Commission shall allocate $1,400,000 each year of the biennium for the purpose of funding the Apprenticeship Program.

9. **Proprietary School Fees.** Out of funds appropriated above in Strategy A.2.3., Monitoring and Compliance, the amounts of $781,644 in each year from fees collected from applications for certification of proprietary schools and registration fees for representatives of proprietary schools shall be allocated for proprietary schools administration.

10. **Federal Funds Appropriated.** The appropriations herein made may be used to match federal funds granted to the state for the payment of personal services, travel and other necessary expenses in connection with the administration and operation of a state program of public welfare services. The Texas Workforce Commission is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state and retain their character as federal funds for such purposes and all fees authorized by federal law, and to receive, administer, and disburse federal funds for federal programs in accordance with plans agreed upon by the Texas Workforce Commission and the responsible federal agency, and such other activities as come under the authority of the Texas Workforce Commission, and such moneys are appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned federal funds are not considered to be federal funds for the purpose of this section.

11. **Reappropriation of Federal and Local Funds.** All funds received by the commission from counties, cities, federal agencies and from any other local source during the 1998-99 biennium, and all balances from such sources as of August 31, 1997, are hereby appropriated for the biennium ending August 31, 1999, for the purpose of carrying out the provisions of this Act.

12. **Accounting of Support Costs.** The State Comptroller shall establish separate accounts from which certain support costs shall be paid. The Texas Workforce Commission is hereby authorized to make transfers into these separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable

to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include, but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs, and salary and travel costs of staff whose function supports several programs. The commission shall be responsible for monthly allocations of these costs to the original strategies.

13. **Unexpended Balances for Child Care Funds.** It is the intent of the Legislature that any additional federal funds received as a result of current efforts to obtain federal fiscal year Title VI child care funds, be used for child care. Except as otherwise provided, all unexpended and unobligated balances in the area of child care remaining from appropriations for the first year of the biennium to the Texas Workforce Commission are reappropriated to the commission for the purpose of drawing down all available federal funds for child care.

14. **Donated Purchase Agreements.** In order to maximize the availability of state matching funds for Title VI Child Care and to encourage local child care planning and match participation, the commission shall use donated purchase agreements and other funding mechanisms, to the extent allowed by federal law and regulations.

15. **Maximization of Title VI Personal Responsibility and Work Opportunity Reconciliation Act Funds.** It is the intent of the Legislature that the Texas Workforce Commission cooperate with cities, non-profit organizations, the Texas Education Agency and local school districts to obtain local match necessary to maximize Title VI (Personal Responsibility and Work Opportunity Reconciliation Act of 1996) funds for child care. Necessary system and accounting system changes to effect this intent are authorized.

16. **Cancellation of Leases.** No funds appropriated under this Act may be expended on or after November 1, 1997, for leased office or building space, previously occupied by the Texas Workforce Commission and not actually occupied by that agency as of November 1, 1997.

17. **Appropriation: National Community Service Act Programs.** Out of funds appropriated above in Strategy B.1.1., Local Workforce Services, the Texas Workforce Commission shall allocate $700,000 in each year of the biennium for the purpose of meeting state matching requirements of federal dollars for National Community Service Act programs.

18. **Appropriation: Veterans Education Program.** Out of funds appropriated above in Strategy A.2.3., Local Workforce Services, the Texas Workforce Commission shall allocate $180,000 in each year of the biennium for the purpose of meeting state matching requirements of federal dollars for the Veterans Education Program.

19. **Advance Payments Revolving Fund.** With funds appropriated above, the State Comptroller shall maintain a separate account from which advance payments may be made for programs or projects under which the Texas Workforce Commission has contracted for child care services. From its current appropriation authority, the Texas Workforce Commission is authorized to maintain a revolving fund and to make transfers into and out of separate accounts in accordance with the provisions of Human Resources Code, Section 22.002, Subsection g, as mentioned.

20. **Method of Financing: Payday and Child Labor Protection.** The appropriations above include $3,376,928 in 1998 and $3,376,927 in 1999 from the Advance Interest Trust Fund 935 for Strategy A.2.2., Wage Assistance and Child Labor Protection. In the event that Fund 935 becomes entirely depleted, the Texas Workforce Commission is hereby authorized to expend funds from the Unemployment Compensation Special Administration Account 165 in lieu of Fund 935 for the purpose of enforcing the Payday and Child Labor Protection programs pursuant to Chapters 51, 61, and 63 of the Labor Code. In no event shall this provision be construed as an appropriation in excess of the amount appropriated above to the Texas Workforce Commission.

21. **Project RIO.** It is the intent of the Legislature that the Texas Workforce Commission, the Texas Department of Criminal Justice, and the Texas Youth Commission together enhance the effectiveness of Project RIO by improving cohesive program delivery among the three agencies. The agencies shall together develop and implement a strategic plan for the implementation of a more cohesive and effective Project RIO program which will emphasize necessary skill development, rehabilitation and appropriate assessment of the offender prior to inmate release. Not later than March 1, 1998, the strategic plan, jointly prepared by the three agencies, and including specific strategies, measures, timeframes for program improvement, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor's Office of Budget and Planning.

22. **Meeting Federal Work Participation Rates.** Federal Temporary Assistance for Needy Families (TANF) funds appropriated in Strategy B.1.1., Provide Local Workforce Services, shall be used for programs described in House Bill 1863, Seventy-fourth Legislature, Regular Session, including job readiness training, job search activities, business internship programs, on-the-job training, community work experience and subsidized employment.

23. **Earned Income Tax Credit Assistance.** Out of funds appropriated above, the Texas Workforce Commission shall assist recipients of Temporary Assistance for Needy Families (TANF) who become employed, and other low-income workers who may qualify for the credit under federal income and other requirements, to apply for the federal Earned Income Tax Credit.

24. **Employment and Child Care Programs in Rural Areas.** It is the intent of the Legislature that the Texas Workforce Commission cost-effectively expand the availability of employment and child care programs into rural areas.

25. **Adult Education and Literacy Training.** Out of funds appropriated above in Strategy B.1.1., Provide Local Workforce Services, the Texas Workforce Commission, or certified Local Workforce Development Boards that have a local plan approved by the Governor, shall use $2,500,000 each year of the biennium to provide basic education and literacy training for recipients of Temporary Assistance for Needy Families (TANF) which meet the requirements of the Texas Education Code for Adult Education Programs. A portion of these funds shall be used to contract with community-based organizations with a minimum of two years prior experience as a literacy provider.

26. **Skills Development Fund.** Contingent upon a finding of fact by the Comptroller of Public Accounts after certification of this Act that sufficient revenue is estimated to be available from the General Revenue Fund, there is hereby appropriated up to $25,000,000 for the 1998-99 biennium to the Texas Workforce Commission for the purpose of providing services as authorized by Chapter 303, Labor Code.

27. **Investment in Long-term Success for TANF Recipients.** Out of funds appropriated above in Strategy B.1.1, Provide Local Workforce Services, $10 million of Temporary Assistance for Needy Families (TANF) federal funds in each year of the biennium shall be used to invest in long-term success employment strategies for TANF recipients. The funds shall be used for the following purposes:

    a. $6,000,000 in each year of the biennium to develop a Self-Sufficiency Fund, to work with employers and training organizations to provide training for targeted employment for TANF recipients;

    b. $3,000,000 in each year of the biennium to fund job retention and re-employment services for TANF recipients; and

c. $1,000,000 in each year of the biennium to fund local innovation grants, including a microenterprise development program administered centrally by the Texas Workforce Commission. Local innovation grants could also support proposals that offer training for non-traditional jobs or address particular barriers to work such as transportation.

28. **Contingency Appropriation for JOBS Program.** Out of the funds appropriated above in Strategy B.1.1., $15,000,000 in each year of the biennium shall be used by the Texas Workforce Commission to increase participation rates in the Job Opportunities and Basic Skills (JOBS) program or for additional employment services such as targeted job training through a Self-Sufficiency Fund, job retention or reemployment assistance, local innovation grants (including microenterprise development and self-employment assistance), and necessary child care, transportation, and related services for TANF recipients in work programs. None of these funds may be expended unless:

    a. in fiscal year 1998, the Texas Workforce Commission has attained 50 percent for *JOBS Participation Rate for Two-Parent Families* and 30 percent for *JOBS Participation Rate for All Families;* in fiscal year 1999, the agency has attained a fiscal year 1998 average of 75 percent and 40 percent, respectively, at the end of fiscal year 1998, or has attained 80 percent and 40 percent, respectively, on a monthly basis during fiscal year 1999; or documents a critical need based on a substantial increase in the *Number of Individuals in Two-Parent Families Subject to Work Requirements* or the *Number of Individuals in All Families Subject to Work Requirements;*

    b. the Texas Workforce Commission submits a written request for these funds to the Governor's Office of Budget and Planning and the Legislative Budget Board, which includes a plan that outlines the use and projected impact of the funds on agency performance; and

    c. the Governor's Office of Budget and Planning and the Legislative Budget Board issue written approval.

    Unexpended balances in the appropriation made by this provision remaining as of August 31, 1998 are hereby reappropriated for the fiscal year beginning September 1, 1998.

29. **Communities in Schools Services for TANF Recipients.** Out of funds appropriated above in Strategy B.2.3., Communities in Schools, $3,000,000 in each year of the biennium shall be used to provide services to recipients of Temporary Assistance for Needy Families.

30. **Report: Contract Administration.** By no later than December 1, 1997, the Texas Workforce Commission shall provide a report to the Legislative Budget Board, the Governor's Office, the State Auditor's Office and the Office of the State Comptroller outlining the commission's response to the issues outlined in *The Joint General Investigating Committee Report on State Contracting*, issued on October 14, 1996, and implementation of the report's recommendations as appropriate for contract administration by the commission and local workforce development boards.

31. **Continuing Education: TANF Recipients.** Out of funds appropriated above in Strategy B.1.1., Provide Local Workforce Services, Temporary Assistance for Needy Families (TANF) funds are appropriated for continuing education programs for AFDC/TANF recipients 17 years of age or older, with a high school diploma or G.E.D. who wish to acquire an Associate Degree. These funds will cover child care and transportation benefits for three years.

32. **Pilot Program: Allied Health Professions.** Out of funds appropriated above for the Skills Development Fund or a similar fund, the Texas Workforce Commission shall establish a pilot program to provide training and internships in allied health professions to certain recipients of financial assistance under Chapter 31, Human Resources Code.

33. **Priority for TANF Recipients.** To the extent allowed under federal law, the Texas Workforce Commission shall give priority to recipients of Temporary Assistance for Needy Families (TANF) for training, employment services and child care funded by the Job Training Partnership Act (JTPA). The commission shall report annually to the Legislative Budget Board and the Governor's Office of Budget and Planning expenditures used for TANF recipients, the number of TANF recipients served with JTPA funds, and their outcomes.

34. **Job Training Courses.** It is the intent of the Legislature that the primary objective of the job training courses provided under Strategy B.1.1., Provide Local Workforce Services, is to teach job skills adequate for employment in the community. While English as a Second Language (ESL) may provide additional benefit to trainees, it may not be substituted for job training classes.

35. **Reallocation of Personnel.** Except for those instances when a Local Workforce Development Board contracts with the Texas Workforce Commission to provide services, it is the intent of the Legislature that the Texas Workforce Commission reduce the number of its employees in proportion to the transfer of funds to be expended by the Local Workforce Development Boards.

36. **JOBS Program.** Any balances on hand may be carried forward from fiscal year 1998 to fiscal year 1999 to accomplish program requirements.

37. **Limitation on Administrative Expenditures for the Communities in Schools Program.** No more than 10 percent of funds appropriated to the Texas Workforce Commission for the Communities in Schools program may be used by the commission to administer the program.

38. **Assistance Registration and Eligibility Determination.** To the extent possible it is the intent of the Legislature that if the Texas Workforce Commission and/or the Department of Human Services require applicants for Temporary Assistance for Needy Families (TANF) assistance to register with the commission before the Department of Human Services can determine their eligibility for benefits, then the registration/orientation for TANF applicants shall be provided at the Department of Human Services offices where the eligibility determination of TANF recipients occurs.

39. **Contingency Authorization: Senate Bill 211.** Contingent on enactment of Senate Bill 211 or similar legislation, the Texas Workforce Commission is hereby authorized to expend all receipts to the Texas Child Care Fund for the purposes of providing child care services in a manner that maximizes the state's entitlement to receive federal matching money. Receipts are estimated to be $3,480,000 in 1998 and $3,828,000 in 1999.

REIMBURSEMENTS TO THE UNEMPLOYMENT COMPENSATION BENEFIT ACCOUNT

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: STATE'S UC REIMBURSEMENT To comply with statutory requirements concerning the reimbursement of the Unemployment Compensation Benefits Account No. 937 for unemployment compensation benefits paid to former employees of the State of Texas.		
A.1.1. Strategy: STATE'S UC REIMBURSEMENT Reimburse the Unemployment Compensation Benefit Account No. 937 for unemployment compensation benefits paid to former employees of the State of Texas. Estimated	$ 9,571,112	$ 9,571,112
Grand Total, REIMBURSEMENTS TO THE UNEMPLOYMENT COMPENSATION BENEFIT ACCOUNT	$ 9,571,112	$ 9,571,112
Method of Financing:		
General Revenue Fund - Dedicated - Unemployment Compensation Special Administration Fund Account No. 165, estimated	$ 7,178,335	$ 7,178,335
Other Special Funds and Dedicated General Revenue Accounts, estimated	2,392,777	2,392,777
Total, Method of Financing	$ 9,571,112	$ 9,571,112

1. **Reimbursement to Fund No. 937.** Reimbursements to the Unemployment Compensation Benefit Account shall be made from funds appropriated above to the full extent of the amounts identified in the method of financing, plus amounts reimbursed in accordance with other provisions of this Act.

2. **Funding Source: Penalty and Interest Receipts.** Funds identified in the method of financing as General Revenue Fund-Dedicated-Unemployment Compensation Special Administration Fund Account No. 165 are appropriated from penalty and interest revenue for the purpose of paying that portion of the unemployment compensation benefits not paid by state agencies or institutions of higher education as prescribed by the section entitled Reimbursements For Unemployment Benefits of the General Provisions of this Act. Such revenue is defined as the penalty and interest receipts collected under Sections 213.021 and 213.022, Texas Labor Code, and authorized for the payment of unemployment compensation benefits to former state employees pursuant to Section 203.201, Texas Labor Code.

   Unemployment compensation benefit costs that exceed the General Revenue Fund-Dedicated-Unemployment Compensation Special Administration Fund Account No. 165 amounts for each fiscal year shall be paid only from penalty and interest revenue.

Retirement and Group Insurance

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law; estimated	$ 36,628,210	$ 37,159,169
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees; estimated	$ 92,362,301	$ 94,156,760
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 128,990,511	$ 131,315,929
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 128,990,511	$ 131,315,929
Method of Financing:		
General Revenue Fund, estimated	$ 4,215,344	$ 4,228,993
General Revenue Fund - Dedicated, estimated	1,622,928	1,651,904
State Highway Fund No. 006, estimated	94,612,566	96,379,231
Federal Funds, estimated	28,351,435	28,864,213
Other Special State Funds, estimated	188,238	191,588
Total, Method of Financing	$ 128,990,511	$ 131,315,929

Social Security and Benefit Replacement Pay

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH -- EMPLOYER Provide an employer match for Social Security contributions; estimated	$ 46,182,481	$ 46,852,005
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees; estimated	$ 15,603,622	$ 14,227,313
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 61,786,103	$ 61,079,318
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 61,786,103	$ 61,079,318

Social Security and Benefit Replacement Pay
(Continued)

Method of Financing:		
General Revenue Fund, estimated	$ 3,415,196	$ 3,423,009
General Revenue Fund - Dedicated, estimated	1,139,088	1,127,806
State Highway Fund No. 006, estimated	42,395,765	41,887,273
Federal Funds, estimated	14,666,685	14,473,197
Other Special State Funds, estimated	169,369	168,033
Total, Method of Financing	$ 61,786,103	$ 61,079,318

Lease Payments

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS	$ 51,005	$ 50,980 & U.B.
Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.		
Grand Total, LEASE PAYMENTS	$ 51,005	$ 50,980

RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(General Revenue)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Aerospace Commission	$ 179,480	$ 179,480
Rider Appropriations	10,000	10,000
Total	189,480	189,480
Commerce, Texas Department of	42,910,175	23,799,755
Rider Appropriations	640,518	593,948
Total	43,550,693	24,393,703
Housing and Community Affairs, Department of	6,643,601	6,733,817
Lottery Commission	2,691,797	2,691,797
Transportation, Texas Department of	30,030,710	12,365,710
Rider Appropriations	250,000	
Total	30,280,710	12,365,710
Texas Workforce Commission	80,419,030	85,167,550
Contingency Appropriations	25,000,000	
Total	105,419,030	85,167,550
Reimbursement to the Unemployment Compensation Benefit Account		
Subtotal, Business and Economic Development	$ 188,775,311	$ 131,542,057
Retirement and Group Insurance	4,215,344	4,228,993
Social Security and Benefit Replacement Pay	3,415,196	3,423,009
Subtotal, Employee Benefits	$ 7,630,540	$ 7,652,002
Lease Payments	51,005	50,980
TOTAL, ARTICLE VII - Business and Economic Development	$ 196,456,856	$ 139,245,039

RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(General Revenue - Dedicated)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Aerospace Commission	$	$
Commerce, Texas Department of	349,612	349,612
Rider Appropriations	350,000	
Contingency Appropriations	7,000,000	
Total	7,699,612	349,612
Housing and Community Affairs, Department of		
Lottery Commission	371,000,000	390,000,000
Rider Appropriations	-119,070,000	-119,070,000
Total	251,930,000	270,930,000
Transportation, Texas Department of	501,091	517,933
Texas Workforce Commission	911,282	897,721
Contingency Appropriations	3,480,000	3,828,000
Total	4,391,282	4,725,721
Reimbursement to the Unemployment Compensation Benefit Account	7,178,335	7,178,335
Subtotal, Business and Economic Development	$ 271,700,320	$ 283,701,601
Retirement and Group Insurance	1,622,928	1,651,904
Social Security and Benefit Replacement Pay	1,139,088	1,127,806
Subtotal, Employee Benefits	$ 2,762,016	$ 2,779,710
Lease Payments		
TOTAL, ARTICLE VII - Business and Economic Development	$ 274,462,336	$ 286,481,311

RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(Federal Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Aerospace Commission	$	$
Commerce, Texas Department of	7,452,850	6,652,850
Housing and Community Affairs, Department of	174,064,448	174,080,331
Lottery Commission		
Transportation, Texas Department of	1,390,076,825	1,393,682,927
Texas Workforce Commission	718,389,972	726,589,018
Reimbursement to the Unemployment Compensation Benefit Account		
Subtotal, Business and Economic Development	$ 2,289,984,095	$ 2,301,005,126
Retirement and Group Insurance	28,351,435	28,864,213
Social Security and Benefit Replacement Pay	14,666,685	14,473,197
Subtotal, Employee Benefits	$ 43,018,120	$ 43,337,410
Lease Payments		
TOTAL, ARTICLE VII - Business and Economic Development	$ 2,333,002,215	$ 2,344,342,536

RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(Other Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Aerospace Commission	$ 60,000	$ 60,000
Commerce, Texas Department of	29,615,759	29,615,759
Rider Appropriations	50,000,000	
Total	79,615,759	29,615,759
Housing and Community Affairs, Department of	15,206,137	12,050,679
Lottery Commission		
Transportation, Texas Department of	2,116,130,443	2,101,239,367
Rider Appropriations	750,000	
Total	2,116,880,443	2,101,239,367
Texas Workforce Commission	29,171,247	29,155,506
Reimbursement to the Unemployment Compensation Benefit Account	2,392,777	2,392,777
Subtotal, Business and Economic Development	$ 2,243,326,363	$ 2,174,514,088
Retirement and Group Insurance	94,800,804	96,570,819
Social Security and Benefit Replacement Pay	42,565,134	42,055,306
Subtotal, Employee Benefits	$ 137,365,938	$ 138,626,125
Lease Payments		
TOTAL, ARTICLE VII - Business and Economic Development	$ 2,380,692,301	$ 2,313,140,213

RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(All Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Aerospace Commission	$ 239,480	$ 239,480
Rider Appropriations	10,000	10,000
Total	249,480	249,480
Commerce, Texas Department of	80,328,396	60,417,976
Rider Appropriations	50,990,518	593,948
Contingency Appropriations	7,000,000	
Total	138,318,914	61,011,924
Housing and Community Affairs, Department of	195,914,186	192,864,827
Lottery Commission	373,691,797	392,691,797
Rider Appropriations	-119,070,000	-119,070,000
Total	254,621,797	273,621,797
Transportation, Texas Department of	3,536,739,069	3,507,805,937
Rider Appropriations	1,000,000	
Total	3,537,739,069	3,507,805,937
Texas Workforce Commission	828,891,531	841,809,795
Contingency Appropriations	28,480,000	3,828,000
Total	857,371,531	845,637,795
Reimbursement to the Unemployment Compensation Benefit Account	9,571,112	9,571,112
Subtotal, Business and Economic Development	$ 4,993,786,089	$ 4,890,762,872
Retirement and Group Insurance	128,990,511	131,315,929
Social Security and Benefit Replacement Pay	61,786,103	61,079,318
Subtotal, Employee Benefits	$ 190,776,614	$ 192,395,247
Lease Payments	51,005	50,980
TOTAL, ARTICLE VII - Business and Economic Development	$ 5,184,613,708	$ 5,083,209,099
Number of Full-time Equivalent Positions (FTE)	21,127.5	21,127.5

ARTICLE VIII

REGULATORY

Section 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated regulatory agencies.

BOARD OF PUBLIC ACCOUNTANCY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: PUBLIC STANDARDS To establish standards in education, examination, and experience for Texas CPAs in the private and public sectors which will protect the public and meet the requirements for certification, licensing, and practice throughout domestic and international jurisdictions, but not necessarily restrict entry to the profession.		
Outcomes:		
Accounting Firms Registered as a Percentage of Applications Received (Includes Temporary Practice Permits)	97%	97%
Percentage of Accounting Firms Receiving Favorable Review	65%	65%
A.1.1. Strategy: LICENSING Manage a comprehensive licensing and examination program.	$ 620,725	$ 623,499
Outputs:		
Individuals Examined	10,625	10,625
Efficiencies:		
Average Licensing Cost per Individual License Issued	4.8	4.24
Average Licensing Cost per Facility License Issued	3.34	2.96
Explanatory:		
Total Number of Individuals Licensed	58,200	60,600
Total Number of Business Facilities Licensed	9,312	9,498
A.1.2. Strategy: EXAMINATION Purchase the Uniform CPA Examination from the American Institute of Certified Public Accountants (AICPA) to promote uniformity and reciprocity with other licensing jurisdictions and utilize AICPA grading services to ensure that all papers written by candidates are graded consistently. Estimated and non-transferable.	$ 750,000	$ 775,000
Outputs:		
Number of Papers Written on the Exam	33,300	34,400
A.2.1. Strategy: QUALITY REVIEW Develop and implement a comprehensive quality review program for all accounting firms utilizing industry standards as the measure of competence and oversight through a Quality Review Oversight Board.	$ 70,326	$ 70,503

BOARD OF PUBLIC ACCOUNTANCY
(Continued)

Outputs:		
Number of Quality Reviews Conducted	1,751	1,786
Efficiencies:		
Average Cost per Quality Review Conducted	44.76	40.51
Total, Goal A: PUBLIC STANDARDS	$ 1,441,051	$ 1,469,002
B. Goal: PROTECT PUBLIC/ENFORCEMNT		
To aggressively enforce state regulations relating to the accounting profession; ensure swift, fair, and effective disciplinary action for violators of these standards; and require the re-education and rehabilitation of those violating these laws. To aggressively develop and implement high standards for the accounting profession in emerging issues as they relate to the welfare of the general public.		
Outcomes:		
Percent of Complaints Resulting in Disciplinary Action	32%	32%
B.1.1. Strategy: ENFORCEMENT	$ 505,553	$ 506,326
Operate a system of enforcement which includes investigating and resolving complaints and promulgating rules to effectuate the Public Accountancy Act of 1991.		
Outputs:		
Total Number of Major Cases Investigated	20	20
Efficiencies:		
Average Time for Complaint Resolution	190	190
C. Goal: PUBLIC EDUCATION		
To inform the public concerning board functions and the procedures by which complaints are filed, processed, and resolved so that citizens of Texas may better utilize CPA services and be protected from exploitation.		
Outcomes:		
Percentage of Inquiries Responded to Within 30 Days	100%	100%
C.1.1. Strategy: PUBLIC INFORMATION	$ 217,921	$ 218,155
Develop and operate a coordinated system of public information to provide all interested parties information concerning the Public Accountancy Act of 1991, as well as board rules and procedures pertaining to qualification, examination, licensing, enforcement, and quality review.		
Outputs:		
Number of Written Responses to Other Licensing Authorities and the Public	2,431	2,553
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 907,401	$ 721,570
Grand Total, BOARD OF PUBLIC ACCOUNTANCY	$ 3,071,926	$ 2,915,053
Method of Financing:		
General Revenue Fund	$ 3,021,926	$ 2,865,053
Appropriated Receipts	50,000	50,000
Total, Method of Financing	$ 3,071,926	$ 2,915,053

BOARD OF PUBLIC ACCOUNTANCY
(Continued)

Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 596,042	$ 594,071
Number of Full-time Equivalent Positions (FTE)	43.0	43.0
Schedule of Exempt Positions and Per Diem of Board Members		
Executive Director, Group 2	$53,834	$53,834
Per Diem of Board Members	16,000	16,000

1. **Capital Budget.** None the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above identified in this provisions appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of make lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Article 601d, Section 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Computer Equipment	$ 219,087	$ 34,000
Total, Capital Budget	$ 219,087	$ 34,000

2. **Appropriation for Major Cases.** Of amounts appropriated in Strategy B.1.1., Enforcement, $200,000 is available each year of the biennium to be used only for the payment of services rendered by the Texas Attorney General's Office, for legal counsel, for expert witness fees, for other reasonable and necessary expenditures, and for expenditures of the Texas State Board of Public Accountancy, incurred in connection with the prosecution of "major cases" now pending before the Board or anticipated in the future. "Major cases" involve public accounting firms implicated in the audits of savings and loan organizations, financial institutions, insurance companies, and other cases of a major nature.

3. **Purchase of Examinations.** The amount appropriated above in Strategy A.1.2., Examination, shall be expended solely for the purpose of purchasing and grading of the Uniform CPA Examination from the American Institute of Certified Public Accountants.

4. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following committees:

   Behavioral Enforcement
   Continuing Professional Education
   Licensing
   Major Case Enforcement
   Peer Assistance Oversight
   Quality Review
   Qualifications
   Committee on Board Rule Changes
   Technical Standards Review

BOARD OF PUBLIC ACCOUNTANCY
(Continued)

5. **Contingent Revenue.** Of the amounts appropriated above to the Board of Public Accountancy in Strategy D.1.1., Indirect Administration, the amount of $224,087 in fiscal year 1998 and $37,600 in fiscal year 1999 is contingent on the Board of Public Accountancy assessing fees sufficient to generate, during the 1998-99 biennium, $261,687 in excess of $8,408,974, (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998 and 1999. The Board of Public Accountancy, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Public Accountancy's minutes and other information supporting the estimated revenues to be generated for the 1998-99 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

STATE OFFICE OF ADMINISTRATIVE HEARINGS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: ADMINISTRATIVE HEARINGS To provide Texas state agencies and citizens a fair and efficient administrative hearings process.		
Outcomes:		
Percentage of Participants Surveyed Expressing Satisfaction With the Overall Process	87%	87%
Percent of SOAH Orders Affirmed on Appeal	90%	90%
Percent of SOAH Orders Appealed	10%	10%
A.1.1. Strategy: DOCKET MANAGEMENT Provide timely review and processing of all requests; monitor workloads of Administrative Law Judges (ALJs); and provide client agencies with timely statements of services provided	$ 308,683	$ 308,689
Outputs:		
Number of Hearings Set	4,182	4,182
Efficiencies:		
Average Number of Days From Date of Request to Assignment to an ALJ	3	3
A.2.1. Strategy: HEARINGS Conduct hearings and prepare proposals for decision (PFDs) and proposed orders.	$ 2,659,239	$ 2,659,239
Outputs:		
Number of Hearings and Prehearings Held	1,850	1,850
Efficiencies:		
Hourly Billing Rate	70	70
A.3.1. Strategy: ADMINISTRATIVE LICENSE REVOCATION Conduct hearings and prepare orders	$ 2,340,246	$ 2,306,531
Outputs:		
Number of ALR Hearings Held	14,500	14,500
Efficiencies:		
Average Cost per ALR Hearing	150	150

STATE OFFICE OF ADMINISTRATIVE HEARINGS
(Continued)

Explanatory:		
Average Annual Caseload per ALJ	660	660
Total, Goal A: ADMINISTRATIVE HEARINGS	$ 5,308,168	$ 5,274,459
Grand Total, STATE OFFICE OF ADMINISTRATIVE HEARINGS	$ 5,308,168	$ 5,274,459
Method of Financing:		
General Revenue Fund	$ 1,035,500	$ 1,035,500
Appropriated Receipts	96,000	96,000
Interagency Contracts	4,176,668	4,142,959
Total, Method of Financing	$ 5,308,168	$ 5,274,459
Number of Full-time Equivalent Positions (FTE)	122.0	122.0
Schedule of Exempt Positions		
Chief Administrative Law Judge, Group 3	$79,568	$79,568
Deputy Chief Administrative Law Judge	75,000	75,000

1. **Interagency Contracts.** In executing interagency contracts with state agencies under the jurisdiction of the State Office of Administrative Hearings, the State Office of Administrative Hearings shall establish procedures which will allow agencies to establish a limitation on the aggregate billable amount for a fiscal year.

2. **Renegotiation of Lump Sum Contracts.** Appropriations made above to Strategy A.2.1., Hearings, include $942,853 in fiscal year 1998 and $946,637 in fiscal year 1999 to fund the Natural Resources Division for the purpose of conducting hearings for the Texas Natural Resource Conservation Commission, and appropriations made above to Strategy A.2.1., Hearings, include $760,538 in fiscal year 1998 and $768,504 in fiscal year 1999 to fund the Utility Division for the purpose of conducting hearings for the Public Utility Commission of Texas. If the State Office of Administrative Hearings determines that these amounts are insufficient to fund either of the named divisions, the State Office of Administrative Hearings may enter into negotiations with either of the agencies named above in order to renegotiate an interagency contract in a manner which will provide additional funds to the State Office of Administrative Hearings, provided that the State Office of Administrative Hearings shall not be appropriated any state funds from such renegotiated interagency contracts until the State Office of Administrative Hearings gives prior written notice to the Legislative Budget Board and the Governor's Office of Budget and Planning, accompanied by written permission of the affected agency.

3. **Benefit Collection.** Those state of Texas agencies that enter into contracts with the State Office of Administrative Hearings (SOAH), for the purpose of performing the hearings function, and make payments to SOAH from funding sources other than general revenue, must reimburse SOAH for employee benefit costs for salaries and wages. These reimbursements to SOAH will then be paid to the General Revenue Fund in proportion to the source of funds from which the respective salary or wage is paid.

STATE OFFICE OF ADMINISTRATIVE HEARINGS
(Continued)

4. **Contingency Appropriation.** Contingent on the enactment of legislation by the Seventy-fifth Legislature transferring the hearings functions of other state agencies to the State Office of Administrative Hearings (SOAH), or otherwise expanding the jurisdiction of the office, SOAH is hereby authorized to expend funds transferred to the office from those agencies or funds appropriated for the purpose of handling the expanded jurisdiction, pursuant to provisions elsewhere in this Act.

   Appropriations authorized pursuant to this provision may be expended only to implement the transferred functions or expanded jurisdiction.

5. **Hearings Activity Report.** By May 1st and November 1st of each fiscal year, the State Office of Administrative Hearings shall submit to the Legislative Budget Board and the Governor's Office of Budget and Planning a report detailing hearings activity conducted during the prior two fiscal year quarters. The report shall indicate, for each agency served, the person hours allocated to the agency's cases and the cost, both direct and indirect, of conducting the hearings.

BOARD OF ARCHITECTURAL EXAMINERS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: REGISTRATION STANDARDS To establish and implement quality standards of professional education, internship, and examination for the registration of architects, landscape architects, and interior designers.		
Outcomes:		
Percent of Licensees with No Recent Violations	98%	97%
A.1.1. Strategy: REGISTRATION & RENEWAL Operate an efficient and comprehensive registration system, including initial registration by examination and reciprocity, and the continuing renewal of current registration.	$ 635,463	$ 660,782
Outputs:		
Number of New Licenses Issued to Individuals	568	574
Number of Licenses Renewed (Individuals)	19,658	19,855
Efficiencies:		
Average Licensing Cost per Individual License Issued	15.73	16.14
A.1.2. Strategy: NATIONAL EXAMINATIONS Purchase and grade national examinations. (Estimated and non-transferable)	$ 216,916	$ 362,177
Outputs:		
Individuals Examined	1,247	1,253
Total, Goal A: REGISTRATION STANDARDS	$ 852,379	$ 1,022,959

BOARD OF ARCHITECTURAL EXAMINERS
(Continued)

B. Goal: EDUCATION & ENFORCEMENT
To establish and implement an education/enforcement program to promote compliance with laws and rules; and to swiftly and assertively enforce all laws and rules relating to the practice of the profession of architecture, landscape architecture, and interior design to ensure that the public's health, safety, and property is protected from the irresponsible practice of these professions.

Outcomes:		
Percent of Complaints Resulting in Disciplinary Action	71%	71%
B.1.1. Strategy: PUBLIC INFORMATION	$ 48,470	$ 72,193
Provide information to registrants, the public, building officials, and schools through mailings and presentations regarding architecture, landscape architecture, and interior design.		
Efficiencies:		
Average Cost per Issue of the Information Bulletin	11,860	11,860
B.2.1. Strategy: ENFORCEMENT	$ 144,608	$ 148,828
Promptly act and proactively enforce all laws regulated by the Board of Architectural Examiners to safeguard the life, health, property and public welfare.		
Outputs:		
Complaints Resolved	573	573
Efficiencies:		
Average Time for Complaint Resolution	150	150
Total, Goal B: EDUCATION & ENFORCEMENT	$ 193,078	$ 221,021
Grand Total, BOARD OF ARCHITECTURAL EXAMINERS	$ 1,045,457	$ 1,243,980
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 191,091	$ 192,587
Number of Full-time Equivalent Positions (FTE)	17.0	17.0
Schedule of Exempt Positions and Per Diem of Board Members		
Executive Director, Group 2	$53,469	$53,469
Per Diem of Board Members	3,840	3,840

1. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rates are established pursuant to V.T.C.A., Government Code Chapter 316, Sections 316.041-316.045, to be effective during fiscal years 1998-99, beginning September 1, 1997 and September 1, 1998.

	1998		1999	
(1) NCARB Examination Fee	NTE	$525	NTE	$525
(2) LARE Examination Fee	NTE	$595	NTE	$595
(3) NCIDQ Examination Fee	NTE	$490	NTE	$490

BOARD OF ARCHITECTURAL EXAMINERS
(Continued)

2. **Fee Rates.** Any fee rates established or modified by the Board of Architectural Examiners during the 1998-99 biennium, other than those identified in this Act, shall be at the discretion of the Board as authorized by statute.

3. **Examination Fee for Architects.** The Board of Architectural Examiners may charge in excess of $525 for the examination fee for architects provided: 1) the Board aggressively pursues actions to reduce the cost of the national examination fee; and 2) no later than August 1 of each fiscal year, the Board shall submit a report to the Legislative Budget Board which includes the actions taken by the Board to reduce the examination rate and the proposed fee to be charged effective September 1 of each fiscal year. In the event the Legislative Budget Board determines that the Board's efforts have not resulted in a reasonable examination fee, the Board of Architectural Examiners shall take appropriate steps to develop a state examination for architects.

BOARD OF BARBER EXAMINERS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: EXAMINE AND LICENSE To protect the consumer by ensuring that applicants for licensure receive a prescribed course of study from qualified instructors and that all licensees are informed of changes in the laws and rules governing barbering. To examine and license all qualified individuals.		
Outcomes:		
Percent of Licensees with no Recent Violations	98%	98%
A.1.1. Strategy: LICENSING Examine and license barbers, specialists, and teachers in Texas	$ 171,807	$ 171,471
Outputs:		
Number of New Licenses Issued to Individuals	1,131	1,331
Number of Licenses Renewed (Individuals)	5,330	5,400
Efficiencies:		
Average Licensing Cost per Individual License Issued	11.66	12.06
Average Licensing Cost per Facility License	11.75	12.15
B. Goal: ENFORCEMENT To provide timely inspections of barber shops and barber schools; to enforce effectively the rules and regulations set forth and ensure the compliance of barber laws and regulations by the barber shops, specialty shops, schools and individual licensees. Additionally, to resolve complaints and violations on a timely basis for the protection of the consumer.		
Outcomes:		
Percent of Complaints Resolved Resulting in Disciplinary Action	80%	80%

BOARD OF BARBER EXAMINERS
(Continued)

B.1.1. Strategy: INVESTIGATIONS	$ 342,355	$ 342,691
Operate a system of enforcement which includes investigating and resolving complaints and positioning of inspectors in each of the state's enforcement areas.		
Outputs:		
Complaints Resolved	250	250
Efficiencies:		
Average Time for Complaint Resolution	55	55
Average Cost per Complaint Resolved	30	30
Grand Total, BOARD OF BARBER EXAMINERS	$ 514,162	$ 514,162
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 197,924	$ 198,429
Number of Full-time Equivalent Positions (FTE)	14.0	14.0
Schedule of Exempt Positions		
Executive Director, Group 1	$38,988	$38,988

1. **Inspections and Enforcement.** It is the intent of the Legislature that none of the funds appropriated for inspections be expended unless an interagency contract has been signed by the Board of Barber Examiners and the Cosmetology Commission for the purpose of maintaining a statewide crossover inspection and enforcement program during the 1998-99 biennium. A copy of the signed contract shall be sent to the Legislative Budget Board, the Governor's Office of Budget and Planning and the Comptroller of Public Accounts.

2. **Fee Rates.** The amounts appropriated above may be expended only if the barber certificate renewal fee is no less than $70 per renewal period.

BOARD OF CHIROPRACTIC EXAMINERS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: ENSURE PUBLIC PROTECTION		
To pursue the avenues of examination, licensure, and enforcement to insure that only qualified individuals are licensed as Doctors of Chiropractic, and that they are abiding by the laws and rules governing chiropractic in Texas; to guarantee that the public is protected from incompetent services, fraud, and misrepresentation.		
Outcomes:		
Percent of Licensees With No Recent Violations	98.7%	98.7%
Percent of Complaints Resolved Resulting in Disciplinary Action	18%	18%

BOARD OF CHIROPRACTIC EXAMINERS
(Continued)

A.1.1. Strategy: LICENSING	$ 157,325	$ 157,325
Operate an efficient, cost-effective, and comprehensive chiropractic certification and licensure system.		
Outputs:		
Number of New Licenses Issued to Individuals	305	305
Number of Licenses Renewed (Individuals)	3,835	4,035
Efficiencies:		
Average Licensing Cost per Individual License Issued	40	40
Average Licensing Cost per Facility Licensed	14.96	14.96
Explanatory:		
Total Number of Business Facilities Licensed	2,050	2,050
A.2.1. Strategy: ENFORCEMENT	$ 135,510	$ 135,510
Operate a system of enforcement which includes investigating and resolving complaints.		
Outputs:		
Complaints Resolved	240	240
Efficiencies:		
Average Time per Complaint Resolution (Days)	85	85
Average Cost per Complaint Resolved	350	350
Explanatory:		
Jurisdictional Complaints Received	180	180
Total, Goal A: ENSURE PUBLIC PROTECTION	$ 292,835	$ 292,835
Grand Total, BOARD OF CHIROPRACTIC EXAMINERS	$ 292,835	$ 292,835
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 106,962	$ 107,119
Number of Full-time Equivalent Positions (FTE)	6.0	6.0
Schedule of Exempt Positions and Per Diem of Board Members		
Executive Director, Group 1	$39,140	$39,140
Per Diem of Board Members	4,050	4,050

COSMETOLOGY COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: LICENSING & ENFORCEMENT		
To protect the public by licensing the cosmetology profession, establishing standards for professional practice, and ensuring swift, fair, and effective enforcement of the statute so that consumers are protected from incompetent services, fraud, and misrepresentation.		
Outcomes:		
Percent of Licensees with no Recent Violations	98%	98%
Percent of Complaints Resulting in Disciplinary Action	68%	63%

A.1.1. Strategy: LICENSING	$ 702,919	$ 664,919
Examine applicants and issue individual and establishment licenses.		
Outputs:		
Number of New Licenses Issued to Individuals	20,000	25,000
Number of Licenses Renewed (Individuals)	80,000	80,000
Efficiencies:		
Average Licensing Cost per Individual License Issued	3.5	3.5
Average Licensing Cost per Facility License	3.5	3.5
A.2.1. Strategy: ENFORCEMENT	$ 1,046,719	$ 1,011,719
Enforce laws and rules by conducting inspections and investigations and, upon review of complaints, recommending disciplinary or other action to be taken.		
Outputs:		
Complaints Pending	900	900
Complaints Resolved	950	950
Investigations Conducted	6,600	6,600
Establishments Inspected	33,000	35,000
Efficiencies:		
Average Time for Complaint Resolution	55	55
Average Cost per Complaint Resolved	40	40
A.3.1. Strategy: PUBLIC INFORMATION	$ 222,551	$ 222,551
To distribute information to the general public and the cosmetology community.		
Outputs:		
Number of Information Packets Distributed to Individuals and Establishments.	20,000	25,000
Total, Goal A: LICENSING & ENFORCEMENT	$ 1,972,189	$ 1,899,189
Grand Total, COSMETOLOGY COMMISSION	$ 1,972,189	$ 1,899,189
Method of Financing:		
General Revenue Fund	$ 1,812,189	$ 1,739,189
Appropriated Receipts	160,000	160,000
Total, Method of Financing	$ 1,972,189	$ 1,899,189
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 751,215	$ 762,501
Number of Full-time Equivalent Positions (FTE)	44.5	44.5
Schedule of Exempt Positions and Per Diem of Commission Members		
Executive Director, Group 1	$44,558	$44,558
Per Diem of Commission Members	4,000	4,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the

Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Purchase of Lap Top Computers and Printers	$ 35,000	$ 0
(2) Telephone System	$ 25,000	$ 0
Total, Capital Budget	$ 60,000	$ 0

2. **Inspections and Enforcement.** It is the intent of the Legislature that none of the funds appropriated for inspections be expended unless an interagency contract has been signed by the Board of Barber Examiners and the Cosmetology Commission for the purpose of maintaining a statewide crossover inspection and enforcement program during the 1998-99 biennium. A copy of the signed contract shall be sent to the Legislative Budget Board, the Governor's Office of Budget and Planning, and the Comptroller of Public Accounts.

3. **Continuing Education.** Pursuant to V.T.C.S., Article 8451a, Section 4(f), the Cosmetology Commission shall recognize, prepare, or administer continuing education programs for the practice of cosmetology. Participation in the programs shall be voluntary.

4. **Contingent Revenue.** Of the amounts appropriated above to the Cosmetology Commission, the amount of $474,682 in fiscal year 1998 and the amount of $401,712 in fiscal year 1999 is contingent on the Cosmetology Commission assessing fees sufficient to generate, during the 1998-99 biennium, $1,126,695 in excess of $9,419,864, (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998 and 1999. The Cosmetology Commission, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Cosmetology Commission minutes and other information supporting the estimated revenues to be generated for the 1998-99 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

5. **Appropriation: Tuition Protection Account.** The Cosmetology Commission is hereby appropriated an amount not to exceed $70,000 for the biennium beginning September 1, 1997, from balances on hand in the Private Beauty Culture (Cosmetology) School Tuition Account No. 108 in the General Revenue Fund for the purposes of paying expenses and refunds authorized by the commission under the provisions of Section 21A, Article 8451a, V.T.C.S.

COSMETOLOGY COMMISSION
(Continued)

6. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rates shall be in effect for fiscal years 1998 and 1999 pursuant to the provisions of V.T.C.A., Government Code, Section 316.043 or legislation enacted by the Seventy-fifth Legislature allowing the board to increase fee rates:

(1)	License and Renewal Fees:	
	a. Individual Licenses	$43.00
	b. Instructor Licenses	$60.00
	c. Salon Licenses	$55.00
	d. Independent Contractor	$55.00
(2)	Duplicate License Fees:	
	a. All Licenses	$43.00

CREDIT UNION DEPARTMENT

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: EFFECTIVE REGULATION To effectively regulate all credit unions promulgating reasonable rules fostering the security of the membership's savings and deposits, and building the public's confidence in the credit union system.		
Outcomes:		
Percentage of Complaints Investigated and Responded to Within 30 Days of Receipt	98%	98%
Percentage of Credit Unions Initiating Community Development Activities or Services to Low Income or Underserved Populations	2	2
A.1.1. Strategy: COMMISSION RULEMAKING Conduct quarterly and special meetings of the commission. Review state statutes pertaining to credit union operations and provide recommendations to the Legislature for its consideration. Evaluate Texas Credit Union Act and promulgate those rules necessary to implement the Act. Evaluate the business and financial practices of the credit union industry.	$ 40,421	$ 40,422
Outputs:		
Number of Rules Adopted	8	8
A.2.1. Strategy: MONITORING & SUPERVISION Effectively monitor and supervise credit unions doing and/or wishing to do business in the State of Texas.	$ 73,714	$ 73,714
Outputs:		
Number of Charter Conversions, Mergers or Liquidations, and Cancellations Processed	8	8

Number of Complaints Processed	60	60
Number of On-site Contacts for Examination or Supervision of Community Development/Special Needs Credit Unions	12	12
Efficiencies:		
Average Cost per Complaint Processed	50	50
A.3.1. Strategy: DIRECTED MEDIATION	$ 12,579	$ 12,579
Provide for directed mediation of possible contested cases.		
Outputs:		
Number of Contested Cases Referred to State Office of Administrative Hearings	1	1
Number of Disputes Referred to Directed Mediation	1	1
Efficiencies:		
Average Total Cost per Administrative Hearing	3,750	3,750
Total, Goal A: EFFECTIVE REGULATION	$ 126,714	$ 126,715
B. Goal: EFFECTIVE SUPERVISION		
To administer impartial, dynamic, and effective supervision of credit unions for the protection of the interests, shares, and deposits of the credit unions and their members.		
B.1.1. Strategy: COMPREHENSIVE EXAMINATION	$ 1,115,119	$ 1,115,119
Perform cost-effective comprehensive annual examinations on all credit unions with remedial/ follow-up contacts as necessary.		
Outputs:		
Number of Regular Examinations Performed	254	250
Efficiencies:		
Average Cost per Regular Examination	4,505	4,687
Grand Total, CREDIT UNION DEPARTMENT	$ 1,241,833	$ 1,241,834
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 252,322	$ 248,507
Number of Full-time Equivalent Positions (FTE)	25.0	24.0
Schedule of Exempt Positions and Per Diem of Commission Members		
Commissioner, Group 3	$80,661	$80,661
Deputy Commissioner	62,400	62,400
Per Diem of Commission Members	540	540

1. **Appropriation: Supervisions and Conservatorships.** Funds received by the Credit Union Department pursuant to supervision or conservatorship proceedings, as authorized by the Texas Credit Union Act (V.T.C.S., Article 2461-1, Sec. 10.01), are hereby appropriated for costs related to such proceedings, including the salary and per diem of the appointed supervisor or conservator.

2. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the Legislative Advisory Committee.

3. **Appropriation: Educational and Examination Receipts.** Funds received by the Credit Union Department to support staff attendance at graduate schools of banking, seminars, conferences, or other training or education activity considered by the commissioner to be of benefit to the department are hereby appropriated to the department for such purposes. The Texas Credit Union Department is also authorized to accept funds for reimbursement from the National Credit Union Share Insurance Fund, or any other insurer, for costs incidental or necessary to examination and supervision of credit unions.

4. **Contingency Appropriation: Regulatory Response.**

   a. Contingent upon a finding of fact by the Credit Union Commission that either:

      i. the size of the state-chartered credit union industry under the jurisdiction of the Credit Union Department, determined either as a function of assets or number of institutions, has grown to a point where additional appropriations are deemed necessary to maintain adequate regulation of the industry; or

      ii. increased incidents of regulatory and supervisory concern regarding the safe and sound operations of credit unions under the Department's jurisdiction have occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry; or

      iii. a reduction of federal regulatory resources applied to the Texas state-chartered credit union industry by the National Credit Union Administration has occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry;

   the following amounts, or any part thereof as found to be necessary by the Credit Union Commission, are hereby appropriated to the Texas Credit Union Department out of the General Revenue Fund in an amount not to exceed $477,267 for fiscal year 1998 and an amount not to exceed $675,399 for fiscal year 1999 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 11 for fiscal year 1998 and 17 for fiscal year 1999.

   b. None of the funds appropriated pursuant to this provision may be expended by the Texas Credit Union Department unless:

      i. the Credit Union Commission files a written copy of the finding of fact, referenced in subsection (a) above, with the Governor's Office and the Legislative Budget Board; and,

      ii. neither the Governor's Office nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.

      iii. the appropriations in item 4(a) are also contingent upon the Department generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriations. These increased revenues must exceed $2,909,000 (Object Code 3172) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998 and 1999.

TEXAS STATE BOARD OF DENTAL EXAMINERS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: QUALITY DENTAL CARE		
To ensure quality dental care for the people of Texas.		
Outcomes:		
Percent of Complaints Resolved Resulting in Disciplinary Action	15%	16%
Percent of Licensees With No Recent Violations	98%	99%
Recidivism Rate for Peer Assistance Programs	10%	10%
One-year Completion Rate for Peer Assistance Programs	93%	93%
Percent of Non-board Peer Assistance Program Referrals Reported to the Board	5%	5%
A.1.1. Strategy: COMPLAINT RESOLUTION	$ 637,014	$ 625,866
Conduct enforcement and compliance functions including: investigating all complaints; prosecuting those complaints through informal or formal disciplinary means; pursuing compliance with disciplinary actions and conditions; and, interacting with the public and profession on matters of law and rules.		
Outputs:		
Complaints Resolved	550	600
Efficiencies:		
Average Time for Complaint Resolution	328	328
Average Cost per Complaint Resolved	388	388
Explanatory:		
Jurisdictional Complaints Received	600	650
A.1.2. Strategy: PEER ASSISTANCE PROGRAM	$ 131,903	$ 131,903
Operate a Peer Assistance Program.		
Outputs:		
Number of Individuals Participating in a Peer Assistance Program	70	70
A.2.1. Strategy: LICENSURE & REGISTRATION	$ 468,254	$ 471,734
Operate an efficient licensure system for dentists, dental hygienists, dental laboratories, and certain other dental health care workers. Operate a comprehensive and efficient system of administering and evaluating dental, dental hygiene, and dental auxiliary examinations.		
Outputs:		
Total Number of New Licenses Issued to Individuals	1,000	1,000
Number of Licenses Renewed	20,253	20,000
Efficiencies:		
Average Licensing Cost for Individual License	8	8
Average Licensing Cost for Facility License	6.9	6.9
Explanatory:		
Total Number of Business Facilities Licensed	1,000	1,000
Total, Goal A: QUALITY DENTAL CARE	$ 1,237,171	$ 1,229,503
Grand Total, TEXAS STATE BOARD OF DENTAL EXAMINERS	$ 1,237,171	$ 1,229,503

TEXAS STATE BOARD OF DENTAL EXAMINERS
(Continued)

Method of Financing:		
General Revenue Fund	$ 1,157,171	$ 1,149,503
Appropriated Receipts	80,000	80,000
Total, Method of Financing	$ 1,237,171	$ 1,229,503
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 334,830	$ 334,651
Number of Full-time Equivalent Positions (FTE)	25.5	25.5
Schedule of Exempt Positions and Per Diem of Board Members		
Executive Director, Group 2	$54,770	$54,770
Per Diem of Board Members	21,840	21,840

1. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S. Article 6252-33, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees:

   a. Dental Hygiene Advisory Committee

   b. Dental Laboratory Certification Council

2. **Contingent Revenue.** Of the amounts appropriated above to the Texas State Board of Dental Examiners, the amounts of $139,744 in 1998 and $125,544 in 1999 are contingent on the Texas State Board of Dental Examiners assessing fees sufficient to generate, during the 1998-99 biennium, $316,486 in excess of $2,723,194, Object Code 3562, contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998 and 1999. The Texas State Board of Dental Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas State Board of Dental Examiners minutes and other information supporting the estimated revenues to be generated for the 1998-99 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: COMPETENT LICENSEES Provide a licensing system to assure that professional engineering in Texas is practiced only by qualified and competent Texas licensees.		
Outcomes:		
Percent of Licensees with no Recent Violations	99.8%	99.8%

BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS
(Continued)

A.1.1. Strategy: REGISTRATION & EVALUATION	$ 383,151	$ 378,848
Provide licensing assistance, review and evaluate all applications for licensure, and license those found to be qualified.		
Outputs:		
Number of New Licenses Issued to Individuals	900	900
Efficiencies:		
Average Licensing Cost per Individual License Issued	23	24
A.1.2. Strategy: EXAMINATIONS	$ 180,150	$ 180,150
Purchase, grade, and administer the engineering examinations provided by the National Council of Examiners for Engineering and Surveying (NCEES) required for registration. (Estimated and non-transferable)		
Outputs:		
Individuals Examined	4,845	4,845
A.1.3. Strategy: REGISTRY SERVICES	$ 392,944	$ 488,069
Maintain an up-to-date registry and provide timely information to license holders regarding the law, board rules, and continuing professional competency.		
Outputs:		
Number of Licenses Renewed (Individuals)	47,000	47,000
Total, Goal A: COMPETENT LICENSEES	$ 956,245	$ 1,047,067
B. Goal: ENFORCE ENGINEERING ACT		
To provide the public with swift, fair, and effective enforcement of the Texas Engineering Practice Act to protect the health, safety, and welfare of people of Texas.		
Outcomes:		
Percent of Complaints Resulting in Disciplinary Action	8%	8%
B.1.1. Strategy: ENFORCEMENT	$ 347,477	$ 346,654
Investigate and reach final resolution of reported violations of the Texas Engineering Practice Act.		
Outputs:		
Complaints Resolved	270	270
Efficiencies:		
Average Time for Complaint Resolution (Days)	75	75
Average Cost per Complaint Investigation	262	261
Grand Total, BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS	$ 1,303,722	$ 1,393,721
Method of Financing:		
General Revenue Fund	$ 1,266,222	$ 1,356,221
Interagency Contracts	37,500	37,500
Total, Method of Financing	$ 1,303,722	$ 1,393,721
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 253,731	$ 256,729
Number of Full-time Equivalent Positions (FTE)	23.0	23.0

BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS
(Continued)

Schedule of Exempt Positions and Per Diem of Board Members		
* Executive Director, Group 3	$68,000	$68,000
Per Diem of Board Members	6,500	6,500

1. **Interagency Contracts for Enforcement.** Out of appropriations in Strategy B.1.1., Enforcement, the Board of Registration for Professional Engineers shall enter into interagency contracts with affected state agencies in an amount sufficient to generate, during the 1998-99 biennium, aggregate amounts not to exceed $37,500 in each fiscal year for the purpose of enforcing the Engineering Practices Act with regard to state agencies.

2. **Contingency Appropriation for Senate Bill 623.** Contingent upon the enactment of Senate Bill 623, or similar legislation relating to administrative penalties for practicing engineers by the Seventy-fifth Legislature, Regular Session, the Board of Registration for Professional Engineers is hereby appropriated $12,150 for fiscal year 1998 and $12,150 for fiscal year 1999 out of additional revenues collected pursuant to Senate Bill 623 or similar legislation for the purpose of implementing that Act. The Board of Registration for Professional Engineers is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

FINANCE COMMISSION OF TEXAS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: INSURE SAFETY & SOUNDNESS To insure that the regulated financial institutions operate in a safe and sound manner and comply with all applicable state laws.		
A.1.1. Strategy: DEPARTMENTAL OVERSIGHT Provide oversight of departmental operations	$ 96,205	$ 96,205
Outputs:		
Number of Meetings Convened	6	6
Grand Total, FINANCE COMMISSION OF TEXAS	$ 96,205	$ 96,205
Number of Full-time Equivalent Positions (FTE)	1.5	1.5
Schedule of Exempt Positions and Per Diem of Commission Members		
Executive Director (part-time)	$6,180	$6,180
Per Diem of Commission Members	2,160	2,160

FINANCE COMMISSION OF TEXAS
(Continued)

1. **Contingency Appropriation for Senate Bill 1781.** Contingent upon the enactment of Senate Bill 1781, or similar legislation relating to research on the availability of credit, by the Seventy-fifth Legislature, Regular Session, the Finance Commission is hereby appropriated $100,000 for fiscal year 1998 and $100,000 for fiscal year 1999 out of additional revenues collected by the Office of the Consumer Credit Commissioner pursuant to Senate Bill 1781 for the purpose of implementing that Act.

DEPARTMENT OF BANKING

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: EFFECTIVE REGULATION To ensure timely, fair, and effective supervision and regulation of the financial institutions and other licensees under our jurisdiction in order to promote a stable banking and financial services environment and provide the public with convenient, safe, and competitive financial services.		
Outcomes:		
Percentage of Banks on the 12 Month Examination Cycle Receiving Annual Examinations	95%	95%
Percentage of Banks on the 18 Month Examination Cycle Receiving Examinations When Due	95%	95%
Percentage of Currency Exchange Licensees Examined Annually by Special Audit	100%	100%
Percentage of Bank and Trust Applications Processed Within Statutory Time Periods	100%	100%
A.1.1. Strategy: BANK EXAMINATION Conduct annual commercial bank, trust company and foreign bank agency examinations, in conjunction with federal regulatory entities when appropriate. Organize a commercial bank division management task force to facilitate the successful completion of the accreditation process. Pursue pending litigation related to closed institutions and file trust asset status reports with the appropriate courts and all claimants for failed trust companies. Create an industry analysis/examination research and development team to develop an early warning system; identify and test new examination and off-site monitoring procedures which will increase efficiency; improve examination quality, or enhance early problem detection; and research and report on new regulatory responses to changing economic conditions and industry changes.	$ 6,458,830	$ 6,458,830
Outputs:		
Number of Commercial Bank Examinations Performed	185	185
Number of Trust Company, Trust Department, and EDP Examinations Performed	135	135
Efficiencies:		
Average Cost Per Bank Examination	26,000	26,000

A.2.1. Strategy: NON-BANK EXAMINATION Perform special audit examinations based on examination priorities in coordination with state and federal regulatory and law enforcement agencies; monitor examination schedules and results to ensure exams are performed within examination priority parameters; develop a formal rating system to identify risk factors; and issue appropriate enforcement actions.	$ 763,015	$ 763,015
Outputs:		
Number of Special Audit Licensees Examined	715	715
Efficiencies:		
Average Direct Cost per Prepaid Funeral Contract Licensee Examination	800	800
A.3.1. Strategy: APPLICATION PROCESSING Enhance current systems through the automation of applications and request processing by the efficient utilization of computer and other technologies; develop a Bank and Trust Applications Filing and Procedures Guide; process applications and information.	$ 298,925	$ 298,925
Outputs:		
Number of Bank and Trust Applications, Notices, and Filings Completed	500	500
Total, Goal A: EFFECTIVE REGULATION	$ 7,520,770	$ 7,520,770
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADM & SUPP COSTS Indirect Administration	$ 1,772,836	$ 1,772,836
Grand Total, DEPARTMENT OF BANKING	$ 9,293,606	$ 9,293,606
Method of Financing:		
General Revenue Fund	$ 9,193,606	$ 9,193,606
Federal Funds	100,000	100,000
Total, Method of Financing	$ 9,293,606	$ 9,293,606
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 1,778,367	$ 1,776,986
Number of Full-time Equivalent Positions (FTE)	184.5	184.5
Schedule of Exempt Positions		
Commissioner, Group 4	$97,072	$97,072
Deputy Commissioner	92,628	92,628

DEPARTMENT OF BANKING
(Continued)

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Purchase Computer Equipment	$ 120,000	$ 66,580
Total, Capital Budget	$ 120,000	$ 66,580

2. **Appropriation of Receipts.** Funds received by the Department of Banking pursuant to supervision or conservatorship proceedings as authorized under Chapter 2, Texas Banking Code, are hereby appropriated to the department to pay costs incidental to such proceedings, including the salary and per diem expenses of the appointed supervisor or conservator (estimated to be $5,000 each year).

3. **Contingency Appropriation: State Regulatory Response.**

   a. Contingent upon a finding of fact by the Finance Commission that the number of exams required for the state-chartered commercial banking industry under the jurisdiction of the Department of Banking, determined either as a function of assets, number of institutions, or relative proportion of problem banks or problem bank assets in the state system, increases to a point where additional appropriations are required to maintain adequate regulation of the industry, the Department of Banking is hereby appropriated out of fee revenues collected by the department an amount not to exceed $1,673,243 for fiscal year 1998 and $1,673,243 for fiscal year 1999 and the “Number of Full-time Equivalent Positions (FTE)” figure indicated above is hereby increased by no more than 25.5 for fiscal year 1998 and 25.5 for fiscal year 1999.

   b. Contingent upon a reduction of federal regulatory resources applied to the Texas state-chartered commercial banking industry, determined as a function of assets, the Department of Banking is hereby appropriated out of fee revenues collected by the department an amount not to exceed $2,677,189 for fiscal year 1998 and $2,677,189 for fiscal year 1999 and the “Number of Full-time Equivalent Positions (FTE)” figure indicated above is hereby increased by no more than 41 for fiscal year 1998 and 41 for fiscal year 1999.

   c. None of the funds appropriated in items 3(a) or 3(b) above may be expended by the Department of Banking unless the Finance Commission files a finding of fact with the Governor's Office of Budget and Planning and the Legislative Budget Board and neither the Governor's Office of Budget and Planning nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.

d. The appropriations in items 3(a) and 3(b) are also contingent upon the Department of Banking generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits, and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriation. These increased revenues must exceed $19,188,000 (Object Code 3172) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998 and 1999. The revenue amounts required by this section shall be separate from and in addition to the requirements in Section 4 below.

4. **Contingent Revenue.** Of the amounts appropriated above to the Department of Banking the amount of $235,208 in fiscal year 1998 and $235,208 in fiscal year 1999 is contingent on the Department of Banking assessing fees sufficient to generate, during the 1998-99 biennium, $773,558 in excess of $19,188,000 (Object Code 3172), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998 and 1999. The Department of Banking, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Finance Commission minutes and other information supporting the estimated revenues to be generated for the 1998-99 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes. The revenue amounts required by this section shall be separate from and in addition to the requirements in Section 3 above.

OFFICE OF CONSUMER CREDIT COMMISSIONER

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: EFFECTIVE ENFORCEMENT To ensure prompt, fair, and effective enforcement of appropriate state and federal statutes and regulations so that consumers are protected from abusive and deceptive practices, fraud, and misrepresentation.		
Outcomes:		
Percent of Complaints Resolved Within Seven Days	96%	95%
A.1.1. Strategy: COMPLAINT RESOLUTION Resolve consumer complaints expeditiously and identify problem creditors and industry practices, and advise creditors and industry through information bulletins as a preventive measure.	$ 103,571	$ 103,571
Outputs:		
Number of Complaints Closed	5,000	5,000
Number of Field Investigations Initiated	80	80
B. Goal: CONSUMER PROTECTION To provide a quality program of consumer protection and licensure that ensures high standards for licensed credit providers and efficiently serves the market demand for fair but competitive consumer credit.		

OFFICE OF CONSUMER CREDIT COMMISSIONER
(Continued)

Outcomes:				
Monies Returned to Consumers From Licensed Lenders		275,000		275,000
B.1.1. Strategy: EXAMINATION & ENFORCEMENT Examine regulated lenders and pawnshops to determine the level of compliance with appropriate statutes and regulations and initiate administrative enforcement action against licensees who commit serious violations.	$	603,694	$	603,694
Outputs:				
Number of Examinations of Regulated Lenders Performed		916		916
Number of Examinations of Pawnshops Performed		850		850
Efficiencies:				
Average Cost per Pawnshop Examination		385		385
Average Cost per Regulated Lender Examination		675		675
B.2.1. Strategy: LICENSING INVESTIGATION Investigate and process applications for regulated loan, pawnshop, and pawnshop employee licenses. Continue efforts to identify unregistered creditors and achieve compliance with registration requirements.	$	265,541	$	265,541
Outputs:				
Number of Unregistered Creditors Identified		3,000		2,500
Efficiencies:				
Average Cost per Application Processed		130		130
Explanatory:				
Number of Registered Creditors		21,000		22,750
Total, Goal B: CONSUMER PROTECTION	$	869,235	$	869,235
C. Goal: CREDIT EDUCATION To educate consumers and credit providers about their rights, remedies and responsibilities, and to encourage communication and cooperation between the credit industry, the consumer public, and the agency.				
Outcomes:				
Percentage of Texans Reached Through Public Service Announcements, Press Releases, and Distribution of Pamphlets		9%		9%
C.1.1. Strategy: CONSUMER EDUCATION Continue establishment of a formal education program to include public service announcements, press releases, and general information brochures made available through credit grantors and trade organizations.	$	41,539	$	41,539
Outputs:				
Number of Consumers Receiving In-Person Services		12,000		12,000
D. Goal: INDIRECT ADMINISTRATION				
D.1.1. Strategy: INDIRECT ADM & SUPP COSTS Indirect Administration	$	356,153	$	356,153
Grand Total, OFFICE OF CONSUMER CREDIT COMMISSIONER	$	1,370,498	$	1,370,498
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$	305,400	$	305,839

OFFICE OF CONSUMER CREDIT COMMISSIONER
(Continued)

Number of Full-time Equivalent Positions (FTE)	29.5	29.5
Schedule of Exempt Positions		
Commissioner, Group 2	$76,915	$76,915
Assistant Commissioner	66,000	66,000

1. **Appropriation: Criminal Record Check Receipts.** Funds appropriated above in Strategy B.2.1., Licensing Investigation, include receipts collected pursuant to V.T.C.S., Article 5069-2.02A. Contingent upon certification by the Office of Consumer Credit Commissioner and verification by the Comptroller, all fees collected in excess of $107,000 each year of the biennium are hereby appropriated to the Office of the Consumer Credit Commissioner. These funds shall be used for the sole purpose of acquiring criminal record checks from the Department of Public Safety, Federal Bureau of Investigation, or other law enforcement agency.

2. **Contingency Appropriation for House Joint Resolution 31 or House Bill 1188.** Contingent upon the approval by the voters of the constitutional amendment proposed by House Joint Resolution 31, or the enactment into law of House Bill 1188, or similar legislation relating to home equity lending, by the Seventy-fifth Legislature, Regular Session, the Office of the Consumer Credit Commissioner is hereby appropriated $1,433,500 for fiscal year 1998 and $1,348,500 for fiscal year 1999 out of additional revenues collected pursuant to House Joint Resolution 31 or House Bill 1188 for the purpose of implementing the provisions of the Constitutional Amendment and related Acts. The Office of the Consumer Credit Commissioner is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act. Also contingent on the approval by the voters of a constitutional amendment proposed by House Joint Resolution 31 or the enactment of House Bill 1188, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 14 for fiscal year 1998 and by 14 for fiscal year 1999.

† 3. **Contingency Appropriation for Senate Bill 1781.** Contingent upon enactment of Senate Bill 1781, or similar legislation relating to consumer credit counseling and education, by the Seventy-fifth Legislature, Regular Session, the Office of the Consumer Credit Commissioner is hereby appropriated $100,000 for fiscal year 1998 and $100,000 for fiscal year 1999 out of additional revenues collected pursuant to Senate Bill 1781 for the purpose of implementing the Act. The Office of the Consumer Credit Commissioner is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

† *See Veto Proclamation.*

SAVINGS AND LOAN DEPARTMENT

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: SAFETY AND SOUNDNESS To aggressively enforce safety and soundness standards in the state chartered thrift industry and compliance with the Texas Savings and Loan Act and the Texas Savings Bank Act in a manner that is constructive and maintains the interest of depositors, creditors and borrowers of savings institutions as paramount.		
Outcomes:		
Percent of State-Chartered S&Ls and Savings Banks Receiving Annual Examinations	100%	100%
Percent of Well-Rated, Smaller State-Chartered S&Ls and Savings Banks Receiving Examinations Every 18 Months	100%	100%
Percent of Problem Institutions to Total S&Ls and Savings Banks	10%	10%
Percentage of Applications Receiving Final Action Within Statutory Time Frames	100%	100%
A.1.1. Strategy: EXAMINATION Perform full and limited scope examinations and participate with federal regulators in examinations according to defined schedule.	$ 611,666	$ 611,666
Outputs:		
Number of Independent Full Scope Examinations Performed	4	3
Number of Joint Full Scope Examinations Performed	20	23
Efficiencies:		
Average Cost per Examination Performed	21,900	22,000
Explanatory:		
Number of State-Chartered S&Ls and Savings Banks	30	30
Dollar Amount of Assets Under Regulation (in Billions)	14.7	15.6
A.2.1. Strategy: MONITORING Identify and investigate areas of unsafe and unsound activity or adverse financial indicators such as declining capital, increasing classified assets, and operating losses. Maintain supervisory profile for each S&L and savings bank; and maintain database of persons who have been the subject of criminal referrals. Review and evaluate reports, correspondence and requests for approval of discretionary matters.	$ 103,311	$ 103,311
Efficiencies:		
Average Time (in Days) to Complete Analysis of Quarterly Financial Data	7	7
A.2.2. Strategy: ENFORCEMENT Determine and institute appropriate regulatory responses to resolve supervisory problems in state-chartered institutions, including directives of the Commissioner or informal agreements, and formal enforcement actions such as a cease and desist order or conservatorship. Coordinate regulatory response with federal regulators.	$ 122,594	$ 122,594

SAVINGS AND LOAN DEPARTMENT
(Continued)

Outputs:		
Number of Formal and Informal Regulatory Actions	5	5
A.3.1. Strategy: APPLICATION PROCESSING	$ 36,410	$ 36,410
Process, investigate and evaluate applications for new charters, new branch offices, mergers, acquisitions, and subsidiary investments, including scheduling of hearings, maintaining thrift institution corporate records and application submission and approval logs as required.		
Outputs:		
Number of Applications Processed	45	45
Total, Goal A: SAFETY AND SOUNDNESS	$ 873,981	$ 873,981
B. Goal: CONSUMER RESPONSIVENESS		
To ensure responsiveness to inquiries, requests and complaints from the industry, citizens, public officials, and other state and federal governmental entities.		
Outcomes:		
Percentage of Complaints, Requests and Inquiries Answered Within 10 Business Days	100%	100%
B.1.1. Strategy: COMPLAINT/INQUIRY PROCESS	$ 16,681	$ 16,681
Provide a forum for registering complaints, responding to requests and inquiries and take appropriate action when warranted.		
Outputs:		
Number of Consumer Complaints Completed	60	60
Efficiencies:		
Average Cost per Consumer Complaint Completed	350	350
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 118,375	$ 118,375
Grand Total, SAVINGS AND LOAN DEPARTMENT	$ 1,009,037	$ 1,009,037
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 238,222	$ 243,870
Number of Full-time Equivalent Positions (FTE)	19.0	19.0
Schedule of Exempt Positions		
Commissioner, Group 3	$89,116	$89,116
Deputy Commissioner	71,610	71,610

1. **Appropriation of Receipts.** Funds received by the Texas Savings and Loan Department pursuant to supervision and conservatorship proceedings authorized by Chapter 8 of the Texas Savings and Loan Act (V.T.C.S., Article 852a) and Chapter 5 of the Texas Savings Bank Act (V.T.C.S., Article 489e), are hereby appropriated to the department to pay costs incidental to such proceedings, including the salary and per diem expenses of the appointed supervisory agent.

2. **Federal Per Diem Authorized.** Financial Institutions Examiners employed by the Savings and Loan Department, when (1) traveling on official state business related to the examining function of the Savings and Loan Department and (2) participating in either a joint examination with the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, or their successors, shall be authorized reimbursement for travel expenses at a rate of per diem equal to that of the participating federal regulatory agency.

3. **Contingency Appropriation: Regulatory Response.**

   a. Contingent upon a finding of fact by the Finance Commission that either:

      (1) the size of the state-chartered thrift industry under the jurisdiction of the Savings and Loan Department, determined either as a function of assets or number of institutions, has grown to a point where additional appropriations are deemed necessary to maintain adequate regulation of the industry; or

      (2) increased incidents of regulatory and supervisory concern regarding the safe and sound operations of thrift institutions under the department's jurisdiction have occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry; or

      (3) a reduction of federal regulatory resources applied to the Texas state-chartered thrift industry by the Office of Thrift Supervision, the Federal Deposit Insurance Corporation or their successors, has occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry;

      the following amounts, or any part thereof as found to be necessary by the Finance Commission, are hereby appropriated to the Texas Savings and Loan Department out of fee revenues collected by the department: an amount not to exceed $733,000 for fiscal year 1998 and an amount not to exceed $1,213,000 for fiscal year 1999 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 8.5 for fiscal year 1998 and 13.5 for fiscal year 1999.

   b. None of the funds appropriated pursuant to this provision may be expended by the Texas Savings and Loan Department unless:

      (1) the Finance Commission files a written copy of the finding of fact, referenced in subsection (a) above, with the Governor's Office and the Legislative Budget Board; and

      (2) neither the Governor's Office nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.

      (3) The appropriations in item 4(a) are also contingent upon the Department generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriations. These increased revenues must exceed $2,500,000 (Object Code 3172) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998 and 1999.

FUNERAL SERVICE COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: COMPETENT LICENSEES		
To manage a program of examination and licensure that ensures the development of competent funeral professionals with high standards of professional and ethical conduct.		
Outcomes:		
Percent of Licensees with no Recent Violations	96%	96%
A.1.1. Strategy: LICENSING REQUIREMENTS	$ 129,353	$ 129,354
Issue and renew licenses, manage a provisional licensing program and monitor continuing education requirements.		
Outputs:		
Number of New Licenses Issued to Individuals	794	806
Number of Individual Licenses Renewed	4,705	4,734
Efficiencies:		
Average Licensing Cost per Individual License Issued	27.62	28.31
Average Licensing Cost per Facility License Issued	26.31	26.97
B. Goal: ENFORCE STANDARDS		
To aggressively and effectively provide enforcement and protect the public from incompetent services and unethical conduct.		
Outcomes:		
Percent of Complaints Resulting in Disciplinary Action	55%	60%
B.1.1. Strategy: INSPECTIONS	$ 241,472	$ 241,472
To provide enforcement through a vigorous program of inspections and investigations.		
Outputs:		
Number of Complaints Resolved	140	145
Efficiencies:		
Average Time for Complaint Resolution	94	99
Average Cost per Complaint Resolved	325	325
B.2.1. Strategy: RULE COMPLIANCE	$ 119,750	$ 119,750
Review investigated complaints and recommend disciplinary or other action.		
Outputs:		
Number of Licenses Revoked or Suspended (Individuals)	4	5
Total, Goal B: ENFORCE STANDARDS	$ 361,222	$ 361,222
Grand Total, FUNERAL SERVICE COMMISSION	$ 490,575	$ 490,576
Method of Financing:		
General Revenue Fund	$ 485,575	$ 485,576
Appropriated Receipts	5,000	5,000
Total, Method of Financing	$ 490,575	$ 490,576

FUNERAL SERVICE COMMISSION
(Continued)

Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$	102,092	$	102,011
Number of Full-time Equivalent Positions (FTE)		10.0		10.0
Schedule of Exempt Positions and Per Diem of Board Members				
Executive Director, Group 1		$42,000		$42,000
Per Diem of Board Members		3,850		3,850

DEPARTMENT OF INSURANCE

	For the Years Ending August 31, 1998		For the Years Ending August 31, 1999	
A. Goal: ENCOURAGE FAIR COMPETITION				
Encourage fair competition in the insurance industry				
Outcomes:				
Percent of Agent License Filings Completed Within 15 Days		92%		92%
Percent of Statutory Rate and Form Filings Completed Within 90 Days		50%		55%
Number of Automobiles Covered by Voluntary Policies as a Percent of Total Private Passenger Automobiles in Underserved Markets		45.1%		46.5%
Percent of Market Assistance Program (MAP) Applications Eligible for Referral Resulting in the Issuance of a Residential Property Insurance Policy		50%		50%
Percent of Contested Cases Finalized in 180 Days		80%		80%
Estimated Dollar Amount (In Millions) of Insurer Fraud Eliminated		23		25
A.1.1. Strategy: PROMOTE COMPETITION	$	9,390,159	$	9,388,959
Collect and analyze market data, provide information to consumers and industry, and process rates, forms and other required filings.				
Outputs:				
Number of Inquiries Answered		275,000		275,000
Number of Rate Guides Distributed		130,000		130,000
Number of Life/Health Insurance Filings Completed		23,500		23,500
Number of HMO Form Filings Completed		3,000		3,000
Efficiencies:				
Average Cost per Rate Guide Distributed		1		1
Explanatory:				
Total Number of Licensed Agents		171,000		176,000
Number of Texas-Based Regulated Companies		805		807
Number of Non-Texas-Based Regulated Companies		1,885		1,890
Number of Licensed HMOs		65		70
A.1.2. Strategy: PROMOTE UNDERSERVED COVERAGE	$	412,783	$	412,783
Identify underserved markets and create incentives and implement requirements for insurers to write in underserved markets				

Outputs:		
Number of Underserved Markets Identified for Residential Property Insurance	426	426
Number of Underserved Markets Identified for Automobile Insurance	388	388
Explanatory:		
Total Number of Market Assistance Program (MAP) Applications Eligible for Referral	5,820	5,820
A.2.1. Strategy: INVESTIGATION/ENFORCEMENT	$ 4,802,993	$ 4,802,993
Respond promptly to complaints against insurers, agents, and other regulated entities; assist consumers in recovering for valid claims; investigate apparent patterns of unlawful or questionable trade practices in the insurance industry; and bring enforcement actions as appropriate		
Outputs:		
Number of Complaints Resolved	21,000	21,000
Dollar Amount Returned to Consumers Through Complaint Resolution	13,000,000	13,000,000
Number of Contested Cases Closed	120	120
Efficiencies:		
Average Response Time (Days) to Complaints	45	45
A.2.2. Strategy: INSURER FRAUD	$ 888,646	$ 888,646
Investigate potential insurer fraud and initiate legal action when appropriate		
Outputs:		
Number of Referrals of Alleged Insurer Fraud to Attorney General, District Attorney, or Other Appropriate Agency or Law Enforcement Authority	42	46
Efficiencies:		
Average Number of Days Per Insurer Fraud Enforcement Case Completed	380	380
Total, Goal A: ENCOURAGE FAIR COMPETITION	$ 15,494,581	$ 15,493,381
B. Goal: INSURANCE INDUSTRY FINANCIAL HEALTH		
Encourage the financial health of the insurance industry through monitoring and regulation		
Outcomes:		
Percent of Insurance Entities That Received On-Site Examinations	13%	13%
Special Deputy Receiver Receivership Asset Recovery Expenses as a Percent of the Total Dollars Collected by Special Deputy Receivers	35%	35%
Average Number of Days From Company "At Risk" Identification to the Date of Solvency-Related Regulatory Action	45	45
Percent of Companies Rehabilitated After TDI Solvency-Related Intervention	17%	18%
B.1.1. Strategy: INSURERS FINANCIAL CONDITION	$ 11,922,880	$ 11,922,880
Analyze the financial condition of insurers, identify weak companies and potential insurer fraud, and rehabilitate, liquidate or take other action against financially weak companies.		
Outputs:		
Number of Entities Receiving TDI Solvency-Related Intervention	18	20
Number of Holding Company Transactions Reviewed	750	750
Number of Actuarial Exams Completed	80	80
Number of On-Site Examinations Conducted	175	175

Efficiencies:		
Average State Cost per Examination	23,215	22,696
Explanatory:		
Dollar Amount (Millions) of Insurance Company Insolvencies	5.5	9.5
Number of Estates Placed in Receivership	3	4
C. Goal: DECREASE INDUSTRY LOSS COSTS		
Decrease insurance industry loss costs		
Outcomes:		
Percent of Insurers Providing Adequate Loss Control Programs	99%	99%
Percent of Fire Inspections That Meet Inspection Requirements	90%	90%
Percent of Windstorm Inspections that Result in an "Approved" Status Code	40%	40%
Estimated Dollar Amount (in Millions) of Consumer and Provider Fraud Eliminated	.416	.437
C.1.1. Strategy: LOSS CONTROL PROGRAMS	$ 3,393,809	$ 3,393,809
Provide safety education programs; inspect insurance loss control programs offered to policyholders; and assure compliance with filed property schedules and windstorm construction codes		
Outputs:		
Number of Companies Whose Underlying Loss Cost Information is Collected and Analyzed	25	25
Number of Windstorm Inspections Completed	51,000	55,000
Number of Fire Safety Oversight Inspections Completed	1,200	1,200
Efficiencies:		
Average Cost Per Windstorm Inspection	29.92	28.33
C.1.2. Strategy: PROVIDER/CONSUMER FRAUD	$ 1,026,162	$ 1,026,162
Investigate possible provider fraud and consumer fraud and refer violations for prosecution when appropriate.		
Outputs:		
Number of Referrals of Alleged Consumer and Provider Fraud to Attorney General, District Attorney or Other Appropriate Agency or Law Enforcement Authorities	60	60
Efficiencies:		
Percent of Claimant and Provider Fraud Cases Concluded Within 180 Days	80%	80%
Total, Goal C: DECREASE INDUSTRY LOSS COSTS	$ 4,419,971	$ 4,419,971
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 4,412,597	$ 4,412,597
D.1.2. Strategy: INFORMATION RESOURCES	$ 4,246,872	$ 4,326,641
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 1,758,894	$ 1,758,894
Total, Goal D: INDIRECT ADMINISTRATION	$ 10,418,363	$ 10,498,132
Grand Total, DEPARTMENT OF INSURANCE	$ 42,255,795	$ 42,334,364

DEPARTMENT OF INSURANCE
(Continued)

Method of Financing:		
General Revenue Fund - Dedicated - Texas Department of Insurance Operating Fund Account No. 036	$ 41,739,848	$ 41,818,417
Appropriated Receipts	463,147	463,147
Interagency Contracts	52,800	52,800
Total, Method of Financing	$ 42,255,795	$ 42,334,364
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 13,701,871	$ 13,663,133
Number of Full-time Equivalent Positions (FTE)	942.5	942.5
Schedule of Exempt Positions		
Commissioner of Insurance, Group 6	$150,000	$150,000
Senior Associate Commissioner, Group 4	(3) 95,000	(3) 95,000
Chief Actuary	125,000	125,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund - Dedicated - Texas Department of Insurance Operating Fund Account No. 036:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of micro computer and printer upgrades	$ 894,500	$ 834,500
(2) Acquisition of network hardware and software upgrades; and server upgrades	$ 396,975	$ 456,975
Total, Capital Budget	$ 1,291,475	$ 1,291,475

2. **Appropriation Source, Rehabilitation of Insurance Companies.** Of the amounts appropriated above, $125,000 each year of the biennium is from fees that the Department of Insurance shall collect from companies that are successfully rehabilitated by the Department. Fees collected and appropriated above shall be in amounts sufficient to cover, yet not exceed, costs of rehabilitating those companies. Any such fees collected in excess of $125,000 each year of the biennium are also hereby appropriated for the biennium beginning September 1, 1997, for the sole purpose of the rehabilitation of other insurance companies.

3. **Appropriation, NAIC Company Database.** Funds appropriated above include $2,300,000 for the biennium from the General Revenue Fund-Dedicated for payment of company fees to the National Association of Insurance Commissioners for NAIC use of insurance company statistical reports in the NAIC national database. Such payments are necessary under provisions of the Insurance Code, Art. 1.11(b), and directly support availability of the NAIC database to the agency for monitoring financial solvency of insurance companies licensed in the State of Texas.

4. **State Support for NAIC Activities.** The agency is prohibited from using resources in support of the National Association of Insurance Commissioners in the absence of NAIC accreditation of the Texas Department of Insurance for compliance with NAIC Financial Regulation Standards. The prohibition would be effective immediately upon loss of accreditation. The only exceptions to this prohibition shall be limited to expenditures necessary for (1) continued Departmental use of the NAIC database for monitoring financial solvency of companies doing business in Texas; (2) solvency-related training; and (3) efforts to regain accreditation. The prohibition on using resources does not apply in the event that the commissioner voluntarily determines not to participate in the state insurance department accreditation program.

5. **Limitation on Number of Positions.** The Department of Insurance is limited to 975 full-time equivalent positions for each year of the 1998-99 biennium. The limitation includes positions supporting liquidation oversight activities, which are excluded from the FTE target.

6. **Appropriations Limited to Revenue Collections.** The application of special provisions limiting appropriations to revenue collections elsewhere in this Article shall be consistent with relevant statutory provisions governing the agency's assessment of tax rates and fees. As provided by the Texas Insurance Code, the commissioner shall take into account unexpended funds in the preceding year when adjusting rates of assessment necessary to pay all expenses of regulating insurance during the succeeding year.

7. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252.33 and out of funds appropriated above, reimbursement of advisory committee members from funds appropriated to the Texas Department of Insurance is limited to the following: HMO Solvency Surveillance Committee, Building Code Advisory Committee, Mandated Benefits Review Panel, Executive Committee for Market Assistance Program (MAP), Residential Property Insurance Loss Mitigation Advisory Committee.

8. **Contingency Appropriation for House Bill 710.** The following provisions are contingent upon enactment of House Bill 710 or similar legislation by the Seventy-fifth Legislature relating to the Texas Health Insurance Risk Pool.

   a. The Department of Insurance is hereby appropriated $500,000 from the Texas Department of Insurance Operating Fund Account 0036-General Revenue Dedicated for the purpose of funding start-up costs related to the Texas Health Insurance Risk Pool.

   b. The Department of Insurance is hereby appropriated an amount not to exceed $120,000 from additional revenues collected pursuant to House Bill 710 or similar legislation for the purpose of preparing a report to the Seventy-sixth Legislature on the costs and benefits of health insurance mandates. The unobligated and unexpended balances on hand as of August 31, 1997 are hereby reappropriated for the fiscal year beginning September 1, 1997.

   The Department of Insurance is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items listed above.

9. **Contingency Appropriation: Senate Bill 382.** Contingent upon enactment of Senate Bill 382 or similar legislation by the Seventy-fifth Legislature relating to the certification of limited health care services, the Department of Insurance is hereby appropriated $142,392 in fiscal year

1998 and $126,954 in fiscal year 1999 from the Texas Department of Insurance Operating Fund Account 0036 - General Revenue-Dedicated for the purpose of implementing that Act. Also contingent on the enactment of Senate Bill 382 or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by three for fiscal year 1998 and by three for fiscal year 1999. The Department of Insurance is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

10. **Contingency Appropriation: Senate Bill 385**. Contingent upon enactment of Senate Bill 385, or similar legislation by the Seventy-fifth Legislature relating to the transfer of the HMO "quality of care" regulation to the Department of Insurance, the Department of Insurance is hereby appropriated $563,534 in fiscal year 1998 and $498,284 in fiscal year 1999 from the Texas Department of Insurance Operating Fund Account 0036 - General Revenue-Dedicated for the purpose of implementing that Act. Also contingent on the enactment of Senate Bill 385 or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by three for fiscal year 1998 and by three for fiscal year 1999. The Department of Insurance is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

11. **Contingency Appropriation: Senate Bill 386.** Contingent upon enactment of Senate Bill 386, or similar legislation by the Seventy-fifth Legislature relating to the appeal of utilization review agent determinations to independent review organizations, the Department of Insurance is hereby appropriated $85,724 in fiscal year 1998 and $74,102 in fiscal year 1999 from the Texas Department of Insurance Operating Fund Account 0036 -General Revenue Dedicated for the purpose of implementing that Act. Also contingent on the enactment of Senate Bill 386 or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by two for fiscal year 1998 and by two for fiscal year 1999. The Department of Insurance is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

† 12. **Contingency Appropriation: Senate Bill 976.** Contingent upon enactment of Senate Bill 976, or similar legislation by the Seventy-fifth Legislature relating to providing ombudsman services to Medicare recipients enrolled in managed care plans, the Department of Insurance is hereby appropriated $42,375 in fiscal year 1998 and $37,229 in fiscal year 1999 from the Texas Department of Insurance Operating Fund Account 0036-General Revenue Dedicated for the purpose of implementing that Act. Also contingent on the enactment of Senate Bill 976 or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by one for fiscal year 1998 and by one for fiscal year 1999. The Department of Insurance is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

† *See Veto Proclamation.*

OFFICE OF PUBLIC INSURANCE COUNSEL

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: ADVOCATE FOR INSURANCE CONSUMERS To advocate positions advantageous to Texas consumers forcefully and effectively in rate hearings, rulemaking, court proceedings, and other public forums involving insurance matters.		
Outcomes:		
Percentage of Industry-Wide Rate Hearings in Which OPIC Participated	100%	100%
Percentage of Analyzed Rate and Rulemaking Proceedings in Which OPIC Participated	50%	50%
Savings to Consumers as a Result of Rate Hearings Participation (in Millions)	750	750
A.1.1. Strategy: PARTICIPATE IN RATE/RULE HEARINGS Actively participate in industry-wide rate hearings, analyzed rate filings, and rulemaking proceedings on behalf of Texas insurance consumers by using expert witnesses, providing staff and consumer testimony, and relying on staff research and staff attorneys.	$ 781,819	$ 781,819
Outputs:		
Number of Industry-Wide Rate Hearings in Which OPIC Participated	5	5
Number of Analyzed Rate Filings in Which OPIC Participated	5	5
Number of Rulemaking Proceedings in Which OPIC Participated	40	40
Efficiencies:		
Average Cost Per Industry-Wide Rate Hearing in Which OPIC Participated	51,500	51,500
A.2.1. Strategy: INFORMATION AND RESEARCH Provide information and research assistance to the Legislature and Executive Branch, including results of ad hoc special research or analytical projects for current issues. Participate in judicial proceedings.	$ 94,923	$ 94,923
Outputs:		
Number of Judicial Proceedings (Appellate and Otherwise) in Which OPIC Participated as a Party of Record	2	2
Efficiencies:		
Average Cost Per Judicial Proceeding (Appellate and Otherwise) in Which OPIC Participated as a Party of Record	3,500	3,500
Total, Goal A: ADVOCATE FOR INSURANCE CONSUMERS	$ 876,742	$ 876,742
B. Goal: INCREASE CONSUMER CHOICE To increase effective consumer choice by educating Texas insurance consumers about their rights and responsibilities and about the operation of Texas insurance markets, and to obtain market information which results in rate, rule, or legislative proposals benefiting Texas insurance consumers.		

Outcomes:		
Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts	50%	50%
B.1.1. Strategy: INSURANCE INFORMATION To contact Texas consumers to obtain market information and to provide consumers with information needed in order to make informed choices by conducting issue research, producing informational materials, and making public presentations, and formulating and revising consumer bills of rights.	$ 66,165	$ 66,165
Outputs:		
Number of Newsletters Produced and Distributed	18,000	18,000
Number of Releases Produced and Interviews Given and Newspaper Op-ed Columns Produced	50	50
Efficiencies:		
Average Cost per Consumer Reached Through Agency Publications/Reports and Public Presentations/Appearances	.04	.04
Grand Total, OFFICE OF PUBLIC INSURANCE COUNSEL	$ 942,907	$ 942,907
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 261,377	$ 259,886
Number of Full-time Equivalent Positions (FTE)	17.0	17.0
Schedule of Exempt Positions		
Public Counsel, Group 2	$65,277	$65,277
Chief Economist	58,356	58,356

1. **Contingency Appropriation: Senate Bill 387.** Contingent upon enactment of Senate Bill 387, or similar legislation relating to the creation of a health care plan rating system and consumer report card, by the Seventy-fifth Legislature, Regular Session, the Office of the Public Insurance Counsel is hereby appropriated $263,319 for fiscal year 1998 and $216,319 for fiscal year 1999 out of additional revenue collected pursuant to Senate Bill 387, or similar legislation, for the purpose of implementing the provisions of that Act. Also contingent on the enactment of Senate Bill 387, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by one for fiscal year 1998 and by one for fiscal year 1999. The Office of the Public Insurance Counsel shall not use funds appropriated by this provision to publish materials that duplicate Department of Insurance consumer education materials. The Public Counsel shall establish written procedures for cooperating with the Department of Insurance to avoid duplication of resources and, generally, shall use efficient means to communicate with insurance consumers.

BOARD OF PROFESSIONAL LAND SURVEYING

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: LICENSING & ENFORCEMENT To ensure that the residents of Texas will be able to obtain competent and accurate surveys prepared by qualified surveyors capable of meeting or exceeding the Professional and Technical Standards of Practice of surveying in Texas.		
Outcomes:		
Percent of Licensees with no Recent Violations	98%	98%
Percent of Complaints Resulting in Disciplinary Action	30%	30%
A.1.1. Strategy: LICENSING AND EDUCATION The board will examine applicants and regulate practicing surveyors, licensing only competent surveyors who must maintain competency through the completion of continuing education courses.	$ 306,521	$ 306,521
Outputs:		
Number of New Licenses Issued to Individuals	50	50
Number of Licenses Renewed (Individuals)	3,100	3,100
Complaints Resolved	50	50
Efficiencies:		
Average Licensing Cost per Individual License Issued	4	4
Average Time for Complaint Resolution	173	173
Average Cost per Complaint Resolved	1,280	1,280
A.1.2. Strategy: EXAMINATION Purchase and grade the national exam, estimated and non-transferable.	$ 6,915	$ 6,915
Outputs:		
Individuals Examined (National Exam)	174	174
Total, Goal A: LICENSING & ENFORCEMENT	$ 313,436	$ 313,436
Grand Total, BOARD OF PROFESSIONAL LAND SURVEYING	$ 313,436	$ 313,436
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 48,868	$ 48,931
Number of Full-time Equivalent Positions (FTE)	5.0	5.0
Schedule of Exempt Positions and Per Diem of Board Members		
* Executive Director, Group 1	$42,000	$42,000
Per Diem of Board Members	6,460	6,460

BOARD OF PROFESSIONAL LAND SURVEYING
(Continued)

1. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rates shall be in effect for fiscal years 1998 and 1999, pursuant to the provisions of V.T.C.A., Government Code, Section 316.043 :

(1)	Certificate Renewal:	
	a. Registered Professional Surveyors	$100.00
	b. Licensed State Land Surveyors	$ 35.00
(2)	Examination Fee:	
	a. Registered Professional Surveyors	$125.00

DEPARTMENT OF LICENSING AND REGULATION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: PROTECT THE PUBLIC To manage our regulatory and enforcement responsibilities so that all those affected by the laws we administer receive dependable service and fair treatment from the agency and are protected from unsafe practices, illegal operations, and fraud.		
Outcomes:		
Inspection Coverage Rate	78	78
Average Complaint Response Time	14	13
Percent of Complaints Resulting in Disciplinary Action	9	9
A.1.1. Strategy: INSPECTION/INVESTIGATION Protect the health, safety, and welfare of consumers through inspections and investigations; make and receive regulatory referrals involving areas of joint, overlapping, or independent jurisdictions.	$ 2,262,800	$ 2,262,799
Outputs:		
Number of Routine Inspections Conducted	23,628	26,503
Number of Complaint Investigations Completed	1,080	1,077
Number of Boilers Due for Certificate Inspection	14,764	16,489
Number of Boilers Inspected for Certification	13,139	15,499
Number of Architectural Barriers Plan Reviews Completed	10,560	12,295
Number of Architectural Barriers Inspections Completed	6,464	6,464
Efficiencies:		
Average Number of Days to Complete Architectural Barriers Plan Reviews	30	30
Average Number of Months to Complete Architectural Barriers Inspections	12	12
Explanatory:		
Average Time for Consumer Complaint Resolution	185	177
Jurisdictional Complaints Received	1,102	1,119
A.1.2. Strategy: POLICIES/PROCEDURES Enforce compliance with regulatory policies and procedures, and systematically review and revise rules, policies, and procedures to ensure regulatory standards that are effective, yet fair.	$ 954,910	$ 954,910

Outputs:		
Complaints Resolved	1,272	1,284
Efficiencies:		
Average Cost Per Complaint Resolved	470.79	466.39
A.1.3. Strategy: EXAMINATIONS	$ 112,372	$ 112,371
Administer and ensure the reliability, validity, and accessibility of examinations.		
Efficiencies:		
Average Cost Per Examination Administered	39.78	39.78
Total, Goal A: PROTECT THE PUBLIC	$ 3,330,082	$ 3,330,080
B. Goal: COMMERCE REGULATION		
To enable enterprises to operate and customers to receive needed services through responsive licensing, certification, registration, and other agency processes and through educating customers about those processes.		
Outcomes:		
Percent of Consumers Rating Agency Processes and Services as Satisfactory	85%	85%
Percent of Licensees With No Recent Violations	95	95
B.1.1. Strategy: LICENSE/REGISTER/CERTIFY	$ 336,879	$ 336,879
Issue licenses, registrations, and certifications to qualified applicants.		
Outputs:		
Number of New Licenses Issued to Individuals	2,700	2,700
Number of Licenses Renewed (Individuals)	5,928	5,928
Efficiencies:		
Average Licensing Cost Per Individual License Issued	39.16	39.16
Average Cost Per Facility License Issued	37.95	37.95
Explanatory:		
Total Number of Business Facilities Licensed	26,000	26,000
B.1.2. Strategy: CONSUMER EDUCATION	$ 84,188	$ 84,188
Develop and distribute information about licensing and complaints.		
Efficiencies:		
Average Cost Per Customer Survey Distributed	10,000	10,000
Total, Goal B: COMMERCE REGULATION	$ 421,067	$ 421,067
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 445,101	$ 445,101
C.1.2. Strategy: INFORMATION RESOURCES	$ 298,123	$ 298,123
C.1.3. Strategy: OTHER SUPPORT SERVICES	$ 170,837	$ 170,837
Total, Goal C: INDIRECT ADMINISTRATION	$ 914,061	$ 914,061
Grand Total, DEPARTMENT OF LICENSING AND REGULATION	$ 4,665,210	$ 4,665,208

DEPARTMENT OF LICENSING AND REGULATION
(Continued)

Method of Financing:		
General Revenue Fund	$ 4,614,501	$ 4,614,499
Interagency Contracts	25,709	25,709
Auctioneer Education and Recovery Trust Fund No. 898	25,000	25,000
Total, Method of Financing	$ 4,665,210	$ 4,665,208
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 1,547,500	$ 1,544,711
Number of Full-time Equivalent Positions (FTE)	117.5	117.5
Schedule of Exempt Positions		
Commissioner, Group 3	$62,494	$62,494
Deputy Executive Director	55,286	55,286

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Replacement of Obsolete Personal Computers, Printers and Servers	$ 179,000	$ 100,050
Total, Capital Budget	$ 179,000	$ 100,050

2. **Travel Expenses and Fees Reimbursements Reappropriated.** Funds appropriated above include reimbursements for travel expenses and special inspection fees collected pursuant to V.T.C.A., Health and Safety Code, 755.030. Contingent upon certification by the Department of Licensing and Regulation and verification by the Comptroller, all fees collected in excess of $181,000 each year of the biennium are hereby appropriated to the Texas Department of Licensing and Regulation.

3. **Appropriation: Auctioneer Education and Recovery.** Pursuant to the provisions of V.T.C.S., Article 8700, Section 5A, there is hereby appropriated to the Department of Licensing and Regulation all revenue deposited to the Auctioneer Education and Recovery Fund for the purpose and in the amounts specified in the Act, not to exceed $25,000 in each fiscal year from the interest on the fund.

4. **Appropriation: Elimination of Architectural Barriers.** Funds appropriated above include fees collected pursuant to V.T.C.S., Article 9102 for the purposes of administering and enforcing the Architectural Barriers Act. Contingent upon certification by the Department of Licensing and Regulation and verification by the Comptroller, all fees collected in excess of $900,000 each year of the biennium are hereby appropriated to the Department of Licensing and Regulation for the same purposes (estimated to be $316,056). Additional fees collected may be used for

increasing the "Number of Full-time Equivalent Positions (FTE)" figure indicated above by seven (four Inspectors and three Plan Reviewers) for fiscal year 1998 and 1999 for the purposes of enforcing the Act.

5. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the Industrialized Housing and Building Code Council.

6. **Appropriation: Elevators, Escalators, and Related Equipment.** Funds appropriated above include fees collected pursuant to V.T.C.A., Health and Safety Code, Chapter 754, Subchapter B for purposes of administering and enforcing the Elevators, Escalators, and Related Equipment Act. Contingent upon certification by the Department of Licensing and Regulation and verification by the Comptroller, all fees collected in excess of $350,000 each year of the biennium are hereby appropriated to the Department of Licensing and Regulation for the same purposes (estimated to be $177,096). The additional fees appropriated may be used for increasing the "Number of Full-time Equivalent Positions (FTE)" figure indicated above by four (three licensing positions and one enforcement position) for fiscal years 1998 and 1999 for the purposes of enforcing the Act. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

7. **Reciprocity Agreements.** It is the intent of the Legislature that the Department of Licensing and Regulation initiate and enter into reciprocity agreements with other states for the purpose of performing industrialized housing inspections in order to minimize the need for the agency sending state employees out of state to perform such inspections. The department may enter into contracts with out-of-state inspectors to conduct such inspections.

8. **Elimination of Architectural Barriers: Reduce Duplicate Inspections.** None of the funds appropriated by this Act shall be expended for the purpose of conducting inspections and plan reviews within the corporate boundaries of a municipality which has applied with the department to perform review and inspection functions pursuant to the Elimination of Architectural Barriers Act, Article 9102, Sec. 5(f), V.T.C.S.

9. **Architectural Barrier Standards: Exemption.** None of the funds appropriated by this Act shall be expended for the purpose of enforcing the accessibility standards under the Elimination of Architectural Barriers program, Art. 9102, V.T.C.S., with respect to a structure or facility used primarily for religious rituals within a building or facility of a religious organization and which is exempt from the application of Article 9102, V.T.C.S., pursuant to Section 2(g) of that article.

10. **Contingency Appropriation for House Bill 930.** Contingent upon the enactment of House Bill 930, or similar legislation relating to the examination offerings of air conditioning and refrigeration license applicants, by the Seventy-fifth Legislature, Regular Session, the Department of Licensing and Regulation is hereby appropriated $45,811 for fiscal year 1998 and $40,291 for fiscal year 1999 out of additional revenue collected pursuant to House Bill 930 for the purpose of implementing that Act. The Department of Licensing and Regulation is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

† 11. **Contingency Appropriation for House Bill 1391.** Contingent upon the enactment of House Bill 1391, or similar legislation relating to continuing education requirements for air conditioning and refrigeration licensees, by the Seventy-fifth Legislature, Regular Session, the Department of Licensing and Regulation is hereby appropriated $12,000 for fiscal year 1998 and $43,364 for fiscal year 1999 out of additional revenue collected pursuant to House Bill 1391 for the purpose of implementing that Act. The Department of Licensing and Regulation is

† *See Veto Proclamation.*

hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

12. **Contingency Appropriation for House Bill 1487.** Contingent upon the enactment of House Bill 1487, or similar legislation relating to property transportation providers, by the Seventy-fifth Legislature, Regular Session, the Department of Licensing and Regulation is hereby appropriated $89,046 for fiscal year 1998 and $78,006 for fiscal year 1999 out of additional revenue collected pursuant to House Bill 1487 for the purpose of implementing that Act. The Department of Licensing and Regulation is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

† 13. **Contingency Appropriation for Senate Bill 627.** Contingent upon the enactment of Senate Bill 627, or similar legislation relating to the licensing and regulation of bail bondsmen, by the Seventy-fifth Legislature, Regular Session, the Department of Licensing and Regulation is hereby appropriated $134,180 for fiscal year 1998 and $118,310 for fiscal year 1999 out of additional revenue collected pursuant to Senate Bill 627 for the purpose of implementing that Act. The Department of Licensing and Regulation is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Also contingent on the enactment of Senate Bill 627, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by three for fiscal year 1998 and by three for fiscal year 1999.

† *See Veto Proclamation.*

BOARD OF MEDICAL EXAMINERS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: PHYSICIAN LICENSURE Protect the public by licensing qualified practitioners by determining a physician's eligibility for licensure through examination, reciprocity or renewal and, by collecting information on licensed physicians.		
Outcomes:		
Percent of Licensees With No Recent Violations	99%	99%
A.1.1. Strategy: LICENSING Conduct a timely, efficient, and cost-effective licensure process through specific requirements for examination, endorsement, and renewal of licenses.	$ 1,015,357	$ 1,015,356
Outputs:		
Number of New Licenses Issued to Individuals	5,000	4,825
Number of Licenses Renewed (Individuals)	56,733	59,733
Efficiencies:		
Average Licensing Cost Per Individual License Issued	19.15	17.81
A.1.2. Strategy: PURCHASE AND GRADING Purchase and Grading of National Exam, estimated and nontransferable	$ 352,450	$ 352,450
Total, Goal A: PHYSICIAN LICENSURE	$ 1,367,807	$ 1,367,806
B. Goal: ENFORCE MEDICAL ACT Protect the public by conducting investigations of allegations against physicians and taking appropriate corrective and/or disciplinary action when necessary; by educating the public, staff, and licensees regarding the board's functions and services.		
Outcomes:		
Percent of Complaints Resulting in Disciplinary Action	9.5%	9%
B.1.1. Strategy: ENFORCEMENT Conduct competent, fair, and timely investigations; ensure due process for respondents; monitor the resolution of complaints; maintain adequate monitoring of all probationers in a timely fashion; and contact consumer complainants in a timely and regular manner.	$ 2,082,505	$ 2,082,505
Outputs:		
Complaints Resolved	1,488	1,472
Efficiencies:		
Average Time For Complaint Resolution	312	321
Average Cost Per Complaint Resolved	1,266	1,289
Explanatory:		
Jurisdictional Complaints Received	1,700	1,700

B.2.1. Strategy: PUBLIC EDUCATION Provide public awareness and educational programs to educate the public and physicians regarding the agency's functions, services and responsibilities.	$ 95,219	$ 95,219
Total, Goal B: ENFORCE MEDICAL ACT	$ 2,177,724	$ 2,177,724
C. Goal: ACUPUNCTURE BD/PA COUNCIL To ensure and provide administration to the Texas Board of Acupuncture Examiners and the State Board of Physician Assistant Examiners.		
Outcomes:		
Percent of Acupuncturist Licensees with No Recent Violations	99%	99%
Percent of Acupuncturists Complaints Resulting in Disciplinary Action	9.5%	9%
Percent of Physician Assistants Licensees with No Recent Violations	99%	99%
Percent of Physician Assistant Complaints Resulting in Disciplinary Action	6.5%	6.5%
C.1.1. Strategy: ACUPUNCTURE To assist the Texas State Board of Acupuncture Examiners in administering the rules established for licensing, investigating and enforcing the practice of acupuncture.	$ 65,473	$ 69,700
Outputs:		
Number of New Licenses Issued to Individuals	530	55
Number of Licenses Renewed (Individuals)	364	879
Number of Complaints Resolved	18	25
Efficiencies:		
Average Licensing Cost per Individual License Issued	55.45	53.39
Average Time for Complaint Resolution	312	321
C.2.1. Strategy: PHYSICIAN'S ASSISTANTS To assist the State Board of Physician Assistant Examiners in administering the rules established for licensing, investigating and enforcing the statutes and rules pertaining to physician assistants.	$ 154,092	$ 154,091
Outputs:		
Number of New Licenses Issued to Individuals	400	400
Number of Licenses Renewed (Individuals)	2,388	2,788
Number of Complaints Resolved	25	30
Efficiencies:		
Average Licensing Cost per Individual License Issued	11.5	10.04
Average Time for Complaint Resolution	312	321
Total, Goal C: ACUPUNCTURE BD/PA COUNCIL	$ 219,565	$ 223,791
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 891,433	$ 891,432
Grand Total, BOARD OF MEDICAL EXAMINERS	$ 4,656,529	$ 4,660,753

BOARD OF MEDICAL EXAMINERS
(Continued)

Method of Financing:		
General Revenue Fund	$ 4,594,029	$ 4,598,253
Appropriated Receipts	62,500	62,500
Total, Method of Financing	$ 4,656,529	$ 4,660,753
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 1,193,731	$ 1,201,517
Number of Full-time Equivalent Positions (FTE)	100.5	100.5
Schedule of Exempt Positions and Per Diem of Board Members		
* Executive Director, Group 3	$85,000	$85,000
Per Diem of Board Members	23,500	23,500

1. **Interagency Contract with the Center for Rural Health Initiatives.** Included in the amounts appropriated above for Strategy C.2.1., Physician's Assistants, in the amounts of $90,000 in each fiscal year of the biennium, out of fees generated from the Physician Assistant's program, are funds which shall be used for an interagency contract with the Center for Rural Health Initiatives (Department of Health) to provide funding for the Physician Assistant Student Loan Repayment program for those physician assistants who practice in rural areas of the state.

2. **Sunset Contingency.** Funds appropriated above in Strategy C.1.1., in the amount of $69,700 for fiscal year 1999 for the Board of Acupuncture Examiners are made contingent on the continuation of the Board of Acupuncture Examiners by the Legislature. In the event the agency is not continued, the funds, $65,473, appropriated for the fiscal year 1998 or as much there of as may be necessary are to be used to provide for the phase out of agency operations.

3. **Contingent Revenue.** Of the amounts appropriated above in Strategy A.1.1., Licensing, the amounts of $241,370 for fiscal year 1998 and $241,370 for fiscal year 1999 is contingent on the Board of Medical Examiners assessing fees sufficient to generate, during the biennium, $566,211 in excess of $15,374,536, Object Code 3560, contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998-1999. Of the amounts appropriated above in Strategy B.1.1., Enforcement, the amounts of $134,695 for fiscal year 1998 and $134,695 for fiscal year 1999 is contingent on $269,390 in excess of $15,374,536 Object Code 3560, contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998-1999. Of the amounts appropriated above in Strategy C.1.1., Acupuncture, the amount of $13,380 for fiscal year 1998 and $13,380 for fiscal year 1999 is contingent upon the Board of Acupuncture Examiners assessing fees sufficient to generate, during the biennium, $31,059 in excess of $15,374,536, Object Code 3560, contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998-1999. The Board of Medical Examiners upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Medical Examiners' minutes and other information supporting the estimated revenues to be generated for the biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

4. **Fee Rates.** Contingent upon change in enabling statute, to provide for the recovery of costs for the preceding appropriations, the following fee rates, including professional surcharge, are established pursuant to V.T.C.A., Government Code Chapter 316, Sections 316.041-316.045, to be effective during fiscal years 1998-1999, beginning September 1, 1997 and September 1, 1998.

	1998	1999
(1) Graduate of Texas Medical School	$ 800	$ 800
(2) Graduate of Out-of-State, Accredited Medical School	$ 900	$ 900
(3) Graduate of International Medical School	$1,000	$1,000

† 5. **Contingency Appropriation for Senate Bill 1699.** Contingent upon the enactment of Senate Bill 1699, or similar legislation relating to a physician profile, by the Seventy-fifth Legislature, Regular Session, the Board of Medical Examiners is hereby appropriated $256,367 for fiscal year 1998 and $42,702 for fiscal year 1999 out of additional revenues collected pursuant to Senate Bill 1699 for the purpose of implementing that Act. Also contingent on the enactment of Senate Bill 1699, or similar legislation, the “Number of Full-time Equivalent Positions (FTE)” figure indicated above is hereby increased by 5.0 for fiscal year 1998 and by 2.0 for fiscal year 1999. The Board of Medical Examiners is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

6. **Contingency Appropriation for Senate Bill 1765.** Contingent upon the enactment of Senate Bill 1765, or similar legislation relating to certification of certain persons who practice acupuncture, by the Seventy-fifth Legislature, Regular Session, the Board of Medical Examiners is hereby appropriated $11,540 fiscal year 1998 and $11,540 for fiscal year 1999 out of additional revenues collected pursuant to Senate Bill 1765 for the purpose of implementing that Act. Also contingent on the enactment of Senate Bill 1765, or similar legislation, the “Number of Full-time Equivalent Positions (FTE)” figure indicated above is hereby increased by 0.5 for fiscal year 1998 and by 0.5 for fiscal year 1999. The Board of Medical Examiners is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

7. **Salary Supplementation.** In addition to the amount specified in the schedule of exempt positions for the salary of the executive director, the State Board of Medical Examiners may approve a salary supplement not to exceed $12,000 annually if the executive director is a medical doctor and an attorney.

8. **Executive Director Salary.** If the Executive Director is not a physician, the amount listed in the Schedule of Exempt Positions shall be $68,173 for fiscal year 1998 and $68,173 for fiscal year 1999. The exempt position shall also be listed as "Group 2."

† *See Veto Proclamation.*

BOARD OF NURSE EXAMINERS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: LICENSING To manage cost-effective, quality programs of accreditation, examination, licensure, and regulation that ensure legal standards for professional nursing education and practice and which effectively serve the market demand for qualified professional nurses.		
Outcomes:		
Percent of Licensees with No Recent Violations	99.4%	99.5%
A.1.1. Strategy: LICENSING Operate an efficient system of licensing, examination, and credentials verification for the practice of professional nursing.	$ 1,139,440	$ 1,131,440
Outputs:		
Number of New Licenses Issued to Individuals	12,200	12,400
Number of Licenses Renewed	78,000	82,000
Efficiencies:		
Average Licensing Cost per Individual License Issued	1.6	1.6
A.2.1. Strategy: ACCREDITATION Operate an effective accreditation program for professional nursing programs that includes the implementation of essential competencies curricula.	$ 210,378	$ 210,378
Total, Goal A: LICENSING	$ 1,349,818	$ 1,341,818
B. Goal: PROTECT PUBLIC To ensure swift, fair, and effective enforcement of the Nursing Practice Act so that consumers are protected from unsafe, incompetent, and unethical nursing practice by registered professional nurses.		
Outcomes:		
Percent of Complaints Resulting in Disciplinary Action	28%	28%
Recidivism Rate for Peer Assistance Programs	2.5%	2.5%
One-year Completion Rate for Peer Assistance Programs	48%	48%
Percent of Non-board Peer Assistance Program Referrals Reported to the Board	45%	45%
B.1.1. Strategy: ADJUDICATE VIOLATIONS Administer an effective system of enforcement and adjudication which includes investigating and resolving complaints.	$ 976,999	$ 960,999
Outputs:		
Complaints Resolved	1,750	1,950
Efficiencies:		
Average Time for Complaint Resolution (Days)	150	160
Average Cost per Complaint Resolved	471	396
Explanatory:		
Jurisdictional Complaints Received	1,615	1,691
B.1.2. Strategy: PEER ASSISTANCE Identify, refer and assist those R.N.s whose practice is impaired.	$ 370,000	$ 370,000

BOARD OF NURSE EXAMINERS
(Continued)

Outputs:		
Number of Individuals Participating in a Peer Assistance Program	537	537
Total, Goal B: PROTECT PUBLIC	$ 1,346,999	$ 1,330,999
Grand Total, BOARD OF NURSE EXAMINERS	$ 2,696,817	$ 2,672,817
Method of Financing:		
General Revenue Fund	$ 2,081,817	$ 2,037,817
Appropriated Receipts	615,000	635,000
Total, Method of Financing	$ 2,696,817	$ 2,672,817
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 565,158	$ 562,601
Number of Full-time Equivalent Positions (FTE)	52.0	52.0
Schedule of Exempt Positions and Per Diem of Board Members		
* Executive Director, Group 2	$60,000	$60,000
Per Diem of Board Members	10,000	10,000

1. **Contingent Revenue.** Of the amounts appropriated above, the amount of $189,004 in 1998 and $165,004 in 1999, is contingent on the Board of Nurse Examiners assessing fees sufficient to generate, during the biennium, $410,985 in excess of the $6,066,913 (Revenue Object Code 3560), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998 and 1999. The Board of Nurse Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Nurse Examiners minutes and other information supporting the estimated revenues to be generated for the biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for intended purposes.

2. **Contingency Appropriation: Senate Bill 617.** Contingent upon the enactment of Senate Bill 617, or similar legislation relating to the development of certain pilot programs, by the Seventy-fifth Legislature, Regular Session, the Board of Nurse Examiners is hereby appropriated $87,920 for fiscal year 1998 and $222,920 for fiscal year 1999 out of additional revenues collected pursuant to Senate Bill 617 for the purpose of implementing that Act. The Board of Nurse Examiners is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

BOARD OF VOCATIONAL NURSE EXAMINERS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: LICENSING To establish and implement cost-effective and efficient systems of regulation through education, practice, and licensure and discipline to meet the market demand for safe, competent and ethical vocational nurses.		
Outcomes:		
Percent of Licensees with No Recent Violations	99%	99%
Percent of Complaints Resulting in Disciplinary Action	48.8%	48.8%
Recidivism Rate for Peer Assistance Programs	5.9%	5.9%
One-year Completion Rate for Peer Assistance Programs	46%	46%
Percent of Non-board Peer Assistance Program Referrals Reported to the Board	52%	52%
A.1.1. Strategy: LICENSING Operate an efficient and comprehensive licensure system.	$ 474,126	$ 448,076
Outputs:		
Number of New Licenses Issued to Individuals	5,500	5,500
Number of Licenses Renewed (Individuals)	36,000	36,000
Efficiencies:		
Average Licensing Cost per Individual License Issued	8.47	7.98
A.2.1. Strategy: NURSING PROGRAM APPROVAL Ensure a cost-effective and comprehensive vocational nursing program approval system.	$ 138,376	$ 127,301
Outputs:		
Total Number of Programs Licensed	114	114
A.3.1. Strategy: ENFORCEMENT Investigate jurisdictional complaints, institute disciplinary action, and monitor, and enforce probationary stipulations.	$ 301,920	$ 280,641
Outputs:		
Complaints Resolved	720	720
Efficiencies:		
Average Time for Complaint Resolution	105	105
Average Cost per Complaint Resolved	354	340
Explanatory:		
Jurisdictional Complaints Received	900	900
A.3.2. Strategy: PEER ASSISTANCE To identify, refer and assist those LVNs whose practice is impaired.	$ 180,000	$ 180,000
Outputs:		
Number of Individuals Participating in a Peer Assistance Program	225	225
Total, Goal A: LICENSING	$ 1,094,422	$ 1,036,018
Grand Total, BOARD OF VOCATIONAL NURSE EXAMINERS	$ 1,094,422	$ 1,036,018

BOARD OF VOCATIONAL NURSE EXAMINERS
(Continued)

Method of Financing:		
General Revenue Fund	$ 1,059,422	$ 1,011,018
Appropriated Receipts	35,000	25,000
Total, Method of Financing	$ 1,094,422	$ 1,036,018
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 243,673	$ 242,728
Number of Full-time Equivalent Positions (FTE)	21.0	21.0
Schedule of Exempt Positions and Per Diem of Board Members		
* Executive Director, Group 2	$55,000	$55,000
Per Diem of Board Members	9,090	9,090

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Computer System	$ 52,100	$ 0
Total, Capital Budget	$ 52,100	$ 0

2. **Contingent Revenue.** Of the amounts appropriated above, the amount of $83,240 for 1998 and $25,890 for 1999, is contingent on the Board of Vocational Nurse Examiners assessing fees sufficient to generate, during the biennium, $121,806 in excess of $3,000,000 (Revenue Object Code 3560), contained in the Comptroller of Public Accounts Biennial Revenue Estimate for 1998 and 1999. The Board of Vocational Nurse Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Vocational Nurse Examiners minutes and other information supporting the estimated revenues to be generated for the biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for intended purposes.

OPTOMETRY BOARD

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: EXAMINATION/LICENSURE To manage a quality program of examination and licensure to ensure the initial and continuing competency of optometrists and enforce the optometry statutes to ensure that the public is protected from incompetent services, fraud, and misrepresentation.		
Outcomes:		
Percent of Licensees With No Recent Violations	98%	98%
Percent of Complaints Resulting in Disciplinary Action	2%	2%
A.1.1. Strategy: LICENSURE AND ENFORCEMENT Operate an efficient and comprehensive optometry licensure and enforcement system.	$ 272,389	$ 272,390
Outputs:		
Number of New Licenses Issued to Individuals	187	197
Number of Licenses Renewed (Individuals)	2,882	2,993
Complaints Resolved	149	156
Efficiencies:		
Average Licensing Cost per Individual License Issued	28.4	28.4
Average Time for Complaint Resolution	120	120
Average Cost per Complaint Resolved	221.6	221.6
Explanatory:		
Jurisdictional Complaints Received	171	180
Grand Total, OPTOMETRY BOARD	$ 272,389	$ 272,390
Method of Financing:		
General Revenue Fund	$ 262,389	$ 262,390
Appropriated Receipts	10,000	10,000
Total, Method of Financing	$ 272,389	$ 272,390
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 72,766	$ 72,369
Number of Full-time Equivalent Positions (FTE)	6.0	6.0
Schedule of Exempt Positions and Per Diem of Board Members		
Executive Director, Group 1	$39,545	$39,545
Per Diem of Board Members	3,720	3,720

1. **Investigative Expenses Authorized.** The Texas Optometry Board is authorized to hire investigators as independent contractors and to establish a petty cash account not to exceed $5,000 for the advancement of monies for purposes of purchases of evidence and investigative expenses, including travel, deemed necessary by the Board.

STRUCTURAL PEST CONTROL BOARD

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: LICENSE AND EDUCATE		
To appropriately license all individuals in commercial and noncommercial pest control and guarantee through education the highest level of competence in the pest control field.		
Outcomes:		
Percent of Licensees with no Recent Violations	95%	95%
A.1.1. Strategy: LICENSING AND EXAMINATIONS	$ 388,768	$ 383,321
Examine and license applicators and technicians; improve standards for training and continuing education courses.		
Outputs:		
Number of New Licenses Issued to Individuals	3,500	3,500
Number of Licenses Renewed (Individuals)	14,000	14,000
Efficiencies:		
Average Licensing Cost per Individual License Issued	44	44
Average Licensing Cost per Facility License Issued	135	135
B. Goal: REGULATE PEST SERVICES		
To mandate compliance with all regulations, methods, and procedures of providing pest control services.		
Outcomes:		
Percent of Complaints Resulting in Disciplinary Action	50%	50%
B.1.1. Strategy: ENFORCEMENT	$ 713,379	$ 713,379
Conduct a program to respond to complaints, perform inspections and necessary investigations, and take appropriate enforcement actions.		
Outputs:		
Number of Complaints Resolved	600	600
Efficiencies:		
Average Time for Complaint Resolution	28	28
Average Cost per Complaint Resolved	400	400
C. Goal: EDUCATION & AWARENESS		
To provide for the education and awareness of the public concerning matters relating to pest control, with emphasis on integrated pest management.		
C.1.1. Strategy: PUBLIC INFORMATION	$ 84,515	$ 84,515
Conduct a program for public awareness and education concerning pest management.		
Outputs:		
Number of Schools Contacted Regarding Integrated Pest Management	300	300
Grand Total, STRUCTURAL PEST CONTROL BOARD	$ 1,186,662	$ 1,181,215
Method of Financing:		
General Revenue Fund	$ 1,086,662	$ 1,081,215
Federal Funds	100,000	100,000
Total, Method of Financing	$ 1,186,662	$ 1,181,215

STRUCTURAL PEST CONTROL BOARD
(Continued)

Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 293,353	$ 293,259
Number of Full-time Equivalent Positions (FTE)	36.0	36.0
Schedule of Exempt Positions		
Executive Director, Group 1	$51,493	$51,493

1. **Appropriation of Receipts, Examination Fees.** All examination fees collected in amounts exceeding $250,000 each year of the biennium are hereby appropriated to the Structural Pest Control Board to be used only for costs associated with developing, administering and grading exams.

BOARD OF PHARMACY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: MAINTAIN STANDARDS To establish and implement reasonable standards for pharmacist education and practice, and for the operations of pharmacies to assure that safe and effective pharmaceutical care is delivered to the citizens of Texas.		
Outcomes:		
Percent of Licensees with No Recent Violations	99%	99%
A.1.1. Strategy: LICENSING Operate a timely, cost-effective application and renewal licensure system for pharmacies and pharmacists.	$ 296,470	$ 292,336
Outputs:		
Number of New Licenses Issued to Individuals	820	835
Number of Licenses Renewed (Individuals)	18,487	18,764
Efficiencies:		
Average Licensing Cost per Individual License Issued	5.03	4.86
Average Licensing Cost per Facility License Issued	18.1	18
Explanatory:		
Total Number of Business Facilities Licensed	5,246	5,264
A.1.2. Strategy: PURCHASE AND GRADING Purchase and Grading of National Exam, estimated and non-transferable	$ 108,000	$ 108,000
Total, Goal A: MAINTAIN STANDARDS	$ 404,470	$ 400,336

BOARD OF PHARMACY
(Continued)

B. Goal: ENFORCE REGULATIONS
To assertively and swiftly enforce all laws relating to the practice of pharmacy to ensure that the public health and safety is protected from unprofessional conduct, fraud, and misrepresentation, and to prevent the misuse, abuse, and diversion of prescription drugs from pharmacies.

Outcomes:		
Percent of Complaints Resolved Resulting in Disciplinary Action	10.8%	10.8%
Recidivism Rate for Peer Assistance Programs	3%	3%
One-year Completion Rate for Peer Assistance Programs	80%	80%
Percent of Non-board Peer Assistance Program Referrals Reported to the Board	5%	5%
B.1.1. Strategy: ENFORCEMENT	$ 1,340,569	$ 1,340,567
Emphasize preventative enforcement by: conducting compliance inspections of pharmacies; providing technical assistance, licensee information, and education programs; receiving, investigating, and resolving complaints; and monitoring compliance with disciplinary orders resulting from board adjudication.		
Outputs:		
Complaints Resolved	1,000	1,000
Efficiencies:		
Average Time for Complaint Resolution	200	240
Average Cost per Complaint Resolved	521.37	521.37
Explanatory:		
Jurisdictional Complaints Received	1,823	1,823
B.1.2. Strategy: PEER ASSISTANCE	$ 160,325	$ 160,325
Operate a peer assistance program.		
Outputs:		
Number of Individuals Participating in a Peer Assistance Program	120	120
Total, Goal B: ENFORCE REGULATIONS	$ 1,500,894	$ 1,500,892
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 429,092	$ 420,823
Grand Total, BOARD OF PHARMACY	$ 2,334,456	$ 2,322,051
Method of Financing:		
General Revenue Fund - Dedicated - Pharmacy Board Operating Account No. 523	$ 2,226,923	$ 2,255,925
Appropriated Receipts	107,533	66,126
Total, Method of Financing	$ 2,334,456	$ 2,322,051
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 547,529	$ 546,915
Number of Full-time Equivalent Positions (FTE)	41.0	41.0
Schedule of Exempt Positions and Per Diem of Board Members		
Executive Director, Group 2	$66,000	$66,000
Per Diem of Board Members	9,450	9,450

BOARD OF PHARMACY
(Continued)

1. **Contingency Appropriation for Senate Bill 609: Pharmacy Technician Training Program Standards.** Contingent upon the enactment of Senate Bill 609, or similar legislation relating to the authority of the Texas State Board of Pharmacy to issue standards for the approval of pharmacy technician training programs, by the Seventy-fifth Legislature, Regular Session, the Texas State Board of Pharmacy is hereby appropriated $10,000 for fiscal year 1998 and $10,000 for fiscal year 1999 out of additional revenues collected pursuant to Senate Bill 609 for the purpose of implementing that Act. The Texas State Board of Pharmacy is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

2. **Contingency Appropriation for Senate Bill 609: Probation Fee.** Contingent upon the enactment of Senate Bill 609, or similar legislation relating to the authority of the Texas State Board of Pharmacy to impose a probation fee on a license to defray the costs of monitoring a licensee during the period of probation, by the Seventy-fifth Legislature, Regular Session, the Texas State Board of Pharmacy is hereby appropriated $34,351 for fiscal year 1998 and $44,522 for fiscal year 1999 out of additional revenues collected pursuant to Senate Bill 609 for the purpose of implementing that Act. The Texas State Board of Pharmacy is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Also contingent on the enactment of Senate Bill 609, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 0.5 for fiscal year 1998 and by 1.0 for fiscal year 1999.

EXECUTIVE COUNCIL OF PHYSICAL THERAPY & OCCUPATIONAL THERAPY EXAMINERS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: LICENSING/REGISTRATION To protect the public health and safety by licensing qualified practitioners of physical therapy and occupational therapy and registering the eligible facilities providing such services.		
Outcomes:		
Percent of Licensees With No Recent Violations: Physical Therapy	99%	99%
Percent of Licensees With No Recent Violations: Occupational Therapy	100%	100%
A.1.1. Strategy: OPERATE LICENSING SYSTEM Operate an efficient, accurate, and timely licensure process to license physical therapists, physical therapist assistants, occupational therapists and occupational therapy assistants, through specific requirements for preparatory education, examinations, endorsements, continuing education, and renewal, and operate an efficient, accurate and timely registration process to register and renew licenses for facilities in which the practices of physical therapy and occupational therapy are conducted.	$ 430,564	$ 430,563

Outputs:		
Number of New Licenses Issued to Individuals: Physical Therapy	1,000	1,040
Number of New Licenses Issued to Individuals: Occupational Therapy	1,000	1,100
Number of Licenses Renewed (Individuals): Physical Therapy	4,100	4,300
Number of Licenses Renewed (Individuals): Occupational Therapy	2,030	2,170
Efficiencies:		
Average Licensing Cost per Individual License Issued: Physical Therapy	56.24	53.12
Average Licensing Cost per Individual License Issued: Occupational Therapy	75	70
Average Cost per Facility Registration Issued	28.5	27.29
Explanatory:		
Total Number of Business Facilities Registered	1,275	1,415

B. Goal: ENFORCEMENT

To protect the public by investigating allegations against individuals in violation of the Physical Therapy Act and Occupational Therapy Act, and taking appropriate corrective and/or disciplinary action when necessary; and by educating the public, staff and licensees regarding board functions and services.

Outcomes:		
Percent of Complaints Resulting in Disciplinary Action: Physical Therapy	13.3%	13.5%
Percent of Complaints Resulting in Disciplinary Action: Occupational Therapy	5%	4.4%

B.1.1. Strategy: ADMINISTER SYSTEM OF ENFORCEMENT	$ 282,174	$ 282,174
Administer a system of enforcement and adjudication of the Physical Therapy Practice Act and of the Occupational Therapy Practice Act.		
Outputs:		
Complaints Resolved: Physical Therapy	275	300
Complaints Resolved: Occupational Therapy	35	40
Efficiencies:		
Average Time for Complaint Resolution: Physical Therapy	105	110
Average Time for Complaint Resolution: Occupational Therapy	105	110
Average Cost per Complaint Resolved: Physical Therapy	100	100
Average Cost per Complaint Resolved: Occupational Therapy	85	85
Explanatory:		
Jurisdictional Complaints Received: Physical Therapy	220	220
Jurisdictional Complaints Received: Occupational Therapy	40	45
Grand Total, EXECUTIVE COUNCIL OF PHYSICAL THERAPY & OCCUPATIONAL THERAPY EXAMINERS	$ 712,738	$ 712,737

Method of Financing:		
General Revenue Fund	$ 682,738	$ 682,737
Appropriated Receipts	30,000	30,000
Total, Method of Financing	$ 712,738	$ 712,737

EXECUTIVE COUNCIL OF PHYSICAL THERAPY & OCCUPATIONAL THERAPY EXAMINERS
(Continued)

Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 183,531	$ 182,456
Number of Full-time Equivalent Positions (FTE)	18.0	18.0
Schedule of Exempt Positions and Per Diem of Board Members		
Executive Director, Group 1	$46,500	$46,500
Per Diem of Board Members	5,070	5,070

BOARD OF PLUMBING EXAMINERS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: ENSURE SAFETY/PLUMBING To protect the health of Texas Citizens by ensuring that each person has access to clean water and clean air and uncontaminated medical gases through quality plumbing installed and maintained by competent plumbers and inspected by competent inspectors. To ensure that plumbers who install and maintain public water supplies and sewage disposal systems and medical gas systems and inspectors who inspect such systems have the most up-to-date knowledge, skills, and competencies to prevent the transmission of water-borne diseases and gases and the unintended cross-connection of breathable and lethal gases.		
Outcomes:		
Percentage of Complaints Resolved Resulting in Disciplinary Action	32%	32%
Percentage of Licensees with No Recent Violations	99.65%	99.65%
A.1.1. Strategy: LICENSING Administer competency examinations and issue and renew licenses for master plumbers, journeyman plumbers, plumbing inspectors, medical gas endorsements, and water supply protection endorsements; and issue registration cards to apprentice plumbers.	$ 541,856	$ 478,261
Outputs:		
Number of New Licenses Issued to Individuals	939	939
Number of Licenses Renewed (Individuals)	19,671	19,671
Efficiencies:		
Average Licensing Cost per Individual License Issued	4.35	4.35

A.1.2. Strategy: ENFORCEMENT	$ 437,989	$ 570,793
Inspect and monitor job sites; conduct continuing education seminars and training sessions: respond to inquiries; investigate and resolve complaints; issue reprimands and revoke or suspend licenses; issue citations; monitor providers of instruction in medical gas piping programs, water protection specialist programs, and continuing education programs; inspect plumbing for compliance with state plumbing codes; and maintain contacts with municipal authorities that comply with the Act through local ordinance.		
Outputs:		
Number of Job Sites Monitored	9,621	10,102
Number of Investigations Conducted	229	241
Number of Complaints Resolved	621	652
Efficiencies:		
Average Cost per Complaint Resolved	392	373
Explanatory:		
Jurisdictional Complaints Received	773	773
Total, Goal A: ENSURE SAFETY/PLUMBING	$ 979,845	$ 1,049,054
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 323,284	$ 323,284
Grand Total, BOARD OF PLUMBING EXAMINERS	$ 1,303,129	$ 1,372,338
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 281,432	$ 284,866
Number of Full-time Equivalent Positions (FTE)	23.0	23.0
Schedule of Exempt Positions and Per Diem of Board Members		
Administrator, Group 2	$61,909	$61,909
Per Diem of Board Members	2,030	2,030

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Article 601d, Section 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Transportation Items		
(1) Procurement of Four Automobiles for Enforcement Staff	$	$ 72,000
Total, Capital Budget	$ 0	$ 72,000

BOARD OF PLUMBING EXAMINERS
(Continued)

2. **Field Representative.** It is the intent of the Legislature that the Board of Plumbing Examiners locate a field representative in El Paso County.

3. **Contingent Revenue.** Of the amounts appropriated above in Strategy A.1.2., Enforcement, $72,000 for 1999 is contingent upon the Board of Plumbing Examiners assessing fees sufficient to generate, during the 1998-99 biennium, $72,000 in excess of $3,741,893 (Rev. Obj. 3175) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998 and 1999. The Board of Plumbing Examiners, upon completion of actions necessary to assess or increase such additional fees, shall furnish copies of Board minutes and other information supporting the estimated revenues to be generated for the biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

† 4. **Contingency Appropriation: Senate Bill 805.** Contingent upon the enactment of Senate Bill 805, or similar legislation relating to the licensing of plumbers in certain incorporated and unincorporated areas of the state, by the Seventy-fifth Legislature, Regular Session, the Board of Plumbing Examiners is hereby appropriated $386,876 for fiscal year 1998 and $314,876 for fiscal year 1999 out of general revenue for the purpose of implementing that Act. Such appropriations are also contingent on the Board of Plumbing Examiners assessing fees sufficient to generate, during the 1998-99 biennium, $736,346 in excess of: (1) $3,741,893, Object Code 3175, contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998 and 1999, and (2) the $72,000 required to be raised in rider 3. The Board of Plumbing Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of board minutes and other information supporting the estimated revenues to be generated for the 1998-99 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes. Funds appropriated by this provision may be expended for capital budget purposes, notwithstanding limitations on capital budget expenditures elsewhere in this Act. Also contingent on the enactment of Senate Bill 805, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by two for fiscal year 1998 and by two for fiscal year 1999.

BOARD OF PODIATRIC MEDICAL EXAMINERS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: PROTECT TEXANS To protect the citizens of Texas from incompetent and unethical podiatrists with a quality program of examination and licensure and swift, fair, and effective enforcement of statutes and rules.		
Outcomes:		
Percent of Licensees with No Recent Violations	96%	99%
Percent of Complaints Resulting in Disciplinary Action	45%	45%

† *See Veto Proclamation.*

BOARD OF PODIATRIC MEDICAL EXAMINERS
(Continued)

A.1.1. Strategy: LICENSURE AND ENFORCEMENT	$ 165,318	$ 165,317
Operate a system of: (1) testing and examination of candidate for licensure; (2) mandatory continuing medical education of licensees; and (3) investigation and disciplinary hearings for alleged violations of the Texas Podiatry Act.		
Outputs:		
Number of New Licenses Issued to Individuals	84	85
Number of Licenses Renewed (Individuals)	750	750
Individuals Examined	60	60
Complaints Resolved	92	93
Efficiencies:		
Average Licensing Cost per Individual License Issued	15	15
Average Cost per Exam Administered	275	275
Average Time for Complaint Resolution	115	115
Average Cost per Complaint Resolved	324.91	317.92
Explanatory:		
Jurisdictional Complaints Received	90	90
Grand Total, BOARD OF PODIATRIC MEDICAL EXAMINERS	$ 165,318	$ 165,317
Method of Financing:		
General Revenue Fund	$ 164,318	$ 164,317
Appropriated Receipts	1,000	1,000
Total, Method of Financing	$ 165,318	$ 165,317
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 56,692	$ 56,444
Number of Full-time Equivalent Positions (FTE)	4.0	4.0
Schedule of Exempt Positions and Per Diem of Board Members		
Executive Director, Group 1	$36,000	$36,000
Per Diem of Board Members	1,080	1,080

1. **Contingent Revenue.** Of the amounts appropriated above in Strategy A.1.1., Licensure and Enforcement, the amount of $38,768 for fiscal year 1998 and $38,768 for fiscal year 1999 is contingent on the Board of Podiatric Medical Examiners assessing fees sufficient to generate, during the biennium, $91,990 in excess of $450,000, Revenue Object Code 3562, contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 1998 and 1999. The Board of Podiatric Medical Examiners upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Podiatric Medical Examiners' minutes and other information supporting the estimated revenues to be generated for the biennium under the revised fee structure of the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF EXAMINERS OF PSYCHOLOGISTS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: CERTIFICATION/LICENSURE To protect the public by maintaining a quality program of examination, certification and licensure to ensure the initial and continuing competency of psychologists and psychological associates.		
Outcomes:		
Percent of Licensees With No Recent Violations	99.5%	99.5%
A.1.1. Strategy: LICENSING To operate a quality certification/licensure program through an efficient and cost effective program of certification and licensure, including education, experience and examination requirements, continuing education requirements and renewal requirements.	$ 339,241	$ 348,604
Outputs:		
Number of New Certificates/Licenses Issued to Individuals	570	570
Number of Certificates/Licenses Renewed (Individuals)	5,325	5,495
Efficiencies:		
Average Licensing Cost per Individual License Issued	30	30
A.1.2. Strategy: PURCHASE AND GRADING Purchase and Grading of National Exams, estimated and non-transferable	$ 69,875	$ 69,875
Outputs:		
Number of Individuals Examined	800	800
Total, Goal A: CERTIFICATION/LICENSURE	$ 409,116	$ 418,479
B. Goal: ENFORCEMENT LAWS & RULES To protect the public through enforcement of the laws and rules governing the practice of psychology in Texas and to ensure swift, fair and effective disciplinary action for violators, including re-education and/or rehabilitation of those violators.		
Outcomes:		
Percent of Complaints Resolved Resulting in Disciplinary Action	15%	15%
B.1.1. Strategy: ENFORCEMENT Operate a quality investigation/enforcement program in response to complaints concerning psychological practice consistent with the due process laws of Texas, in a timely manner and with a focus during enforcement on rehabilitation of the psychological provider.	$ 299,188	$ 301,131
Outputs:		
Complaints Resolved	150	150
Efficiencies:		
Average Time for Complaint Resolution	320	320
Average Cost per Complaint Investigation	1,000	1,000
Explanatory:		
Jurisdictional Complaints Received	80	80
Grand Total, BOARD OF EXAMINERS OF PSYCHOLOGISTS	$ 708,304	$ 719,610

BOARD OF EXAMINERS OF PSYCHOLOGISTS
(Continued)

Method of Financing:		
General Revenue Fund	$ 640,804	$ 652,110
Appropriated Receipts	67,500	67,500
Total, Method of Financing	$ 708,304	$ 719,610
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 146,337	$ 144,832
Number of Full-time Equivalent Positions (FTE)	14.0	14.0
Schedule of Exempt Positions and Per Diem of Board Members		
Executive Director, Group 1	$42,716	$42,716
Per Diem of Board Members	7,050	7,050

1. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-33, reimbursement of expenses for advisory committee members out of funds appropriated above, is limited to the following advisory committee: Psychological Associate Advisory Committee.

2. **Contingent Revenue.** Of the amounts appropriated above in Strategy A.1.1., Licensing, the amount of $22,869 for 1998 and $22,869 for 1999 is contingent on the Board of Examiners of Psychologists assessing fees sufficient to generate, during the 1998-99 biennium, $57,268 in excess of $1,900,000 for Account 001, Object Code 3175, contained in the Comptroller of Public Accounts Biennial Revenue Estimate for 1998 and 1999. The Board of Examiners of Psychologists, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Psychology Board minutes and other information supporting the estimated revenues to be generated for the 1998-99 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

RACING COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund - Dedicated - Texas Racing Commission Account No. 597:		
A. Goal: ENFORCE RACING REGULATION		
To enforce racing regulations in Texas		
Outcomes:		
Percentage of Complaints Regarding Racetrack Operations Resolved in Six Months or Less	97%	97%
Median Price of Texas Bred Race Animals Sold at Auction	6,728	6,863

Percentage of Investigations (Individuals) Resulting in Disciplinary Action		93%		93%
Percentage of Licensees with No Recent Violations		98%		98%
Percentage of Race Animals Injured or Dismissed from the Racetrack		2%		2%
Number of Drug Positives for Class 3 - Class 5 Medications		61		59
A.1.1. Strategy: REGULATE RACETRACK OWNERS	$	211,778	$	211,778
Monitor racetrack owners and their operations through regulatory and enforcement activities.				
Outputs:				
Number of Complaints Regarding Racetrack Operations Closed		40		40
Number of Racetrack Inspections		16		16
Efficiencies:				
Average Regulatory Cost per Horse Racetrack		23,015		23,015
Average Regulatory Cost per Greyhound Racetrack		20,307		20,307
Explanatory:				
Number of Horse Tracks Regulated		10		10
Number of Greyhound Tracks Regulated		2		2
A.2.1. Strategy: TEXAS BRED INCENTIVE PROGRAM	$	6,171,551	$	6,149,808
Administer the Texas Bred Incentive Program by monitoring the Texas bred races and account, and through timely allocation of funds to the breed registries.				
Outputs:				
Number of Breed Registry Audits Conducted		3		3
A.3.1. Strategy: SUPERVISE RACING CONDUCT	$	489,033	$	476,258
Supervise the conduct of racing through enforcement of regulations and monitoring of races.				
Outputs:				
Number of Occupational Licenses Suspended or Revoked		166		118
Number of Investigations Completed		1,250		1,100
A.4.1. Strategy: HEALTH AND DRUG TESTING PROGRAM	$	654,427	$	632,552
Administer animal health and drug testing program through animal drug tests and veterinary inspections.				
Outputs:				
Number of Race Animals Inspected Pre-Race		91,570		88,420
Total, Goal A: ENFORCE RACING REGULATION	$	7,526,789	$	7,470,396
B. Goal: REGULATE PARTICIPATION				
Regulate the participation in racing				
Outcomes:				
Average Time Required to Issue a New Occupational License		15		15
B.1.1. Strategy: OCCUPATIONAL LICENSING PROGRAM	$	470,949	$	470,949
Administer the Occupational Licensing Program through enforcement of regulations.				
Outputs:				
Number of New Occupational Licenses Issued		6,500		6,250
Number of Occupational Licenses Renewed		11,000		10,500
Efficiencies:				
Average Regulatory Cost per Licensee		39.5		40.54

RACING COMMISSION
(Continued)

C. Goal: REGULATE PARI-MUTUEL WAGERING				
Regulate Pari-Mutuel Wagering in Texas				
Outcomes:				
Percentage of Compliance Audits Passed		75%		80%
C.1.1. Strategy: REGULATE PARI-MUTUEL WAGE	$	590,305	$	590,305
Regulate pari-mutuel wagering to maintain an honest racing industry.				
Outputs:				
Number of Illegal Wagering Investigations Completed		18		18
Number of Individuals Disciplined or Excluded for Illegal Wagering		12		12
Number of Compliance Audits Completed		30		36
Efficiencies:				
Average Cost per Illegal Wagering Investigation		478		478
Explanatory:				
Total Pari-Mutuel Handle (In Millions)		556		551
Total Take to the State Treasury from Pari-Mutuel Wagering on Live and Simulcast Races		6,626,514		6,339,571
D. Goal: INDIRECT ADMINISTRATION				
D.1.1. Strategy: CENTRAL ADMINISTRATION	$	645,808	$	645,808
D.1.2. Strategy: INFORMATION RESOURCES	$	168,908	$	168,908
D.1.3. Strategy: OTHER SUPPORT SERVICES	$	22,452	$	22,452
Total, Goal D: INDIRECT ADMINISTRATION	$	837,168	$	837,168
Grand Total, RACING COMMISSION	$	9,425,211	$	9,368,818
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$	745,463	$	741,753
Number of Full-time Equivalent Positions (FTE)		70.0		70.0
Schedule of Exempt Positions and Per Diem of Commissioners				
* Executive Director, Group 2		$77,760		$77,760
General Counsel		57,036		57,036
Per Diem of Commissioners		6,500		6,500

1. **Limitation on Travel Reimbursement.** Out of the funds appropriated above, not more than $1,500 per commissioner may be expended on out-of-state travel and not more than $3,000 per commissioner may be expended on in-state travel in each year of the biennium.

2. **Appropriation: Unexpended Balances.** Unexpended balances remaining in Racing Commission Receipts as of August 31, 1998 are hereby reappropriated for the fiscal year beginning September 1, 1998.

3. **Appropriation: Track Official Fees and Texas Bred Incentive Program Receipts.** All revenues received from racetracks by the Texas Racing Commission for the purpose of paying track officials' fees are hereby appropriated to the Commission for that purpose. All amounts set aside by the Texas Racing Act for the Texas Bred Incentive Program are hereby appropriated to the Commission for that purpose. The amounts appropriated by this provision are estimated to be $2,553,971 for the biennium.

4. **Criminal History Checks.** Out of the funds appropriated above in Strategy B.1.1., Regulate Licensees, $339,300 in fiscal year 1998 and $325,650 in fiscal year 1999 are appropriated to the Racing Commission for the purpose of reimbursing the Department of Public Safety for costs incurred in conducting criminal history checks on Racing Commission license applicants and renewals. Any additional revenue received from fee increases to cover the costs of criminal history checks is hereby appropriated to the Racing Commission for the purpose of reimbursing the Department of Public Safety.

5. **Sunset Contingency.** Funds appropriated above for fiscal year 1999 for the Texas Racing Commission are made contingent on the continuation of the Texas Racing Commission by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 1998 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

6. **Repayment of General Revenue Loan.** It is the intent of the Legislature that amounts set aside from simulcast pari-mutuel pools, as required by Article 179e, Vernon's Texas Civil Statutes, shall be used to repay the General Revenue loans made pursuant to Section 3.09 of the Texas Racing Act until the excess amount and the interest on the excess amount are fully reimbursed.

7. **Texas Bred Incentive Program Awards.** No member of the Racing Commission shall benefit, either directly or indirectly, from funds appropriated above for Strategy A.3.1., Texas Bred Incentive Fund, during the member's tenure on the Commission. The Texas Racing Commission shall take all necessary steps to ensure compliance with this provision.

8. **Contingency Appropriation for House Bill 1445.** Contingent upon the enactment of House Bill 1445, or similar legislation providing for the continuation of the Racing Commission and employment of all track officials, by the Seventy-fifth Legislature, Regular Session, the Racing Commission is hereby appropriated $794,402 for fiscal year 1998 and $764,451 for fiscal year 1999 out of additional revenues collected pursuant to House Bill 1445 for the purpose of implementing that Act. The Racing Commission is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Also contingent on the enactment of House Bill 1445, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 11 for fiscal year 1998 and by 10 for fiscal year 1999.

REAL ESTATE COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: ENSURE STANDARDS To determine that applicants for licensure meet legal requirements for real estate license issuance.		
Outcomes:		
Percent of Licensees With No Recent Violations	99%	99%
A.1.1. Strategy: TREC LICENSING Perform the commission's licensing function by: reviewing applications; processing criminal records checks; issuing candidate information brochures to take competency examinations; and issuing licenses.	$ 877,199	$ 877,199

Outputs:				
Number of New Licenses Issued to Individuals		9,000		9,000
Number of Licenses Renewed (Individuals)		55,000		54,500
Efficiencies:				
Average Licensing Cost per Individual License Issued		14.27		14.5
Explanatory:				
Number of Currently Licensed Sales Agents		69,000		68,000
Number of Currently Licensed Brokers		42,000		41,000
Number of Currently Licensed Inspectors		1,200		1,200
B. Goal: ENFORCE REGULATIONS				
To act promptly and aggressively to enforce the laws and rules of the commission in a fair and evenhanded manner.				
Outcomes:				
Percentage of Complaints Resolved Resulting in Disciplinary Action		10%		10%
Percent of Documented Complaints Resolved Within Six Months		55%		55%
Percentage of Administrative Proceedings Concluded Within 90 Days of Notification to Licensee of Intent to Call Hearing		15%		20%
B.1.1. Strategy: TREC INVESTIGATION	$	595,977	$	595,977
Investigate and resolve complaints by reviewing complaints for validity and opening complaint files as indicated and by reviewing investigative reports.				
Outputs:				
Number of Complaints Resolved		1,000		1,000
Efficiencies:				
Average Time for Complaint Resolution		180		180
Average Cost per Complaint Resolved		600		600
B.2.1. Strategy: TREC ADMIN HEARINGS	$	91,170	$	91,170
Conduct administrative hearings by drafting allegations against respondents, by preparing and setting hearings in unresolved complaint cases, by representing the commission at administrative hearings, and by negotiating and preparing agreed orders.				
Outputs:				
Number of Administrative Proceedings Conducted		70		70
Number of Reprimands and License Suspensions and Revocations Issued		90		90
Efficiencies:				
Average Cost per Administrative Hearing		1,200		1,200
Total, Goal B: ENFORCE REGULATIONS	$	687,147	$	687,147
C. Goal: PROVIDE EDUCATION				
To communicate effectively with the public and licensees concerning matters within the commission's jurisdiction.				
C.1.1. Strategy: LICENSEE/CONSUMER EDUCATN	$	593,070	$	593,070
Prepare and distribute information describing the functions of the commission and statutory and regulatory provisions.				
Outputs:				
Number of Calls Received		350,000		350,000

REAL ESTATE COMMISSION
(Continued)

D. Goal: PROTECT/INFORM PUBLIC		
To protect the public and ensure the availability of qualified appraisers by implementing and enforcing the Texas Appraiser Licensing and Certification Act and by providing information to appraisers and the general public for the maintenance of high professional standards and informed consumer decisions in real estate transactions in all areas of Texas. (Art. 6573a V.T.C.S.)		
Outcomes:		
Percent of Licensed or Certified Appraisers With No Recent Violations	97%	97%
Average Time (Days) to Resolve Complaints	127	125
Percent of Complaints Resolved Resulting in Disciplinary Action	9.5%	10%
D.1.1. Strategy: TALCB LICENSING	$ 311,344	$ 314,488
Process appraiser license applications; issue licenses and renewals; approve appraisal educational coursework offered by proprietary schools, appraisal organizations, and colleges and universities; and develop standards and agreements for reciprocity with other states for appraiser licensing and certification.		
Outputs:		
Number of New Licenses and Certifications Issued to Individuals	260	250
Number of Licenses and Certifications Renewed (Individuals)	1,675	1,750
Efficiencies:		
Average Cost per Individual License and Certification Issued	95	94
Explanatory:		
Average Time for Individual License or Certification Issuance (Days)	5.2	5.1
D.2.1. Strategy: TALCB ADJUDICATION	$ 91,917	$ 93,385
Investigate and resolve complaints, imposing penalties when appropriate.		
Outputs:		
Complaints Resolved	38	40
Efficiencies:		
Average Time for Complaint Resolution	120	120
Average Cost per Complaint Resolved	470	465
Total, Goal D: PROTECT/INFORM PUBLIC	$ 403,261	$ 407,873
E. Goal: INDIRECT ADMINISTRATION		
E.1.1. Strategy: INDIRECT ADM & SUPP COSTS	$ 1,371,379	$ 1,371,379
Indirect Administration		
Grand Total, REAL ESTATE COMMISSION	$ 3,932,056	$ 3,936,668
Method of Financing:		
General Revenue Fund	$ 3,640,745	$ 3,641,647
General Revenue Fund - Dedicated - Appraiser Registry Account No. 028	96,750	100,000
Appropriated Receipts	190,561	191,021
Real Estate Recovery Trust Fund	3,500	3,500
Real Estate Inspection Trust Fund	500	500
Total, Method of Financing	$ 3,932,056	$ 3,936,668

REAL ESTATE COMMISSION
(Continued)

Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 828,281	$ 828,739
Number of Full-time Equivalent Positions (FTE)	93.0	93.0
Schedule of Exempt Positions and Per Diem of TREC Commission Members		
Administrator, Group 2	$58,932	$58,932
Per Diem of TREC Commission Members	7,500	7,500
Per Diem of TALCB Board Members	9,720	9,720

1. **Capital Budget, Real Estate Commission.** None of the funds appropriated above for A.1.1., TREC Licensing, B.1.1., TREC Investigation, B.2.1., TREC Administrative Hearings, C.1.1., Licensee/Consumer Education, and E.1.1., Indirect Administration and Support Costs may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Article 601d § A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Lease Purchase of Mainframe CPU, Disk, Printers and System Software (MLPP payments for 1996-97 acquisitions)	$ 68,935	$ 68,347
Total, Capital Budget	$ 68,935	$ 68,347

2. **Appropriation of Residential Service Company Examination Fees.** All monies collected pursuant to Section 24(c), Article 6573b, V.T.C.S., are hereby appropriated to the Texas Real Estate Commission for the purposes of conducting examinations and related activities included within Strategy A.1.1., Real Estate Licensing and Strategy C.1.1., Real Estate Public Education.

3. **Reporting Requirement.** In its annual report, the Real Estate Commission shall provide a schedule showing a breakdown of the number of broker and salesman license renewals and the amount of funds transferred to the Real Estate Research Center.

4. **Appropriation of Receipts, Registry Fees.** The Texas Appraiser Licensing and Certification Board, as an independent subdivision of the Texas Real Estate Commission, is hereby appropriated all fee revenue deposited to the Appraiser Registry Account 028, in the General Revenue Fund pursuant to V.T.C.S., Article 6573a.2., Section 13. The appropriation made herein shall be expended only for the purpose specified in Section 13 of V.T.C.S., Article 6573a.2., relating to revenue transmitted to the federal Appraisal Subcommittee.

5. **Transfer Authority.** Any item of appropriation for the Real Estate Commission may be transferred to another item of appropriation upon approval by the Real Estate Commission with the following limitations and exceptions: transfers may not exceed twenty-five (25) percent; funds appropriated for criminal record checks are excluded from transferability; and, appropriated funds for Goal D, Protect and Inform the Public, are also excluded from transferability by the Texas Real Estate Commission.

REAL ESTATE COMMISSION
(Continued)

6. **Appropriation: Real Estate Recovery Fund and Inspector Recovery Fund.** There is hereby appropriated to the Real Estate Commission from the Real Estate Recovery Fund and Inspector Recovery Fund amounts sufficient to recover travel and related expenses incurred for collection of court judgments affecting the funds. Appropriations may not exceed $4,000 for each year of the biennium.

7. **Reimbursement of Real Estate Broker-Lawyer Advisory Committee.** Pursuant to V.T.C.S., Article 6252.33 and out of funds appropriated above, reimbursement of expenses for advisory committee members is limited to the broker members of the Real Estate Broker-Lawyer Advisory Committee.

8. **Contingent Revenue.** Out of appropriations in Strategy C.1.1., Licensee/Consumer Education, the amount of $24,395 in each year is contingent on the Real Estate Commission assessing fees sufficient to generate, during the 1998-99 biennium, $48,790 in excess of an amount determined by the Comptroller of Public Accounts, and out of appropriations in Strategy D.2.1., Texas Appraiser Licensing and Certification Board (TALCB) Adjudication, the amount of $34,000 in each year and one FTE is contingent on the Texas Appraiser Licensing and Certification Board assessing fees sufficient to generate, during the 1998-99 biennium, $85,142 in excess of an amount determined by the Comptroller of Public Accounts. The Real Estate Commission, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of minutes and other information supporting the estimated revenues to be generated for the 1998-99 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriations shall be made available for the intended purposes.

SECURITIES BOARD

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: INVESTORS PROTECTION To protect investors from fraud and misrepresentation to assure that access to capital is available to business.		
Outcomes:		
Number of Enforcement Actions Taken	510	579
Median Time (Days) for Deficiency Letter Issuance	18	18
Percentage of Texas Dealers Inspected	8.6%	9.9%
Percentage of Inspected Dealers Found Out of Compliance	30%	30%
A.1.1. Strategy: LAW ENFORCEMENT Aggressively investigate suspected violations of the Texas Securities Act and work closely with local, state, and federal prosecutors and law enforcement officials to insure that appropriate enforcement action is taken, including the criminal referral, indictment, and conviction of individuals who violate the provisions of the Act.	$ 1,273,987	$ 1,273,987
Outputs:		
Number of Investigations Opened	384	437
Number of Criminal Referrals	15	16
Efficiencies:		
Average Cost of Enforcement Actions	3,295	2,902

A.2.1. Strategy: SECURITIES REGISTRATION	$ 592,627	$ 592,627
Perform a comprehensive, timely, and responsive review of the prospectus and related documentation submitted with securities registration applications. Negotiate with the issuer or its representatives to remove unfair elements from offerings, to insert safeguards for the public, and to assure full disclosure of material considerations to facilitate the registration of offerings. Refer suspected fraudulent offerings to enforcement personnel.		
Outputs:		
Number of Securities Applications Processed	19,302	20,102
Explanatory:		
Revenues Deposited to the State Treasury From Securities Applications	45,000,000	45,000,000
A.3.1. Strategy: DEALER REGISTRATION	$ 393,216	$ 393,216
Perform an extensive, timely, and responsive review of applications; conduct criminal and disciplinary investigation of applicants by contacting other law enforcement and regulatory organizations; ensure compliance with examination requirements; and oppose registration of unqualified applicants.		
Outputs:		
Number of New Applications Reviewed	38,500	39,000
Efficiencies:		
Average Cost per Dealer/Agent Application Processed	4.45	4.42
Explanatory:		
Number of Dealers/Agents Registered	129,271	130,739
Revenues Deposited to the State Treasury From Dealer/Agent Applications	29,500,000	30,000,000
A.4.1. Strategy: DEALER INSPECTIONS	$ 306,835	$ 306,835
Perform a comprehensive inspection of records to ensure continuing compliance with statutory and rule requirements.		
Outputs:		
Number of Inspections Conducted	175	200
Efficiencies:		
Average Cost per Inspection	1,753	1,534
Total, Goal A: INVESTORS PROTECTION	$ 2,566,665	$ 2,566,665
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: CENTRAL ADMINISTRATION	$ 510,423	$ 510,423
B.1.2. Strategy: INFORMATION RESOURCES	$ 220,306	$ 220,306
B.1.3. Strategy: OTHER SUPPORT SERVICES	$ 85,874	$ 85,874
Total, Goal B: INDIRECT ADMINISTRATION	$ 816,603	$ 816,603
Grand Total, SECURITIES BOARD	$ 3,383,268	$ 3,383,268

SECURITIES BOARD
(Continued)

Method of Financing:		
General Revenue Fund	$ 3,382,268	$ 3,382,268
Appropriated Receipts	1,000	1,000
Total, Method of Financing	$ 3,383,268	$ 3,383,268
Number of Full-time Equivalent Positions (FTE)	82.5	82.5
Schedule of Exempt Positions and Per Diem of Board Members		
* Securities Commissioner, Group 3	$84,000	$84,000
Deputy Commissioner	72,000	72,000
Per Diem of Board Members	1,290	1,290

1. **Contingent Appropriation.** Of the appropriations above, the amounts for the strategies listed below are contingent upon increased activities of the State Securities Board and certification by the Comptroller's Office that these activities will generate at least $600,000 in excess of $106,748,327 (Revenue Object Code 3175) contained in the Comptroller of Public Accounts Biennial Revenue Estimate for 1998 and 1999.

Strategy	1998	1999
A.1.1. Enforcement	$ 75,420	$ 75,420
A.1.3. Dealer Registration	$ 34,104	$ 34,104
A.1.4. Dealer Inspection	$ 118,804	$ 118,804

BOARD OF TAX PROFESSIONAL EXAMINERS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: OVERSIGHT To actively establish and maintain a registration and certification process which ensures that all persons engaged in property tax appraisal, assessment, and collection who are registered with the board are either certified or advancing on schedule toward certification.		
Outcomes:		
Percent of Registrants Certified	75%	75%
Percent of Licensees With No Recent Violations	99%	99%
A.1.1. Strategy: CERTIFICATION PROGRAM Manage a certification program by conducting exams, registering eligible individuals, administering a continuing education program, and distributing information to local officials and registrants.	$ 130,996	$ 130,996
Outputs:		
Number of Persons Certified/Recertified	400	500
Number of New Licenses Issued to Individuals	303	303
Number of Licenses Renewed (Individuals)	3,600	3,600

Efficiencies:				
Average Licensing Cost per Individual License Issued		34		34
B. Goal: ETHICAL STANDARDS				
To ensure compliance with professional and ethical standards by enforcing the provisions of the Property Taxation Professional Certification Act and board rules, providing guidance on ethics to registrants and the public, and responding to complaints against registrants.				
Outcomes:				
Percent of Complaints Resulting in Disciplinary Action		20%		20%
B.1.1. Strategy: ADJUDICATION	$	2,973	$	2,973
Provide registrants with guidance to thoroughly familiarize them with board rules on ethics and process questions and complaints quickly in compliance with law and rules.				
Outputs:				
Complaints Resolved		6		6
Efficiencies:				
Average Time for Complaint Resolution (days)		60		60
Average Cost per Complaint Resolved		350		350
C. Goal: QUALITY EDUCATION				
To ensure that quality property tax education courses are available to registrants and that course sponsors and instructors meet board standards.				
Outcomes:				
Number of Approved Courses Presented		120		120
C.1.1. Strategy: COURSE DEVELOPMENT	$	14,262	$	14,262
Oversee the education program of tax professionals by contracting for course development, reviewing and approving courses, enforcing standards for sponsors and instructors, and conducting a student- based evaluation program.				
Outputs:				
Number of Course, Sponsor, and Instructor Applications Processed		24		24
Grand Total, BOARD OF TAX PROFESSIONAL EXAMINERS	$	148,231	$	148,231
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$	70,246	$	70,080
Number of Full-time Equivalent Positions (FTE)		4.0		4.0
Schedule of Exempt Positions				
Executive Director, Group 1		$43,417		$43,417

1. **Fees Established.** To provide for the recovery of costs for the preceding appropriations, the following fee rates shall continue in effect for fiscal years 1998 and 1999, pursuant to provisions of V.T.C.A., Government Code, Sections 316.041-316.045:

   (1) Registration Fee $45
   (2) Annual Renewal Fee $45

PUBLIC UTILITY COMMISSION OF TEXAS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: ENCOURAGE COMPETITION To encourage competition, customer choice, and technological advancement in the electric and telecommunications industries while ensuring just and reasonable rates and protecting the public interest.		
Outcomes:		
Weighted Average of Earned Rates of Return on Equity in Texas as a Percentage of the Allowed Rates of Return on Equity Granted by Regulatory Agencies Nationwide for Electric Utilities	100%	100%
Weighted Average of Single-Line Residential Telephone Rates in Texas as a Percentage of the National Average	71.2%	72.5%
Average Cost of Electricity per kWh in Texas for Residential Customers as a Percentage of the National Residential Average	94%	95%
Average Cost of Electricity per kWh in Texas for Industrial Customers as a Percentage of the National Industrial Average	87%	88%
Percentage of Households in Texas with Telephone Service in Place	91%	91.2%
Average Annual Residential Electric Bill as a Percent of the National Average	120%	119%
Percentage of Telephone Users in Areas With More Than One Local Telephone Service Provider	55.1%	56.2%
Percentage of Telephone Subscribers Served by Exchanges With Digital Switches in Texas	57%	60%
Percentage of Annual Statewide Electric Energy Obtained Through Power Purchases	12%	12.5%
A.1.1. Strategy: RATE DETERMINATION/SERVICE CHOICES Conduct rate, fuel-related and depreciation cases and other actions to evaluate revenue requirements, cost allocation, rate design, affiliate transactions, and competitive issues; encourage variety in services at different rates to ensure options are available for customers; support universal service programs and policies for telecommunications and electric utilities; process competitive pricing cases and reclassify telecommunications services from regulated to competitive status; evaluate and review tariffs and cost studies; process expanded local calling scope and expanded area service cases.	$ 3,609,807	$ 3,687,876
Outputs:		
Number of Rate Cases Completed	29	29
Number of Non-Rate Cases Completed	181	133
Number of Preliminary Orders Issued	47	48
Efficiencies:		
Average Number of Days to Complete Electric Rate Cases	284	284
Explanatory:		
Typical Monthly Residential Electric Bill in Texas per 500 KWH as a Percentage of the National Average	95%	96%
Typical Monthly Residential Electric Bill in Texas per 1000 kWh as a Percentage of the National Average	96%	97%
Weighted Average of Earned Rates of Return on Equity in Texas as a Percentage of the Allowed Rates of Return on Equity Granted by Regulatory Agencies Nationwide for Telecommunications Utilities	110%	100%

A.2.1. Strategy: COMPETITION AMONG PROVIDERS	$ 3,322,630	$ 3,498,197
Assess markets and set regulatory policy for competition among service providers through docketed cases, hearings, projects, and other activities; conduct activities related to competitive resource acquisition and integrated resource planning, certification of competitors dominance assessments, affiliate transactions and self-dealing, complaints between competitors, mergers and acquisitions, and transmission services, prepare scope of competition and stranded investment reports and the statewide electrical energy plan; monitor compliance with infrastructure requirements for electing telecommunications providers; study special issues including interim number portability, pay telephones and area codes.		
Outputs:		
Number of Utility Resource Plans Reviewed	7	7
Number of Cases Completed Related to Competition Among Providers	179	179
Number of Preliminary Orders Issued	75	81
Efficiencies:		
Average Number of Days to Process an Application for a Certificate of Authority for a Local Telecommunications Provider	60	60
Explanatory:		
Percentage of Statewide Capacity Above Appropriate Reserve Margin	6.3%	4.7%
A.2.2. Strategy: RULEMAKING ACTIVITIES	$ 1,249,592	$ 895,841
Review and revise Commission rules and policies as necessary to meet all goals and objectives of the agency. Monitor federal rulemakings and activities and provide comments to reflect the Commission's position.		
Outputs:		
Number of New or Modified Rules Adopted	15	11
Total, Goal A: ENCOURAGE COMPETITION	$ 8,182,029	$ 8,081,914
B. Goal: ASSISTANCE AND AVAILABILITY		
To assist and inform the public and ensure the availability of safe, reliable, high quality electric and telecommunication services.		
Outcomes:		
Percentage of Commission Public Records Available in an Indexed Electronic Format	24%	34%

B.1.1. Strategy: CUSTOMER ASSISTANCE/PUBLIC INFO	$ 1,341,788	$ 1,388,248
Provide information on the impact of deregulation and changes in the electric and telecommunications industries. Respond to requests for information from the public and media. Resolve customer complaints investigating as necessary. Administer the Relay Texas program. Support the Caller ID Consumer Education Panel and statewide emergency management efforts. Prepare PUC Update, Bulletin, and Digest.		
Outputs:		
Number of Consumer Complaints Concluded	9,000	9,000
Number of Information Requests or Inquiries Processed	100,000	90,000
Efficiencies:		
Average Number of Days to Conclude Consumer Complaints	42	42
B.2.1. Strategy: MONITORING AND ENFORCEMENT	$ 858,758	$ 930,413
Review utility earnings for reasonableness and recommend rate adjustments if appropriate. Conduct audits to review utility policies, practices and procedures for compliance with applicable tariffs and PUC Substantive Rules; utility to evaluate affiliate transactions, and the allocation of costs between regulated and non-regulated activities, and to audit utility operations. Perform pay phone audits. Perform enforcement actions as necessary. Issue registrations for ADAD and pay telephone providers. Administer the certificated service area boundaries for utilities. Monitor utility construction and process co-op rate deregulation activities.		
Outputs:		
Number of Utilities for Which a Detailed Review of Earnings is Conducted	9	9
Number of Compliance Audits Completed	7	7
Number of Pay Telephone Audits Completed	45	45
Number of Enforcement Investigations Completed	67	67
Efficiencies:		
Average Cost per Compliance Audit Conducted	11,000	11,000
Total, Goal B: ASSISTANCE AND AVAILABILITY	$ 2,200,546	$ 2,318,661
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 726,668	$ 725,168
C.1.2. Strategy: INFORMATION RESOURCES	$ 445,312	$ 539,375
C.1.3. Strategy: OTHER SUPPORT SERVICES	$ 257,279	$ 257,279
Total, Goal C: INDIRECT ADMINISTRATION	$ 1,429,259	$ 1,521,822
Grand Total, PUBLIC UTILITY COMMISSION OF TEXAS	$ 11,811,834	$ 11,922,397

PUBLIC UTILITY COMMISSION OF TEXAS
(Continued)

Method of Financing:		
General Revenue Fund	$ 11,380,784	$ 11,491,347
Appropriated Receipts	398,050	398,050
Interagency Contracts	33,000	33,000
Total, Method of Financing	$ 11,811,834	$ 11,922,397
Number of Full-time Equivalent Positions (FTE)	243.0	242.0
Schedule of Exempt Positions		
Commissioners, Group 4	(3) $90,071	(3) $90,071
Executive Director, Group 4	74,263	74,263
Director II	(2) 71,323	(2) 71,323

1. **Capital Budget, Public Utility Commission.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d § A.

	1998	1999
a. Acquisition of Information Resource Technologies		
(1) Database Servers, Printers, Microcomputers, Computer Software, Telecommunications Hardware and Software for an Electronic Information System (MLPP payments for 1996-97)	$ 95,422	$ 94,681
(2) Personal Computers (MLPP)		59,063
(3) LAN Software	$	$ 35,000
Total, Capital Budget	$ 95,422	$ 188,744
Method of Financing (Capital Budget):		
General Revenue Fund	$ 0	$ 94,063
Appropriated Receipts	95,422	94,681
Total, Method of Financing	$ 95,422	$ 188,744

2. **Appropriation of Receipts, Electronic Information System.** Out of Appropriated Receipts appropriated above, $215,000 each year from fee revenue derived from implementation of an electronic information system for public access to records on file with the agency may be used only to make lease payments to the Master Lease Purchase Program for the electronic information system.

3. **Appropriation of Receipts, Per-Line Blocking Certificate Program.** Out of Appropriated Receipts appropriated above, $13,050 each year from the public utility fees and assessments collected pursuant to Section 3.302(d) of the Public Utility Regulatory Act is allocated for the purpose of recovering the additional expenses incurred by the commission in the administration of the per-line blocking certification program for caller identification services.

PUBLIC UTILITY COMMISSION OF TEXAS
(Continued)

4. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252.33 and out of funds appropriated above, reimbursement of expenses for advisory committee members is limited to the following advisory committees: Relay Texas Advisory Committee, Caller ID Consumer Education Panel Advisory Committee.

5. **Transfer Authority.** The Public Utility Commission is authorized to transfer appropriations from one item to another in amounts not to exceed 35 percent of the item from which the transfer is made for the fiscal year.

6. **Reappropriation of 1998 Appropriations.** The unobligated and unexpended balances of appropriations to the Public Utility Commission for the fiscal year ending August 31, 1998 are hereby reappropriated to the commission for the same purposes for the fiscal year ending August 31, 1999.

7. **Contingency Appropriation: Senate Bill 667.** Contingent on the enactment of Senate Bill 667 or similar legislation relating to the creation and administration of a program to assist individuals who are deaf, hearing impaired or speech impaired, the Public Utility Commission is hereby appropriated reimbursements received from the locally held Universal Service Fund. The commission's use of these reimbursements shall be limited to costs authorized to be reimbursed from this fund.

OFFICE OF PUBLIC UTILITY COUNSEL

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: EQUITABLE ELECTRIC RATES To represent residential and small business consumers aggressively in electric utility matters that come before the Public Utility Commission to ensure fair and reasonable rates.		
Outcomes:		
Percentage of Major Electric Rate Cases in Which OPUC Participates	15%	15%
Direct and Shared Savings for Electric Utility Customers Resulting from OPUC Participation in Electric Rate and Appellate Cases, Excluding Integrated Resource Planning Proceedings (In Millions)	150	150
A.1.1. Strategy: ELECTRIC CASE PARTICIPATION Participate in major electric rate, significant rulemaking and non-rate, and significant fuel rate proceedings. Review and analyze information, present testimony, and submit legal pleadings in proceedings affecting electric utility customers.	$ 869,753	$ 869,753
Outputs:		
Number of Major Electric Rate Cases in Which OPUC Participates	4	4
Number of Significant Electric Rule-Making Proceedings in Which OPUC Participates	10	10

Number of Significant Electric Non-Rate Proceedings in Which OPUC Participates		31		31
Number of Significant Fuel Rate Proceedings in Which OPUC Participates		5		5
Number of Significant Electric Appellate Cases in Which OPUC Participates		23		23
Efficiencies:				
Average Cost Per Major Electric and Fuel Rate Case Participation		17,116		17,116
B. Goal: TELEPHONE COMPETITION				
To represent residential and small business consumers aggressively by providing comprehensive telecommunications analysis and representation at the Public Utility Commission, the FCC, and in state and federal courts to ensure that residential and small commercial consumers benefit from competition and are protected during the transition to a more competitive market.				
Outcomes:				
Percentage of Competition Proceedings Filed at PUC in Which OPUC Participates		3%		3%
Percentage of Telecommunications Service Providers Which Are New Competitors as a Result of Cases in Which OPUC Participates		9%		10%
Percentage of State Served by New and/or Advanced Services and Technologies		35%		40%
B.1.1. Strategy: TELECOMMUNICATIONS PROCEEDINGS	$	718,157	$	718,157
Participate in telecommunications proceedings involving competitive issues/consumer safeguards or new and/or advanced technologies and services. Review and analyze information, present testimony, and submit legal pleadings in proceedings affecting residential and small business telecommunications customers.				
Outputs:				
Number of Telecommunications Cases in Which OPUC Participates		29		29
Number of PUC Telecommunications Projects in Which OPUC Participates		38		38
Number of Telecommunications Appeals in Which OPUC Participates		10		10
Efficiencies:				
Average Cost Per Telecommunications Proceeding in Which OPUC participates		4,193		4,193
C. Goal: RESOURCE PLANNING				
To provide assessment and action for electric utilities' resource planning, which includes adequately researching and advocating conservation methods and generating technologies that minimize costs to ratepayers and damage to the environment.				
C.1.1. Strategy: RESOURCE PLANNING CASES	$	97,824	$	97,824
Review and analyze information, and present testimony in CCN, NOI, avoided cost, rulemaking, and other resource planning proceedings that affect Texas energy consumers.				
Outputs:				
Number of Resource Planning Proceedings in Which OPUC Participates		5		6

OFFICE OF PUBLIC UTILITY COUNSEL
(Continued)

Efficiencies:		
Average number of staff hours per proceeding	260	260
Grand Total, OFFICE OF PUBLIC UTILITY COUNSEL	$ 1,685,734	$ 1,685,734
Number of Full-time Equivalent Positions (FTE)	28.5	28.5
Schedule of Exempt Positions		
Public Counsel, Group 2	$69,283	$69,283
Deputy Public Counsel	64,223	64,223

BOARD OF VETERINARY MEDICAL EXAMINERS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: VETERINARY REGULATION To establish and implement reasonable standards for veterinary practice, investigate complaints, and enforce the Veterinary Licensing Act (Art. 8890 V.A.C.S.) to assure that safe and effective veterinary services are delivered to the citizens of Texas.		
Outcomes:		
Percent of Licensees with No Recent Violations	99%	99%
Percent of Complaints Resulting in Disciplinary Action	10%	10%
Recidivism Rate for Peer Assistance Programs	25%	25%
One-year Completion Rate for Peer Assistance Programs	75%	75%
Percent of Non-board Peer Assistance Program Referrals Reported to the Board	20%	20%
A.1.1. Strategy: OPERATE LICENSURE SYSTEM Operate an efficient and comprehensive veterinary licensure program to include initial licensure by examination and the ongoing renewal of licenses.	$ 125,739	$ 124,271
Outputs:		
Number of New Licenses Issued to Individuals	200	200
Number of Licenses Renewed (Individuals)	5,498	5,598
Efficiencies:		
Average Licensing Cost for Individual License	4.75	4.76
A.1.2. Strategy: PURCHASE AND GRADING Purchase and Grading of National Exams, estimated and non-transferable	$ 49,437	$ 49,437
Outputs:		
Individuals Examined	547	543
A.2.1. Strategy: COMPLAINTS AND ACTION Investigate all complaints received and take disciplinary action against veterinarians who have violated the law and/or board rules and conduct a compliance program to secure voluntary compliance with the law and board's rules.	$ 344,627	$ 345,839

Outputs:		
Number of Complaints Received	210	215
Number of Complaints Resolved	169	179
Efficiencies:		
Average Time for Complaint Resolution	140	140
Average Cost per Complaint Resolved	890.52	862.82
Explanatory:		
Jurisdictional Complaints Received	203	207
A.2.2. Strategy: PEER ASSISTANCE	$ 14,970	$ 14,970
Identify, refer and assist those veterinarians whose practice is impaired.		
Outputs:		
Number of Individuals Participating in a Peer Assistance Program	10	10
Total, Goal A: VETERINARY REGULATION	$ 534,773	$ 534,517
Grand Total, BOARD OF VETERINARY MEDICAL EXAMINERS	$ 534,773	$ 534,517
Method of Financing:		
General Revenue Fund	$ 524,273	$ 524,017
Appropriated Receipts	300	300
Interagency Contracts	10,200	10,200
Total, Method of Financing	$ 534,773	$ 534,517
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 115,425	$ 115,270
Number of Full-time Equivalent Positions (FTE)	9.5	9.5
Schedule of Exempt Positions and Per Diem of Board Members		
* Executive Director, Group 1	$53,000	$53,000
Per Diem of Board Members	7,500	7,500

1. **Contingent Revenue.** Of the amounts appropriated above in Strategy A.2.1., Complaints and Action, the amount of $23,592 for 1998 and $23,592 for 1999 is contingent on the Board of Veterinary Medical Examiners, assessing fees sufficient to generate, during the 1998-99 biennium, $59,079 in excess of $1,296,000 for Account 001, Object Code 3175, contained in the Comptroller of Public Accounts Biennial Revenue Estimate for 1998 and 1999. The Board of Veterinary Medical Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Veterinary Board minutes and other information supporting the estimated revenues to be generated for the 1998-99 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

2. **Peer Assistance Program.** All administrative penalties generated pursuant to Art. 8890, Sec. 14B., V.T.C.S., are hereby appropriated to the Board of Veterinary Medical Examiners for the purpose of financing an approved Peer Assistance program, as defined in the V.T.C.A., Health and Safety Code, Chapter 467.

WORKERS' COMPENSATION COMMISSION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SAFE AND HEALTHY WORK PLACES		
To promote safe and healthy work environments.		
Outcomes:		
Statewide Incidence Rate of Injuries and Illnesses per 100 Full-Time Employees	7.3	7.3
A.1.1. Strategy: HEALTH AND SAFETY SERVICES	$ 3,909,294	$ 3,909,127
Develop and provide health and safety services such as needs analyses, education, consultations, and inspections to employers, to employees, academic institutions and to other entities in the Texas workplace.		
Outputs:		
Number of Occupational Safety and Health Consultations (OSHCON) Made	2,850	2,850
Efficiencies:		
Average Cost per OSHCON Consultation	817	817
A.1.2. Strategy: EXTRA-HAZARDOUS EMPLOYERS	$ 824,633	$ 824,363
Identify possible extra-hazardous employers by notifying employers of status and conducting administrative reviews; require development of extra-hazardous safety plans, and verify extra-hazardous and rejected risk employer compliance with safety plans.		
Outputs:		
Number of Extra-Hazardous Employer Inspections Conducted	200	200
Efficiencies:		
Average Cost per Extra-Hazardous Inspection Conducted	989	988
A.2.1. Strategy: RISK MANAGEMENT PROGRAM	$ 838,825	$ 838,825
Establish statewide risk management guidelines, work with agencies to develop programs that meet the guidelines, conduct on-site risk management program reviews, and provide safety evaluations, consultations, and training.		
Efficiencies:		
Average Cost Per State Agency Provided with Risk Management Services	8,462	8,453
Total, Goal A: SAFE AND HEALTHY WORK PLACES	$ 5,572,752	$ 5,572,315
B. Goal: CLAIMS/DISPUTE SERVICES		
To assure the delivery of appropriate benefits and to minimize and resolve disputes.		
Outcomes:		
Percentage of Injury Records Created in Three Days or Less	84%	90%
Percentage of All Benefit Dispute Cases Resolved by the Commission's Informal Dispute Resolution System	89%	89%

WORKERS' COMPENSATION COMMISSION
(Continued)

Percentage of Compensation Benefit Dispute Cases Resolved in Benefit Review Conference		33%		33%
Percentage of All Benefit Dispute Cases Resolved by the Commission's Formal Dispute Resolution System (Beginning With Contested Case Proceedings)		10%		10%
Average Number of Days for the Required Initial Benefit Payment to be Issued to Injured Workers		16.3		16
Percentage of Losses of Self-Insured Employers to Total Private Workers' Compensation Losses		16%		18%
B.1.1. Strategy: PROCESS CLAIM FILES Establish and maintain injured worker claim files and receive eligible claim information electronically.	$	8,874,754	$	8,878,175
Outputs:				
Number of Injury Records Created		297,653		303,040
Number of Injury Records Created for Income/Indemnity Injuries		107,420		108,295
Efficiencies:				
Average Number of Days to Create Injury Records		6		5
B.2.1. Strategy: INFORMAL RESOLUTION Provide injured workers and employers with information about their rights and responsibilities, resolve disputes by talking with the participants, and conduct compensation benefit review conferences.	$	6,783,864	$	6,796,031
Outputs:				
Number of Compensation Benefit Dispute Cases in Which Unrepresented Injured Workers Received Ombudsman Services for Benefit Review Conferences		14,700		14,700
Number of Compensation Benefit Dispute Cases Considered in Benefit Review Conference		26,880		28,948
Efficiencies:				
Average Cost per Case Considered in Benefit Review Conference		163		146
B.2.2. Strategy: FORMAL RESOLUTION Conduct benefit contested case hearings, conduct hearings under the Administrative Procedure Act, conduct reviews when participants appeal decisions made by benefit contested case hearings officers, and provide arbitration.	$	5,691,348	$	5,699,464
Outputs:				
Number of Compensation Benefit Dispute Cases Considered in Contested Case Hearings		6,300		6,300
Number of Compensation Benefit Dispute Cases in Which Unrepresented Injured Workers Received Ombudsman Services for Contested Case Hearings		2,980		2,980
Efficiencies:				
Average Cost per Case Considered in Contested Case Hearing		541		542
B.3.1. Strategy: MEDICAL COST CONTAINMENT To implement a medical cost-containment program by monitoring the appropriateness of treatment provided, promoting compliance with requirements for providing and paying medical benefits, and assisting Commissioners in establishing medical guidelines.	$	1,716,975	$	1,716,395
Outputs:				
Number of Medical Case Reviews Conducted		6,940		7,000
Efficiencies:				
Average Cost per Medical Case Review Conducted		76		75

WORKERS' COMPENSATION COMMISSION
(Continued)

B.4.1. Strategy: INVESTIGATIONS/COMPLIANCE	$ 2,113,914	$ 2,113,479
Investigate administrative and criminal violations, audit the performance of carriers, self-insured governmental entities and other participants, and compile compliance information on the performance of the workers' compensation system.		
Outputs:		
Number of Fraud Complaint Referrals Completed	705	705
Number of Administrative Violation Investigations Completed, Excluding Fraud	5,000	5,000
Efficiencies:		
Average Cost per Fraud Complaint Referral Completed	998	998
B.5.1. Strategy: REGULATE SELF-INSURANCE	$ 614,727	$ 614,525
Ensure that certified self-insuring employers meet statutory financial and safety requirements through a process of determining, renewing, and revoking certification.		
Outputs:		
Number of Self-Insurance Applicants or Renewals Certified	71	73
Efficiencies:		
Average Cost per Self-Insurance Application or Renewal Processed	9,370	9,104
Total, Goal B: CLAIMS/DISPUTE SERVICES	$ 25,795,582	$ 25,818,069
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 4,243,440	$ 4,244,240
C.1.2. Strategy: INFORMATION RESOURCES	$ 8,964,203	$ 6,888,418
C.1.3. Strategy: OTHER SUPPORT SERVICES	$ 872,115	$ 871,854
C.1.4. Strategy: REGIONAL ADMINISTRATION	$ 663,380	$ 663,590
Total, Goal C: INDIRECT ADMINISTRATION	$ 14,743,138	$ 12,668,102
Grand Total, WORKERS' COMPENSATION COMMISSION	$ 46,111,472	$ 44,058,486
Method of Financing:		
General Revenue Fund	$ 41,861,731	$ 39,808,127
Federal Funds	1,670,150	1,670,768
Appropriated Receipts	1,539,151	1,539,151
Interagency Contracts	865,825	865,825
Earned Federal Funds	174,615	174,615
Total, Method of Financing	$ 46,111,472	$ 44,058,486
Number of Full-time Equivalent Positions (FTE)	1,150.0	1,150.0
Schedule of Exempt Positions		
* Executive Director, Group 4	$95,000	$95,000
Director	(11) 70,356	(11) 70,356

WORKERS' COMPENSATION COMMISSION
(Continued)

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Article 601d, Section 9A.

	1998	1999
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Direct Access Storage Device (MLPP Payments for 1994-95 Acquisitions)	$ 144,212	$ 71,604
(2) SAS Software License	84,341	88,358
(3) Mainframe Outsource	1,563,235	1,582,000
(4) PC and LAN Upgrade	$ 2,368,118	$ 480,000
Total, Acquisition of Information Resource Technologies	$ 4,159,906	$ 2,221,962
b. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Lease Payments (MLPP) for 1992-93 Acquisitions	$ 30,192	$ 13,950
Total, Capital Budget	$ 4,190,098	$ 2,235,912

2. **Appropriation of Certain Fees.** Revenues collected by the commission as reproduction fees, third party reimbursements, seminar fees, publication fees, and fees collected for audits, inspections, and consultations are hereby appropriated to the Workers' Compensation Commission for the biennium beginning September 1, 1997.

3. **Appropriation of Administrative Penalties.** The amounts appropriated above include $100,000 each year from revenues collected by the commission as administrative penalties provided that expenditure of such funds appropriated above shall be limited to such expenses as may be necessary to prosecute administrative violations under the Texas Workers' Compensation Act, including costs of conducting Administrative Procedure Act hearings.

4. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that revenues as authorized and generated by the commission cover, at a minimum, the cost of general revenue appropriations made above, as well as covering "other direct and indirect costs" associated with such general revenue appropriations. "Other direct and indirect costs" associated with such general revenue appropriations are estimated to be $8,556,916 for fiscal year 1998 and $8,543,588 for fiscal year 1999. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available. The application of this provision shall be consistent with applicable statutory provisions governing the commission's assessment of tax rates and fees. When the commission sets the rate of assessment for the maintenance tax, it shall take into account a surplus or deficit produced by the tax in the preceding year and other factors as provided by Section 403.003, Labor Code, Rate of Assessment.

5. **Computer Operations.** It is the intent of the Legislature that $1,916,945 of the funds appropriated above in Strategy C.1.2., and identified in the Capital Budget rider as item a(3), be directed to the outsourcing of the Texas Workers' Compensation Commission's mainframe computer operations to the West Texas Disaster Recovery and Operations Center (DROC). In the event that the Legislative Budget Board and the Department of Information Resources determine that an outsourcing arrangement to DROC is not in the best interest of the state:

   a. an amount not to exceed $1,216,945 shall be expended out of the amounts appropriated above in Strategy C.1.2. for the purpose of an on-site mainframe lease - purchase agreement with another entity;

   b. the appropriations made above to the Texas Workers' Compensation Commission out of the General Revenue Fund are hereby reduced by $700,000; and

   c. Capital Budget rider item a(3), "Mainframe Outsource" shall have no effect.

6. **Contingency Appropriation: House Bill 3522.** Contingent upon enactment of House Bill 3522, or similar legislation relating to the compensation of district attorneys for the prosecution of workers' compensation fraud, by the Seventy-fifth Legislature, Regular Session, the Texas Workers' Compensation Commission is hereby appropriated $83,294 for fiscal year 1998 and $140,281 for fiscal year 1999 out of additional revenue collected pursuant to House Bill 3522, or similar legislation, for the purpose of implementing the provisions of that Act.

7. **Reappropriation of Unexpended Balances.** Any unexpended balances as of August 31, 1998, not to exceed 5 percent for any line item of appropriation, are hereby reappropriated to the Texas Workers' Compensation Commission for same purposes for the year beginning September 1, 1998.

RESEARCH AND OVERSIGHT COUNCIL ON WORKERS' COMPENSATION

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund - Dedicated - Research and Oversight Council on Workers' Compensation Fund Account No. 5016:		
A. Goal: STUDY AND MONITOR SYSTEM To conduct factual, unbiased research and professional studies, monitor the agencies and entities involved in the workers' compensation system, develop sound policy recommendations regarding regulatory or legislative changes, provide information on workers' compensation to the general public and respond to constituents' needs for assistance.		
Outcomes:		
Percentage of Professional Studies Completed Within Schedule	90%	90%
Number of Publications Produced	10	10

RESEARCH AND OVERSIGHT COUNCIL ON WORKERS' COMPENSATION
(Continued)

A.1.1. Strategy: CONDUCT PROFESSIONAL STUDIES	$ 427,451	$ 427,451
Determine research needed relating to the workers' compensation system; collect and analyze workers' compensation data; conduct research projects relating to workers' compensation; administer research contracts and manage research projects; and conduct professional studies.		
Outputs:		
Number of Professional Studies Completed by the ROC	9	10
Efficiencies:		
Average Cost per Professional Study Completed by the ROC	47,494	42,745
A.1.2. Strategy: PROVIDE OVERSIGHT	$ 232,549	$ 232,549
Provide oversight by reviewing and analyzing Texas workers' compensation agencies and entities; evaluate legislative recommendations made by workers' compensation agencies and entities; monitor workers' compensation-related meetings of boards, commissions and legislative committees with workers' compensation responsibilities; develop legislative and regulatory recommendations; provide the public with information pertaining to the workers' compensation system; distribute professional studies and publications; and respond to constituent requests for assistance.		
Outputs:		
Number of Publications Distributed	9,000	9,500
Number of Public Hearings Held	4	4
Total, Goal A: STUDY AND MONITOR SYSTEM	$ 660,000	$ 660,000
Grand Total, RESEARCH AND OVERSIGHT COUNCIL ON WORKERS' COMPENSATION	$ 660,000	$ 660,000
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 129,359	$ 128,937
Number of Full-time Equivalent Positions (FTE)	14.0	14.0
Schedule of Exempt Positions		
Executive Director, Group 2	$60,326	$60,326

1. **Appropriations Limited to Revenue Collections.** The application of special provisions limiting appropriations to revenue collections elsewhere in this Article shall be consistent with the application of Section 404.003, Labor Code, relating to the Research and Oversight Council on Workers' Compensation Maintenance Tax, and other applicable statutory provisions governing support of the agency.

Retirement and Group Insurance

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law; estimated	$ 6,959,333	$ 7,063,723
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees; estimated	$ 11,112,479	$ 11,334,729
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 18,071,812	$ 18,398,452
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 18,071,812	$ 18,398,452
Method of Financing:		
General Revenue Fund, estimated	$ 12,124,149	$ 12,343,388
General Revenue Fund - Dedicated, estimated	5,947,511	6,054,909
Federal Funds, estimated	152	155
Total, Method of Financing	$ 18,071,812	$ 18,398,452

Social Security and Benefit Replacement Pay

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH -- EMPLOYER Provide an employer match for Social Security contributions; estimated	$ 8,701,533	$ 8,832,056
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees; estimated	$ 2,698,365	$ 2,448,043
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 11,399,898	$ 11,280,099
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 11,399,898	$ 11,280,099

Social Security and Benefit Replacement Pay
(Continued)

Method of Financing:		
General Revenue Fund, estimated	$ 7,685,008	$ 7,598,954
General Revenue Fund - Dedicated, estimated	3,714,890	3,681,145
Total, Method of Financing	$ 11,399,898	$ 11,280,099

Lease Payments

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS	$ 5,160,293	$ 5,107,875 & U.B.
Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.		
Grand Total, LEASE PAYMENTS	$ 5,160,293	$ 5,107,875
Method of Financing:		
General Revenue Fund	$ 2,332,090	$ 2,342,813
General Revenue Fund - Dedicated - Texas Department of Insurance Operating Fund Account No. 036	2,828,203	2,765,062
Total, Method of Financing	$ 5,160,293	$ 5,107,875

SPECIAL PROVISIONS RELATING TO ALL REGULATORY AGENCIES

Sec. 2. **Special Provisions.** The following special provisions, unless otherwise specified, shall apply to all regulatory agencies covered by this article.

1. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by each of the following agencies cover, at a minimum, the cost of appropriations made above to those agencies as well as an amount equal to the amount identified in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in this Act":

   Board of Public Accountancy
   Board of Architectural Examiners
   Board of Barber Examiners
   Board of Chiropractic Examiners
   Cosmetology Commission

Credit Union Department
Board of Dental Examiners
Board of Registration for Professional Engineers
Department of Banking
Office of Consumer Credit Commissioner
Savings and Loan Department
Funeral Service Commission
Department of Insurance
Office of Public Insurance Counsel
Board of Professional Land Surveying
Department of Licensing and Regulation
Board of Medical Examiners
Board of Nurse Examiners
Board of Vocational Nurse Examiners
Optometry Board
Structural Pest Control Board
Board of Pharmacy
Executive Council of Physical Therapy and Occupational Therapy Examiners
Board of Plumbing Examiners
Board of Podiatric Medical Examiners
Board of Examiners of Psychologists
Racing Commission
Real Estate Commission
Board of Tax Professional Examiners
Board of Veterinary Medical Examiners
Research and Oversight Council on Workers Compensation

In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided by this Act to be within the amount of fee revenue expected to be available.

2. **Funding for Health Professions Council.** An agency participating in the Health Professions Council shall transfer funds through interagency contract, to the Health Professions Council, from appropriations made to the agency elsewhere in this Act in order to carry out the functions required under V.T.C.S., Article 4512p. The number of full-time equivalent staff employed by the Council may not exceed two (2). Funds shall be transferred by the following participating agencies in the amounts noted below for each year of the 1998-99 biennium:

Board of Chiropractic Examiners	$ 1,579
Board of Dental Examiners	$ 4,809
Board of Medical Examiners	$ 18,591
Board of Nurse Examiners	$ 12,105
Optometry Board	$ 1,201
Board of Pharmacy	$ 9,144
Executive Council of Physical and Occupational Therapy Examiners	$ 2,133
Board of Podiatric Medical Examiners	$ 732
Board of Examiners of Psychologists	$ 2,687
Board of Veterinary Medical Examiners	$ 2,363
Board of Vocational Nurse Examiners	$ 5,280

3. **Peer Assistance Program Funding Requirements.** Funds collected during the biennium beginning September 1, 1997 by the Board of Pharmacy pursuant to the Texas Pharmacy Act (V.T.C.S., Article 4542a-1, Section 27A), and by the Board of Nurse Examiners, the Board of

Vocational Nurse Examiners, the Board of Dental Examiners and the Board of Veterinary Medical Examiners pursuant to Chapter 467 of the Health and Safety Code, in order to administer or finance peer assistance programs for professionals impaired by chemical dependency or mental illness are appropriated elsewhere in this Act as identified in each Board's peer assistance strategy. The expenditure of the appropriations identified by this section is hereby made contingent upon sufficient revenue collections from peer assistance surcharges or other receipts collected pursuant to Chapter 467 of the Health and Safety Code or V.T.C.S., Article 4542a-1, Section 27A as appropriate. None of the appropriations identified by this section may be expended unless:

(1) each agency with a peer assistance program has on file the following current documents:

i) Request for Proposal documentation and contracts documenting that the respective agency governing board has a competitively bid contract with the peer assistance program;
ii) documentation for programs authorized under Chapter 467 of the Health and Safety Code that the agency's peer assistance program has been certified by the Texas Commission on Alcohol and Drug Abuse (TCADA) as meeting all TCADA criteria for peer assistance programs;
iii) documentation for programs authorized under Chapter 467 showing compliance with statutory requirements regarding eligible participants and conditions for which services may be offered; and
iv) documentation that the program has been approved by the agency governing board.

(2) by August 15, 1998 each agency with a peer assistance program has on file:

i) documentation of annual financial audits of the peer assistance program performed by the State Auditor, or by an outside entity subject to review by the State Auditor, to ensure compliance with contractual requirements.

RECAPITULATION - ARTICLE VIII
REGULATORY
(General Revenue)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Accountancy, Board of Public	$ 3,021,926	$ 2,865,053
Administrative Hearings, Office of	1,035,500	1,035,500
Architectural Examiners, Board of	1,045,457	1,243,980
Barber Examiners, Board of	514,162	514,162
Chiropractic Examiners, Board of	292,835	292,835
Cosmetology Commission	1,812,189	1,739,189
Credit Union Department	1,241,833	1,241,834
Contingency Appropriations	477,267	675,399
Total	1,719,100	1,917,233
Dental Examiners, Texas State Board of	1,157,171	1,149,503
Engineers, Board of Registration for Professional	1,266,222	1,356,221
Finance Commission of Texas	96,205	96,205
Contingency Appropriations	100,000	100,000
Total	196,205	196,205
Banking, Department of	9,193,606	9,193,606
Rider Appropriations	5,000	5,000
Contingency Appropriations	2,677,189	2,677,189
Total	11,875,795	11,875,795
Consumer Credit Commissioner, Office of the	1,370,498	1,370,498
Contingency Appropriations	1,377,400	1,112,000
Total	2,747,898	2,482,498
Savings and Loan Department	1,009,037	1,009,037
Contingency Appropriations	733,000	1,213,000
Total	1,742,037	2,222,037
Funeral Service Commission	485,575	485,576
Insurance, Department of		
Insurance Counsel, Office of Public	942,907	942,907
Contingency Appropriations	263,319	216,319
Total	1,206,226	1,159,226
Land Surveying, Board of Professional	313,436	313,436
Licensing and Regulation, Department of	4,614,501	4,614,499
Contingency Appropriations	438,567	448,541
Total	5,053,068	5,063,040
Medical Examiners, Board of	4,594,029	4,598,253
Contingency Appropriations	267,907	54,242
Total	4,861,936	4,652,495

RECAPITULATION - ARTICLE VIII
REGULATORY
(General Revenue)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Nurse Examiners, Board of	2,081,817	2,037,817
Contingency Appropriations	87,920	222,920
Total	2,169,737	2,260,737
Nurse Examiners, Board of Vocational	1,059,422	1,011,018
Optometry Board	262,389	262,390
Pest Control Board, Structural	1,086,662	1,081,215
Pharmacy, Board of		
Physical Therapy and Occupational Examiners, Executive Council of	682,738	682,737
Plumbing Examiners, Board of	1,303,129	1,372,338
Contingency Appropriations	386,876	314,876
Total	1,690,005	1,687,214
Podiatric Medical Examiners, Board of	164,318	164,317
Psychologists, Board of Examiners of	640,804	652,110
Racing Commission		
Real Estate Commission	3,640,745	3,641,647
Securities Board, State	3,382,268	3,382,268
Tax Professional Examiners, Board of	148,231	148,231
Utility Commission, Public	11,380,784	11,491,347
Utility Counsel, Office of the Public	1,685,734	1,685,734
Veterinary Medical Examiners, Board of	524,273	524,017
Workers' Compensation Commission	42,036,346	39,982,742
Contingency Appropriations	83,294	140,281
Total	42,119,640	40,123,023
Workers' Compensation, Research and Oversight Council on		
Subtotal, Regulatory	$ 110,984,488	$ 109,361,989
Retirement and Group Insurance	12,124,149	12,343,388
Social Security and Benefit Replacement Pay	7,685,008	7,598,954
Subtotal, Employee Benefits	$ 19,809,157	$ 19,942,342
Lease Payments	2,332,090	2,342,813
TOTAL, ARTICLE VIII - Regulatory	$ 133,125,735	$ 131,647,144

RECAPITULATION - ARTICLE VIII
REGULATORY
(General Revenue - Dedicated)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Accountancy, Board of Public	$	$
Administrative Hearings, Office of		
Architectural Examiners, Board of		
Barber Examiners, Board of		
Chiropractic Examiners, Board of		
Cosmetology Commission		
Rider Appropriations	70,000	
Total	70,000	
Credit Union Department		
Dental Examiners, Texas State Board of		
Engineers, Board of Registration for Professional		
Finance Commission of Texas		
Banking, Department of		
Consumer Credit Commissioner, Office of the		
Contingency Appropriations	156,300	126,300
Total	156,300	126,300
Savings and Loan Department		
Funeral Service Commission		
Insurance, Department of	41,739,848	41,818,417
Contingency Appropriations	1,334,025	736,569
Total	43,073,873	42,554,986
Insurance Counsel, Office of Public		
Land Surveying, Board of Professional		
Licensing and Regulation, Department of		
Contingency Appropriations	89,046	78,006
Total	89,046	78,006
Medical Examiners, Board of		
Nurse Examiners, Board of		
Nurse Examiners, Board of Vocational		
Optometry Board		
Pest Control Board, Structural		
Pharmacy, Board of	2,226,923	2,255,925
Contingency Appropriations	44,351	54,522
Total	2,271,274	2,310,447
Physical Therapy and Occupational Examiners, Executive Council of		
Plumbing Examiners, Board of		
Podiatric Medical Examiners, Board of		
Psychologists, Board of Examiners of		

RECAPITULATION - ARTICLE VIII
REGULATORY
(General Revenue - Dedicated)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Racing Commission	9,425,211	9,368,818
Rider Appropriations	1,216,789	1,337,182
Contingency Appropriations	794,402	764,451
Total	11,436,402	11,470,451
Real Estate Commission	96,750	100,000
Securities Board, State		
Tax Professional Examiners, Board of		
Utility Commission, Public		
Utility Counsel, Office of the Public		
Veterinary Medical Examiners, Board of		
Workers' Compensation Commission		
Workers' Compensation, Research and Oversight Council on	660,000	660,000
Subtotal, Regulatory	$ 57,853,645	$ 57,300,190
Retirement and Group Insurance	5,947,511	6,054,909
Social Security and Benefit Replacement Pay	3,714,890	3,681,145
Subtotal, Employee Benefits	$ 9,662,401	$ 9,736,054
Lease Payments	2,828,203	2,765,062
TOTAL, ARTICLE VIII - Regulatory	$ 70,344,249	$ 69,801,306

RECAPITULATION - ARTICLE VIII
REGULATORY
(Federal Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Accountancy, Board of Public	$	$
Administrative Hearings, Office of		
Architectural Examiners, Board of		
Barber Examiners, Board of		
Chiropractic Examiners, Board of		
Cosmetology Commission		
Credit Union Department		
Dental Examiners, Texas State Board of		
Engineers, Board of Registration for Professional		
Finance Commission of Texas		
Banking, Department of	100,000	100,000
Consumer Credit Commissioner, Office of the		
Savings and Loan Department		
Funeral Service Commission		
Insurance, Department of		
Insurance Counsel, Office of Public		
Land Surveying, Board of Professional		
Licensing and Regulation, Department of		
Medical Examiners, Board of		
Nurse Examiners, Board of		
Nurse Examiners, Board of Vocational		
Optometry Board		
Pest Control Board, Structural	100,000	100,000
Pharmacy, Board of		
Physical Therapy and Occupational Examiners, Executive Council of		
Plumbing Examiners, Board of		
Podiatric Medical Examiners, Board of		
Psychologists, Board of Examiners of		
Racing Commission		
Real Estate Commission		
Securities Board, State		
Tax Professional Examiners, Board of		
Utility Commission, Public		
Utility Counsel, Office of the Public		
Veterinary Medical Examiners, Board of		
Workers' Compensation Commission	1,670,150	1,670,768
Workers' Compensation, Research and Oversight Council on		
Subtotal, Regulatory	$ 1,870,150	$ 1,870,768
Retirement and Group Insurance	152	155
Social Security and Benefit Replacement Pay		
Subtotal, Employee Benefits	$ 152	$ 155
Lease Payments		
TOTAL, ARTICLE VIII - Regulatory	$ 1,870,302	$ 1,870,923

RECAPITULATION - ARTICLE VIII
REGULATORY
(Other Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Accountancy, Board of Public	$ 50,000	$ 50,000
Administrative Hearings, Office of	4,272,668	4,238,959
Architectural Examiners, Board of		
Barber Examiners, Board of		
Chiropractic Examiners, Board of		
Cosmetology Commission	160,000	160,000
Credit Union Department		
Dental Examiners, Texas State Board of	80,000	80,000
Engineers, Board of Registration for Professional	37,500	37,500
Finance Commission of Texas		
Banking, Department of		
Consumer Credit Commissioner, Office of the		
Savings and Loan Department		
Funeral Service Commission	5,000	5,000
Insurance, Department of	515,947	515,947
Contingency Appropriations	120,000	
Total	635,947	515,947
Insurance Counsel, Office of Public		
Land Surveying, Board of Professional		
Licensing and Regulation, Department of	50,709	50,709
Rider Appropriations	25,000	25,000
Total	75,709	75,709
Medical Examiners, Board of	62,500	62,500
Nurse Examiners, Board of	615,000	635,000
Nurse Examiners, Board of Vocational	35,000	25,000
Optometry Board	10,000	10,000
Pest Control Board, Structural		
Pharmacy, Board of	107,533	66,126
Physical Therapy and Occupational Examiners,		
Executive Council of	30,000	30,000
Plumbing Examiners, Board of		
Podiatric Medical Examiners, Board of	1,000	1,000
Psychologists, Board of Examiners of	67,500	67,500
Racing Commission		
Real Estate Commission	194,561	195,021
Securities Board, State	1,000	1,000
Tax Professional Examiners, Board of		
Utility Commission, Public	431,050	431,050
Utility Counsel, Office of the Public		
Veterinary Medical Examiners, Board of	10,500	10,500
Workers' Compensation Commission	2,404,976	2,404,976
Workers' Compensation, Research and Oversight		
Council on		
Subtotal, Regulatory	$ 9,287,444	$ 9,102,788

RECAPITULATION - ARTICLE VIII
REGULATORY
(Other Funds)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Retirement and Group Insurance		
Social Security and Benefit Replacement Pay		
Subtotal, Employee Benefits	$	$
Lease Payments		
TOTAL, ARTICLE VIII - Regulatory	$ 9,287,444	$ 9,102,788

RECAPITULATION - ARTICLE VIII
REGULATORY
(All Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Accountancy, Board of Public	$ 3,071,926	$ 2,915,053
Administrative Hearings, Office of	5,308,168	5,274,459
Architectural Examiners, Board of	1,045,457	1,243,980
Barber Examiners, Board of	514,162	514,162
Chiropractic Examiners, Board of	292,835	292,835
Cosmetology Commission	1,972,189	1,899,189
Rider Appropriations	70,000	
Total	2,042,189	1,899,189
Credit Union Department	1,241,833	1,241,834
Contingency Appropriations	477,267	675,399
Total	1,719,100	1,917,233
Dental Examiners, Texas State Board of	1,237,171	1,229,503
Engineers, Board of Registration for Professional	1,303,722	1,393,721
Finance Commission of Texas	96,205	96,205
Contingency Appropriations	100,000	100,000
Total	196,205	196,205
Banking, Department of	9,293,606	9,293,606
Rider Appropriations	5,000	5,000
Contingency Appropriations	2,677,189	2,677,189
Total	11,975,795	11,975,795
Consumer Credit Commissioner, Office of the	1,370,498	1,370,498
Contingency Appropriations	1,533,700	1,238,300
Total	2,904,198	2,608,798
Savings and Loan Department	1,009,037	1,009,037
Contingency Appropriations	733,000	1,213,000
Total	1,742,037	2,222,037
Funeral Service Commission	490,575	490,576
Insurance, Department of	42,255,795	42,334,364
Contingency Appropriations	1,454,025	736,569
Total	43,709,820	43,070,933
Insurance Counsel, Office of Public	942,907	942,907
Contingency Appropriations	263,319	216,319
Total	1,206,226	1,159,226
Land Surveying, Board of Professional	313,436	313,436

RECAPITULATION - ARTICLE VIII
REGULATORY
(All Funds)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Licensing and Regulation, Department of	4,665,210	4,665,208
Rider Appropriations	25,000	25,000
Contingency Appropriations	527,613	526,547
Total	5,217,823	5,216,755
Medical Examiners, Board of	4,656,529	4,660,753
Contingency Appropriations	267,907	54,242
Total	4,924,436	4,714,995
Nurse Examiners, Board of	2,696,817	2,672,817
Contingency Appropriations	87,920	222,920
Total	2,784,737	2,895,737
Nurse Examiners, Board of Vocational	1,094,422	1,036,018
Optometry Board	272,389	272,390
Pest Control Board, Structural	1,186,662	1,181,215
Pharmacy, Board of	2,334,456	2,322,051
Contingency Appropriations	44,351	54,522
Total	2,378,807	2,376,573
Physical Therapy and Occupational Examiners, Executive Council of	712,738	712,737
Plumbing Examiners, Board of	1,303,129	1,372,338
Contingency Appropriations	386,876	314,876
Total	1,690,005	1,687,214
Podiatric Medical Examiners, Board of	165,318	165,317
Psychologists, Board of Examiners of	708,304	719,610
Racing Commission	9,425,211	9,368,818
Rider Appropriations	1,216,789	1,337,182
Contingency Appropriations	794,402	764,451
Total	11,436,402	11,470,451
Real Estate Commission	3,932,056	3,936,668
Securities Board, State	3,383,268	3,383,268
Tax Professional Examiners, Board of	148,231	148,231
Utility Commission, Public	11,811,834	11,922,397
Utility Counsel, Office of the Public	1,685,734	1,685,734
Veterinary Medical Examiners, Board of	534,773	534,517
Workers' Compensation Commission	46,111,472	44,058,486
Contingency Appropriations	83,294	140,281
Total	46,194,766	44,198,767

RECAPITULATION - ARTICLE VIII
REGULATORY
(All Funds)
(Continued)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Workers' Compensation, Research and Oversight Council on	660,000	660,000
Subtotal, Regulatory	$ 179,995,727	$ 177,635,735
Retirement and Group Insurance	18,071,812	18,398,452
Social Security and Benefit Replacement Pay	11,399,898	11,280,099
Subtotal, Employee Benefits	$ 29,471,710	$ 29,678,551
Lease Payments	5,160,293	5,107,875
TOTAL, ARTICLE VIII - Regulatory	$ 214,627,730	$ 212,422,161
Number of Full-time Equivalent Positions (FTE)	3,765.5	3,766.0

ARTICLE IX

GENERAL PROVISIONS

The provisions set forth in this and all other Articles of this Act are limitations on the appropriations made by this Act. It is the purpose of the Legislature in enacting this bill only to appropriate funds and to restrict and limit by its provisions the amount and conditions under which the appropriations can be expended.

PROVISIONS RELATING TO THE POSITION CLASSIFICATION PLAN

Section 1. Except as otherwise specifically provided in this Act, expenditures of appropriations for the salaries of employees in classified positions in all affected agencies appropriated funds by this Act, other than institutions of higher education, university system offices, the Higher Education Coordinating Board, and the National Research Laboratory Commission, shall be governed by and be in conformity with the provisions of this Section, including the following lists of position classification numbers, position titles, salary group allocations, and rates of pay in classification salary schedules hereinafter provided. As used with respect to salary ranges, "minimum" means the lowest rate in a salary range; "midpoint" means the rate designated as Step 5 in Salary Schedule A; “midpoint” for Salary Schedule B will be determined by adding the minimum and maximum rates of a salary group and dividing the sum by two; and “maximum” means the highest rate designated in a salary range. With respect to Salary Schedule C, annual rate listed are actual salaries to be paid to employees in the applicable salary groups, except for ranges in C1 and C10 which allow for career development progressions as established by the agencies.

DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS

Class Number	Position Title	Salary Group
0005	Switchboard Operator	A4
0006	Switchboard Operator/Receptionist	A5
0008	Switchboard Operator Supervisor	A6
0051	Clerk I	A2
0053	Clerk II	A4
0055	Clerk III	A6
0057	Clerk IV	A8
0063	Clerical Supervisor I	A7
0065	Clerical Supervisor II	A9
0067	Clerical Supervisor III	A11
0131	Secretary I	A5
0133	Secretary II	A6
0135	Secretary III	A7
0138	Secretary IV	A9
0147	Word Processing Operator I	A6
0148	Word Processing Operator II	A8
0149	Word Processing Operator III	A10
0150	Administrative Technician I	A8
0152	Administrative Technician II	A11
0154	Administrative Technician III	A13
0156	Administrative Technician IV	A15
0201	Data Entry Operator I	A4
0203	Data Entry Operator II	A6
0205	Data Entry Operator III	A8
0206	Data Entry Operator IV	A10
0216	ADP Record Control Clerk I	A5
0218	ADP Record Control Clerk II	A7
0220	ADP Record Control Clerk III	A9
0221	ADP Equipment Operator I	A7
0223	ADP Equipment Operator II	A9
0225	ADP Equipment Operator III	A11
0227	ADP Equipment Operator IV	A14
0235	Systems Support Specialist I	A10
0236	Systems Support Specialist II	A12
0237	Systems Support Specialist III	A14
0238	Systems Support Specialist IV	A16
0306	Duplicating Machine Operator I	A5
0308	Duplicating Machine Operator II	A8
0309	Printing Technician I	A9
0310	Printing Technician II	A11
0311	Printing Technician III	A13
0312	Printing Technician IV	A15
0313	Printing Technician V	A16
0321	Bindery Technician I	A5
0322	Bindery Technician II	A7
0323	Bindery Technician III	A9
0324	Bindery Technician IV	A11
0340	Microfilm Camera Operator I	A6
0341	Microfilm Camera Operator II	A8
0343	Micrographics Technician I	A9
0344	Micrographics Technician II	A11
0346	Micrographics Technician III	A13
0347	Micrographics Technician IV	A15
0361	Photographer I	A10
0363	Photographer II	A12

DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

0365	Photographer III	A14
0367	Photographer IV	A16
0540	Research Assistant I	A11
0542	Research Assistant II	A13
0580	Audio/Visual Technician I	A9
0581	Audio/Visual Technician II	A11
0582	Audio/Visual Technician III	A14
0583	Audio/Visual Technician IV	A16
1001	Accounting Clerk I	A4
1002	Accounting Clerk II	A6
1003	Accounting Clerk III	A8
1004	Accounting Clerk IV	A10
1192	Claims Officer I	A11
1193	Claims Officer II	A13
1194	Claims Officer III	A15
1195	Claims Officer IV	A17
1240	Reimbursement Officer I	A9
1242	Reimbursement Officer II	A11
1244	Reimbursement Officer III	A13
1246	Reimbursement Officer IV	A15
1248	Reimbursement Officer V	A17
1360	Sample Technician I	A6
1362	Sample Technician II	A8
1364	Sample Technician III	A10
1370	Seed Analyst I	A8
1372	Seed Analyst II	A10
1374	Seed Analyst III	A12
1376	Seed Analyst IV	A14
1378	Seed Analyst V	A16
1701	Human Resources Clerk I	A4
1702	Human Resources Clerk II	A6
1703	Human Resources Clerk III	A8
1704	Human Resources Clerk IV	A10
1711	Human Resources Assistant	A11
1780	Training Assistant	A11
1801	Statistical Clerk I	A4
1802	Statistical Clerk II	A6
1803	Statistical Clerk III	A8
1901	Stock and Inventory Clerk I	A2
1902	Stock and Inventory Clerk II	A4
1903	Stock and Inventory Clerk III	A6
1911	Stock and Inventory Clerk IV	A9
1912	Stock and Inventory Supervisor I	A12
1913	Stock and Inventory Supervisor II	A14
1935	Purchasing Clerk I	A4
1936	Purchasing Clerk II	A6
1937	Purchasing Clerk III	A8
1940	Purchasing Clerk IV	A10
1970	Contract Technician I	A9
1972	Contract Technician II	A11
1974	Contract Technician III	A13
2119	Engineering Aide	A6
2121	Engineering Technician I	A8
2122	Engineering Technician II	A10
2123	Engineering Technician III	A12
2124	Engineering Technician IV	A14

DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

2125	Engineering Technician V	A16
2166	Graphics Designer I	A12
2167	Graphics Designer II	A14
2168	Graphics Designer III	A16
2169	Drafting Technician I	A8
2170	Drafting Technician II	A11
2172	Drafting Technician III	A13
2174	Drafting Technician IV	A15
2176	Drafting Technician V	A17
2690	Fish and Wildlife Technician I	A8
2691	Fish and Wildlife Technician II	A10
2692	Fish and Wildlife Technician III	A13
2693	Fish and Wildlife Technician IV	A15
2695	Park Ranger I	A6
2696	Park Ranger II	A8
2697	Park Ranger III	A10
2698	Park Ranger IV	A12
2823	Insurance Technician I	A8
2824	Insurance Technician II	A10
3001	Employment Clerk	A8
3151	Unemployment Insurance Claims Examiner I	A10
3152	Unemployment Insurance Claims Examiner II	A12
3153	Unemployment Insurance Claims Examiner III	A13
3158	Unemployment Insurance Claims Examiner IV	A14
3550	Deputy Clerk I	A9
3552	Deputy Clerk II	A11
3554	Deputy Clerk III	A14
3556	Deputy Clerk IV	A17
3557	Hearings Reporter I	A10
3558	Hearings Reporter II	A12
3559	Hearings Reporter III	A14
3565	Legal Secretary I	A9
3566	Legal Secretary II	A11
3567	Legal Secretary III	A13
4203	Laboratory Technician I	A3
4204	Laboratory Technician II	A5
4206	Laboratory Technician III	A7
4207	Laboratory Technician IV	A9
4208	Laboratory Technician V	A11
4290	Radiological Technologist Assistant	A3
4291	Radiological Technologist I	A6
4292	Radiological Technologist II	A8
4293	Radiological Technologist III	A11
4294	Radiological Technologist IV	A13
4298	Electroencephalograph Technician	A9
4340	Orthopedic Equipment Assistant	A6
4342	Orthopedic Equipment Technician I	A8
4344	Orthopedic Equipment Technician II	A10
4345	Orthopedic Equipment Technician III	A12
4348	Therapist Technician I	A2
4349	Therapist Technician II	A4
4350	Therapist Technician III	A5
4351	Therapist Technician IV	A7
4352	Therapist Technician V	A9
4359	Registered Therapist Assistant I	A9
4360	Registered Therapist Assistant II	A11

DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

4370	Medical Aide I	A2
4372	Medical Aide II	A4
4373	Medical Aide III	A5
4376	Medical Aide IV	A7
4377	Medical Technician I	A9
4378	Medical Technician II	A11
4379	Medical Technician III	A13
4426	Respiratory Care Practitioner I	A7
4427	Respiratory Care Practitioner II	A9
4428	Respiratory Care Practitioner III	A11
4430	Licensed Vocational Nurse I	A8
4432	Licensed Vocational Nurse II	A10
4481	Dental Assistant I	A4
4482	Dental Assistant II	A6
4483	Dental Assistant III	A8
4488	Dental Hygienist I	A13
4489	Dental Hygienist II	A16
4497	Pharmacy Technician I	A6
4498	Pharmacy Technician II	A8
4499	Pharmacy Technician III	A10
4501	Correctional Officer I	A7
4502	Correctional Officer II	A9
4503	Correctional Officer III	A11
4520	Juvenile Correctional Officer I	A7
4521	Juvenile Correctional Officer II	A9
4522	Juvenile Correctional Officer III	A11
4523	Juvenile Correctional Officer IV	A13
4524	Juvenile Correctional Officer V	A15
4560	Counsel Substitute I	A11
4561	Counsel Substitute II	A13
4562	Counsel Substitute III	A15
4571	Correctional Transportation Officer	A12
4646	Industrial Specialist I	A11
4647	Industrial Specialist II	A12
4648	Industrial Specialist III	A13
4649	Industrial Specialist IV	A14
4650	Industrial Specialist V	A16
4651	Industrial Specialist VI	A18
4671	Agriculture Specialist I	A12
4672	Agriculture Specialist II	A13
4673	Agriculture Specialist III	A14
4674	Agriculture Specialist IV	A15
4675	Agriculture Specialist V	A16
5050	Disability Services Technician I	A6
5051	Disability Services Technician II	A8
5059	Rehabilitation Technician I	A11
5060	Rehabilitation Technician II	A13
5070	Rehabilitation Services Technician I	A7
5071	Rehabilitation Services Technician II	A9
5072	Rehabilitation Services Technician III	A11
5073	Rehabilitation Services Technician IV	A13
5078	Chaplaincy Services Assistant I	A9
5079	Chaplaincy Services Assistant II	A11
5080	Chaplaincy Services Assistant III	A12
5120	MHMR Aide	A3
5121	MHMR Services Assistant	A5

DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

5122	MHMR Specialist I	A6
5123	MHMR Specialist II	A7
5124	MHMR Supervisor	A9
5140	Recreation Program Specialist I	A9
5142	Recreation Program Specialist II	A11
5144	Recreation Program Specialist III	A13
5146	Recreation Program Specialist IV	A14
5201	Houseparent I	A6
5203	Houseparent II	A8
5204	Houseparent III	A11
5501	Human Services Technician I	A2
5502	Human Services Technician II	A4
5503	Human Services Technician III	A6
5504	Human Services Technician IV	A7
5505	Human Services Technician V	A9
5550	Child Support Technician I	A9
5551	Child Support Technician II	A11
5552	Child Support Technician III	A13
6090	Communications Center Specialist I	A8
6091	Communications Center Specialist II	A9
6092	Communications Center Specialist III	A10
6100	Police Communications Operator I	A12
6103	Police Communications Operator II	A13
6104	Police Communications Operator III	A14
6106	Police Communications Operator IV	A15
6114	Fingerprint Technician I	A10
6115	Fingerprint Technician II	A11
6116	Fingerprint Technician III	A12
6117	Fingerprint Technician IV	A14
6130	Crime Laboratory Evidence Technician	A11
6220	Public Safety Records Technician I	A7
6221	Public Safety Records Technician II	A9
6222	Public Safety Records Technician III	A10
6224	Drivers License Technician	A8
6225	Drivers License Examiner	A10
7350	Library Assistant I	A5
7352	Library Assistant II	A7
7354	Library Assistant III	A9
8001	Custodian I	A2
8009	Custodian II	A3
8010	Custodian III	A5
8019	Custodian IV	A8
8021	Custodial Manager I	A11
8023	Custodial Manager II	A13
8025	Custodial Manager III	A15
8031	Groundskeeper I	A4
8032	Groundskeeper II	A5
8033	Groundskeeper III	A7
8050	Security Officer I	A8
8051	Security Officer II	A10
8052	Security Officer III	A12
8060	Security Worker I	A2
8061	Security Worker II	A3
8063	Security Worker III	A5
8065	Security Worker IV	A7
8102	Food Service Worker I	A2

DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

8103	Food Service Worker II	A3
8104	Food Service Worker III	A5
8105	Food Service Manager I	A9
8106	Food Service Manager II	A13
8107	Food Service Manager III	A16
8115	Cook I	A2
8116	Cook II	A3
8117	Cook III	A4
8118	Cook IV	A6
8156	Dietetic Assistant	A7
8158	Dietetic Technician	A9
8202	Sewing Room Worker	A2
8203	Sewing Room Supervisor	A6
8251	Laundry Worker I	A2
8252	Laundry Worker II	A3
8253	Laundry Worker III	A5
8254	Laundry Worker IV	A6
8260	Laundry Manager I	A9
8261	Laundry Manager II	A11
8262	Laundry Manager III	A14
8263	Laundry Manager IV	A15 †
8301	Barber I	A5
8302	Barber II	A6
8310	Cosmetologist I	A5
8311	Cosmetologist II	A6
8400	Canteen Manager I	A10
8401	Canteen Manager II	A13
9003	Maintenance Assistant I	A2
9004	Maintenance Assistant II	A3
9034	Air Conditioning and Boiler Operator I	A7
9035	Air Conditioning and Boiler Operator II	A9
9036	Air Conditioning and Boiler Operator III	A11
9037	Air Conditioning and Boiler Operator IV	A14
9041	Maintenance Mechanic I	A6
9042	Maintenance Mechanic II	A8
9043	Maintenance Mechanic III	A9
9044	Maintenance Mechanic IV	A11
9046	Maintenance Mechanic V	A13
9047	Electrical and Air Conditioning Mechanic I	A11
9048	Electrical and Air Conditioning Mechanic II	A12
9049	Electrical and Air Conditioning Mechanic III	A14
9050	Electrical and Air Conditioning Mechanic IV	A16
9051	Maintenance Supervisor I	A10
9052	Maintenance Supervisor II	A12
9053	Maintenance Supervisor III	A14
9054	Maintenance Supervisor IV	A15
9055	Maintenance Supervisor V	A16
9305	Transportation Maintenance Supervisor I	A13
9306	Transportation Maintenance Supervisor II	A15
9307	Transportation Maintenance Supervisor III	A16
9308	Transportation Maintenance Supervisor IV	A17
9309	Transportation Maintenance Supervisor V	A18
9401	Vehicle Driver I	A2
9402	Vehicle Driver II	A5
9404	Vehicle Driver III	A7
9405	Vehicle Driver IV	A9

† *Should read A16.*

DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

9416	Motor Vehicle Mechanic I	A8
9417	Motor Vehicle Mechanic II	A10
9418	Motor Vehicle Mechanic III	A12
9421	Motor Vehicle Mechanic IV	A14
9510	Machinist I	A10
9512	Machinist II	A12
9514	Machinist III	A14
9632	Aircraft Mechanic I	A13
9634	Aircraft Mechanic II	A15
9635	Aircraft Mechanic III	A17
9700	Radio Communications Technician I	A9
9702	Radio Communications Technician II	A11
9704	Radio Communications Technician III	A12
9706	Radio Communications Technician IV	A14
9729	Office Machine Service Technician I	A9
9732	Office Machine Service Technician II	A11
9733	Office Machine Service Technician III	A13
9736	Office Machine Service Technician IV	A15 †
T024	Teacher Aide I, Youth Commission	A6
T039	Teacher Aide II, Youth Commission	A9
T040	Teacher Aide III, Youth Commission	A13

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS

Class Number	Position Title	Salary Group
0160	Executive Assistant I	B9
0162	Executive Assistant II	B11
0233	ADP Supervisor I	B8
0234	ADP Supervisor II	B10
0239	Programmer I	B4
0240	Programmer II	B6
0241	Programmer III	B8
0242	Programmer IV	B10
0243	Programmer V	B12
0248	Programmer VI	B15
0251	Programmer Analyst I	B10
0252	Programmer Analyst II	B12
0253	Programmer Analyst III	B13
0260	Systems Analyst I	B8
0262	Systems Analyst II	B10
0264	Systems Analyst III	B12
0266	Systems Analyst IV	B13
0267	Systems Analyst V	B15
0268	Systems Programmer I	B10
0269	Systems Programmer II	B12
0270	Systems Programmer III	B13
0277	Data Base Administrator I	B8
0278	Data Base Administrator II	B10
0279	Data Base Administrator III	B12
0280	Data Base Administrator IV	B13
0281	Telecommunications Specialist I	B4
0282	Telecommunications Specialist II	B6

† *Should read A16.*

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

0283	Telecommunications Specialist III	B8
0284	Telecommunications Specialist IV	B10
0285	Telecommunications Specialist V	B12
0287	Network Specialist I	B8
0288	Network Specialist II	B10
0289	Network Specialist III	B12
0515	Planning Assistant	B8
0516	Planner I	B9
0517	Planner II	B11
0518	Planner III	B12
0519	Planner IV	B13
0544	Research Specialist I	B7
0546	Research Specialist II	B9
0548	Research Specialist III	B10
0552	Research Specialist IV	B11
0554	Research Specialist V	B13
0560	Marketing Specialist I	B4
0562	Marketing Specialist II	B6
0564	Marketing Specialist III	B8
0566	Marketing Specialist IV	B10
0570	Information Specialist I	B6
0572	Information Specialist II	B8
0574	Information Specialist III	B10
0576	Information Specialist IV	B13
0590	State Technical Operations Officer	B6
0592	Emergency Management Information Officer	B9
1010	Accountant I	B3
1012	Accountant II	B5
1014	Accountant III	B8
1016	Accountant IV	B9
1018	Accountant V	B11
1020	Accountant VI	B12
1022	Accountant VII	B13
1040	Auditor I	B4
1042	Auditor II	B6
1044	Auditor III	B8
1046	Auditor IV	B10
1048	Auditor V	B12
1049	Auditor VI	B13
1059	Taxpayer Compliance Officer I	B3
1060	Taxpayer Compliance Officer II	B4
1061	Taxpayer Compliance Officer III	B6
1073	Accounts Examiner I	B3
1074	Accounts Examiner II	B5
1075	Accounts Examiner III	B7
1076	Accounts Examiner IV	B9
1077	Accounts Examiner V	B10
1091	Assistant State Auditor I	B5
1092	Assistant State Auditor II	B7
1093	Assistant State Auditor III	B9
1097	Assistant State Auditor IV	B11
1098	Assistant State Auditor V	B13
1099	Assistant State Auditor VI	B15
1120	EDP Audit Specialist I	B6
1121	EDP Audit Specialist II	B8
1122	EDP Audit Specialist III	B10

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

1123	EDP Audit Specialist IV	B12
1124	EDP Audit Specialist V	B13
1130	Investment Officer I	B10
1131	Investment Officer II	B12
1132	Investment Officer III	B13
1155	Budget Analyst I	B6
1156	Budget Analyst II	B9
1157	Budget Analyst III	B11
1158	Budget Analyst IV	B13
1209	Management Auditor I	B6
1211	Management Auditor II	B7
1213	Management Auditor III	B9
1215	Management Auditor IV	B11
1217	Management Auditor V	B13
1220	Internal Auditor I	B5
1222	Internal Auditor II	B7
1224	Internal Auditor III	B9
1226	Internal Auditor IV	B11
1228	Internal Auditor V	B12
1230	Internal Auditor VI	B13
1250	Economist I	B8
1252	Economist II	B10
1254	Economist III	B12
1260	Financial Examiner I	B8
1262	Financial Examiner II	B11
1264	Financial Examiner III	B13
1320	Inspector I	B1
1321	Inspector II	B3
1322	Inspector III	B5
1323	Inspector IV	B7
1324	Inspector V	B8
1325	Inspector VI	B10
1326	Inspector VII	B12
1350	Investigator I	B4
1351	Investigator II	B6
1352	Investigator III	B8
1353	Investigator IV	B9
1354	Investigator V	B10
1355	Investigator VI	B12
1356	Investigator VII	B13
1550	Staff Services Officer I	B8
1551	Staff Services Officer II	B10
1552	Staff Services Officer III	B11
1553	Staff Services Officer IV	B12
1554	Staff Services Officer V	B13
1563	Program Administrator I	B9
1564	Program Administrator II	B10
1565	Program Administrator III	B11
1566	Program Administrator IV	B12
1567	Program Administrator V	B13
1570	Program Specialist I	B9
1571	Program Specialist II	B10
1572	Program Specialist III	B11
1573	Program Specialist IV	B12
1574	Program Specialist V	B13
1590	Area Manager I	B8

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

1591	Area Manager II	B9
1592	Area Manager III	B10
1593	Area Manager IV	B11
1594	Area Manager V	B12
1729	Human Resources Specialist I	B5
1731	Human Resources Specialist II	B7
1733	Human Resources Specialist III	B9
1735	Human Resources Specialist IV	B11
1737	Human Resources Specialist V	B13
1781	Training Specialist I	B5
1782	Training Specialist II	B7
1783	Training Specialist III	B9
1784	Training Specialist IV	B11
1785	Training Specialist V	B13
1811	Statistician I	B1
1812	Statistician II	B4
1813	Statistician III	B7
1816	Statistician IV	B9
1850	Methods and Procedures Specialist I	B6
1851	Methods and Procedures Specialist II	B8
1859	Journalist I	B2
1860	Journalist II	B4
1870	Technical Writer I	B7
1871	Technical Writer II	B9
1954	Purchaser I	B4
1955	Purchaser II	B6
1956	Purchaser III	B8
1957	Purchaser IV	B10
1976	Contract Specialist I	B7
1978	Contract Specialist II	B8
1980	Contract Specialist III	B9
2050	Land Surveyor I	B9
2052	Land Surveyor II	B12
2054	Land Surveyor III	B13
2060	Appraiser I	B5
2061	Appraiser II	B7
2062	Appraiser III	B9
2063	Appraiser IV	B10
2064	Appraiser V	B11
2065	Appraiser VI	B13
2080	Right of Way Agent I	B4
2082	Right of Way Agent II	B6
2084	Right of Way Agent III	B8
2086	Right of Way Agent IV	B10
2091	Utility Specialist I	B9
2092	Utility Specialist II	B11
2093	Utility Specialist III	B12
2094	Utility Specialist IV	B13
2127	Engineering Specialist I	B9
2128	Engineering Specialist II	B10
2129	Engineering Specialist III	B11
2130	Engineering Specialist IV	B12
2151	Engineering Assistant I	B6
2153	Engineering Assistant II	B7
2155	Engineering Assistant III	B8
2156	Engineer I	B9

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

2158	Engineer II	B10
2160	Engineer III	B11
2162	Engineer IV	B12
2164	Engineer V	B13
2165	Engineer VI	B15
2251	Project Design Assistant I	B6
2253	Project Design Assistant II	B7
2254	Project Design Assistant III	B8
2256	Architect I	B9
2258	Architect II	B10
2260	Architect III	B11
2262	Architect IV	B12
2264	Architect V	B13
2351	Geologist Assistant I	B6
2353	Geologist Assistant II	B7
2355	Geologist Assistant III	B8
2356	Geologist I	B9
2358	Geologist II	B10
2360	Geologist III	B11
2362	Geologist IV	B12
2364	Geologist V	B13
2551	Hydrologist Assistant I	B6
2553	Hydrologist Assistant II	B7
2555	Hydrologist Assistant III	B8
2556	Hydrologist I	B9
2558	Hydrologist II	B10
2560	Hydrologist III	B11
2562	Hydrologist IV	B12
2564	Hydrologist V	B13
2661	Chemist I	B3
2662	Chemist II	B5
2663	Chemist III	B7
2664	Chemist IV	B9
2665	Chemist V	B11
2667	Chemist VI	B13
2670	Sanitarian I	B3
2671	Sanitarian II	B5
2672	Sanitarian III	B7
2673	Sanitarian IV	B9
2674	Sanitarian V	B11
2675	Sanitarian VI	B13
2680	Environmental Specialist I	B3
2681	Environmental Specialist II	B5
2682	Environmental Specialist III	B7
2683	Environmental Specialist IV	B9
2684	Environmental Specialist V	B11
2685	Environmental Specialist VI	B13
2721	Deputy State Fire Marshal I	B5
2722	Deputy State Fire Marshal II	B7
2723	Deputy State Fire Marshal III	B9
2724	Deputy State Fire Marshal IV	B11
2725	Deputy State Fire Marshal V	B13
2750	Safety Officer I	B7
2751	Safety Officer II	B9
2752	Safety Officer III	B11
2753	Safety Officer IV	B13

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

2805	Actuary I	B11
2807	Actuary II	B12
2809	Actuary III	B13
2810	Risk Management Specialist I	B7
2811	Risk Management Specialist II	B9
2812	Risk Management Specialist III	B10
2813	Risk Management Specialist IV	B12
2814	Risk Management Specialist V	B13
2841	Insurance Specialist I	B4
2842	Insurance Specialist II	B6
2843	Insurance Specialist III	B8
2844	Insurance Specialist IV	B9
2845	Insurance Specialist V	B10
2911	Retirement System Benefits Specialist I	B2
2912	Retirement System Benefits Specialist II	B4
2917	Retirement System Benefits Specialist III	B6
2919	Retirement System Benefits Specialist IV	B8
3005	Employment Specialist I	B2
3006	Employment Specialist II	B3
3007	Employment Specialist III	B4
3009	Employment Specialist IV	B5
3012	Employment Specialist V	B6
3013	Employment Specialist VI	B7
3014	Employment Specialist VII	B8
3141	Labor Market Analyst I	B4
3142	Labor Market Analyst II	B5
3143	Labor Market Analyst III	B7
3148	Labor Market Analyst IV	B8
3171	Unemployment Insurance Specialist I	B7
3172	Unemployment Insurance Specialist II	B8
3173	Unemployment Insurance Specialist III	B9
3190	Appeals Referee I	B7
3191	Appeals Referee II	B8
3192	Appeals Referee III	B10
3193	Appeals Referee IV	B11
3194	Appeals Referee V	B13
3195	Unemployment Tax Specialist	B8
3534	Attorney I	B6
3535	Attorney II	B7
3536	Attorney III	B9
3537	Attorney IV	B10
3538	Attorney V	B11
3539	Attorney VI	B13
3540	Attorney VII	B15
3542	Hearings Examiner I	B6
3543	Hearings Examiner II	B9
3544	Hearings Examiner III	B10
3545	Hearings Examiner IV	B11
3546	Hearings Examiner V	B13
3561	Appellate Court Peace Officer	B6
3570	Legal Assistant I	B4
3572	Legal Assistant II	B6
3574	Legal Assistant III	B8
3576	Legal Assistant IV	B10
3580	Benefit Review Officer I	B10
3582	Benefit Review Officer II	B12

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

3585	Ombudsman I	B9
3587	Ombudsman II	B10
3595	Human Services Hearing Officer	B10
4010	Clinical Records Administrator I	B6
4011	Clinical Records Administrator II	B9
4014	Nutritionist I	B3
4015	Nutritionist II	B5
4016	Nutritionist III	B7
4017	Nutritionist IV	B10
4018	Nutritionist V	B12
4070	Public Health Technician I	B3
4072	Public Health Technician II	B5
4074	Public Health Technician III	B7
4076	Public Health Technician IV	B9
4081	Epidemiologist I	B7
4082	Epidemiologist II	B9
4083	Epidemiologist III	B11
4084	Epidemiologist IV	B13
4125	Veterinarian I	B11
4127	Veterinarian II	B13
4219	Microbiologist I	B3
4220	Microbiologist II	B5
4221	Microbiologist III	B7
4222	Microbiologist IV	B9
4223	Microbiologist V	B11
4224	Microbiologist VI	B13
4361	Registered Therapist I	B4
4362	Registered Therapist II	B6
4363	Registered Therapist III	B8
4364	Registered Therapist IV	B10
4365	Registered Therapist V	B11
4366	Registered Therapist VI	B13
4400	Medical Technologist I	B3
4401	Medical Technologist II	B5
4402	Medical Technologist III	B7
4403	Medical Technologist IV	B9
4404	Medical Technologist V	B11
4405	Medical Technologist VI	B13
4440	Nurse I	B4
4442	Nurse II	B6
4444	Nurse III	B8
4446	Nurse IV	B10
4448	Nurse V	B12
4450	Nurse VI	B13
4490	Pharmacist I	B8
4491	Pharmacist II	B10
4492	Pharmacist III	B12
4493	Pharmacist IV	B13
4510	Sergeant of Correctional Officers	B5
4511	Lieutenant of Correctional Officers	B6
4512	Captain of Correctional Officers	B7
4513	Major of Correctional Officers	B9
4540	Parole Officer I	B6
4541	Parole Officer II	B7
4542	Parole Officer III	B8
4543	Parole Officer IV	B10

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

4544	Parole Officer V	B12
4558	Warden	B13
5001	Social Service Worker I	B3
5002	Social Service Worker II	B4
5003	Social Service Worker III	B5
5006	Social Service Supervisor I	B7
5007	Social Service Supervisor II	B8
5011	Social Service Case Analyst I	B6
5012	Social Service Case Analyst II	B8
5014	Social Service Program Consultant	B9
5017	Adult Protective Services Specialist I	B6
5018	Adult Protective Services Specialist II	B8
5019	Adult Protective Services Specialist III	B9
5020	Institutional Licensing Representative	B7
5023	Child Protective Services Specialist I	B4
5024	Child Protective Services Specialist II	B6
5025	Child Protective Services Specialist III	B7
5026	Child Protective Services Specialist IV	B8
5028	Child Protective Services Specialist V	B9
5030	Disability Examiner I	B7
5031	Disability Examiner II	B8
5032	Disability Examiner III	B9
5046	Disability Case Review Specialist	B3
5052	Disability Determination Officer I	B4
5053	Disability Determination Officer II	B6
5054	Disability Determination Officer III	B8
5056	Disability Determination Officer IV	B10
5062	Vocational Rehabilitation Counselor I	B7
5063	Vocational Rehabilitation Counselor II	B8
5068	Vocational Rehabilitation Counselor III	B9
5081	Chaplain I	B5
5082	Chaplain II	B8
5083	Chaplain III	B10
5105	Veterans Assistance Counselor I	B6
5106	Veterans Assistance Counselor II	B7
5107	Veterans Assistance Counselor III	B8
5108	Veterans Assistance Counselor IV	B9
5109	Veterans Assistance Counselor V	B10
5112	Chemical Dependency Counselor I	B5
5113	Chemical Dependency Counselor II	B6
5130	Qualified Mental Retardation Professional I	B5
5131	Qualified Mental Retardation Professional II	B6
5132	Qualified Mental Retardation Professional III	B7
5133	Qualified Mental Retardation Professional IV	B8
5211	Caseworker I	B1
5212	Caseworker II	B4
5213	Caseworker III	B7
5215	Medical/Psychiatric Caseworker	B10
5220	Clinical Social Worker I	B3
5221	Clinical Social Worker II	B5
5222	Clinical Social Worker III	B7
5223	Clinical Social Worker IV	B9
5224	Clinical Social Worker V	B10
5231	Volunteer Services Coordinator I	B3
5232	Volunteer Services Coordinator II	B5
5233	Volunteer Services Coordinator III	B7

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

5234	Volunteer Services Coordinator IV	B9
5243	Volunteer Services Coordinator V	B11
5252	Psychological Assistant	B4
5253	Associate Psychologist I	B7
5254	Associate Psychologist II	B8
5255	Associate Psychologist III	B9
5256	Associate Psychologist IV	B10
5257	Associate Psychologist V	B11
5258	Associate Psychologist VI	B12
5261	Case Manager I	B3
5262	Case Manager II	B5
5263	Case Manager III	B7
5264	Case Manager IV	B9
5351	Rehabilitation Teacher I	B2
5352	Rehabilitation Teacher II	B4
5354	Rehabilitation Caseworker	B6
5360	Coordinator of Rehabilitation	B8
5370	Supervising Business Consultant I	B7
5371	Supervising Business Consultant II	B9
5375	Field Operations Specialist	B9
5377	Field Operations Supervisor	B10
5517	Human Services Quality Control Analyst I	B6
5518	Human Services Quality Control Analyst II	B7
5519	Human Services Quality Control Analyst III	B8
5521	Human Services Quality Control Analyst IV	B9
5522	Human Services Quality Control Analyst V	B11
5530	Child Development Specialist I	B1
5531	Child Development Specialist II	B3
5532	Child Development Specialist III	B5
5533	Child Development Specialist IV	B7
5534	Child Development Specialist V	B9
5540	Child Support Officer I	B3
5541	Child Support Officer II	B5
5542	Child Support Officer III	B7
5543	Child Support Officer IV	B9
5610	Interpreter I	B1
5612	Interpreter II	B3
5614	Interpreter III	B6
5616	Interpreter IV	B8
5618	Interpreter V	B10
5700	Human Services Specialist I	B3
5701	Human Services Specialist II	B4
5702	Human Services Specialist III	B5
5703	Human Services Specialist IV	B6
5704	Human Services Specialist V	B7
5705	Human Services Specialist VI	B8
5706	Human Services Specialist VII	B9
6070	Criminalist I	B8
6071	Criminalist II	B9
6072	Criminalist III	B10
6073	Criminalist IV	B11
6074	Criminalist V	B12
6075	Criminalist VI	B13
6077	Criminalist VII	B14
6078	Criminalist VIII	B15
6080	Crime Scene Photographer I	B6

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

6082	Crime Scene Photographer II	B7
6084	Crime Scene Photographer III	B9
6086	Crime Scene Photographer IV	B11
6088	Crime Scene Photographer Supervisor	B14
6107	Police Communications Supervisor I	B9
6093	Communications Center Supervisor	B8
6108	Police Communications Supervisor II	B11
6113	Latent Print Technician	B7
6119	Automated Fingerprint Index System Supervisor	B9
6150	Evidence/CODIS/DNA Technician	B5
6152	Combined DNA Index System Analyst I	B10
6154	Combined DNA Index System Analyst II	B12
6156	Combined DNA Index System Supervisor	B15
6200	Electronic Technician	B9
7304	Archeologist I	B5
7306	Archeologist II	B7
7308	Archeologist III	B9
7310	State Archeologist	B13
7315	Historian I	B3
7317	Historian II	B5
7319	Historian III	B7
7401	Librarian I	B3
7402	Librarian II	B5
7403	Librarian III	B7
7404	Librarian IV	B8
7405	Archivist I	B3
7407	Archivist II	B5
7409	Archivist III	B7
7460	Exhibit Technician I	B2
7462	Exhibit Technician II	B4
7464	Exhibit Technician III	B6
7466	Museum Curator	B7
8160	Dietitian I	B3
8161	Dietitian II	B5
8165	Dietitian III	B7
9087	Maintenance Manager I	B10
9088	Maintenance Manager II	B12
9089	Maintenance Manager III	B13
9620	Aircraft Pilot I	B7
9622	Aircraft Pilot II	B9
9624	Aircraft Pilot III	B11
9626	Aircraft Pilot IV	B12
A001	Assistant Chief, Traffic Law Enforcement, Department of Public Safety	B15
A002	Assistant Chief, Criminal Law Enforcement, Department of Public Safety	B15
A004	Accounts Examiner I, Department of Banking	B6
A005	Accounts Examiner II, Department of Banking	B8
A007	Accounts Examiner III, Department of Banking	B10
A014	Assistant Group Manager, Office of Attorney General	B16
A017	Administrative Assistant, Supreme Court	B15
A024	Applications Analyst, Savings and Loan Department	B10
A027	Associate Administrative Law Judge I, Office of Administrative Hearings	B13
A031	Assistant to the Commissioners for Governmental Relations, Education Agency	B18
A032	Assistant Director, State Preservation Board	B15
A036	Associate Commissioner, Education Agency	B20
A037	Associate Permanent School Fund Manager, Education Agency	B20
A039	Administrative Law Judge, Public Utilities Commission	B16

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

A048	Assistant General Counsel II, Teacher Retirement System	B17
A049	Assistant Portfolio Manager, Teacher Retirement System	B16
A051	Assistant General Counsel, Employees Retirement System	B18
A052	Assistant General Counsel I, Teacher Retirement System	B16
A053	Assistant General Counsel III, Teacher Retirement System	B18
A056	Assistant Director, USAS, Comptroller of Public Accounts	B18
A061	Associate Commissioner III, Health and Human Services Commission	B18
A068	Attorney I, General Land Office	B13
A069	Attorney II, General Land Office	B15
A070	Attorney III, General Land Office	B16
A071	Auditor I, General Land Office	B15
A072	Auditor II, General Land Office	B16
A073	Auditor III, General Land Office	B17
A077	Attorney, Department of Agriculture	B17
A078	Agricultural Specialist, Department of Agriculture	B17
A081	Assistant Departmental Examiner, Savings and Loan Department	B17
A082	Architect of the Capitol, State Preservation Board	B17
A083	Exempt IV, Department of Human Services	B17
A085	Assistant Adjutant General, Air, Adjutant General	B15
A086	Exempt III, Department of Human Services	B16
A087	Exempt II, Department of Human Services	B15
A088	Exempt I, Department of Human Services	B14
A090	Assistant Adjutant General, Army, Adjutant General	B15
A091	Assistant Examiner I, Consumer Credit Commission	B3
A092	Assistant Examiner II, Consumer Credit Commission	B4
A094	Assistant Director of Auditing and Tax Reporting, Alcoholic Beverage Commission	B14
A096	Administrative Assistant for Research and Planning, Employees Retirement System	B16
A098	Assistant Director, Comptroller of Public Accounts	B19
A099	Assistant Chief of Enforcement, Alcoholic Beverage Commission	B14
A101	Associate Director, Commission on Alcohol and Drug Abuse	B15
A102	Associate Commissioner, Department on Human Services	B17
A105	Assistant Administrator, Real Estate Commission	B14
A106	Assistant Examiner I, Savings and Loan Department	B5
A107	Assistant Examiner II, Savings and Loan Department	B7
A108	Assistant Credit Union Examiner, Credit Union Department	B3
A110	Assistant Attorney General VI, Office of Attorney General	B19
A112	Assistant Executive Director for District Programs, Soil and Water Conservation Board	B14
A113	Assistant Executive Director for Administration, Soil and Water Conservation Board	B14
A115	Assistant Attorney General V, Office of Attorney General	B16
A116	Assistant Attorney General IV, Office of Attorney General	B14
A117	Assistant Attorney General III, Office of Attorney General	B12
A118	Assistant Attorney General II, Office of Attorney General	B8
A119	Assistant Attorney General I, Office of Attorney General	B7
A122	Law Clerk I, Office of Attorney General	B1
A132	Associate Deputy Director, Department of Information Resources	B17
A134	Assistant District Director, Railroad Commission	B15
A136	Assistant Director, Employees Retirement System	B18
A138	ALR Coordinator, Office of Administrative Hearings	B18
A141	Actuarial Specialist I, Department of Insurance	B13
A142	Actuarial Specialist II, Department of Insurance	B15
A143	Actuarial Specialist III, Department of Insurance	B16
A144	Actuarial Specialist IV, Department of Insurance	B18
A145	Actuarial Specialist V, Department of Insurance	B19
A146	Associate Deputy Director for Design, Department of Criminal Justice	B19

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

A147	Associate Deputy Director for Construction, Department of Criminal Justice	B19
A149	Assistant Superintendent - Administration State Hospitals, Department of Mental Health and Mental Retardation	B14
A151	Associate Deputy Assistant Secretary for Statutory Filings, Secretary of State	B17
A153	Assistant General Counsel I, Department of Banking	B11
A154	Assistant General Counsel II, Department of Banking	B13
A155	Assistant General Counsel III, Department of Banking	B15
A156	Assistant General Counsel IV, Department of Banking	B16
A157	Assistant Director I, Department of Banking	B15
A158	Assistant Director II, Department of Banking	B16
A159	Assistant Director III, Department of Banking	B18
A160	Asset Manager II, Teacher Retirement System	B19
A161	Assistant General Counsel IV, Teacher Retirement System	B19
A162	Assistant Director IV, Department of Criminal Justice	B18
A164	Assistant Land Commissioner, General Land Office	B18
A166	Director, Comptroller of Public Accounts	B19
A167	Assistant Director for Bingo Operations, Lottery Commission	B14
A169	Assistant Division Director, Water Development Board	B15
A170	Assistant Director II, Department of Criminal Justice	B15
A171	Assistant Director I, Department of Criminal Justice	B14
A193	Director of Enforcement, Commission on Human Rights	B14
A196	Associate Director Rehabilitation Services, Youth Commission	B18
A197	Assistant Director Finance/Construction, Youth Commission	B18
A199	Assistant Director Management Support, Youth Commission	B18
A200	Assistant Director of Programs, Commission for the Blind	B14
A206	Assistant Director, Oil & Gas, Railroad Commission	B18
A218	Director I, Securities Board	B16
A219	Deputy Director for Programs, Employees Retirement System	B20
A220	Director II, Securities Board	B17
A221	Manager of Electronic Data Processing System, Teacher Retirement System	B18
A223	Director III, Securities Board	B18
A224	Assistant General Counsel, Water Development Board	B16
A225	Assistant Deputy Director for Legal Affairs, Commission on Alcohol and Drug Abuse	B17
A226	Assistant Examiner III, Department of Banking	B7
A227	Administrative Law Judge, Department of Banking	B16
A228	Assistant Examiner III, Consumer Credit Commission	B6
A229	Assistant Commissioner for Reading, Education Agency	B19
A231	Associate Commissioner IV, Health and Human Services Commission	B19
A232	Assistant Deputy Treasurer - Fiscal, Comptroller of Public Accounts	B19
A235	Assistant Director III, Department of Criminal Justice	B16
A237	Deputy Treasurer - Operations, Comptroller of Public Accounts	B19
A238	Assistant Deputy, Systems Development, Commission on Alcohol and Drug Abuse	B16
A239	Associate Administrative Law Judge II, Office of Administrative Hearings	B15
A240	Assistant Commissioner, Rehabilitation Commission	B17
A241	Law Clerk II, Office of Attorney General	B2
A242	Law Clerk III, Office of Attorney General	B3
A245	Asset Manager, Education Agency	B19
A252	Assistant Division Director, Railroad Commission	B15
A261	Assistant Examiner I, Department of Banking	B3
A262	Assistant Examiner II, Department of Banking	B4
A275	Investment Officer, Equities, Teacher Retirement System	B20
A278	Investment Officer, Fixed Income, Teacher Retirement System	B20
A293	Assistant Superintendent, Youth Commission	B13
A294	Assistant Chief, Texas Rangers, Department of Public Safety	B15
A324	Assistant Superintendent, State Center, Department of Mental Health and	

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

	Mental Retardation	B16
A325	Assistant Superintendent for Administration, Department of Mental Health and Mental Retardation	B16
A326	Associate Director, Workers Compensation Commission	B16
A347	Associate Law Judge, Comptroller of Public Accounts	B18
A355	Associate Deputy Commissioner, Department of Agriculture	B19
A357	Assistant Superintendent for Programs, State Schools, Department of Mental Health and Mental Retardation	B16
A386	Associate Commissioner, Rehabilitation Commission	B17
A425	Portfolio Manager, Employees Retirement System	B18
A426	Exempt II, Department of Health	B14
A427	Assistant Regional Director, Department of Banking	B18
A551	Assistant Commissioner, Department of Agriculture	B18
A554	Audit Manager, Comptroller of Public Accounts	B17
A555	Audit Supervisor, Comptroller of Public Accounts	B15
A556	Auditor IV, Comptroller of Public Accounts	B13
A557	Auditor III, Comptroller of Public Accounts	B9
A558	Auditor II, Comptroller of Public Accounts	B7
A559	Auditor I, Comptroller of Public Accounts	B5
B026	Bond Portfolio Manager, Teacher Retirement System	B18
B044	Exempt IV, Department of Health	B17
C001	Assistant Chief, Administration (Information Resources), Department of Public Safety	B15
C002	Assistant Chief, Administration (Crime Records), Department of Public Safety	B15
C003	Chief Inspector, Department of Public Safety	B14
C008	State Coordinator of Emergency Management, Department of Public Safety	B14
C014	Director of Internal Audit, Teacher Retirement System	B18
C015	Chief Equity Trader, Teacher Retirement System	B18
C020	Chief Deputy Director, Department of Information Resources	B18
C022	Chief Counsel, Education Agency	B20
C023	Coordinator, Education Agency	B19
C025	Construction Engineer, Teacher Retirement System	B16
C028	Chief Asset Manager, Teacher Retirement System	B20
C029	Senior Actuary, Department of Insurance	B20
C030	Chief Economist, Office of Public Insurance Counsel	B15
C031	Chief Financial Officer, Department of Housing and Community Affairs	B18
C040	Chief Financial Officer, Teacher Retirement System	B21
C046	Chief of Administration, Department of Public Safety	B16
C047	Chief, Traffic Law Enforcement, Department of Public Safety	B16
C048	Chief, Criminal Law Enforcement, Department of Public Safety	B16
C049	Chief of Legal Services, Department of Public Safety	B16
C050	Chief of Finance, Department of Public Safety	B15
C053	Chief Engineer, Commission on Fire Protection	B15
C059	Clinical Psychologist I, Department of Mental Health and Mental Retardation	B12
C060	Assistant Chief, Administration (Staff Services), Department of Public Safety	B15
C061	Assistant Chief, Administration (Driver and Vehicle), Department of Public Safety	B15
C066	Chief Deputy Clerk, Court of Criminal Appeals	B14 †
C068	Chief Deputy Clerk, Supreme Court	B14 †
C069	Chief Administrative Law Judge, Comptroller of Public Accounts	B19
C075	Conservation Outdoor Recreation Specialist IX, Parks & Wildlife Department	B13
C076	Conservation Outdoor Recreation Specialist VIII, Parks & Wildlife Department	B12
C077	Conservation Outdoor Recreation Specialist VII, Parks & Wildlife Department	B11
C078	Conservation Outdoor Recreation Specialist VI, Parks & Wildlife Department	B10

† *As modified by Section 24, Senate Bill 1898, Regular Session, 1997.*

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

C079	Conservation Outdoor Recreation Specialist V, Parks & Wildlife Department	B9
C080	Conservation Outdoor Recreation Specialist IV, Parks & Wildlife Department	B8
C081	Conservation Outdoor Recreation Specialist III, Parks & Wildlife Department	B7
C082	Conservation Outdoor Recreation Specialist II, Parks & Wildlife Department	B6
C083	Conservation Outdoor Recreation Specialist I, Parks & Wildlife Department	B5
C084	Conservation Scientist IX, Parks & Wildlife Department	B13
C085	Director, Audit-Tax Reporting, Alcoholic Beverage Commission	B15
C090	Chief, Enforcement-Market Practice, Alcoholic Beverage Commission	B15
C094	Chief Operating Officer, Board of Medical Examiners	B17
C099	Conservation Scientist VIII, Parks & Wildlife Department	B12
C100	Conservation Scientist VII, Parks & Wildlife Department	B11
C101	Conservation Scientist VI, Parks & Wildlife Department	B10
C102	Conservation Scientist V, Parks & Wildlife Department	B9
C103	Conservation Scientist IV, Parks & Wildlife Department	B8
C104	Conservation Scientist III, Parks & Wildlife Department	B7
C105	Conservation Scientist II, Parks & Wildlife Department	B6
C106	Conservation Scientist I, Parks & Wildlife Department	B5
C110	Chief Staff Attorney, First Court of Appeals	B14
C113	Director of Medical Services, Rehabilitation Commission	B19
C114	Chief Staff Attorney, Second Court of Appeals	B14
C115	Chief Staff Attorney, Third Court of Appeals	B15
C119	Chief Benefit Officer, Teacher Retirement System	B21
C123	Director, Regulatory Analysis, Office of Public Utility Counsel	B16
C124	Corporate Analyst I, Department of Banking	B13
C125	Corporate Analyst II, Department of Banking	B15
C126	Chief Engineer, Natural Resource Conservation Commission	B19
C130	Chief, Medical Consultant, Youth Commission	B17
C131	Chief Staff Attorney, Fifth Court of Appeals	B15
C134	Contested Case Coordinator, Office of Administrative Hearings	B18
C135	Chief of Staff, Governor's Office	B19
C141	Chief Investment Officer, Comptroller of Public Accounts	B19
C146	Chief Business Services Officer, State Auditor's Office	B16
C152	Clinical Psychologist II , Department of Mental Health and Mental Retardation	B16
C154	Clerk, Supreme Court	B15
C156	Clerk, Court of Criminal Appeals	B15
C162	Clerk, First Court of Appeals	B13
C163	Clerk, Second Court of Appeals	B13
C164	Clerk, Third Court of Appeals	B13
C165	Clerk, Fourth Court of Appeals	B13
C226	Clerk, Fifth Court of Appeals	B13
C227	Clerk, Sixth Court of Appeals	B14
C159	Clerk, Seventh Court of Appeals	B16
C067	Clerk, Eighth Court of Appeals	B13
C147	Clerk, Ninth Court of Appeals	B14
C151	Clerk, Tenth Court of Appeals	B13
C166	Clerk, Eleventh Court of Appeals	B13
C176	Clerk, Twelfth Court of Appeals	B13
C167	Clerk, Thirteenth Court of Appeals	B13
C168	Clerk, Fourteenth Court of Appeals	B14
C178	Chief Staff Attorney, Court of Criminal Appeals	B16
C190	Chief Staff Attorney, Section 10, Twelfth Court of Appeals	B15
C192	Chief Staff Attorney, Fourteenth Court of Appeals	B16
C195	Dentist, Department of Health	B16
C228	Clinical Pharmacologist, Department of Mental Health and Mental Retardation	B15
C269	Director of Corporate Activities & Planning, Savings and Loan Department	B19
C281	Controller, Teacher Retirement System	B19

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

C291	General Counsel, Consumer Credit Commission	B16
C301	Chief of Legal Services, Natural Resource Conservation Commission	B19
C304	Chief Appraiser, Teacher Retirement System	B16
C306	Credit Union Examiner, Credit Union Department	B5
C000	Chief Financial Officer, Office of Court Administration	B18
D006	Director, Corporate Activities, Department of Banking	B19
D007	General Counsel/Director of Enforcement, Board of Public Accountancy	B15
D013	Directors, Department of Housing and Community Affairs	B16
D016	Director, Fire/Crash Rescue Operations, Adjutant General	B11
D017	Deputy Assistant Secretary for Elections, Secretary of State	B18
D018	Deputy Assistant Secretary for Information Services, Secretary of State	B18
D019	Deputy Assistant Secretary for Administrative Services, Secretary of State	B18
D021	Deputy Director, Public Finance Authority	B13
D022	Division Directors, Department of Housing and Community Affairs	B17
D024	Deputy Chief of Staff, Governor's Office	B17
D031	Director of Real Estate, Teacher Retirement System	B21
D032	Director I, General Land Office	B15
D033	Director II, General Land Office	B16
D034	Director III, General Land Office	B17
D035	Dentist (Part-Time), Youth Commission	B11
D040	Director of Support Services, Commission on Fire Protection	B15
D053	Deputy Administrator - Field Operations, Alcoholic Beverage Commission	B17
D054	Deputy Land Commissioner, General Land Office	B19
D058	Associate Commissioner I, Health and Human Services Commission	B16
D061	Deputy Director, Department of Criminal Justice	B19
D062	Director of Engineering, Low-Level Radioactive Waste Disposal Authority	B15
D073	Deputy Administrative Director, Office of Court Administration	B18
D078	Chief of Staff, Education Agency	B19
D084	Deputy Chief Counsel, Education Agency	B18
D086	Deputy Director, Natural Resource Conservation Commission	B19
D103	Director of Deferred Compensation, Employees Retirement System	B18
D117	Director of Accounting, Employees Retirement System	B19
D123	Director of Staff Services, Teacher Retirement System	B18
D125	Director of Member Benefits, Employees Retirement System	B19
D129	Director of Equities, Teacher Retirement System	B21
D131	Division Director, Department of Commerce	B17
D138	Director of Management Information Systems, Teacher Retirement System	B19
D140	Director of Group Insurance, Employees Retirement System	B19
D141	Director of Human Resources and Staff Development, Employees Retirement System	B18
D143	Director of Fixed Income, Teacher Retirement System	B21
D145	Director, Personnel and Staff Services, Department of Banking	B19
D146	Director of Benefits Communication, Employees Retirement System	B17
D147	Division Director, Natural Resource Conservation Commission	B17
D155	Director IV, Department of Mental Health and Mental Retardation	B18
D156	Director III, Department of Mental Health and Mental Retardation	B17
D157	Director II, Department of Mental Health and Mental Retardation	B16
D158	Director I, Department of Mental Health and Mental Retardation	B15
D169	Director, State Jail Division, Department of Criminal Justice	B19
D175	Deputy General Counsel, Workers Compensation Commission	B16
D179	Assistant Deputy, Commission on Alcohol and Drug Abuse	B15
D181	Director, Oil Field Cleanup, Railroad Commission	B18
D182	Director, Production Allocation, Railroad Commission	B18
D184	Director, Regulatory Enforcement, Railroad Commission	B18
D185	Director, Environmental Administration, Railroad Commission	B17
D186	Division Director I, Railroad Commission	B18

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

D190	Director II, General Services Commission	B17
D191	Director I, General Services Commission	B16
D192	Director, Policy Development and Examination Support, Department of Banking	B19
D193	Deputy Executive Director of Operations, Department of Criminal Justice	B20
D197	Exempt III, Department of Health	B16
D198	Division Director II, Railroad Commission	B19
D200	Director, Office of State-Federal Relations	B15
D204	Director I, Public Utilities Commission	B17
D206	Associate Commissioner II, Health and Human Services Commission	B17
D210	Director of Administrative Services/Chief Financial Officer, Board of Public Accountancy	B14
D211	Director of Examination, Credit Union Department	B14
D212	Director of Supervision, Credit Union Department	B14
D213	Director of Finance/Operation, Credit Union Department	B14
D220	Exempt I, Department of Health	B13
D223	Director, Petroleum Regulation, Railroad Commission	B19
D225	Physician I, Department of Health	B10
D226	Director of Operations, Youth Commission	B19
D227	Director of Consumer Relations, Commission for the Blind	B14
D228	Director of Criss Cole Rehabilitation Center, Commission for the Blind	B14
D229	Director of Administration, Office of Administrative Hearings	B17
D231	Director of Legal Services, Alcoholic Beverage Commission	B16
D232	Division Director II, Natural Resource Conservation Commission	B18
D235	Deputy Director for Information Systems, Employees Retirement System	B19
D236	Director of Support Services, Employees Retirement System	B17
D237	Assistant Director I, Securities Board	B11
D239	Assistant Director II, Securities Board	B13
D240	Assistant Director III, Securities Board	B14
D241	Director, Trade and International Relations Office, Department of Commerce	B17
D242	Internal Auditor, Department of Protective and Regulatory Services	B15
D243	Development Fund Manager, Water Development Board	B17
D245	Director VI, Department of Transportation	B19
D247	Director of Examinations, Savings and Loan Department	B19
D248	Director, Bank & Trust Division, Department of Banking	B19
D250	Director V, Department of Transportation	B18
D253	Director IV, Department of Transportation	B17
D254	Director III, Department of Transportation	B16
D255	Director II, Department of Transportation	B15
D259	Deputy Director of Administrative Services, Department of Criminal Justice	B19
D260	Director I, Department of Transportation	B14
D263	Director of Cash Management, Comptroller of Public Accounts	B16
D264	Assistant Commissioner/Agriculture Services, Department of Agriculture	B17
D266	Director IV, Department of Protective and Regulatory Services	B17
D267	Director III, Department of Protective and Regulatory Services	B16
D268	Director II, Department of Protective and Regulatory Services	B15
D269	Director I, Department of Protective and Regulatory Services	B14
D270	Director of Unclaimed Property, Comptroller of Public Accounts	B16
D271	Director of Rapid Deposit, Comptroller of Public Accounts	B16
D272	Director of Facilities, Services and Purchasing, Comptroller of Public Accounts	B16
D273	Deputy Treasurer - Finance, Comptroller of Public Accounts	B19
D274	Director of Trust and Operations, Comptroller of Public Accounts	B16
D275	Director, Internal Audit, Comptroller of Public Accounts	B16
D276	Director, Item Processing Division, Comptroller of Public Accounts	B16
D277	Director of Administration, Consumer Credit Commission	B17
D278	Director of Consumer Protection, Consumer Credit Commission	B17
D280	Physician II, Department of Health	B20

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

D281	Physician III, Department of Health	B21
D282	Director of the Texas Tomorrow Fund, Comptroller of Public Accounts	B19
D283	Director of Equities, Education Agency	B21
D284	Director of Fixed Income, Education Agency	B21
D504	District Director, Railroad Commission	B16
D522	Division Director, Ethics Commission	B16
D524	Division Director, Alcoholic Beverage Commission	B14
D528	Division Director II, Youth Commission	B17
D529	Division Director I, Youth Commission	B16
D538	Director of Group Insurance, Teacher Retirement System	B19
D567	Director of Governmental Relations, Teacher Retirement System	B20
D652	Director III, Parks & Wildlife Department	B18
D653	Director II, Parks & Wildlife Department	B17
D654	Director I, Parks & Wildlife Department	B16
D655	Director IV, Parks & Wildlife Department	B19
D751	Deputy Director for Administration, Employees Retirement System	B19
D757	Director, Department of Commerce	B15
D759	Director, Special Audits & Budgets, Department of Banking	B19
D769	Chief Regulatory Accountant, Office of Public Utility Counsel	B16
D770	Internal Auditor, Water Development Board	B15
D000	Director of Regulation, Board of Registration for Professional Engineers	B15
D000	Deputy Executive Director, Board of Registration for Professional Engineers	B16
D000	Director of Research, Office of Court Administration	B18
D000	Director of ADP, Office of Court Administration	B18
E002	Exempt V, Department of Health	B18
E011	Exempt I, Governor's Office	B15
E013	Examiner I, Department of Banking	B11
E014	Examiner II, Department of Banking	B13
E015	Examiner III, Department of Banking	B15
E020	Exempt II, Governor's Office	B18
E023	Examiner I, Savings and Loan Department	B11
E024	Examiner II, Savings and Loan Department	B13
E025	Examiner III, Savings and Loan Department	B15
E026	Executive Assistant, Department of Criminal Justice	B18
E029	Deputy Assistant Attorney General for Administration, Office of Attorney General	B20
E031	Executive Administrator, Court of Criminal Appeals	B19
E032	Executive Assistant, Supreme Court	B19
E039	Research Manager, Teacher Retirement System	B18
E049	Director, Community Justice Assistance Division, Department of Criminal Justice	B19
E059	Director, Pardons and Parole Division, Department of Criminal Justice	B19
E062	Director of Standards, Commission on Fire Protection	B15
E066	Examiner I, Consumer Credit Commission	B11
E067	Examiner II, Consumer Credit Commission	B13
E068	Examiner III, Consumer Credit Commission	B15
E069	Exempt III, Governor's Office	B20
E071	Executive Assistant, Teacher Retirement System	B16
E072	Equity Trader, Teacher Retirement System	B16
E073	Exempt IV, Governor's Office	B21
E083	Executive Assistant to the Commissioners, Natural Resource Conservation Commission	B17
E084	Executive Assistant for Agency Communications, Natural Resource Conservation Commission	B19
E093	Examiner Specialist I, Department of Insurance	B13
E112	Examiner Specialist II, Department of Insurance	B15
E113	Examiner Specialist III, Department of Insurance	B16

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

E114	Examiner Specialist IV, Department of Insurance	B18
E232	Executive Assistant, Fifth Court of Appeals	B12
F006	Financial Analyst I, Department of Banking	B13
F007	Financial Analyst II, Department of Banking	B15
F017	First Deputy Comptroller, Comptroller of Public Accounts	B22
F018	Fire/Crash Rescue Trainee, Adjutant General	B6
F019	Fire/Crash Rescue Specialist, Adjutant General	B8
F020	Lead Fire/Crash Rescue Technician, Adjutant General	B9
F022	Supervisory Fire/Crash Rescue Technician, Adjutant General	B11
F024	Fiscal Director, Low-Level Radioactive Waste Disposal Authority	B15
G005	General Counsel, Employees Retirement System	B19
G008	General Counsel, Teacher Retirement System	B21
G010	Assistant Chief, Legal Services, Department of Public Safety	B15
G012	General Counsel, Department of Transportation	B18
G014	General Counsel, Commission on Alcohol and Drug Abuse	B15
G016	General Counsel, Department of Banking	B20
G019	General Counsel, Workers' Compensation Commission	B18
G021	General Counsel II, Comptroller of Public Accounts	B19
G031	General Counsel, Commissioner on Human Rights	B14
G032	General Counsel, Public Finance Authority	B17
G033	Graduate Engineer III, Railroad Commission	B14
G034	Graduate Engineer II, Railroad Commission	B13
G035	Graduate Engineer I, Railroad Commission	B9
G036	Group Manager, Office of Attorney General	B19
G037	General Counsel, Department of Water Resources, Natural Resource Conservation Commission	B19
G040	General Counsel, Alcoholic Beverage Commission	B19
G041	General Counsel, Commission on Fire Protection	B16
G045	General Counsel, Youth Commission	B19
G046	General Counsel, Water Development Board	B17
G047	General Counsel I, Comptroller of Public Accounts	B18
G049	Division Director, Water Development Board	B17
G050	General Counsel, General Land Office	B19
G052	General Counsel, Department of Housing and Community Affairs	B18
H003	Hearings Officer, Workers' Compensation Commission	B15
H008	Hearings Division Director, Office of Administrative Hearings	B18
I003	Director of Licensing, Alcoholic Beverage Commission	B16
I109	Internal Auditor, Railroad Commission	B15
I110	Internal Auditor, Employees Retirement System	B17
L006	Laboratory Services Manager, Department of Public Safety	B17
L007	Laboratory Services Assistant Manager, Department of Public Safety	B16
L015	Acting Governor, Governor's Office	B21
L016	General Counsel, Lottery Commission	B19
L019	Internal Auditor, Lottery Commission	B18
L023	Loan Administrator Manager, Teacher Retirement System	B20
L025	Laboratory Services Director, Department of Public Safety	B18
L026	Systems Administrator, Lottery Commission	B17
L029	Lottery Operations Supervisor, Lottery Commission	B14
L030	Lottery Communications Director, Lottery Commission	B18
L033	Lottery Marketing Assistant Director, Lottery Commission	B17
L035	Lottery Security Supervisor, Lottery Commission	B14
L036	Lottery Information Systems Assistant Director, Lottery Commission	B16
L038	Lottery Financial Administration Director, Lottery Commission	B18
L039	Lottery Financial Administration Supervisor, Lottery Commission	B14
L042	Lottery Audit Director, Lottery Commission	B18
L043	Lottery Bingo Operations Director, Lottery Commission	B18

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

L074	Lottery Information Systems Director, Lottery Commission	B18
L075	Lottery Marketing Director, Lottery Commission	B18
L076	Lottery Security Director, Lottery Commission	B18
L093	Law Clerk, Supreme Court	B9
L094	Law Clerk, Court of Criminal Appeals	B9
L095	Law Clerk, First Court of Appeals	B9
L096	Law Clerk, Second Court of Appeals	B9
L097	Law Clerk, Third Court of Appeals	B9
L098	Law Clerk, Fourth Court of Appeals	B9
L099	Law Clerk, Fifth Court of Appeals	B9
L100	Law Clerk, Sixth Court of Appeals	B9
L101	Law Clerk, Seventh Court of Appeals	B9
L102	Law Clerk, Eighth Court of Appeals	B9
L103	Law Clerk, Ninth Court of Appeals	B9
L104	Law Clerk, Tenth Court of Appeals	B9
L105	Law Clerk, Eleventh Court of Appeals	B9
L106	Law Clerk, Twelfth Court of Appeals	B9
L107	Law Clerk, Thirteenth Court of Appeals	B9
L108	Law Clerk, Fourteenth Court of Appeals	B9
M005	Manager I, Comptroller of Public Accounts	B17
M006	Manager II, Comptroller of Public Accounts	B18
M011	Manager, USAS, Comptroller of Public Accounts	B17
M014	Manager, Natural Resource Conservation Commission	B15
M016	Manager of Investment Accounting, Teacher Retirement System	B18
M017	Manager of Benefit Accounting, Teacher Retirement System	B17
M018	Manager of Benefit Processing, Teacher Retirement System	B18
M020	Marketing Practices Supervisor, Alcoholic Beverage Commission	B13
M021	Managerial Technical Executive I, Department of Insurance	B15
M022	Managerial Technical Executive II, Department of Insurance	B16
M023	Managerial Technical Executive III, Department of Insurance	B18
M024	Manager of Counseling Services, Teacher Retirement System	B17
M025	Manager of Member Data Services, Teacher Retirement System	B17
M026	Manager of Pension Plan Administration, Teacher Retirement System	B19
M029	Medical Specialist II, Department of Mental Health and Mental Retardation	B20
M030	Medical Specialist III, Department of Mental Health and Mental Retardation	B21
M031	Medical Specialist IV, Department of Mental Health and Mental Retardation	B22
M061	Medical Specialist I, Department of Mental Health and Mental Retardation	B19
M075	State Judge Advocate, Adjutant General	B14
M082	Manager of Human Resources, Teacher Retirement System	B16
M087	Member, Appeals Panel, Workers' Compensation Commission	B15
O022	Research Specialist I, Department of Mental Health and Mental Retardation	B14
O023	Research Specialist II, Department of Mental Health and Mental Retardation	B16
O024	Research Specialist III, Department of Mental Health and Mental Retardation	B17
P001	Professional Trainee, Department of Mental Health and Mental Retardation	B14
P020	Physician (Part-Time), Commission for the Blind	B1
P030	Physician (Part-Time), Youth Commission	B16
P046	Public Information Officer, Teacher Retirement System	B16
P056	Public Interest Counsel, Natural Resource Conservation Commission	B17
P084	Principal Credit Union Examiner, Credit Union Department	B10
P094	General Physician I, Department of Mental Health and Mental Retardation	B20
P098	Problem Case Officer, Credit Union Department	B12
P099	Clinical Dentist, Department of Mental Health and Mental Retardation	B16
P112	Project Manager I, Department of Information Resources	B17
P164	Pharmacists, Department of Mental Health and Mental Retardation	B13
P175	Program Director I, Workforce Commission	B15
P176	Program Director II, Workforce Commission	B16

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

P177	Program Director III, Workforce Commission	B17
P178	Program Director IV, Workforce Commission	B18
P179	General Physician II, Department of Mental Health and Mental Retardation	B21
P180	General Physician III, Department of Mental Health and Mental Retardation	B22
P183	Portfolio Manager, Education Agency	B18
P202	Program Administrator, Comptroller of Public Accounts	B18
P206	Public Utility Attorney, Public Utilities Commission	B16
P214	Program Director, Department of Information Resources	B16
Q001	Quantitative Analyst, Teacher Retirement System	B13
R001	Exempt VI, Department of Health	B19
R004	Asset Manager I, Teacher Retirement System	B18
R021	Regional Director, Rehabilitation Commission	B15
R025	Regional Administrators for Child Support, Office of Attorney General	B16
R034	Director V, Department of Mental Health and Mental Retardation	B19
R036	Regional Director II, Department of Banking	B19
R045	Racetrack Veterinarian, Racing Commission	B18
R109	Regional Director I, Department of Banking	B17
R110	Review Examiner, Department of Banking	B17
S011	Senior Division Director, Education Agency	B16
S012	Senior Staff Attorney, Fourteenth Court of Appeals	B14
S014	Assistant State's Attorney, Office of State Prosecuting Attorney	B18
S019	Senior Staff Attorney, Seventh Court of Appeals	B14
S020	Senior Law Judge, Comptroller of Public Accounts	B18
S022	Chief, Texas Rangers, Department of Public Safety	B16
S023	Senior Deputy Land Commissioner, General Land Office	B19
S024	Chief of Staff, Comptroller of Public Accounts	B19
S029	General Counsel to the Secretary of State, Secretary of State	B18
S033	General Counsel, Railroad Commission	B19
S039	Chief Staff Attorney, Fourth Court of Appeals	B15
S040	Senior Staff Attorney, Fifth Court of Appeals	B14
S041	Senior Staff Attorney, Sixth Court of Appeals	B14
S044	Deputy Assistant Secretary for Statutory Filings, Secretary of State	B18
S046	Staff Attorney, Ninth Court of Appeals	B15
S047	Staff Attorney, Eleventh Court of Appeals	B14
S049	Chief Staff Attorney, Thirteenth Court of Appeals	B15
S050	Staff Attorney I, Court of Criminal Appeals	B11
S051	Equity Portfolio Manager, Teacher Retirement System	B18
S058	Staff Attorney, Supreme Court	B15
S068	Senior Assistant Examiner, Department of Banking	B8
S071	Senior Analyst I, Teacher Retirement System	B16
S073	Senior Examiner, Consumer Credit Commission	B16
S075	Senior Assistant Examiner, Consumer Credit Commission	B8
S077	Attorney, Natural Resource Conservation Commission	B15
S079	Specialist II, Public Utilities Commission	B16
S082	Assistant Examiner III, Savings and Loan Department	B9
S083	Senior Credit Union Examiner, Credit Union Department	B8
S096	Supervisory Analyst I, Savings and Loan Department	B11
S098	Supervisory Credit Union Examiner, Credit Union Department	B13
S101	Special Assistant for Administration, Office of Attorney General	B19
S102	Special Assistant for Child Support, Office of Attorney General	B19
S103	Social Service Worker I (Trainee Medical Specialist I), Department of Human Services	B2
S113	Supervisory Analyst II, Savings and Loan Department	B13
S114	Senior Examiner, Savings and Loan Department	B16
S117	Senior Director, Natural Resource Conservation Commission	B19
S118	Systems Analyst, Railroad Commission	B15

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

S121	Senior Staff Attorney, Railroad Commission	B18
S122	Staff Attorney, Railroad Commission	B16
S128	Social Service Worker I (Trainee Eligibility Worker I), Department of Human Services	B2
S140	Community Care Worker (Trainee) I, Department of Human Services	B2
S143	Senior Litigator, Office of Public Utility Counsel	B16
S144	Senior Economist, Office of Public Utility Counsel	B16
S162	Special Project Director, Teacher Retirement System	B17
S163	Senior Analyst II, Teacher Retirement System	B17
S164	Superintendent IV, Department of Mental Health and Mental Retardation	B19
S165	Superintendent III, Department of Mental Health and Mental Retardation	B18
S166	Superintendent II, Department of Mental Health and Mental Retardation	B16
S167	Superintendent I, Department of Mental Health and Mental Retardation	B15
S168	Specialist I, Public Utilities Commission	B15
S169	Senior Administrative Law Judge, Office of Administrative Hearings	B17
S172	State-Federal Relations Representative I, Comptroller of Public Accounts	B12
S173	State-Federal Relations Representative II, Comptroller of Public Accounts	B16
S174	State-Federal Relations Representative III, Comptroller of Public Accounts	B19
S175	State-Federal Relations Representative I, Office of Attorney General	B12
S176	State-Federal Relations Representative II, Office of Attorney General	B16
S177	State-Federal Relations Representative III, Office of Attorney General	B19
S178	State-Federal Relations Representative I, Department of Human Services	B12
S179	State-Federal Relations Representative II, Department of Human Services	B16
S180	State-Federal Relations Representative III, Department of Human Services	B19
S181	State-Federal Relations Representative I, Department of Health	B12
S182	State-Federal Relations Representative II, Department of Health	B16
S183	State-Federal Relations Representative III, Department of Health	B19
S184	State-Federal Relations Representative I, Education Agency	B12
S185	State-Federal Relations Representative II, Education Agency	B16
S186	State-Federal Relations Representative III, Education Agency	B19
S187	State-Federal Relations Representative I, Department of Criminal Justice	B12
S188	State-Federal Relations Representative II, Department of Criminal Justice	B16
S189	State-Federal Relations Representative III, Department of Criminal Justice	B19
S190	State-Federal Relations Representative I, General Land Office	B12
S191	State-Federal Relations Representative II, General Land Office	B16
S192	State-Federal Relations Representative III, General Land Office	B19
S193	State-Federal Relations Representative I, Natural Resource Conservation Commission	B12
S194	State-Federal Relations Representative II, Natural Resource Conservation Commission	B16
S195	State-Federal Relations Representative III, Natural Resource Conservation Commission	B19
S196	State-Federal Relations Representative I, Department of Commerce	B12
S197	State-Federal Relations Representative II, Department of Commerce	B16
S198	State-Federal Relations Representative III, Department of Commerce	B19
S200	Superintendent, Youth Commission	B15
S202	Supervisor of Information Systems Support, Teacher Retirement System	B17
S205	State-Federal Relations Representative I, Department of Housing and Community Affairs	B12
S206	State-Federal Relations Representative II, Department of Housing and Community Affairs	B16
S207	State-Federal Relations Representative III, Department of Housing and Community Affairs	B19
S209	Staff Attorney II, Court of Criminal Appeals	B15
S210	Senior Network Design Engineer and Chief Technologist, General Services Commission	B16

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

S238	Manager of Accounting & Control, Teacher Retirement System	B18
S239	Supervisor of Operations Support, Teacher Retirement System	B17
S241	Superintendent of Education, Youth Commission	B18
S242	Supervisor of Technical Support, Teacher Retirement System	B17
S246	Chief Administrative Officer, Savings and Loan Department	B14
S260	Senior Examiner, Department of Banking	B16
S265	Senior Warden II, Department of Criminal Justice	B15
S266	Senior Warden I, Department of Criminal Justice	B14
S300	Staff Attorney, Thirteenth Court of Appeals	B14
S335	Steward/Judge (Horse), Racing Commission	B18
S336	Steward/Judge (Greyhound), Racing Commission	B17
T010	Principals, Teachers, Supervisors & Coaches I, Department of Mental Health and Mental Retardation	B4
T014	Principals, Teachers, Supervisors & Coaches I, Youth Commission	B4
T015	Tax Attorney I, Comptroller of Public Accounts	B8
T016	Tax Attorney II, Comptroller of Public Accounts	B10
T017	Tax Attorney III, Comptroller of Public Accounts	B12
T018	Tax Attorney IV, Comptroller of Public Accounts	B14
T019	Tax Attorney V, Comptroller of Public Accounts	B15
T020	Tax Attorney VI, Comptroller of Public Accounts	B16
T021	Principals, Teachers, Supervisors & Coaches I, School for the Blind & Visually Impaired	B1
T023	Principals, Teachers, Supervisors & Coaches I, School for the Deaf	B1
T025	Technical Specialist, Natural Resource Conservation Commission	B15
T029	Team Leader - Data Management, Teacher Retirement System	B14
T030	Team Leader - Member Relations, Teacher Retirement System	B15
T035	Principals, Teachers, Supervisors & Coaches III, Youth Commission	B11
T036	Principals, Teachers, Supervisors & Coaches IV, Youth Commission	B15
T038	Principals, Teachers, Supervisors & Coaches II, Youth Commission	B7
T041	Principals, Teachers, Supervisors & Coaches II, Department of Mental Health and Mental Retardation	B8
T042	Principals, Teachers, Supervisors & Coaches II, School for the Blind & Visually Impaired	B5
T043	Principals, Teachers, Supervisors & Coaches III, School for the Blind & Visually Impaired	B9
T044	Principals, Teachers, Supervisors & Coaches IV, School for the Blind & Visually Impaired	B13
T045	Principals, Teachers, Supervisors & Coaches V, School for the Blind & Visually Impaired	B16
T046	Principals, Teachers, Supervisors & Coaches II, School for the Deaf	B5
T047	Principals, Teachers, Supervisors & Coaches III, School for the Deaf	B9
T048	Principals, Teachers, Supervisors & Coaches IV, School for the Deaf	B13
T049	Principals, Teachers, Supervisors & Coaches V, School for the Deaf	B17
T050	Telecommunications Operation Manager, General Services Commission	B16
Y002	Youth Correctional Psychologist, Youth Commission	B14

DETAILED LISTING OF ALL SCHEDULE C CLASSIFIED POSITIONS

Class Number	Position Title	Salary Group
A003	Assistant Chief Pilot Investigator, Department of Public Safety	C9
A008	Agent IV, Alcoholic Beverage Commission	C5
A030	Agent Trainee, Alcoholic Beverage Commission	C1

DETAILED LISTING OF ALL SCHEDULE C CLASSIFIED POSITIONS
(Continued)

A041	Agent I, Alcoholic Beverage Commission	C2
A042	Agent II, Alcoholic Beverage Commission	C3
A044	Agent III, Alcoholic Beverage Commission	C4
A104	Assistant Commander Game Warden, Parks & Wildlife Department	C10
A243	Internal Affairs Division Director, Department of Criminal Justice	C10
A244	Agent V, Alcoholic Beverage Commission	C6
A251	Lieutenant, Alcoholic Beverage Commission	C8
A281	Assistant Service Commander, Criminal Law Enforcement, Department of Public Safety	C10
C004	Captain, Internal Affairs, Department of Public Safety	C9
C005	Captain Game Warden, Parks & Wildlife Department	C9
C006	Captain, Criminal Law Enforcement, Department of Public Safety	C9
C007	Captain, Texas Rangers, Department of Public Safety	C9
C016	Corporal IV, Traffic Law Enforcement, Department of Public Safety	C5
C017	Corporal III, Traffic Law Enforcement, Department of Public Safety	C4
C018	Corporal II, Traffic Law Enforcement, Department of Public Safety	C3
C019	Corporal I, Traffic Law Enforcement, Department of Public Safety	C2
C024	Captain, Alcoholic Beverage Commission	C9
C026	Captain, Traffic Law Enforcement, Department of Public Safety	C9
C044	Chief Pilot Investigator, Department of Public Safety	C10
C064	Capitol Police Captain, Department of Public Safety	C9
C070	Capitol Police Lieutenant, Department of Public Safety	C8
C071	Capitol Police Sergeant, Department of Public Safety	C7
C072	Capitol Police Corporal, Department of Public Safety	C5
C073	Capitol Police Officer II, Department of Public Safety	C3
C087	Capitol Police Officer I, Department of Public Safety	C2
C091	Capitol Police Officer Trainee, Department of Public Safety	C1
C092	Probationary Capitol Police Officer (1st 6 months), Department of Public Safety	C1
C093	Probationary Capitol Police Officer (2nd 6 months, Department of Public Safety	C1
C232	Commander Game Warden, Parks & Wildlife Department	C10
D521	Major, Alcoholic Beverage Commission	C10
G001	Game Warden IV, Parks & Wildlife Department	C5
G002	Game Warden III, Parks & Wildlife Department	C4
G003	Game Warden II, Parks & Wildlife Department	C3
G007	Game Warden I, Parks & Wildlife Department	C2
G048	Game Warden V, Parks & Wildlife Commission	C6
I002	Sergeant/Investigator, Criminal Law Enforcement, Department of Public Safety	C7
I005	Inspector II, Department of Public Safety	C9
I006	Inspector I, Department of Public Safety	C8
I115	Internal Affairs Investigator Trainee, Department of Criminal Justice	C1
I116	Internal Affairs Investigator I, Department of Criminal Justice	C2
I117	Internal Affairs Investigator II, Department of Criminal Justice	C3
I118	Internal Affairs Investigator III, Department of Criminal Justice	C4
I119	Internal Affairs Investigator IV, Department of Criminal Justice	C5
I120	Internal Affairs Regional Supervisor, Department of Criminal Justice	C7
I121	Internal Affairs Regional Manager, Department of Criminal Justice	C8
I122	Internal Affairs Multi-Region Administrator, Department of Criminal Justice	C9
I123	Internal Affairs Invetigator, Department of Criminal Justice	C6
L010	Lieutenant Game Warden, Parks & Wildlife Department	C8
L011	Lieutenant, Traffic Law Enforcement, Department of Public Safety	C8
M001	Mansion Security Officer, Department of Public Safety	C2
M002	Major, Game Warden, Parks & Wildlife Department	C10
M010	Major, Traffic Law Enforcement, Department of Public Safety	C10
P057	Pilot Investigator, Department of Public Safety	C7
P181	Probationary Game Warden (1st 6 Months), Parks & Wildlife Department	C1
P182	Probationary Game Warden (2nd 6 Months), Parks & Wildlife Department	C1

DETAILED LISTING OF ALL SCHEDULE C CLASSIFIED POSITIONS
(Continued)

S002	Sergeant Game Warden, Parks & Wildlife Department	C7
S003	Sergeant, Traffic Law Enforcement, Department of Public Safety	C7
S004	Lieutenant, Criminal Law Enforcement, Department of Public Safety	C8
S006	Lieutenant, Texas Ranger, Department of Public Safety	C8
S007	Lieutenant, Internal Affairs, Department of Public Safety	C8
S008	Staff Commander, Department of Public Safety	C10
S021	Senior Pilot Investigator, Department of Public Safety	C10 †
S031	Sergeant, Alcoholic Beverage Commission	C7
S043	Service Commander, Criminal Law Enforcement, Department of Public Safety	C10
S054	Staff Captain, Department of Public Safety	C9
S055	Staff Lieutenant, Department of Public Safety	C8
S063	Staff Sergeant, Department of Public Safety	C7
T001	Trooper Trainee, Department of Public Safety	C1
T002	Probationary Trooper (1st 6 Months), Department of Public Safety	C1
T003	Probationary Trooper (2nd 6 Months), Department of Public Safety	C1
T005	Trooper IV, Traffic Law Enforcement , Department of Public Safety	C5
T006	Sergeant, Texas Ranger, Department of Public Safety	C7
T007	Trooper III, Traffic Law Enforcement, Department of Public Safety	C4
T008	Trooper II, Traffic Law Enforcement, Department of Public Safety	C3
T009	Trooper I, Traffic Law Enforcement, Department of Public Safety	C2
T037	Trainee Game Warden, Parks & Wildlife Department	C1
T051	Trooper V, Traffic Law Enforcement, Department of Public Safety	C6

† *Should read C8.*

SCHEDULE A
CLASSIFICATION SALARY SCHEDULE

(For the Year Beginning September 1, 1997)

Salary Group	1	2	3	4	5	6	7	8	9
A2	13,176	13,536	13,908	14,292	14,664	15,060	15,456	15,876	16,332
A3	13,908	14,292	14,664	15,060	15,456	15,876	16,332	16,776	17,244
A4	14,664	15,060	15,456	15,876	16,332	16,776	17,244	17,724	18,252
A5	15,456	15,876	16,332	16,776	17,244	17,724	18,252	18,840	19,392
A6	16,332	16,776	17,244	17,724	18,252	18,840	19,392	19,968	20,544
A7	17,244	17,724	18,252	18,840	19,392	19,968	20,544	21,192	21,852
A8	18,252	18,840	19,392	19,968	20,544	21,192	21,852	22,548	23,232
A9	19,392	19,968	20,544	21,192	21,852	22,548	23,232	23,976	24,732
A10	20,544	21,192	21,852	22,548	23,232	23,976	24,732	25,524	26,340
A11	21,852	22,548	23,232	23,976	24,732	25,524	26,340	27,180	28,032
A12	23,232	23,976	24,732	25,524	26,340	27,180	28,032	28,944	29,868
A13	24,732	25,524	26,340	27,180	28,032	28,944	29,868	30,828	31,788
A14	26,340	27,180	28,032	28,944	29,868	30,828	31,788	32,856	33,900
A15	28,032	28,944	29,868	30,828	31,788	32,856	33,900	34,992	36,132
A16	29,868	30,828	31,788	32,856	33,900	34,992	36,132	37,308	38,508
A17	31,788	32,856	33,900	34,992	36,132	37,308	38,508	39,744	41,016
A18	33,900	34,992	36,132	37,308	38,508	39,744	41,016	42,360	43,728

SCHEDULE A
CLASSIFICATION SALARY SCHEDULE

(For the Year Beginning September 1, 1998)

Salary Group	1	2	3	4	5	6	7	8	9
A2	13,176	13,536	13,908	14,292	14,664	15,060	15,456	15,876	16,332
A3	13,908	14,292	14,664	15,060	15,456	15,876	16,332	16,776	17,244
A4	14,664	15,060	15,456	15,876	16,332	16,776	17,244	17,724	18,252
A5	15,456	15,876	16,332	16,776	17,244	17,724	18,252	18,840	19,392
A6	16,332	16,776	17,244	17,724	18,252	18,840	19,392	19,968	20,544
A7	17,244	17,724	18,252	18,840	19,392	19,968	20,544	21,192	21,852
A8	18,252	18,840	19,392	19,968	20,544	21,192	21,852	22,548	23,232
A9	19,392	19,968	20,544	21,192	21,852	22,548	23,232	23,976	24,732
A10	20,544	21,192	21,852	22,548	23,232	23,976	24,732	25,524	26,340
A11	21,852	22,548	23,232	23,976	24,732	25,524	26,340	27,180	28,032
A12	23,232	23,976	24,732	25,524	26,340	27,180	28,032	28,944	29,868
A13	24,732	25,524	26,340	27,180	28,032	28,944	29,868	30,828	31,788
A14	26,340	27,180	28,032	28,944	29,868	30,828	31,788	32,856	33,900
A15	28,032	28,944	29,868	30,828	31,788	32,856	33,900	34,992	36,132
A16	29,868	30,828	31,788	32,856	33,900	34,992	36,132	37,308	38,508
A17	31,788	32,856	33,900	34,992	36,132	37,308	38,508	39,744	41,016
A18	33,900	34,992	36,132	37,308	38,508	39,744	41,016	42,360	43,728

SCHEDULE B
CLASSIFICATION SALARY SCHEDULE

(For the Year beginning September 1, 1997)

Salary Group	Minimum	Maximum
B1	19,392	24,732
B2	20,544	26,340
B3	21,852	28,032
B4	23,232	29,868
B5	24,732	31,788
B6	26,340	33,900
B7	28,032	36,132
B8	29,868	38,508
B9	31,788	41,016
B10	33,900	43,728
B11	36,132	48,358
B12	38,508	51,566
B13	41,016	54,952
B14	43,728	58,613
B15	46,620	62,517
B16	49,752	66,745
B17	53,064	71,216
B18	56,616	76,012
B19	64,152	89,333
B20	72,720	101,328
B21	92,160	128,544
B22	116,892	163,169

SCHEDULE B
CLASSIFICATION SALARY SCHEDULE

(For the Year beginning September 1, 1998)

Salary Group	Minimum	Maximim
B1	19,392	24,732
B2	20,544	26,340
B3	21,852	28,032
B4	23,232	29,868
B5	24,732	31,788
B6	26,340	33,900
B7	28,032	36,132
B8	29,868	38,508
B9	31,788	41,016
B10	33,900	43,728
B11	36,132	48,358
B12	38,508	51,566
B13	41,016	54,952
B14	43,728	58,613
B15	46,620	62,517
B16	49,752	66,745
B17	53,064	71,216
B18	56,616	76,012
B19	64,152	89,333
B20	72,720	101,328
B21	92,160	128,544
B22	116,892	163,169

SCHEDULE C
CLASSIFICATION SALARY SCHEDULE

(For the Year beginning September 1, 1997)

Salary Group	DPS	TPWD	TABC	TDCJ
C1	21,852 - 28,140	25,389 - 28,608	29,404	21,852 - 29,404
C2	31,284	31,284	31,284	31,284
C3	33,516	33,516	33,516	33,516
C4	35,736	35,736	35,736	35,736
C5	37,968	37,968	37,968	37,968
C6	40,032	40,032	40,032	40,032
C7	42,084	42,084	42,084	42,084
C8	44,268	44,268	44,268	44,268
C9	48,168	48,168	48,168	48,168
C10	49,100 - 54,672	49,100 - 54,672	49,100 - 54,672	49,100 - 54,672

SCHEDULE C
CLASSIFICATION SALARY SCHEDULE

(For the Year beginning September 1, 1998)

Salary Group	DPS	TPWD	TABC	TDCJ
C1	21,852 - 28,140	25,389 - 28,608	29,404	21,852 - 29,404
C2	31,284	31,284	31,284	31,284
C3	33,516	33,516	33,516	33,516
C4	35,736	35,736	35,736	35,736
C5	37,968	37,968	37,968	37,968
C6	40,032	40,032	40,032	40,032
C7	42,084	42,084	42,084	42,084
C8	44,268	44,268	44,268	44,268
C9	48,168	48,168	48,168	48,168
C10	49,100 - 54,672	49,100 - 54,672	49,100 - 54,672	49,100 - 54,672

SALARY ADMINISTRATION PROVISIONS

1. **Salary Rates for Classified Positions.** For each fiscal year of the biennium beginning September 1, 1997, annual salary rates for classified positions shall be in accordance with the above Classification Salary Schedules. Except as specifically provided by other provisions of this Act, salaries of state employees who in August 1997 are in classified positions shall be converted to the salary schedules set forth in this Act as follows:

   a. For the fiscal year beginning September 1, 1997 the salary of an employee, who in August 1997 is paid as a classified employee shall be converted to Salary Schedule A, B, or C to the appropriate salary group at the same salary rate in which paid in August 1997, except as provided under Section 1, Subsection 1(d).

   b. For the fiscal year beginning September 1, 1997 the salary of an employee, who in August 1997 is paid as an employee exempt from the Classification Act, and whose position is not listed in the agency's "Schedule of Exempt Positions" in this Act, shall be converted to Salary Schedule A, B, or C to the appropriate salary group at the same salary rate in which paid in August 1997, except as provided under Section 1, Subsection 1(d).

   c. For the fiscal year beginning September 1, 1998 the salary of a classified employee, shall be converted to the applicable salary schedule for fiscal year 1999 in this Act at the same salary rate in the same salary group in which paid in August 1998.

   d. There is no authority to grant salary increases as part of the conversion of employees to Salary Schedules A, B, and C, except in the cases of: across-the-board salary increases authorized in this Act; employees whose positions are reallocated or reclassified in accordance with Subsections 3 and 4; or the following:

      (1) Employees converted to Salary Schedule A who are paid as positions exempt from the Classification Act in August 1997, and whose salaries fall between step rates in Salary Schedule A, will move to the next higher salary step rate.

      (2) Employees converted to Salary Schedule C whose salaries as of August 1997 are below the designated salary rates for their salary groups shall have their salaries raised to the applicable salary rates.

   e. Notwithstanding other provisions in this Act, agencies are authorized to pay salaries that are below or in excess of the designated salary ranges in Section 1 as a result of the fiscal year 1998 conversion of employees to appropriate salary groups in Salary Schedules A and B. An employee hired by the State on or after September 1, 1997, including interagency transfers, must be paid at a salary rate that falls within the salary range of the applicable salary group.

   f. Notwithstanding other provisions in this Act, the Department of Public Safety is authorized to pay its employees classified as Corporal I, II, III, or IV, Traffic Law Enforcement, at rates that exceed the maximum rates designated in Salary Schedule C by up to $600 per fiscal year.

   g. Employees within the Principals, Teachers, Supervisors, and Coaches title at the School for the Blind and Visually Impaired and the School for the Deaf are not subject to the salary administration provisions in this section.

2. **Salary When an Employee Changes Salary Status.** An employee who moves within an agency, from an exempt position to a classified position, shall receive an annual salary rate in the proper salary group not to exceed the salary step equal to the current salary or the next higher salary step rate if moving to a classification in Salary Schedule A, or an annual salary rate not to exceed the current salary or the maximum of the new salary range, whichever is lower, if moving to a classification in Salary Schedule B.

SALARY ADMINISTRATION PROVISIONS
(Continued)

3. **Adjustments to Salary Rates for Reallocated Positions.**

   a. Reallocation to a higher salary group -- an employee whose classified position is reallocated by this Act to a higher salary group in Salary Schedule A or B shall receive the minimum rate in the higher salary group or the rate which he would have received had his classified position not been reallocated, whichever rate is higher; provided, however, an employee whose classified position is reallocated by this Act to a higher salary group may have his salary adjusted not more than two steps (or 6.8%) higher than otherwise provided by this section. Such additional adjustment shall be for the purpose of maintaining desirable salary relationships among employees in the affected positions. However, in no case shall the employee advance to a step number in the new salary group higher than the step number rate held prior to the reallocation or receive an increase greater than 6.8%. For the purpose of reallocation, “higher salary group” shall mean a salary group with a higher minimum salary rate.

   b. Reallocation to a lower salary group -- an employee whose classified position is reallocated by this Act to a lower salary group in Salary Schedule A or B shall receive the annual rate which he would have received had the position not been reallocated, not to exceed the maximum rate of the lower salary group. For the purpose of reallocation, “lower salary group” shall mean a salary group with a lower minimum salary rate.

4. **Reclassification.**

   a. As provided in the Position Classification Act, a position may be reclassified to another class of work in the Position Classification Plan as a result of classification audits or of program reorganizations by executive heads, or to a new classification properly established by the Legislature. Reclassification shall not be interpreted to mean a change in the employee's duty assignment, but only shall mean the proper definition of duties and classification of the position based upon duties actually performed by the employee; hence, a position shall be reclassified for the sole purpose of complying with the requirements of the Position Classification Act. When reclassifications are determined to be appropriate, they may be made on a monthly basis.

   b. Review of positions on September 1 -- all state agencies subject to the Position Classification Act shall review individual job assignments on September 1 of each fiscal year, and may also review job assignments on a monthly basis, to insure that each position is properly classified.

   c. If it is determined that, in compliance with the Position Classification Act, a position should be reclassified to a classification: (a) in a higher salary group, in Salary Schedule A or B, the salary rate of the employee shall be determined in the same manner as prescribed above for reallocation to a higher salary group, or (b) in a lower salary group in Salary Schedule A or B, the salary rate of the employee shall be determined in the same manner as prescribed above for reallocation to a lower salary group. For the purpose of reclassification, “higher salary group” shall mean a salary group with a higher minimum salary rate; “lower salary group” shall mean a salary group with a lower minimum salary rate.

   d. Each agency shall report to the State Classification Office the results of such reviews and the approach used to comply with this subsection and in the event the approach taken is determined by the State Classification Office to be inadequate, compliance audits to determine proper classification shall be undertaken.

5. **Merit Salary Increases.** It is expressly provided that agency administrators may grant merit salary increases to classified employees in Salary Schedules A and B whose job performance and productivity is consistently above that normally expected or required. For classified

employees in Salary Schedule A, a merit increase involves an increase in an employee's salary to a higher step rate in the same salary group. For classified employees in Salary Schedule B, a merit increase involves an increase in an employee's salary to a higher rate within the range of the same salary group. Such merit increases shall be subject to the following restrictions:

a. The Comptroller shall prescribe such accounting and reporting procedures as are necessary to insure the availability of information reflecting each agency's utilization of merit salary increases.

b. It is the intent of the Legislature that merit salary increases be applied throughout the range of classified salary groups utilized by each agency.

c. For an employee to be eligible for a merit salary increase, the following additional criteria must be met: (a) the employee must have been employed by the agency for at least six continuous months prior to the award, (b) at least twelve months must have elapsed since the employee's last promotion, demotion, or merit salary increase at the agency, and (c) agency criteria for granting merit salary increases must include specific criteria and documentation to substantiate the granting of a merit increase.

6. **Promotions.** A promotion means a change in duty assignment of an employee within an agency from a position in one classification to a position in another classification in a higher salary group requiring higher qualifications, such as a greater skill or longer experience, and involving a higher level of responsibility. When an employee is promoted to a position in a higher salary group in Salary Schedule A or B, he will receive a salary rate at least one increment (or 3.4%) higher than his salary rate before promotion or the minimum rate of the new salary range, whichever is higher, and may, at the discretion of the agency administrator, receive an annual rate up to and including the maximum rate of the new salary range. For the purpose of promotion, "higher salary group" shall mean a salary group with a higher minimum salary rate.

7. **Demotions.** Demotion means a change in duty assignment of an employee from a position in one classification to a position in another classification in a lower salary group. When an employee is demoted to a position in a lower salary group in Salary Schedule A or B, he will receive a salary rate at least one increment (or 3.4%) below the rate he received before demotion. As an exception to the provisions in this paragraph, an agency is not required to reduce an employee's salary if: i) the employee accepts a position in another classification in a lower salary group in lieu of a layoff under a reduction in force, or ii) the employee is selected for another position in a classification in a lower salary group as a result of applying for the position. For the purpose of demotion, "lower salary group" shall mean a salary group with a lower minimum salary rate.

8. **Salary Reduction for Disciplinary Reasons.** If a classified employee's performance so warrants, the executive head may reduce his salary for disciplinary reasons to a rate in the designated salary group no lower than the minimum rate. The employee's pay may be restored to any rate in the range up to and including his prior rate as such employee's performance improves.

9. **Reductions in Force.** Notwithstanding agency rules, regulations, personnel handbooks or policies, agencies undergoing statutorily mandated reorganizations may institute reductions in force occurring as a direct result of the reorganizations.

10. **Salary Limited to Maximum Step Rate.** No salary adjustment authorized by this section shall result in an employee receiving an annual salary rate in excess of the maximum rate of the salary group to which his classified position is allocated.

11. **Temporary Assignment.** To facilitate the work of state agencies, any classified employee may, during emergencies or other special circumstances, be temporarily assigned to other duties for a

period not to exceed six months and during that time may receive the appropriate rate of pay if the temporary assignment is in a class in a salary group with a higher minimum salary rate. An employee may not be assigned to those duties for more than six months during a twelve month period. During a temporary assignment, an agency shall not: a) award a merit salary increase to the employee, b) promote or demote the employee, or c) reduce the employee's salary.

12. **Part-time Employees.** Regular full-time positions paid out of funds appropriated may also be filled by part-time employees. In computing the salaries of these employees, the rates of pay shall be proportional to the rates authorized for full-time classified employment or to the applicable exempt position. It is further provided that part-time employees as described in this subsection shall be subject to all of the provisions of this section.

13. **Hourly Employees.** It is the intent of the Legislature that hourly employees shall receive per hour rate increases proportionate to those provided in this Act for full-time salaried classified employees.

14. **Salary Supplementation.**

    a. No employee holding a position classified in this Act under the authority of the Position Classification Act or an exempt position for which the salary is specifically set in, or pursuant to, this Act may receive a salary supplement from any source unless a specific grant of authority is provided in this Act or as provided by general law.

    b. None of the funds appropriated by this Act to state agencies and to institutions of higher education shall be expended for payment of salary to any person whose classified or exempt salary is being supplemented from other than appropriated funds until a report showing the amount and sources of salary being paid from other sources has been reported to the Secretary of State and Comptroller of Public Accounts.

15. **Exemption of Positions by the Governor.** Appropriations may be used to pay the salaries of positions exempted from the position classification plan by the Governor under authority granted in Section 654.012(12)(A), Government Code, with the limitation that appropriations may be used only to pay the salaries of bona fide new positions established to carry out duties in relation to programs, functions, etc., that were not anticipated and, therefore, not funded under this Act. It is expressly provided that this authorization does not extend to the use of appropriations to adjust the salary of any exempt position retitled solely for the purpose of adjusting a salary that has already been established either in or through this Act and that any position exempted from the Position Classification Plan by the Governor shall contain a certification that the exemption is for a bona fide new position. No payment of funds for a position exempted by the Governor shall be made by the Comptroller of Public Accounts until formal notification of the action of the Governor to exempt the position has been filed with the State Classification Officer and the Legislative Budget Board. A position exempted by the Governor in the first year of this biennium may be continued and the NTE rate established for the position may be adjusted for the second year of the biennium at a rate no higher than the rate set forth in this Act for adjusting classified positions.

16. **Classified Salary Rates.**

    a. Agencies covered by Section 1 of this article shall make employments of personnel in accordance with the provisions of the Position Classification Plan. Agencies may utilize classified position titles as appropriate and may determine, at the time of initial employment by the agency, the salary rate within the applicable salary group for personnel employed under the Position Classification Plan. In no event shall a classified position title be used to classify the chief executive officer of an agency, except that an individual in a classified position who is designated to act as the chief executive officer on a temporary basis may continue to be paid a salary under the Position Classification Plan in an amount

not to exceed the amount indicated for the agency's chief executive officer in the agency "Schedule of Exempt Positions".

b. **Salary Cap.** For each fiscal year of the biennium beginning September 1, 1997, the maximum annual expenditure for merit salary increases and promotions awarded during a fiscal year shall not exceed, without the written approval of the Governor and the Legislative Budget Board, an amount equal to 1.7% of the total amount expended by the agency in the prior fiscal year for salaries. It is the intent of the Legislature that the maximum expenditure for merit salary increases and promotions be computed separately for each year of the biennium and that such merit salary increases and promotions as may be awarded in the first fiscal year of the biennium shall not count against the maximum expenditure for such increases in the second fiscal year of the biennium.

Expenditures to pay a salary increase of an employee who is promoted into a position title which was occupied by another employee within a six month period prior to the promotion shall not count against the expenditure limitation established by this provision.

A request to exceed the expenditure limitation established by this provision must be submitted by the governing board of the agency and must include at a minimum: 1) the date on which the board approved the request; 2) a statement justifying the need to exceed the limitation; and, 3) the source of funds to be used to pay the salary increases.

The Comptroller shall prescribe such accounting and reporting procedures as are necessary to insure that expenditures for merit salary increases and promotions shall not exceed the limitations established by this provision.

17. **Scheduled Exempt Positions.**

a. A position listed in a "Schedule of Exempt Positions" shall receive compensation at a rate not to exceed the amount indicated in that schedule except as provided in part "c" or part "d" of this subsection.

b. An exempt position listed in a "Schedule of Exempt Positions" for which the term "Group", followed by an Arabic numeral, is indicated, may receive compensation at a rate within the range indicated below for the respective salary group indicated but not to exceed the amount indicated for that position in the agency "Schedule of Exempt Positions".

Scheduled Exempt Position Salary Rates

Group	Minimum Salary	Maximum Salary
1	$ 36,000	$ 67,671
2	51,840	80,093
3	61,380	94,832
4	72,720	112,352
5	86,100	133,025
6	102,000	157,500

c. Notwithstanding the rate listed in an agency "Schedule of Exempt Positions", a position listed below may receive compensation at a rate as set by the Governor in an amount not to exceed the "Maximum Salary", but not less than the "Minimum Salary", listed in subsection (b) for the salary group indicated for that position:

Fire Fighters' Pension Commissioner: Commissioner, Group 1
Secretary of State: Secretary of State, Group 4

Office of State-Federal Relations: Executive Director, Group 3
Health and Human Services Commission: Commissioner, Group 6
Texas Education Agency: Commissioner of Education, Group 6
Adjutant General Department: Adjutant General, Group 3
Criminal Justice Policy Council: Executive Director, Group 2
Department of Criminal Justice: Chairman, Board of Pardons and Paroles, Group 3
Department of Criminal Justice: Parole Board Members (17), Group 3
Natural Resource Conservation Commission: Commissioners (3), Group 5
Department of Commerce: Executive Director, Group 4
Department of Housing and Community Affairs: Executive Director, Group 4
Texas Workforce Commission: Commissioner (3), Group 4
State Office of Administrative Hearings: Chief Administrative Law Judge, Group 3
Department of Insurance: Commissioner of Insurance, Group 6
Office of Public Insurance Counsel: Public Counsel, Group 2
Public Utility Commission: Commissioners (3), Group 4
Office of Public Utility Counsel: Public Counsel, Group 2

d. Notwithstanding the rate listed in an agency "Schedule of Exempt Positions", a position listed in an agency "Schedule of Exempt Positions" may receive, if so ordered by the employing agency's governing board, compensation at a rate not to exceed 4.0% in excess of the actual salary rate paid for that position for August 1997. To be effective, an order of the board must be: i) in writing; ii) signed by the presiding officer of the governing board; and iii) submitted to the Governor, the Legislative Budget Board and the Comptroller of Public Accounts. This subsection shall not apply to position titles listed in subsection (c) and shall not apply to a position for which an "*" precedes the position title as listed in an agency "Schedule of Exempt Positions".

18. **Retention of Year 2000 Critical Staff.** To ensure the successful resolution of the technology problems associated with conversion to the Year 2000, state agencies and institutions of higher education are hereby authorized to award bonuses, out of funds appropriated in Articles I through VIII in this Act which are not otherwise restricted, to employees who the agency or institution of higher education determines are critical to the successful conversion effort.

Before an employee can be eligible for a bonus, the employee must have been continuously employed in a full-time position by the agency or institution of higher education, in an information resource technical function for at least three years prior to September 1, 1997. To be eligible, the employee must have information resource technical knowledge and experience which, if lost, would be difficult to replace and would severely jeopardize the timely completion of the Year 2000 project for the particular agency or institution of higher education.

Each agency and institution of higher education that chooses to participate shall submit a list of employees, the dollar amount and a brief explanation of why the employee has been designated as “Year 2000 Critical” to the Comptroller of Public Accounts, the Legislative Budget Board, the Governor’s Budget Office, House Appropriations and Senate Finance by December 1, 1997. The Department of Information Resources, with the advice of the Office of the Attorney General and the Comptroller of Public Accounts, shall develop a standard contract for all participants to use. The contracts shall be signed and completed by November 1, 1997 and require the “critical employee” to remain employed with the contracting agency or institution of higher education continuously from September 1, 1997 through May 31, 2000.

A bonus may be no more than $5,000 from each of fiscal years 1998 and 1999. Funds for the bonuses will be encumbered under rules and procedures established by the Comptroller of Public Accounts and be payable from fiscal year 1998 and 1999 funds. Funds will be paid to the employee at the successful completion of the contract on May 31, 2000. Encumbered bonuses will also be paid to “critical employees” terminated by the agency or institution before the end

of the contract for other than performance or disciplinary reasons. Any bonus paid under this subsection is considered compensation but is in no event considered earned and payable until all the conditions of this subsection and the signed contract are met.

Bonuses given to employees under this subsection will not affect their eligibility for a merit salary increase or a promotion as defined elsewhere in this section.

19. **Personnel and Payroll Reporting Procedures.** To facilitate pre-audit of payrolls and classification audits to assure conformity with the provisions of this Act, and to provide the Legislative Audit Committee with current information on employment and wage rate practices in state government, the Comptroller and the State Auditor shall jointly promulgate and issue uniform procedures for personnel and payroll reporting for all state agencies.

OTHER EMPLOYMENT POLICIES AND PROVISIONS

Sec. 2. **Method of Salary Payments.**

1. All annual salaries appropriated by this Act are for full-time employment unless specifically designated as part-time or other and shall be paid in twelve (12) equal monthly installments, except as otherwise provided in Article II of this Act. Except for patrolmen and other law enforcement positions in the Department of Public Safety which shall be paid only at the annual rates stipulated in the particular language accompanying the appropriations therefor, this paragraph shall not be construed so as to prevent the head of any other agency of the state from paying less than the maximum salary rates specified in this Act for positions, or the employment of part-time employees to fill regular positions provided for in this Act, so long as the salary rates for such part-time employees are proportional to the regular rates for full-time employment. The equivalent monthly rate of pay for annual employees maintaining a 40-hour work week and covered under Chapter 658, Government Code, shall be determined by dividing the annual salary by twelve (12). The hourly rate for a given month shall be determined by dividing the monthly rate by the number of working hours in that month. This basis applies to partial pay and other special situations. When a full-time or regular part-time employee is on leave without pay, compensation for that particular pay period shall be reduced at the equivalent hourly rate of pay times the number of work hours lost by being on leave without pay.

   Facilities of the Texas Department of Mental Health and Mental Retardation in Article II and the institutions of higher education and the schools for the blind and deaf in Article III of this Act which make contracts for less than a twelve-month period may pay salaries in equal monthly payments for the period of the contract.

2. Agencies having a "Schedule of Exempt Positions" following their appropriation may expend funds to employ those positions designated as exempt at rates not to exceed the rates shown. Each title authorizes one position unless the title is followed by an Arabic numeral indicating the number of positions authorized or by (UL) which authorizes an unlimited number of positions for such position title.

   The number of authorized positions for a title either listed in a "Schedule of Exempt Positions" may be exceeded only under the following conditions: (1) for the purpose of hiring a replacement in a key management position as certified by the agency head, (2) the current incumbent of the position must have formally resigned or otherwise announced irrevocable plans to vacate the position, (3) the position number limitation may be exceeded for a period of time not to exceed the equivalent of one month’s salary per fiscal year per position, and (4) reporting such exceptions will be made in such manner as prescribed for payroll reporting procedures.

3. No deduction shall be made from the salary or wages of any state employee who is called for jury service; nor shall such employee be required to account to the state for any fee or compensation received for jury service.

4. None of the moneys appropriated by this Act shall be used for the payment of salaries to any employee who accepts witness fees in contravention of the following provisions:

   Any state official or employee called to appear in his official capacity in any judicial action or legislative investigation shall neither accept nor receive any witness fees for such a governmental appearance;

   But if the appearance as a witness is not in an official capacity but is to testify from personal knowledge concerning matters related to the inquiry, then such employee or official shall be entitled to any customary witness fees;

   And any state employee or official appearing as an expert witness shall be entitled to accept compensation for his appearance only when such appearance shall be made on his own time;

   But this prohibition against accepting compensation shall not extend to any mileage or per diem allowance tendered to the state employee or official for expenses incurred while serving as a witness, unless the state official or employee has also made a claim for such expenses against the state, and in no instance shall there be double reimbursement for expenses.

5. **Expert Witnesses.** Because of an inherent conflict of interest, none of the funds appropriated by this Act shall be expended in payment of salary, benefits, or expenses of any state employee who is retained as or serves as an expert witness or consultant in litigation against the state, unless the state employee serves in that capacity on behalf of a state agency on a case in which the state agency is in litigation against another state agency.

6. **Overtime.**

   a. Employees Subject to FLSA. An employee who is subject to the overtime provisions of the Fair Labor Standards Act of 1938, 29 U.S.C. Secs. 201 et seq., (FLSA) is entitled to compensation for overtime as provided by that Act and this subdivision.

      An employee who is required to work hours in excess of 40 hours in a workweek is entitled to compensation for the excess hours either by:

      (1) the agency allowing (or requiring) the employee to take compensatory time off at the rate of 1-1/2 hours off for each hour of overtime; or

      (2) at the discretion of the employing agency, in cases in which granting compensatory time off is impractical, the employee receiving pay for the overtime at the rate equal to 1-1/2 times the employee's regular rate of pay.

      Any paid leave or holidays taken are not counted as hours worked in determining overtime hours under the preceding paragraph.

      Each employee may accumulate overtime credit of not more than 240 hours, except that an employee engaged in a public safety activity, an emergency response activity, or a seasonal activity may accumulate not more than 480 hours, pursuant to 29 U.S.C. Sec. 207(o)(3)(A). Employees must be paid for overtime worked in excess of the limits on accumulation, at the rate equal to 1-1/2 times the employee's regular rate of pay.

In situations in which the employee has not worked more than 40 hours in a workweek but the total of hours worked and hours of paid leave or paid holidays exceeds 40 hours, the employee shall be allowed equivalent compensatory time off for the excess hours. In situations in which the employee has worked more than 40 hours in a workweek and the total of hours worked and hours of paid leave or paid holidays exceeds 40 hours after subtracting FLSA overtime hours worked, the employee shall be allowed equivalent compensatory time off for such excess hours. The compensatory time must be taken during the 12-month period following the end of that workweek. Compensatory time under this paragraph may not be carried forward past the end of the 12-month period and an employee may not be paid for the unused time. As an exception to the provisions in this paragraph, however, employees of institutions of higher education or employees engaged in a public safety activity, including but not restricted to highway construction and maintenance or an emergency response activity, may be paid for compensatory time hours on a straight-time basis when the taking of compensatory time off would be disruptive to normal teaching, research, and other critical functions.

Exceptions to the workweek overtime calculation for hospital, fire protection, and law enforcement activities (including security personnel in correctional institutions) shall be made in accordance with the FLSA.

b. Employees Not Subject to FLSA. An employee who is not subject to the overtime provisions of the FLSA may be allowed compensatory time off for hours in excess of 40 hours in a workweek in which the combination of hours worked, paid leave, and holidays exceeds a total of 40 hours.

An employee who is exempt as an executive, professional, or administrative employee under 29 U.S.C. Sec. 213(a)(1) (FLSA), may be allowed compensatory time off during the 12-month period following the end of the workweek in which the overtime was accrued, at a rate not to exceed equivalent time.

In accordance with the provisions set forth in 29 CFR, Part 541, Section 541.118 and subject to that section's exceptions provided below, an employee who is exempt as an executive, professional, or administrative employee under 29 U.S.C. Sec. 213(a)(1) (FLSA) shall receive full salary for any week in which work is performed without regard to the days and number of hours worked. This is also subject to the general rule that an employee need not be paid for any workweek in which the employee performs no work.

(1) Deductions may be made when the employee absents himself/herself from work for a full day or more for personal reasons, other than sickness or accident. However deductions may not be made for absences caused by jury duty, attendance as a witness at a judicial action, or temporary military leave.

(2) Deductions may also be made for absences of a day or more occasioned by sickness or disability (including workers' compensation accidents) if the deduction is made after exhaustion of paid sick leave or workers' compensation benefits.

(3) Deductions may also be made for penalties imposed for infractions of significant safety rules relating to prevention of serious danger to the workplace or other employees.

Further, in accordance with the special provisions applicable to executive, professional, or administrative employees of public agencies set forth in 29 CFR, Part 541, Section 541.5d, an employee's pay may be reduced for absences for personal

reasons or because of illness or injury of less than one work day when accrued leave is not used by the employee because:

(1) permission for its use has not been sought or has been sought and denied;

(2) accrued leave has been exhausted; or

(3) the employee chooses to use leave without pay.

In addition, in accordance with Section 541.5d, deductions from the pay of an executive, professional, or administrative employee for absences due to a budget-required furlough shall not disqualify the employee from being paid "on a salary basis" except in the workweek in which the furlough occurs and for which the employee's pay is accordingly reduced.

If deductions have been inadvertently made in contradiction to Department of Labor regulations, reimbursement will be made retroactively to the affected employees.

An employee who is not subject to the FLSA because of 29 U.S.C. Sec. 203(e)(2)(C), as a staff member, appointee, or immediate adviser of an elective officeholder, may be allowed compensatory time off under the terms and conditions determined by the officeholder.

Employees covered by this subdivision may not be paid for any unused compensatory time.

c. No employee, whether or not subject to FLSA, shall accrue state compensatory time during any week unless the combination of paid leave and hours worked exceeds 40 hours.

d. No employee, whether or not subject to FLSA, shall accrue state compensatory time for work conducted at any location other than the employee’s regular place of employment or assigned duty point. In no event shall an employee’s personal residence be deemed to be that employee’s regular place of business or duty point for the purpose of this subsection.

e. Article X Employees. Subdivisions (a), (b) and (c) of this subsection do not apply to an employee compensated from funds appropriated under Article X of this Act. Consistent with the requirements of the FLSA, overtime pay and compensatory time off for employees of the House or Senate shall be determined by the presiding officer of the respective houses, and for all other employees shall be determined by the administrator of the agency involved or the employing officeholder.

Sec. 3. **Salary Payment, Withholdings, Deductions, and Matching Contributions.** The disbursement of moneys appropriated in this Act for salaries and wages shall be subject to the provisions of Public Law No. 68, Seventy-eighth Congress, known as the Current Tax Payment Act of 1943, and any amendments thereto. The officers and employees of agencies for which appropriations are made by this Act also are authorized to make retirement deductions in accordance with the Teacher Retirement or Employees Retirement or Judicial Retirement Acts on payroll forms prescribed by the Comptroller of Public Accounts, and the Comptroller is directed to issue warrants accordingly. The Comptroller shall also prescribe rules and procedures for agencies to follow in making adjustments to payrolls for periods following the period in which an inaccurate payment, deduction or other error occurred.

OTHER EMPLOYMENT POLICIES AND PROVISIONS
(Continued)

In each instance in which an operating fund or account is created and named by statute, the responsible officials of the state are authorized to transfer into such operating fund or account sufficient moneys from treasury funds, local, institutional and federal funds to pay proportionally the costs of matching state employees' retirement contributions and the state's share of Old Age and Survivors Insurance.

Sec. 4. **Per Diem of Board or Commission Members.**

1. As authorized by Section 659.032, Government Code, the per diem of state board and commission members shall consist of (1) compensatory per diem, if specifically authorized by law, at $30 per day; (2) reimbursement of actual expenses for meals and lodging not to exceed $80 per day when traveling within the State of Texas and reimbursement of actual expenses for meals and lodging when traveling outside of the State of Texas in an amount not to exceed the rates specified in Sections 16.3 and 16.4 of this article; and (3) reimbursement of transportation and incidental expenses at the rates specified in this Act for state employees.

2. If a law enacted after former Article 6813f, V.T.C.S., authorizes per diem for members of a particular state board or commission, but does not specify the amount of the per diem, then the amount of the per diem shall be as listed in the preceding subsection.

3. None of the funds appropriated by this Act may be expended to reimburse members of a state agency advisory committee for expenses associated with conducting committee business, including travel expenses, unless such expenditures for an advisory committee are: I) specifically authorized by this Act, or ii) approved by the Governor's Office of Budget and Planning and the Legislative Budget Board subsequent to the effective date of this Act pursuant to V.T.C.S. Article 6252-33, Section 4(a)(2). For the purpose of this subsection the term "advisory committee" shall have the meaning assigned by Section 1 of Article 6252-33. This subsection shall not apply to an advisory committee established by the governing board of a retirement system trust fund.

4. Agencies having a "Schedule of Exempt Positions and Per Diem of Board (or Commission) Members" following their appropriations may expend appropriations for board or commission member compensatory per diem in an amount not to exceed the amount specified in such schedule for each respective fiscal year.

5. No full time employee paid from funds appropriated by this Act shall be paid both a salary and compensatory per diem for concurrent service as a state employee and as a board or commission member.

Sec. 5. **Political Aid and Legislative Influence Prohibited.** None of the moneys appropriated by this Act, regardless of their source or character, shall be used for influencing the outcome of any election, or the passage or defeat of any legislative measure. This prohibition shall not be construed to prevent any official or employee of the state from furnishing to any Member of the Legislature or committee upon request, or to any other state official or employee or to any citizen information in the hands of the employee or official not considered under law to be confidential information. Any action taken against an employee or official for supplying such information shall subject the person initiating the action to immediate dismissal from state employment.

No funds under the control of any state agency or institution, including but not limited to state appropriated funds, may be used directly or indirectly to hire employees or in any other way fund or support candidates for the legislative, executive, or judicial branches of government of the State of Texas or the government of the United States.

None of the funds appropriated by this Act shall be expended in payment of the salary for full-time employment of any state employee who is also the paid lobbyist of any individual, firm, association or corporation. None of the funds appropriated by this Act shall be expended in payment of the partial salary of a part-time employee who is required to register as a lobbyist by virtue of the employee's activities for compensation by or on behalf of industry, a profession or association related to operation of the agency or institution for which the person is employed. A part-time employee may serve as a lobbyist on behalf of industry, a profession or association so long as such entity is not related to the agency with which he or she is employed.

Except as authorized by law, none of the funds appropriated by this Act shall be expended in payment of membership dues to an organization on behalf of the agency or an employee of an agency if the organization pays all or part of the salary of a person required to register under Chapter 305, Government Code.

No employee of any state agency shall use any state-owned automobile except on official business of the state, and such employees are expressly prohibited from using such automobile in connection with any political campaign or any personal or recreational activity.

None of the moneys appropriated by this Act shall be paid to any official or employee who violates any of the provisions of this section.

The head or heads of each agency of the state shall furnish each employee of such agency with a copy of the six (6) paragraphs immediately preceding this one, and shall take a receipt therefor from each employee. The preceding sentence shall not be construed to mean that new receipts are to be obtained each year from continuing employees who have previously receipted for copies of identical provisions prohibiting political aid and legislative influence. The receipts shall be kept accessible for public inspection.

It is provided, however, that nothing in this section shall be construed as prohibiting the payment of reasonable dues to an organization that is designed to represent student interests in the state legislature or federal congress from that portion of mandatory student service fee collections that is allocated to the student government organization at an institution of higher education. Nothing herein shall be construed to permit such mandatory student service fees to be used to influence the outcome of any election.

For the purpose of this provision, the terms “state agency” and “agency of the state” shall include: a council of governments, a regional planning commission, or similar regional planning agency created under Chapter 391, Local Government Code; a Local Workforce Development Board; or an MHMR community center.

Sec. 6. **Standards of Conduct for State Employees.** None of the funds appropriated by this Act shall be expended to pay the salary of a state employee who:

(1) accepts or solicits any gift, favor, or service that might reasonably tend to influence the employee in the discharge of official duties or that the employee knows or should know is being offered with the intent to influence the employee’s official conduct;

(2) accepts other employment or engages in a business or professional activity that the employee might reasonably expect would require or induce the employee to disclose confidential information acquired by reason of the official position;

(3) accepts other employment or compensation that could reasonably be expected to impair the employee’s independence of judgement in the performance of the employee’s official duties;

(4) makes personal investments that could reasonably be expected to create a substantial conflict between the employee’s private interest and the public interest; or

(5) intentionally or knowingly solicits, accepts, or agrees to accept any benefit for having exercised the employee’s official powers or performed the employee’s official duties in favor of another.

The head of each agency of the state shall furnish each employee of such agency with a copy of this section, and shall take a receipt therefor from each employee. The preceding sentence shall not be construed to mean the new receipts are to be obtained each year from continuing employees who have

previously receipted for copies of identical provisions relating to the conduct of state employees. The receipts shall be kept accessible for public inspection.

Sec. 7. **Publicity of Individuals Restricted.** None of the moneys appropriated by this Act shall be used by any agency of the state government for the purpose of publicizing or directing attention to any individual official or employee of any agency of the state government.

It is also provided that none of the moneys appropriated by this Act shall be used by any agency of the state government for maintaining any publicity office or department, or for the employment of any person who has the title or the duties of a public relations agent, or press agent, or for paying any public relations firm or agent.

The policy and restrictions set out in this section shall not be interpreted to prevent the head of any agency of the state, when he deems it necessary or desirable in the public interest, to issue through any of such agency's officials or employees any statement or information respecting the work, legal responsibilities, or activities of such agency. Such statement shall be issued, or such information imparted, in the name of the agency of the state and shall have attached thereto the name of the official or employee authorized to issue the same.

It is also provided that any institution of higher education may continue to maintain and operate a news and information service for the benefit of the public which has been specifically authorized and approved by the governing board of such institution of higher education.

Sec. 8. **Employee Working Hours and Holidays.** Funds appropriated by this Act shall be expended for salaries and wages only in accordance with the following conditions and limitations and pursuant to Chapter 658, Government Code.

1. State offices shall remain open during the noon hour each working day with at least one person on duty to accept calls, receive visitors, or transact business.

2. Agencies may stagger the work day of their personnel. All agencies shall be open between the hours of 8:00 A.M. and 5:00 P.M. and shall maintain the eight-hour day and 40-hour week as provided in Chapter 658, Government Code.

3. An employee shall, during normal office hours, conduct agency business only at the employee’s regular place of business or assigned duty point unless the employee is on travel status or has received prior written authorization from the administrator of the employing agency. In no event shall an employee’s personal residence be deemed to be that employee’s regular place of business or duty point for the purpose of this subsection without the written authorization of the administrator of the employing agency.

4. Except as provided elsewhere is this Article, holidays for state employees, including hourly wage workers, for each year covered by this Act shall be those specified in Section 662.003, Government Code. Except as provided elsewhere in this Article, holidays for employees of institutions of higher education are as provided in Section 662.011, Government Code.

   For institutions and agencies of higher education, a regular employee is defined as one who is employed to work at least 20 hours per week for a period of at least four and one-half months, excluding students employed in positions which require student status as a condition for employment. Only regular employees of institutions of higher education shall be eligible for paid holidays.

   Each state agency and each institution of higher education will, during the biennium, have on hand enough personnel to carry on the activities of each institution or agency on a state holiday, as defined by statute, so that the public business can be carried on during that period. However, this does not apply to a state holiday that falls on a Saturday or Sunday, the Friday

immediately following the fourth Thursday in November, the 24th day of December, or the 26th day of December.

Those employees who are working during a national holiday or a state holiday period will be allowed compensatory time off during the twelve-month period following the date of the holiday worked. The supervisor in charge may require the employee to give reasonable notice in advance of taking compensatory time off but may not require that the employee specify the reason for which the compensatory time is to be taken. As an exception to the provisions in this paragraph, however, employees of institutions of higher education may be paid for compensatory time hours on a straight-time basis when the taking of compensatory time off would be disruptive to normal teaching, research, and other critical functions.

Agencies who have work schedules other than provided in Section 658.005, Government Code, will insure that employees working these schedules observe the equivalent number of holidays each year as employees working normal office hours.

A state employee is entitled to observe Rosh Hashanah, Yom Kippur, and Good Friday in lieu of any holiday or holidays on which the employee’s agency or institution is required by this provision to be open and staffed to conduct the public business.

In the event that a state or national holiday falls between the dates that an employee separates from one state agency and begins employment in another state agency without a break in service, the agency to which the employee transfers is responsible for paying the employee for the holiday.

The benefit provisions of this section shall apply to the employees of the House of Representatives and Senate only at the discretion of the presiding officer or the administration committee of each house.

5. Other provisions of this Act notwithstanding, state agencies shall not observe as a holiday days on which an election is held throughout the state. However, employees shall be allowed sufficient time off without deduction from pay or leave time accrued to vote.

6. Each state agency and each institution of higher education shall adjust the work schedule of any employee who is a member of the National Guard or any Reserve Component of the Armed Forces so that two of the employee's non-work days per month coincide with two days of military duty to be performed by the employee, it being the intent of the Legislature to facilitate participation in military duties by state employees.

Sec. 9. **Employees Vacations and Leaves.**

1. **Annual Leave.** Other than faculty with appointments of less than twelve months at institutions of higher education and other than instructional employees with contracts for periods of less than twelve months at the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf, employees of the state shall, without deduction in salary be entitled to a vacation in each fiscal year. Part-time employees will accrue vacation leave on a proportionate basis and the maximum carryover will also be proportionate. Such entitlement shall be earned in accordance with the following schedule:

Employees With Total State Employment Of:	Hours Accrued Per Month for Full-time Employment	Maximum Hours to Carry Forward From One Fiscal Year to Next Fiscal Year for a Full-time Employee
0 but less than 2 years	7	168
2 but less than 5 years	8	232
5 but less than 10 years	9	256
10 but less than 15 years	10	280
15 but less than 20 years	12	328
20 and over years	14	376

An employee will earn vacation entitlement beginning on the first day of employment with the state and terminating on the last day of duty. Vacation entitlement is accrued at the applicable rate cited above. Credit for one month's accrual will be given for each month or fraction of a month of employment with the state and will be posted to each employee's leave record on the first day of employment with the state and on the first of each succeeding month of employment thereafter, provided that an employee who is in a leave status on the first day of the month shall not be eligible to use leave accrued for such month until the employee returns to duty. Vacation with pay may not be granted until the employee has had continuous employment with the state for six (6) months, although credit will be accrued during that period.

Credit for the higher rate of accrual as shown on the chart above shall be given on the first calendar day of the month if the employee's anniversary date falls on the first calendar day of the month; otherwise, the increase will occur on the first calendar day of the following month. If an employee begins working in a position that accrues vacation leave on the first workday of the month, the employee is deemed to have begun working on the first calendar day of the month for the purpose of this subsection.

The net balance of unused accumulated leave not to exceed the maximum cited above shall be carried forward for any employee from fiscal year 1997 to fiscal year 1998 and from fiscal year 1998 to fiscal year 1999.

All hours of unused accumulated vacation leave which are lapsed at the end of a fiscal year by operation of this subsection shall be credited to the employee's sick leave balance as of the first day of the next fiscal year.

In computing vacation time taken, time during which any employee is excused from work because of holidays shall not be charged against the employee's vacation.

None of the funds appropriated by this Act may be used to pay a state employee or former state employee who resigns, is dismissed, or has otherwise separated from state employment, for vacation time accrued at the time of separation from the state unless:

a. the individual's employment with the state had been continuous for a period of six (6) months, and

b. the individual has not been reemployed by a state agency to a position which accrues vacation time within a period of thirty (30) calendar days from the date of separation from the state employment.

An individual who is reemployed by a state agency to a position which accrues vacation time within a period of thirty (30) calendar days from the date of separation from the state

employment shall have the individual's previously accrued but unused vacation leave restored.

2. **Sick Leave.** Employees of the state shall, without deduction in salary, be entitled to sick leave subject to the following conditions:

   An employee will earn sick leave entitlement beginning on the first day of employment with the state and terminating on the last day of duty. Credit for one month's accrual will be given for each month or fraction of a month of employment with the State and will be posted to each employee's leave record on the first day of employment with the State and on the first day of each succeeding month of employment thereafter.

   Sick leave entitlement shall be earned at the rate of eight (8) hours for each month or fraction of a month employment for a full-time employee, and shall accumulate with the unused amount of such leave carried forward each month. Part-time employees shall accrue sick leave on a proportionate basis. Sick leave accrual shall terminate on the last day of duty.

   Sick leave with pay may be taken when sickness, injury, or pregnancy and confinement prevent the employee's performance of duty or when the employee is needed to care and assist a member of his immediate family who is actually ill. For purposes relating to regular sick leave, immediate family is defined as those individuals who reside in the same household and are related by kinship, adoption or marriage, as well as foster children certified by the Texas Department of Protective and Regulatory Services. Minor children of the employee, whether or not living in the same household, will be considered immediate family for purposes of regular sick leave. An employee's use of sick leave for family members not residing in that employee's household is strictly limited to the time necessary to provide care and assistance to a spouse, child or parent of the employee who needs such care and assistance as a direct result of a documented medical condition. An employee who must be absent from duty because of illness shall notify his supervisor or cause him to be notified of that fact at the earliest practicable time.

   To be eligible for accumulated sick leave with pay during a continuous period of more than three (3) working days, an employee absent due to illness shall send to the administrative head of his employing agency a doctor's certificate showing the cause or nature of the illness, or some other written statement of the facts concerning the illness which is acceptable to such administrative head. It is within the discretion of the administrative head to require documentation concerning illnesses resulting in absences of three (3) working days or less.

   Upon return to duty after sick leave the employee concerned shall, without delay, complete the prescribed application for sick leave and submit the same through proper channels to the appropriate approving authority for his consideration.

   Exceptions to the amount of sick leave an employee may take may be authorized by the administrative head or heads of any agency of the state provided such exceptions are authorized on an individual basis after a review of the merits of such particular case. A statement of any such authorized exceptions or the reasons for them shall be attached to the state agency's duplicate payroll voucher for the payroll period affected by such authorized exceptions. Agencies are required to have a written statement filed with the State Auditor covering the policies and procedures to be used for the extension of leave in this manner and shall make this statement available to all employees. Faculty members at institutions of higher education must submit prescribed leave forms for all sick leave even though no classes were missed if the absence occurred during the normal workday for regular employees.

3. **Emergency Leave.** The administrative head of an agency shall grant an emergency leave to an employee because of a death in the employee's family. The death of the employee's spouse, or the employee's or spouse's parents, brothers, sisters, grandparents, grandchildren and children shall constitute adequate need for emergency leave. The administrative head of the agency may

make a determination on other reasons for emergency leaves and shall grant an emergency leave, when in his determination, the employee shows good cause.

For institutions of higher education, a regular employee is defined as one who is employed to work at least 20 hours per week for a period of at least four and one-half months, excluding students employed in positions which require student status as a condition for employment. Only regular employees of institutions of higher education shall be eligible for paid vacation and leave as provided herein.

4. A leave of absence with full pay shall be provided any state employee who is called to active duty with the National Guard by the Governor of Texas because of an emergency in accordance with Section 431.0825, Government Code.

   Employees shall be entitled to leave of absence from their respective duties without loss of time or efficiency rating or vacation time or salary on all days during which they shall be engaged in authorized training or duty ordered or authorized by proper authority, for not to exceed fifteen (15) days in any one federal fiscal year as provided in Section 431.005, Government Code.

   An employee called to active duty during a national emergency by a reserve branch of the United States Armed Forces shall have a leave of absence. The employee shall not lose the ability to accrue state service credit while on active duty but shall not accrue vacation or sick leave. However, the employee shall retain any accrued vacation or sick leave and shall be credited with such balances upon return.

   State employees who are volunteer firemen shall also be granted a leave of absence with full pay to attend training schools conducted by state agencies provided such leave does not exceed five (5) working days in any one fiscal year. State agencies and institutions of higher education may grant leave with full pay to volunteer firemen for the purpose of responding to emergency fire situations provided that the agency or institution of higher education has an established policy for the granting of such leave time. A leave of absence authorized by this subsection shall not be charged against the employee's vacation or sick leave privileges provided by this Act.

   A state employee, who is a foster parent to a child under the conservatorship of the Department of Protective and Regulatory Services, is entitled to a leave of absence with full pay for the purpose of attending staffing meetings held by the Department of Protective and Regulatory Services regarding the child under the foster care of the employee, or to attend the Admission, Review and Dismissal (ARD) meeting held by a school district regarding the child under the foster care of the employee.

   Any state employee, who is a certified disaster service volunteer of the American Red Cross or who is in training to become such a volunteer, with the authorization of the employee's supervisor, may be granted a leave not to exceed ten days each fiscal year to participate in specialized disaster relief services for the American Red Cross, upon the request of the American Red Cross and with approval of Governor's office, without loss of pay, vacation time, sick leave or earned overtime, and/or compensatory time. Notwithstanding this provision, the pool of state employees certified disaster volunteers shall not exceed 350 participants at any one time. A list of such employees will be coordinated with the Division of Emergency Management and the Governor's office. Within sixty days of any request made by the American Red Cross, a report shall be prepared by the American Red Cross for the Legislative Budget Board setting forth the reasons and needs for any request made.

5. A state employee who transfers directly from one state agency to another, shall be given credit by the receiving agency for the unused balance of this accumulated vacation and sick leave, provided that his employment with the state is uninterrupted.

6. Funds appropriated in this Act may be used to pay the estate of an employee when the employee dies while employed by the State of Texas for: (1) all of the employee's accumulated vacation leave and (2) one-half of the employee's accumulated sick leave, or for 336 hours of sick leave, whichever is less, provided that requirement and limitations in Subchapter B, Chapter 661, Government Code, are satisfied.

7. In addition to maintaining an official personnel file on each employee containing an application for employment and other records normally placed in a personnel file, the administrative head or heads of each agency of the state shall require time and attendance records, a record of the vacation and sick leave accrual and absences of each employee, and the reasons therefor whether from sickness, vacation, other paid leave, or leave of absence without pay.

8. The State Auditor shall provide a uniform interpretation of the provisions herein contained on employee vacations and leaves, and shall report to the Governor and the Legislature any exceptions practiced by the various entities of the state government.

9. It is specifically provided, however, that the benefit provisions of this section apply to employees of the House of Representatives and Senate only at the discretion of the presiding officer of each House.

10. An employee separated from employment with the state under a formal reduction-in-force shall have his sick leave balance restored if reemployed by the state within twelve (12) months of termination. An employee separated for other reasons shall also have his sick leave balance restored: i) if reemployed by the agency or institution within twelve (12) months of termination, provided there has been a break in service of at least thirty (30) calendar days since termination or ii) if reemployed by the state, with an agency or institution other than the agency or institution from which the employee separated, within twelve (12) months of termination.

11. Agencies may grant employees leave without pay or leave of absence without pay subject to the following provisions:

    a. Such leaves will be limited in duration to twelve (12) months.

    b. Except for disciplinary suspensions, active military duty, and workers compensation situations all accumulated paid leave entitlements must be exhausted before granting such leaves. However, sick leave must be exhausted only in those cases where the employee is eligible to take sick leave, as provided in Section 9(2) above.

    c. Subject to fiscal constraints, approval of such leaves constitutes a guarantee of employment for a specified period of time.

    d. The administrative head of an agency may grant exceptions to these limitations for such reasons as interagency agreements or educational purposes.

    e. Except in the case of an employee returning to state employment from military leave without pay, any full calendar month (i.e., from the first day of a month through the last day of a month, inclusive) in which an employee is on leave without pay, shall not be counted in the calculation of total state service for purposes of longevity pay or vacation leave entitlements. No employee shall accrue vacation or sick leave for such month. Further, any such full calendar month of leave without pay shall not constitute a break in continuity of employment but shall not be included in the calculation of the minimum number of continuous months of employment set forth in this article under the merit salary provisions, Section 1(5)(c), and under Employees Vacations and Leaves, Section 9(1).

12. A state employee who is blind is entitled to a leave of absence with full pay for the purpose of attending a training program to acquaint the employee with a seeing-eye dog to be used by the

employee. The leave of absence provided by this subsection may not exceed 10 working days in a fiscal year. The leave of absence provided by this subsection is in addition to other leave to which an employee is entitled, and an employee continues to accrue vacation and sick leave while on leave as provided by this subsection. For purposes of this subsection, "blind" has the meaning assigned by Section 91.002(2), Human Resources Code.

13. In addition to employee leave authorized elsewhere in this Article, administrative leave with pay may be granted by the head of an agency as a reward for outstanding performance as documented by employee performance appraisals. In no event shall the aggregate amount of administrative leave granted pursuant to this subsection exceed 32 hours during any fiscal year.

14. a. State employees who have a total of at least 12 months of state service, and who have worked at least 1,250 hours during the 12-month period immediately preceding the commencement of leave, are hereby entitled to leave pursuant to the Federal Family and Medical Leave Act (FMLA) provided that the employee utilizes all available applicable paid vacation and sick leave while taking leave pursuant to this provision. As an exception to the requirement to utilize all paid vacation and sick leave, employees on FMLA leave who are receiving temporary disability benefit payments or workers' compensation benefits shall not be required to utilize paid vacation or sick leave while receiving such benefits.

    b. Those employees with less than a total of 12 months of state service or who have worked less than 1,250 hours in the 12-month period immediately preceding the commencement of leave are eligible to take a parental leave of absence, not to exceed 12 weeks, provided that the employee utilizes all available applicable paid vacation and sick leave while taking leave pursuant to this subdivision. The leave authorized by this subdivision is limited to, and begins with the date of, the birth of a natural child or the adoption or foster care placement of a child under three years of age.

Sec. 10. **Multiple Employments with the State.**

1. General Provisions. A person who is legally employed by more than one Texas state agency or institution of higher education may not receive benefits from the state in excess of those provided for one full-time employee. The person is subject to the following provisions and must be informed of them before the person becomes employed by more than one agency or institution:

    a. Separate vacation and sick leave records must be maintained for each employment. When the person terminates from one employment, the person's leave balances that were accrued under that employment may not be transferred to the remaining employments.

    b. The person accrues state service credit for all purposes as if the employee had only one employment.

    c. The state's contribution towards the taxes imposed on the person by the Federal Insurance Contributions Act may not exceed the overall limit specified elsewhere in this Act. The Comptroller shall prescribe uniform accounting and reporting procedures to ensure that the contribution does not exceed this limit.

    d. The total state contribution towards the person's group insurance is limited to the amount specified elsewhere in this Act for a full-time active employee.

    e. Overtime compensation accrues to an employment independently of every other employment with the following exception. If the person is subject to the overtime provisions of the Fair Labor Standards Act of 1938 (FLSA) in an employment, the employing agencies and institutions must ensure that the person is compensated for

all combined time worked in excess of 40 hours per week according to the FLSA overtime provisions. The agencies and institutions shall coordinate to determine which agency or institution is responsible for ensuring that the employee is properly compensated according to those provisions.

f. The person must inform the person's employing state agencies or institutions of higher education before accepting an additional employment with another agency or institution.

2. Special provisions for legislative agencies. If a person's multiple employment involves only legislative agencies and all employments are less than full-time, Subsection (1)(a), except for accrual of leave, does not apply and the person may use paid leave from leave balances in all employments. Upon termination of one employment, leave balances accrued under that employment shall be transferred to the remaining employments.

3. Special provisions for institutions of higher education. A university system may establish a policy that defines a person's employment as the total hours the person is assigned to one component of the system or, alternatively, the total hours the person is assigned to all components of the system. This policy may apply to a person only if the person is employed by more than one institution of higher education and all the employing institutions are within the same university system.

Sec. 11. **Use of Alcoholic Beverages.** None of the moneys appropriated under this Act shall be used for the payment of salaries to any employee who uses alcoholic beverages while on active duty. None of the funds appropriated under this Act for travel expenses may be expended for alcoholic beverages. No state funds shall be used for the purchase of alcoholic beverages, except for legitimate law enforcement purposes.

Sec. 12. **Limitations on Use of Appropriated Funds.** Funds appropriated by this Act, other than those appropriated to institutions of higher education, shall be expended only for items set out in the expenditure classifications of the Comptroller's Manual of Accounts insofar that agencies expending said appropriated funds shall have existing statutory authority for such expenditures and that such expenditures are not limited or prohibited elsewhere in this Act.

It is also provided that any agency of the state specified in this Act is authorized to pay the premiums for bonding employees. Such bonds shall be of either individual position or blanket position type, as provided by Chapter 653, Government Code.

As compensation in addition to that otherwise provided by this Act, departments and agencies appropriated funds by this Act are authorized to purchase and present to their respective employees or officers at periodic intervals under such rules and regulations as have been or may be adopted by the respective agencies named hereinabove, service awards, safety awards and other similar awards for professional achievement or other outstanding service. A state agency may purchase awards not to exceed fifty dollars ($50) per employee.

For awards to volunteers, a state agency may expend funds appropriated by this Act to purchase engraved certificates, plaques, pins, and other awards of a similar nature that do not exceed $50 in value per volunteer. The awards may be purchased only to recognize volunteers' special achievement and outstanding service and only if the agency has established a volunteer program that complies with Chapter 2109, Government Code, or with other applicable general law.

TRAVEL REGULATIONS

Sec. 13. **Definitions.**

The following words and terms, when used in Sections 13 through 19 of this Article, shall have the following meanings:

1. Commercial lodging establishment - a motel, hotel, inn, apartment, or similar entity that furnishes lodging to the general public for pay or other type of lodging establishment designated by the Comptroller by rule.

2. Commercial transportation company - an entity that offers transportation of people or goods to the general public for pay.

3. Designated headquarters - the area within the city limits of the incorporated area in which a state employee's place of employment is located. If an employee's place of employment is located within an unincorporated area, then the area within a five mile radius of the employee's place of employment is his designated headquarters. If a city, town, or unincorporated area is completely surrounded by the city or town in which an employee's place of employment is located, then the employee's designated headquarters includes the surrounded area.

4. Duty point - the location, other than an employee's place of employment, to which a state employee travels in order to conduct official state business.

5. Head of agency - this term includes elected state officials, excluding members of the Legislature; appointed state officials, including officials whose appointment is still subject to confirmation by the Senate; first assistants, chief deputies, and chief clerks who are specifically authorized by law to act for their superiors; directors of legislative interim committees or boards; heads of state institutions of higher education; heads of state hospitals and special schools; and, for each state agency that is governed by a part-time board or commission, the person who has the day-to-day responsibility for managing the agency's operations.

6. Incidental expenses - those necessary and reasonable expenses incurred by a state employee while traveling on official state business. The term includes applicable taxes except for taxes on meals. The term does not include expenses for meals, lodging, or transportation; expenses of a personal nature; expenses that would be incurred by the employee regardless of whether he were traveling on official state business; and, tips and gratuities.

7. Key officials - this term encompasses heads of agencies and persons holding exempt positions as indicated in this Act or by action of the Governor in accordance with the Position Classification Act.

8. Lease - a long-term contract giving the lessee the exclusive possession and use of property or equipment although the lessor retains ownership throughout the duration of the contract. A contract is "long-term" only to the extent that its duration is on at least a month-to-month basis.

9. Place of employment - the office or location at which a state employee routinely conducts official state business.

10. Rented or public conveyance - a motor vehicle, train, or aircraft that a state employee either rents or pays a fare to use on a short-term basis while traveling on official state business.

11. State agency - a unit of state government, a council of governments, a Local Workforce Development Board, or a MHMR community center, that uses funds appropriated in this Act to pay for the transportation, meals, lodging, and other travel expenses of its employees. For the purpose of this provision, the term “council of governments” shall

include a council of governments, a regional planning commission, or similar regional planning agency created under Chapter 391, Local Government Code.

12. State employee - a person employed by a state agency. This term includes key officials except to the extent that specific provisions in this article indicate otherwise.

Sec. 14. **General Travel Provisions.**

1. The amounts appropriated in this Act to each state agency for the payment of transportation, meals, lodging, and incidental expenses shall be the maximum amounts to be expended by those agencies. None of the moneys appropriated by this Act may be expended for those expenses unless the travel and the resulting requests for payment or reimbursement comply with the conditions and limitations in this article.

2. Heads of agencies shall conserve the funds appropriated by this Act by maximizing economy and efficiency when planning the travel of state employees under their authority. In this connection, heads of agencies are responsible for ensuring that the expenses of transportation, meals, lodging, and incidental items are the lowest possible considering all relevant circumstances.

3. A head of agency may specify a reimbursement or payment rate that is less than the maximum rate specified in this article for transportation, meal, lodging, or incidental expenses. However, a lower rate applies only to travel occurring after a head of agency has notified his state employees in writing about the lower rate. A state agency is solely responsible for enforcing its lower reimbursement or payment rates.

4. Necessary and reasonable expenses for transportation, meals, lodging, and incidental expenses may be paid or reimbursed from the funds appropriated in this Act only when the purposes of the travel clearly involve official state business, are consistent with the legal responsibilities of the state agency represented, and, for the travel outside the State of Texas, the travel is approved in advance in accordance with the policy of the employing state agency.

   None of the funds appropriated by this Act shall be used to pay or reimburse expenses for transportation, meals, lodging, and incidental expenses unless the travel voucher submitted to the Comptroller identifies persons contacted, places visited, or otherwise describes the nature of the official state business performed.

5. A state employee may claim extra travel time for the purpose of calculating reimbursement for meals, lodging, rental cars, parking, and other reimbursable expenses in order to take advantage of lower airfares if: (a) the cost of the additional expenses plus the lower airfare is less than or equal to the average coach airfare between the employee's designated headquarters and duty point, (b) the rental car was rented during the period of time when the employee conducted official state business, and (c) it is in the employing state agency's interest to allow the employee to be absent from headquarters for an additional period of time.

6. Requests for advance written approval for travel outside of the United States, except for Canada and Mexico, shall be submitted to the Governor as provided in Section 660.024, Government Code.

7. State employees from one state agency who provide services to another state agency may be reimbursed for their transportation, meals, lodging, and incidental expenses from the funds of the agency being served.

8. A traveling state employee may be reimbursed for his incidental expenses in addition to his expenses for meals, lodging, and transportation. The Comptroller shall promulgate specific rules for the effective and efficient administration of this sub-section.

9. When this article authorizes state agencies to directly pay commercial lodging establishments or commercial transportation companies, agencies may instead directly pay credit card issuers or travel agencies for the lodging or transportation. The same documentation that would be required for a direct payment to a commercial lodging establishment or commercial transportation company is required for a direct payment to a credit card issuer or travel agency.

10. When a state agency requires a state employee on personal leave to return to his designated headquarters from another location, the agency may reimburse the employee for the transportation, meal, lodging, and incidental expenses he incurs while traveling to headquarters. In addition, the agency may reimburse the employee for the transportation, meal, lodging, and incidental expenses he incurs while traveling back to the location at which the employee was staying while on personal leave. The reimbursements authorized by this subsection may not exceed the reimbursement rates specified in this article.

11. A state agency may pay or reimburse a state employee for a cancellation charge if the charge is incurred for a reason related to official state business.

12. The Comptroller shall establish rules and procedures for the effective and efficient administration of the travel regulations in this article.

13. None of the funds appropriated by this Act may be expended for travel expenses associated with a training seminar conducted by an agency for its employees unless the agency head certifies, on the travel voucher or other expense reimbursement form, that the agency does not: i) possess, ii) have available at a cost less than the total travel costs associated with the seminar, or iii) have access to another agency's interactive television or video conference facilities at the designated headquarters of the employees attending the training.

14. The General Services Commission shall negotiate with commercial lodging establishments in order to achieve the most cost-effective rates possible for state employees while on travel status.

15. Each state agency shall utilize teleconferencing and other telecommunications technologies to the maximum extent possible in order to reduce agency travel expenditures.

16. All travel expenses paid or reimbursed by an agency must be limited to the necessary functions of the agency. In order to ensure compliance with this provision the Comptroller of Public Accounts and State Auditor's Office shall periodically examine the travel vouchers and other expense reimbursement forms submitted for payment under Sections 4, 15, and 16 of this article to determine:

    a. whether the travel expenses were incurred in the conduct of official state business,

    b. whether the state activities conducted while on travel status were necessary to execute the state business,

    c. whether the travel was necessary to execute the state business conducted, and

d. in cases where more than one individual has submitted a travel voucher or claim for reimbursement of expenses for the same or similar travel occurrence, whether the number of individuals on travel status was necessary to execute the state business conducted.

If the State Auditor determines that the travel for which payment was made out of appropriated funds does not satisfy each of the four criteria set forth in the previous paragraph, the State Auditor shall so certify to the Comptroller of Public Accounts who shall reduce the appropriation of the agency which paid the travel expenses by an amount equal to the entire amount paid by the state for that individual for that travel occurrence.

The Comptroller of Public Accounts and the State Auditor's Office shall each develop procedures for examining travel vouchers and other expense reimbursement forms. The Comptroller of Public Accounts, when it reasonably believes that the travel criteria established by this section have not been satisfied, shall provide such information to the State Auditor's Office for review.

For the purpose of this section, the term "travel expense" shall include seminar tuition and fees.

The Comptroller shall prepare an annual report indicating the appropriation reductions, by agency, made pursuant to this provision for the previous fiscal year. The report shall be submitted to the Legislative Budget Board no later than December 1 of each year.

Sec. 15. **Transportation Expenses.**

1. State employees' use of personally owned or leased motor vehicles:

a. Mileage reimbursement rate. A state agency shall reimburse a state employee for using a personally owned or leased motor vehicle. The mileage reimbursement rate for travel occurring during a fiscal year is equal to the maximum fixed mileage allowance specified in the revenue rulings issued by the Internal Revenue Service under Section 1.274-5(f) of the federal income tax regulations as of August 1 preceding the start of the fiscal year. The mileage reimbursement rate may not be less than 25 cents per mile or more than 28 cents per mile. The Comptroller shall announce the mileage reimbursement rate for a fiscal year as soon as possible after August 1 of the preceding year. Except for tolls and the cost of airport parking or other parking fees incurred while employees are away from their places of employment, no additional expenses incidental to the operation of such motor vehicles shall be reimbursed.

b. Computing distances. The reimbursement authorized in this subsection for travel within the State of Texas shall be based upon the shortest route between points. For the purpose of computing the shortest route, farm-to-market roads shall be included.

c. Travel between a residence and the airport. State employees traveling in a personally owned or leased motor vehicle between their residence and the nearest airport may be reimbursed for mileage at the rate specified in Section 15(1)(a) of this article subject to the following provisions:

(1) If the travel occurs during working hours, the reimbursement may not exceed the reimbursement that would be due had the employee traveled between a place of employment and the airport.

(2) A state employee may be reimbursed for the mileage incurred by another person while transporting the employee between his residence and the nearest airport during working or non-working hours so long as the employee demonstrates that the reimbursement would be less than the cost of parking a personally owned or leased motor vehicle at the airport.

d. Travel between a residence and a duty point. State employees who travel in a personally owned or leased motor vehicle between their residence and their duty point may be reimbursed for mileage at the rate specified in Section 15(1)(a) of this article subject to the following provisions:

(1) If the travel occurs during working hours, the reimbursement may not exceed the mileage that would have been paid had the employee traveled from his place of employment to his duty point.

(2) If the travel occurs before working hours on a working day, the reimbursement may not exceed the reimbursement that would be due had the employee traveled from a place of employment to a duty point. The preceding limitation does not apply if the employee is required to travel because of an unforeseen emergency that is related to official state business.

e. Travel between a residence and a place of employment. A state employee may not be reimbursed for his mileage when he travels in a personally owned or leased motor vehicle between his residence and his place of employment unless (1) the travel is necessitated by extraordinary circumstances, and (2) the travel occurs during non-working hours.

f. Mileage rate for travel outside of the State of Texas. State employees traveling alone may be reimbursed at the standard mileage rate for the use of their personally owned or leased motor vehicles while traveling outside the State of Texas in accordance with this paragraph. The reimbursement may not exceed either of the following: (a) the amount the employees would have received had they flown the average coach airfare below first class plus the expenses necessary to complete such flight or (b) the reimbursement calculated at the standard mileage rate for the actual miles traveled. Mileage, calculated at the standard mileage rate, between an employee's place of employment and the airport plus other necessary and reasonable expenses that would have been incurred at the airport had the employee flown, including parking fees, shall be considered as expenses necessary to complete a flight for the purpose of this paragraph.

g. Travel by a group of state employees outside of the State of Texas. When two or more state employees travel together outside the State of Texas in a motor vehicle that is owned or leased by one of those employees, the reimbursement for the use of that vehicle shall be based upon the total miles between the motor vehicle owner's place of employment and the employees' destination at the standard mileage rate authorized elsewhere in this article. However, this reimbursement shall not exceed the total cost had each employee flown the average coach airfare below first class plus the expenses necessary to complete the flight as specified in Section 15(1)(f) of this article.

h. Travel to points outside of the State of Texas that are not served by commercial airlines. State employees traveling either alone or with other state employees to duty points outside of the State of Texas that are not directly served by commercial airlines shall be reimbursed for their mileage. This reimbursement cannot exceed the sum of the following: (a) average coach airfare below first class to the nearest city served by air to the destination, (b) mileage between the nearest city served by

air and the destination, and (c) the expenses necessary to complete the flight as specified in Section 15(1)(f) of this article.

2. Transportation in personally owned or leased aircraft:

   a. The rate of reimbursement to key officials, members of boards and commissions, and members of the Legislature for travel in their personally owned or leased aircraft within and without the boundaries of the State of Texas shall be forty cents (40¢) per highway mile when traveling in single-engine aircraft, fifty-five cents (55¢) per highway mile when traveling in twin-engine aircraft, and one dollar ($1.00) per highway mile when traveling in turbine-powered aircraft.

      When additional key officials, members of boards and commissions, or members of the Legislature are conveyed on trips within or without the boundaries of the State of Texas in privately owned or leased aircraft, they each shall receive as a mileage reimbursement an amount equal to that which would have been paid had they traveled by average coach airfare below first class. The Comptroller shall develop procedures whereby these multiple reimbursements can be aggregated into a single payment and paid either to the individual owning or leasing the aircraft or to the vendor providing a leased aircraft; however, the total reimbursement shall not exceed the actual cost of the trip.

      Key officials, members of boards and commissions, and members of the Legislature may lease aircraft from a proprietorship, partnership, or corporation in which they have an interest. Reimbursement shall be at the rates established for travel by personally owned or leased aircraft.

   b. The rate of reimbursement for state employees when they travel in their personally owned or leased aircraft within and without the boundaries of the State of Texas shall be forty cents (40¢) per highway mile when traveling in single-engine aircraft and fifty-five cents (55¢) per highway mile when traveling in twin-engine aircraft.

3. Travel by rented or public conveyance:

   a. When a state employee travels by rented or public conveyance, the actual cost of transportation is payable from funds appropriated in this Act subject to the following limitations.

      (1) The cost of commercial air transportation between an employee's designated headquarters and his duty point must be equal to the lowest rate available. First class airfare may be paid only if it is the only available airfare.

      (2) The cost of transportation by limousine may be paid only if it is the lowest cost transportation considering all relevant circumstances.

   b. State agencies may pay the expenses associated with state employees traveling by rented or public conveyance in either of two ways at the option of each head of agency.

      (1) When state employees pay for authorized travel by rented or public conveyance with their personal funds, they shall be reimbursed for that travel in accordance with this Article. Receipts for such transportation, excluding receipts for bus, taxi, or limousine fares, shall be submitted to the Comptroller or processed locally by the institution as attachments to the employee's travel voucher.

(2) A head of agency may request a commercial transportation company to furnish transportation to designated state employees of such agency. The cost of the transportation services shall be billed monthly to the agency. The Comptroller may issue a warrant or the institution may issue a check payable to a commercial transportation company only upon the submission by a state agency of a voucher showing the purpose of travel and the necessary approval by the agency. An official receipt from the commercial transportation company showing the details of the transportation must be attached to the voucher.

To facilitate auditing of billings from commercial transportation companies, such companies shall list on their billings the point of origin and point of destination of each trip and shall also show the taxes charged. In addition, on each voucher submitted to the Comptroller for processing or processed locally by the institution, state agencies shall specify in detail the official state business conducted on each trip.

4. State agencies may directly pay commercial transportation companies prior to the travel of their employees if the companies required the payments to be made in advance in order to obtain lower rates. Cancellation charges are payable if they are incurred because of a business-related reason. The Comptroller shall promulgate rules for the effective and efficient implementation of this paragraph.

5. Return from personal leave: Employees on personal leave at a location outside of their designated headquarters who are required by their heads of agencies to return to their designated headquarters may be reimbursed for the cost of their transportation to headquarters as provided in this section.

Sec. 16. **Expenses for Meals and Lodging.**

1. General provisions:

a. Heads of agencies shall conserve funds by authorizing less than the maximum reimbursements for meals or lodging, or both, when conditions warrant. However, reductions in the amount of reimbursements for meals or lodging, or both, may be authorized only if the affected state employees are notified of those reductions before they incur any expenses. Employees whose living costs are unusually low when traveling, such as those camping out, shall not be reimbursed for their meals and lodging at the maximum rates.

b. When a state employee stays at a commercial lodging establishment, the head of his employing state agency may request the lodging establishment to directly bill the agency for the cost of the lodging. The Comptroller may issue a warrant payable to the commercial lodging establishment only upon the submission of a voucher showing the name and designated headquarters of the employee, the room rate for a single occupancy, and the lodging charges on a daily basis. An official receipt from the commercial establishment must be attached to the voucher.

c. Each state employee who travels with one or more additional employees in a motor vehicle that is owned or leased by one of those employees shall be reimbursed for the meals and lodging incurred during the trip subject to the limitations contained in this Section.

d. No reimbursements for meals and lodging may be paid to state employees when they travel within the confines of their designated headquarters or when they are away from their designated headquarters for fewer than six consecutive hours.

e. State employees, board or commission members, must attach the actual receipts for lodging expenses to their travel vouchers when requesting reimbursement of those expenses. A head of agency other than a member of a board or commission is not required to attach lodging receipts.

f. Travel to foreign countries, except for Canada and Mexico, must be approved by the Governor in advance of the travel in accordance with Section 660.024, Government Code. A copy of the Governor's approval must be attached to each travel voucher.

g. A state agency may reimburse a state employee for a state, county, or local hotel occupancy tax or any similar tax imposed by a law of this state or another state. A state agency may reimburse a state employee for a state, county, or local hotel occupancy tax from which the employee is exempt by law if the employee properly claims the exemption and the commercial lodging establishment refuses to honor the exemption. If a state agency directly pays a commercial lodging establishment instead of reimbursing an employee, then the agency may directly pay the tax to the commercial lodging establishment.

h. A state agency may reimburse a state employee for apartment rental expenses. The Comptroller shall adopt rules to facilitate a state agency's conservation of state funds by renting an apartment in lieu of using another type of commercial lodging establishment.

2. Travel within the State of Texas:

a. State employees who travel within the State of Texas shall be reimbursed for the actual cost of lodging and meals. However, the reimbursements may not exceed $70.00 per day per location for lodging and $25.00 per day for meals.

b. At the discretion of each head of agency, a state employee whose duties require him to travel outside his designated headquarters without an overnight stay away from his headquarters may be reimbursed for the actual cost of his meals not to exceed $25.00 per day.

3. Travel outside the State of Texas but within the continental United States:

a. State employees who travel outside the State of Texas but within the continental United States shall be reimbursed for their actual expenses for lodging and meals. However, these reimbursements may not exceed the locality-based rates specified in the Federal Travel Regulations unless the Comptroller determines, in advance of travel, that local conditions necessitate a change in the lodging rate for a particular location. If an employee travels to a location where a locality-based allowance has not been set in the Federal Travel Regulations, the Comptroller shall establish a rate for that location. This rate cannot exceed the median locality-based allowance for that state unless the Comptroller determines, in advance of travel, that local conditions necessitate a higher lodging rate.

b. Reimbursements for meals to employees whose travel does not require an overnight stay away from their designated headquarters may not exceed $26.00 per day.

4. Travel outside the continental United States: State employees may receive reimbursements of their actual expenses for meals and lodging when traveling outside the continental United States.

Sec. 17. **Travel by Employees of Institutions of Higher Education.**

1. For the purpose of this section, official state business includes, but is not limited to, the formal presentation of original research by a state employee before a regional, state, national, or international learned society.

2. The governing board of each institution of higher education may delegate to its president, chief executive, vice presidents, deans, or fiscal officers the authority to approve travel and the resulting payments and reimbursements. However, such delegations of authority shall specify the kind of travel that may be approved and the termination date of the delegated authority. The delegation of authority shall be entered in the official minutes of each governing board, and a copy of those minutes shall be filed with the Comptroller.

Sec. 18. **Special Provisions and Exceptions.**

1. Applicability of this section: The provisions of this section apply only to the extent that they are inconsistent with or supplementary to the provisions of Sections 14, 15, 16 and 17 of this article.

2. General exception: Judicial officers, heads of agencies, the Executive Director of the Legislative Council, and the Secretary of the Senate shall be reimbursed for their actual expenses for meals and lodging either inside or outside the State of Texas. Expenses concerning personally owned or leased motor vehicles and other transportation expenses shall be reimbursed as provided under other sections of this article.

3. Representation of the Governor: Employees of the Governor's Office, other state employees, and key officials who are designated by the Governor to represent the State of Texas at governmental meetings or conferences held outside the State of Texas shall be reimbursed for their actual expenses for meals, lodging, and incidentals. These reimbursements may be paid out of the appropriations for the state agencies at which the employees or key officials are employed.

4. Travel by legislators:

   a. General provisions:

      (1) When traveling inside or outside the State of Texas a legislator, at the discretion of each house of the legislature, is reimbursed an amount equal to either the maximum per diem rate in the federal travel regulations for the location at which the expenses are incurred or the actual amount of meals, lodging and incidental expenses incurred. This provision also applies to the meals, lodging, and incidental expenses legislators incur while serving on boards, councils, committees, or commissions.

      (2) If expenses are incurred in a location for which the federal travel regulations have not specifically established a maximum per diem rate, the amount is equal to the lowest maximum per diem rate for the state, territory, possession, or country in which the expenses are incurred.

      (3) When traveling inside or outside the State of Texas, a legislator shall be reimbursed for the legislator's use of personally owned or leased motor vehicles and for the legislator's use of rented or public conveyances on the same basis as is provided in this article for state employees. The rate of reimbursement for a legislator's use of a personally owned or leased aircraft is

as specified elsewhere in this article. The preceding rates of reimbursement apply even though a legislator's trip does not include travel to or from the City of Austin.

b. During a session of the Legislature, a member of the Legislature may be reimbursed for either transportation expenses on the same basis as is provided for state employees or shall be entitled to mileage on the same basis as is provided for state employees.

5. Travel by employees of the Legislature:

a. When traveling outside the State of Texas, employees of the Legislature may be reimbursed for their actual expenses for meals and lodging.

b. When traveling inside the State of Texas, employees of the Legislature may be reimbursed for their actual expenses for meals and lodging in accordance with Section 301.030(a), Government Code.

6. Designation of state employees:

a. When a member of the Legislature, judicial officer, head of agency, Executive Director of the Legislative Council, the Secretary of the Senate, or member of a board or commission is unable to personally attend a meeting or conference, they may designate a state officer or employee to represent them at the meeting or conference. The designated officer or employee may receive reimbursement of his actual expenses for meals and lodging while attending the meeting or conference. The designations authorized in this sub-section must occur on a trip-by-trip basis.

b. Members of the Legislature, judicial officers, heads of agencies, the Executive Director of the Legislative Council, the Secretary of the Senate, and members of state boards and commissions may authorize state employees traveling with them to receive reimbursement of their actual expenses for meals and lodging.

7. Aircraft pilots: Aircraft pilots shall be reimbursed for their actual expenses for meals and lodging on the same basis as provided in this article for state employees. However, aircraft pilots are not subject to the requirement of being away from their designated headquarters for at least six consecutive hours in order to qualify for reimbursements of their meals.

8. Prior written approval required: None of the funds appropriated by this Act may be used to reimburse actual expenses as authorized in Sub-sections 3 and 6 of this section unless the head of the agency gives advance written approval and indicates the approximate cost of such travel.

9. Members of state boards and commissions shall be reimbursed for travel expenses pursuant to the provisions of Section 4 of this article.

10. Travel by disabled persons:

a. Notwithstanding any other provision of this article, state agencies may reimburse disabled state employees and disabled members of the Legislature for attendant care and other necessary expenses incurred when they travel inside or outside their designated headquarters. However, disabled persons may not be reimbursed for the expenses incurred when traveling from their residences to their places of employment except as provided in this Act for state employees.

b. First class airfare for the disabled and their attendants may be reimbursed so long as that airfare is medically necessary.

c. None of the reimbursements authorized in this sub-section may be paid until the employing state agency has established policies and procedures for the travel of disabled persons. The reimbursements authorized in this sub-section shall be in addition to the reimbursements authorized elsewhere in this Article.

11. Reimbursement for meals and lodging as authorized by this section on an “actual expenses” or “actual amount of” basis shall not exceed twice the maximum rates specified in Section 16.2 of this article in the case of travel within the State of Texas and shall not exceed twice the maximum rates specified in Section 16.3 of this article in the case of travel outside the State of Texas but within the continental United States.

Sec. 19. **Moving Expenses of State Employees.**

1. A state agency may use funds appropriated by this Act to pay the reasonable, necessary, and resulting costs of moving the household goods and effects of a state employee who is reassigned by the agency from one designated headquarters to another designated headquarters with that agency if the agency determines that the best interests of the State will be served by such reassignment and the distance between the two designated headquarters is at least 25 miles. A state agency may pay the costs of moving the household goods and effects of any state employee who is employed at any facility that is being closed or downsized, if the agency retains that employee by offering a position in another location that is at least 25 miles from the location being closed or downsized. The authorization provided by this subsection shall not apply to a transaction fee or sales commission for sale of a homestead or other real property.

2. State-owned equipment shall be used to move the household goods and effects of transferring state employees. However, when such equipment is unavailable, state agencies may pay for the services of a commercial transportation company or for self-service vehicles to make the move.

3. The use of appropriated funds as authorized in this Section is expressly conditioned upon presentation to the Comptroller of bona fide receipts or invoices showing the applicable charges.

4. Transferring state employees may be reimbursed at the standard mileage rate for reasonable and necessary moving-related travel by personally owned or leased motor vehicle.

5. State employees who will be required to live in state-owned housing may be reimbursed for the storage expenses incurred when the housing is not available at the time the employing state agency requires the move to be made.

Sec. 20. **Passenger and Other Vehicular Equipment (excluding Aircraft).**

1. Only the following agencies are authorized the use of appropriated funds for the purchase, operation, and maintenance of passenger cars and other vehicles designed for passenger transportation (excluding aircraft): Texas Youth Commission, Adjutant General's Department, Alcoholic Beverage Commission, Department of Agriculture, Attorney General, General Services Commission, Department of Criminal Justice, Department of Transportation, Historical Commission, General Land Office and Veterans' Land Board, Parks and Wildlife Department, Railroad Commission, Department of Public Safety, Natural Resource Conservation Commission, Water

Development Board, Board of Plumbing Examiners, Board of Pharmacy, Low-Level Radioactive Waste Disposal Authority, Polygraph Examiners Board.

2. For the purposes of the above limitation, the following vehicular equipment shall not be construed to be passenger cars and other vehicles designed for passenger transportation and may be purchased, operated, and maintained by an agency through appropriated funds: panel, pickup and delivery trucks and trucks required for the conveyance of special equipment; motorcycle delivery units; dual control automobiles used exclusively for driver training; passenger cars equipped with two-way radios when such equipment is a direct requirement of the user's primary responsibility; motorcycles, jeeps, and boats needed and used for fire prevention, fire fighting and other activities for safeguarding public safety, public property, or for criminal law enforcement; ambulances or other passenger vehicles specifically equipped and regularly used for ambulance services; buses, sedans, vans and station wagons regularly used for the mass transportation of numbers of people and essential to the efficient management of the operating agency of the state as certified by a report filed with the Governor's Budget and Planning Office and the Legislative Budget Board prior to acquisition.

3. It is the intent of the Legislature that agencies authorized to purchase passenger vehicles and/or other general use ground transportation vehicles shall purchase economical, fuel efficient vehicles assembled in the United States of America when the purchase of such vehicles would have no significant detrimental effect on the public service being performed. Each agency purchasing vehicles as authorized in this Act shall file, as a part of the annual report required elsewhere in this Article, a report listing each passenger vehicle purchased, make and model, purchase price, assigned type of use and fuel efficiency as expressed by the manufacturer fuel efficiency rating.

4. No funds appropriated by this Act may be expended by any agency or employee or state official to use a state car for personal use or for commuting to or from work, except when such commuting may be necessary to ensure vital agency functions are performed. Exceptions and reasons therefore shall be certified by individual name and job title by the administrative head of each affected agency and reports of such exceptions shall be filed in the annual report of the agency.

Sec. 21. **Aircraft.**

1. This subsection shall apply only to state-owned aircraft and shall be the only appropriation authority therefor:

   a. No purchase of aircraft shall be made from appropriated funds except as authorized in this Section.

   b. Agencies authorized to expend appropriated funds for the maintenance and operation of state-owned aircraft or replacements authorized below are: Texas A&M University System, Department of Criminal Justice, Department of Transportation, Parks and Wildlife Department, Department of Public Safety, University of Texas System, Texas State Technical College, Texas Forest Service, and Aircraft Pooling Board. Notwithstanding any other provision of this Act, all state-owned aircraft (including aircraft forfeited to or seized by a particular agency) are subject to the authority of the Aircraft Pooling Board under Chapter 2205, Government Code.

   c. Expenditure of appropriated funds for replacement of the above aircraft with aircraft of comparable quality may be made contingent upon approval of the

Aircraft Pooling Board and a finding of fact by the Governor that a report has been filed with his office showing:

(1) That the aircraft to be replaced has been destroyed or has deteriorated to an extent that continued operation presents a serious hazard or that the aircraft to be replaced can no longer meet the mission requirements of the principal user state agency.

(2) That other state-owned aircraft cannot be effectively utilized in lieu of a replacement aircraft.

d. It is the intent of the Legislature that state-owned aircraft be utilized by all agencies of the state. To determine the extent to which this intent is being met, agencies operating state-owned aircraft shall file an annual report with the Legislative Budget Board detailing utilization by other agencies and the methods used to increase the utilization. Statewide-elected officials shall be given priority in the scheduling of aircraft, however, the State Aircraft Pooling Board may require a twelve (12) hour notice by an official in order to accomplish such priority scheduling.

e. The Aircraft Pooling Board shall purchase liability insurance to protect the officers and employees of state agencies operating state-owned aircraft. Expenditures necessary to purchase such insurance shall be made on a pro rata basis, as determined by the Aircraft Pooling Board, from appropriations authorized to each agency operating a state-owned aircraft. The Comptroller shall transfer such necessary amounts from agencies operating aircraft to the Aircraft Pooling Board for the purchase of liability insurance and expenditure of such funds by the board is hereby authorized.

f. All state agencies operating aircraft based in Austin shall use State Aircraft Pooling Board facilities for storage, maintenance, and fueling of these aircraft to the extent that State Aircraft Pooling Board facilities are available.

g. All agencies using State Aircraft Pooling Board services shall reimburse the State Aircraft Pooling Board for providing services within 30 days from the date of billing.

h. Any reimbursements received by an agency of the state for authorized aircraft services rendered to any other agency of the state are hereby reappropriated to the agency receiving such reimbursements, and shall be credited to the agency's appropriation item or items from which the cost of aircraft operation is paid.

i. All rates charged for interagency aircraft services shall be approved by the Aircraft Pooling Board and shall be set at levels adequate for recovery, to the extent possible, of all direct costs (including the pro-rata share of major maintenance, overhauls, and pilots' salaries) for the services provided.

j. Except for appropriations made to the State Aircraft Pooling Board and the Comptroller of Public Accounts, no appropriations made in this act may be expended for lease or operation of aircraft, unless used only for transportation which meets the following criteria:

(1) the purpose of the trip is official state business;

(2) all passengers are state officers or employees, or are persons in the care or custody of state officers or employees, or are persons whose transportation furthers the official state business purpose of that flight;

(3) the destination is not served by commercial carriers, or the time required to use such a carrier interferes with other obligations, or the number of state officers and employees traveling makes the use of state aircraft cost effective;

(4) any speeches to be given by passengers are related to official state business;

(5) events attended by passengers are not sponsored by a political party or for its promotion;

(6) no fees or honorariums are received by passengers, unless travel costs are reimbursed to the state;

(7) no money is raised for private or political purposes; and

(8) audiences are not charged to see or hear any of the passengers.

2. This subsection shall apply to expenditure of funds in connection with aircraft not owned by the state.

a. In the event that a need arises and no state-owned aircraft are available through the Aircraft Pooling Board, or if the board determines that long or short-term lease or rental of aircraft would reduce the cost of transportation to the State of Texas, the board shall authorize state agencies to expend funds for such lease or rental of aircraft or helicopters.

b. Other than mileage reimbursements provided for in this Act, none of the funds appropriated by this Act may be expended for the lease or rental of aircraft except as authorized in the preceding paragraph.

DEFINITIONS

Sec. 22. **Earned Federal Funds.**

a. Earned federal funds are defined as all moneys received in connection with each entitlement period of a federally funded contract, grant or program, excluding reimbursements as defined in Section 106(1)(b), which are not required by the governing agreement to be disbursed thereon. Typically, they arise from recoveries of costs previously paid from a nonfederal fund source, indirect cost allocations, interest earned on federal funds, and minor sources such as the sale of fixed assets purchased with federal funds. Except for state agencies of higher education and their affiliated agencies, the expenditure of funds received and/or earned in accordance with this definition by state agencies is limited to the appropriation authority granted to each agency. Any such excess funds remaining at the end of the biennium for each agency are to be carried forward as a funding source available for appropriations of the subsequent biennium.

b. It is the intent of the Legislature that all state agencies and institutions participating in federally funded or other programs, where indirect cost reimbursements are an

allowable part of charges to the program, establish procedures to maximize the recovery of such costs.

Sec. 23. **Definition of "U.B."** In this Act, the term "unexpended balance" or the abbreviation "U.B." means the unobligated balance remaining in any appropriation, i.e., only that part of an appropriation, if any, that has not been set apart by the incurring of an obligation, commitment, or indebtedness by the state agency authorized to spend the appropriation. A reference in this Act to "unexpended balance" or "U.B." is a reference to the unobligated balance of an amount appropriated by this Act for the fiscal year ending August 31, 1998, unless a contrary meaning is clearly indicated.

Sec. 24. **Interpretation of Estimates.** In the event the amounts of federal funds, local funds, or funds other than appropriations from the General Revenue Fund, have been estimated in this Act in sums greater than are actually received by the respective agencies of the state, this Act shall not be construed as appropriating additional funds from General Revenue to make up such differences. Wherever the language of this Act appropriates all receipts and/or balances from a specified source but uses an estimated amount to inform the Legislature and the public, the estimated figure is not to be construed as a limitation on the amount appropriated.

Sec. 25. **Emergency and Deficiency Grants out of Special Funds.** For the purposes of V.T.C.A., Government Code, Section 403.075 and V.T.C.A., Government Code, Section 401.061, appropriations to the Office of the Governor from “special funds” shall include excess revenues from General Revenue Fund-Dedicated accounts that were previously special funds above those estimated by the Comptroller in certifying this Act.

GENERAL LIMITATIONS ON EXPENDITURES

Sec. 26. **Excess Obligations Prohibited.** No department or agency specified in this Act shall incur an obligation in excess of the amounts appropriated to it for the respective objects or purposes named. As a specific exception to this provision the General Services Commission may determine that a proposed installment purchase arrangement is cost effective and certify this finding in response to an agency request. Such a finding may be made for obligations incurred for the purchase or lease of automated information system equipment only if such department or agency has on file with the Department of Information Resources (DIR) a Biennial Operating Plan, including any amendments thereto, and such plan has been approved by DIR. In the event this provision is violated, the State Auditor shall certify the fact and the amount of over-obligation to the Comptroller, and the Comptroller shall deduct an amount or amounts equivalent to such over-obligation from the salary or other compensation due the responsible disbursing or requisitioning officer or employee, and apply the amount to the payment of the obligation. This provision is specified pursuant to Section 10, Article XVI, of the Constitution of Texas.

Sec. 27. **Interpretation of Legislative Intent.** It is the intent of the Legislature that funds appropriated by this Act be expended, as nearly as practicable, for the purposes for which they were appropriated. In the event departments and agencies cannot determine legislative purpose from the pattern of appropriations they shall seek to determine that purpose from the proceedings of the legislative committees responsible for proposing appropriations for the State of Texas.

It is further provided that the Comptroller shall not refuse to pass for payment a legal claim, factually justified, for which a valid appropriation has been made.

Sec. 28. **Last Quarter Expenditures.** It is specifically provided that all state agencies, boards, commissions, departments and other governmental units using funds appropriated by this Act may not expend during the last quarter of any fiscal year more than one-third of the funds appropriated for that fiscal year. Specifically exempted from these provisions are expenditures contracted for in previous quarters; funds required by statute, rule or regulation to be expended on a different time frame;

seasonal employment of personnel; construction contracts; contracts dealing with purchases of food, medicines or drugs; personnel connected with the phase-in of schools for the mentally retarded; expenditures related to the Chronically Ill and Disabled Children's program operated by the Department of Health; and expenditures occasioned by disaster or other Act of God. None of the funds exempted from this section may be considered in the computation of the total funds appropriated in any fiscal year for the purpose of this section.

Sec. 29. **Appropriation Transfers.** Subject to any specific restrictions in other provisions of this Act, appropriations contained in this Act may be transferred from one appropriation item to another appropriation item in amounts not to exceed 25 percent for the fiscal year, at the discretion of the chief administrative officer of the agency, department, or institution. As a specific exception to this section, funds appropriated for capital budget items are subject to restrictions contained elsewhere in this Act.

Funds appropriated by this Act in items of appropriation which are part of a Goal for "Indirect Administrative and Support Costs" or "Indirect Administration" may also be transferred from one appropriation item to another appropriation item within that same Goal without limitation as to the amount of such a transfer.

Appropriations made by this Act to each state agency or institution of higher education are not subject to transfer between agencies or institutions except under the provisions of interagency contract, budget execution statutes, or specific rider or statutory authorization.

Sec. 30. **Employee Benefit and Debt Service Items.** Funds appropriated in the various articles of this Act for "Employees Retirement System", "Social Security State Match", “Benefit Replacement Pay”, "Texas Public Finance Authority-G.O. Bond Debt Service Payments", and "Lease-Payments to the Texas Public Finance Authority" may be transferred between articles to a like appropriation item without limitation as to the amount of such transfer. It is further provided that an agency to which an above mentioned appropriation is made is authorized to pool such appropriations, made in the various articles for a common purpose, into a single cost pool for the purpose of administering the appropriation.

Sec. 31. **Salaries to be Proportional by Fund.** It is the intent of the Legislature that unless otherwise restricted, payment for salaries, wages, and benefits paid from appropriated funds, including local funds and education and general funds as defined in Sections 51.009 (a) and (c), Education Code, shall be proportional to the source of funds.

Unless otherwise specifically authorized by this Act, none of the funds appropriated by this Act out of the General Revenue Fund may be expended for employee benefit costs, or other indirect costs, associated with the payment of salaries and wages if the salaries and wages are paid from a source other than the General Revenue Fund. Payments for employee benefit costs for salaries and wages paid from sources, including payments received pursuant to interagency agreements or as contract receipts, other than the General Revenue Fund shall be made in proportion to the source of funds from which the respective salary or wage is paid or, if the Comptroller of Public Accounts determines that achieving proportionality at the time the payment is made would be impractical or inefficient, then the General Revenue Fund shall be reimbursed for any such payment made out of the General Revenue Fund. The Comptroller of Public Accounts shall develop rules to provide for the administration of this provision.

Each agency and institution of higher education having General Revenue Fund appropriations and other sources of financing shall file with the Comptroller of Public Accounts and the Office of the State Auditor a schedule demonstrating proportionality. The statement is due January 15, for the salaries, wages, and benefits of the preceding year ended August 31, in a format prescribed by the Comptroller. The State Auditor shall review in his audit of respective agencies compliance with the provisions of this section. The Comptroller of Public Accounts, upon receipt of notification from the State Auditor's office of amounts disproportionally paid from General Revenue Fund appropriations,

shall reduce current year General Revenue Fund appropriations of the agency or institution until such time as such amounts are repaid from non General Revenue Fund sources.

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

Sec. 32. **Appropriations from Special Funds.**

1. Notwithstanding other provisions of this Act, appropriation amounts from special funds or special accounts in the General Revenue Fund are specifically limited to amounts not to exceed the actual balances and revenues available to each such fund or account.

2. In order to preserve cash balances in the state treasury, the Comptroller of Public Accounts may prescribe rules and procedures as may be necessary to limit or control expenditures or transfers from funds appropriated by this Act. These procedures may include rules relating to the deposit of receipts and issuance of warrants.

OTHER EXPENDITURE LIMITATIONS

Sec. 33. **Limitation on Grants to Units of Local Government.** None of the funds appropriated by this Act shall be expended in the form of a grant to, or a contract with, a unit of local government unless the terms of the grant or contract require that the funds received under the grant or contract will be expended only subject to limitations and reporting requirements similar to those contained within the following sections of this article:

i. Section 1, including only the position classification plan and schedule and the salary administration provisions, except that nothing in this section requires increased salaries for local government employees,
ii. Sec. 5, Political Aid and Legislative Influence Prohibited,
iii. Sec. 11, Use of Alcoholic Beverages,
iv. Sec. 66, Performance Rewards and Penalties,
v. Sec. 85, Budgeting and Reporting,
vi. Sec. 86, Annual Reports and Inventories,
vii. Sec. 95, Internal Audit Findings, and
viii. each section within the division of this article labeled “Travel Regulations” (Sections 13 through 21) provided that in a case a hotel is unable or unwilling to provide Boards or their employees or agents with a rate equivalent to that provided to state employees, or in the cases in which the negotiated conference rates for officially sanctioned conferences or meetings exceed the allowed state reimbursement rates for lodging, an exception is granted.

For the purpose of this section, the term “unit of local government” shall mean a council of governments, a regional planning commission, or a similar regional planning agency created under Chapter 391, Local Government Code; a Local Workforce Development Board; or an MHMR community center.

Sec. 34. **Limitation on State Employment Levels.**

a. A state agency, other than an institution of higher education, shall not have on its payroll, without the written approval of the Governor and the Legislative Budget Board, a number of employees which would cause the number of full-time equivalent employees (FTEs) employed by the agency for a fiscal quarter to exceed the “Number of Full-time Equivalent Positions (FTE)” figure indicated by this Act for that agency.

b. A request to exceed the FTE limitation established by this section must be submitted by the governing board of the agency and must include at a minimum: 1) the date on which the board approved the request; 2) a statement justifying the need to exceed the limitation; 3) the source of funds to be used to pay the salaries; and 4) an explanation as to why the functions of the proposed additional FTEs cannot be performed within current staffing levels.

c. For the purpose of subsection (a), the number of FTEs employed by an agency for a fiscal quarter shall be determined in accordance with the report filed pursuant to Section 2052.103, Government Code, but shall not include employees paid with funds held outside of the state treasury and shall not include overtime hours.

d. This section shall not apply to appropriations made by this Act to the appellate courts.

e. Notwithstanding language in subsection (a), this section shall apply to the Texas A&M service agencies. For a Texas A&M service agency with an "FTE - Appropriated Funds" and an "FTE - Total", the FTE limitation established by subsection (a) shall be the "FTE - Appropriated Funds" figure.

Sec. 35. **Limitation on State Employment Levels: Institutions of Higher Education.**

a. An institution of higher education, other than a Texas A&M service agency, shall not have on its payroll, without the written approval of the Governor and the Legislative Budget Board, a number of employees which would cause the number of full-time equivalent employees (FTEs) employed by the institution for a fiscal year to exceed the "Number of Full-time Equivalent Positions (FTE) - Total" figure indicated by this Act for that institution.

b. A request to exceed the FTE limitation established by this section must be submitted by the governing board of the institution and must include at a minimum: 1) the date on which the board approved the request; 2) a statement justifying the need to exceed the limitation; 3) the source of funds to be used to pay the salaries; and 4) an explanation as to why the functions of the proposed additional FTEs cannot be performed within current staffing levels.

c. For the purpose of subsection (a), the number of FTEs employed by an institution of higher education for a fiscal year shall be determined in accordance with the reports filed pursuant to Section 2052.103, Government Code, and shall be an average of the four reports filed for that fiscal year, and shall include employees paid with funds held outside of the state treasury but shall not include overtime hours.

Sec. 36. **Quarterly FTE Report.** The State Auditor's Office, after consultation with the Texas State Agency Business Administrator's Association, Texas Higher Education Coordinating Board and the Texas Association of State Senior College and University Business Officers, will develop standardized reporting requirements for budgeted and vacant positions pursuant to Section 2052.103, Government Code, for state agencies and institutions of higher education as reported in their quarterly FTE reports.

Sec. 37. **Audits.** None of the appropriations made by this Act shall be used to employ any firm or person to audit the books of any department, board, commission, institution or state agency, this being the duty of the State Auditor; provided, however, that in any instance where the funds available to the State Auditor are not, in the State Auditor's judgment, sufficient for any requested or contemplated audit, the department head or heads having authority to disburse the appropriations made by this Act are hereby authorized to direct the Comptroller of Public Accounts to transfer from any appropriations to the appropriation made for the State Auditor the amount which in the judgment of the State Auditor is necessary for the purpose of making such audit.

Any amount so transferred to the State Auditor shall be used for the actual costs of the specified audit, and any balances of such funds remaining at the end of any fiscal year are hereby appropriated to the State Auditor for the purpose of completing the audit or audits for which the funds were transferred. On the completion of any such audits any excess funds remaining shall be transferred by the State Auditor back to the department, board, commission, institution or agency from which transferred.

The provisions of this Section notwithstanding, supplemental audits of funds received from the United States Government by agencies of the state named in this Act, which are required as a condition of the receipt of such funds, may be made in addition to the auditing performed by the State Auditor when funds for such purpose are provided by the federal grant, allocation, aid or payment.

Notwithstanding other provisions of this Act, any state agency providing grants or operating funds for governmental programs to local governmental units, private corporations, or other organizations other than a state agency or department, may require, as a condition to granting or providing such funds, that the receiving entity have a yearly independent audit performed and transmitted to the state agency. If sufficient personnel are available, the state agency may have its internal audit staff make a yearly inspection visit to the local entity. The state agency shall take action on exceptions noted in the independent audits and provide documentation of that action to the State Auditor, Legislative Audit Committee, Legislative Budget Board and the Governor's Office. Notice of such action shall be given at the board meeting of the state agency and shall be announced on the agenda of that meeting.

Sec. 38. **Purchases of Postage.** Except as otherwise provided in this section, the funds appropriated by this Act may be expended for purchasing postage only from, or paying post office box rent only to, the United States Postal Service. However, the preceding limitation does not apply to any reimbursement authorized under either Section 107 of this article or Section 8.3. of Article III of this Act; to reimbursements to any authorized petty cash account; or, to reimbursements to state employees for emergency purchases of postage or emergency payments of post office box rent.

If the expenditures for postage by any agency, other than the legislature or an institution of higher education, exceed $4,000 for a fiscal year, then the agency shall install a postage meter machine and have all purchases of postage recorded on that machine, excepting purchases of stamps for field offices or traveling employees. An agency, including the legislature or an institution of higher education, may rent a postage meter machine from a private company approved by the General Services Commission and may pay the company for postage in accordance with procedures established by the commission.

The amount received by an agency as a refund of postage used by the agency shall be deposited in the fund to the credit of the appropriation from which postage for the agency is paid and is hereby reappropriated to the agency for postage use.

The Comptroller of Public Accounts shall adopt procedures to implement this section after consulting with the General Services Commission.

It is the intent of the Legislature that state agencies and institutions of higher education use the most cost-effective means of postal service available.

Sec. 39. **Publication or Sale of Printed, Recorded, or Electronically Produced Matter or Records.** None of the funds appropriated by this Act may be used for the publication, recording, production, and distribution of any item or matter, including lists, notices, pamphlets, video tapes, audio tapes, microfiche, films or other electronically produced information or records unless such publication, recordings, or production is i) essential to accomplish or achieve a strategy or outcome target established by this Act or ii) required by law.

Any moneys received and collected from any charges specifically authorized by statute for such publications or records are hereby appropriated to the department or agency issuing the publications for use during the year in which the receipts are collected. The Comptroller of Public Accounts is to credit such receipts to the like appropriation item or items from which the original costs are paid.

Sec. 40. **Distribution of Reports.**

1. None of the funds appropriated by this Act shall be expended for the purpose of distributing reports, pamphlets or other printed matter to members of the Legislature and other state officials unless the agency receiving the appropriation has complied with the following provisions:

   a. Agencies shall deposit copies of all printed matter prepared for distribution with the Legislative Reference Library.

   b. Agencies desiring to make distribution to members of the Legislature and other state officials shall send notification that the material is on file and upon request of the person notified shall mail the number of copies requested, provided that this subsection shall not prevent the mailing of reports required by general law or by this Act.

2. Required reports and minutes of board meetings shall be made available to members of the Legislature and legislative branch agencies in an electronic format as established by the Legislative Council.

3. None of the funds appropriated by this Act shall be used to produce any publications which have been reproduced on enamel coated, cast coated or dull coated stock, unless a fee is charged.

Sec. 41. **Publications.**

1. None of the funds appropriated by this Act shall be expended in the preparation and distribution of any publication, except for Texas Highways, Texas Parks and Wildlife Magazine, and Commission on Alcoholism and Drug Abuse publications, whose cost is not totally reimbursed through revenue attributable to its publication or sale if the content or format of the publication is: (1) intended for use by the general public; (2) generally informational, promotional, or educational; and (3) not essential to the achievement of a statutory objective of the agency or institution. Publications specifically exempted from this prohibition are the following: (1) annual reports and other materials that are required by statute and whose content deals only with topics set forth in the law; (2) compilations of law, rules, or regulations; (3) newsletters; (4) Attorney General opinions; and (5) Comptroller opinions, revenue forecasts and fiscal analyses.

† 2. None of the funds appropriated by this Act shall be used to print publications of any type which prominently displays the name or picture of statewide elected officials or any appointed officer of the state. For the purpose of this provision, the term "appointed officer" shall have the meaning assigned by Section 572.022 (1), Government Code.

3. All units of state government and all local political subdivisions which expend appropriated state funds to publish periodicals on quarterly intervals or more frequently than quarterly intervals at no charge shall insert annually in such periodicals a notice, in three consecutive issues, indicating that anyone desiring to continue to receive the publication must so indicate in writing. The agency shall furnish future publications only to those persons so requesting.

4. None of the funds appropriated by this Act shall be used to produce any publications which have been reproduced on enamel coated, cast coated or dull coated stock, or which contain more than one photograph for each two pages of the publication unless a fee is charged for the publication that recovers the cost of its production. Publications

† *Should read Section 572.002(1).*

which promote tourism or economic development, publications of the School for the Blind and Visually Impaired and the School for the Deaf, and publications of institutions of higher education are exempt from this subsection.

Sec. 42. **Limitation on Expenditures - Capital Budget.** Contained in appropriations made to certain agencies by this Act are amounts identified as the "Capital Budget." None of the funds appropriated by this Act in excess of an amount equal to 25 percent of appropriations restricted to capital budget purposes may be expended, in addition to the amounts restricted for capital budget purposes, for purposes included within the definition of capital budget without the prior approval of the Governor and Legislative Budget Board. A request for approval to exceed the limitation on capital budget expenditures must be submitted by the agency's governing board and must include at a minimum: 1) the date on which the board approved the request; 2) a statement justifying the need to exceed the limitation; 3) the source of funds to be used to make the purchases; and 4) an explanation as to why such expenditures cannot be deferred. This restriction does not apply to expenditures for capital outlay items not included in the definition of the Capital Budget herein or to expenditures for Capital Budget purposes made by institutions of higher education, public community/junior colleges or appellate courts. The Capital Budget is defined to include expenditures for assets with a project cost or unit cost in excess of $25,000 within the following categories:

1. Acquisition of Land and Other Real Property (except for right-of-way purchases made by the Department of Transportation),

2. Construction of Buildings and Facilities,

3. Repairs or Rehabilitation of Buildings and Facilities,

4. Construction of Roads (except for such expenditures made by the Department of Transportation),

5. Acquisition of Information Resource Technologies,

6. Transportation Items,

7. Acquisition of Capital Equipment and Items.

8. Other Lease Payments to the Master Lease Purchase Program (for items acquired prior to September 1, 1997 only).

Any expenditure directly related to acquisition of an asset, or to place an asset in service may be paid from the Capital Budget. In implementing the provisions of this section, the Comptroller of Public Accounts should refer to the detailed instructions for preparing and submitting requests for legislative appropriations for the biennium beginning September 1, 1997, and the definitions therein, and to the official request for legislative appropriations submitted by the affected agency.

Appropriations restricted to capital budget purposes and not identified in a "Capital Budget" as being for lease payments to the master lease purchase program (MLPP) or for other lease-purchase (LP) payments may be utilized to make lease payments under MLPP or for other lease or installment payments only if the agency to which the appropriation is made provides a report to the Comptroller of Public Accounts specifying the sum of the lease payments to be made during the biennium for the Capital Budget item being acquired. The Comptroller of Public Accounts is hereby directed to reduce the appropriation made by this Act for the Capital Budget item in an amount equal to the difference between the appropriated amount and the sum of the lease payments for the biennium and deposit that amount into the unappropriated balance of the original funding source. In the event that the Comptroller of Public Accounts cannot determine the amount appropriated for a specific Capital Budget item, the amount shall be determined by the Legislative Budget Board.

Funds restricted to "Acquisition of Information Resource Technologies" may also be used to purchase or contract for computer time, facility resources, maintenance and training.

Appropriations restricted to capital budget purposes may be transferred from one capital budget item to another capital budget item in amounts not to exceed 25 percent for the fiscal year.

Any unexpended balances remaining in appropriations made by this Act for capital budget purposes for fiscal year 1998 are hereby reappropriated for fiscal year 1999 for the same purpose.

For an agency which does not have a capital budget provision following its items of appropriation in this Act, the amount of "appropriations restricted to capital budget purposes" shall be deemed to be zero for the purpose of calculating the limitation on capital budget expenditures contained in the first paragraph of this section.

Sec. 43. **Purchases of Information Resources Technologies.**

1. In this section:

   a. "Information resources" means the procedures, equipment, and software that are employed, designed, built, operated, and maintained to collect, record, process, store, retrieve, display, and transmit information, and associated personnel including consultants and contractors.

   b. "Information resources technologies" means data processing and telecommunications hardware, software, services, supplies, personnel, facility resources, maintenance, and training.

2. Each state agency appropriated funds in this Act shall submit an agency strategic plan, in accordance with Sections 2054.095 and 2054.096 of the Government Code, to the Department of Information Resources (DIR) for approval no later than the date proscribed by law. It is further provided that no requests for appropriations will be considered unless the information technology requested is in a plan approved by the department.

3. By no later than November 1, 1997, DIR shall adopt a state strategic plan, in accordance with Sections 2054.091 and 2054.092 of the Government Code, for the management of information resources. The state strategic plan must be a visionary road map for the management of the state’s information resources. The state strategic plan must provide a strategic direction for the management of information resources for the five fiscal years following adoption of the plan.

4. Prior to amending a contract for development of a major information technology project, when the amendment constitutes a 10% or greater change, the agency shall notify the Governor, Lieutenant Governor, Speaker of the House, Senate Finance Committee, House Appropriations Committee, Department of Information Resources and the Quality Assurance Team (QAT). The QAT approval shall be for contracts in excess of $1.0 million that change by more than 10%.

5. Institutions of higher education shall coordinate the use of information technologies between institutions in order to provide education, research, and community service.

Sec. 44. **Quality Assurance Review of Major Information Resources Projects.**

1. Major information resources projects shall be construed as any information resources technology project identified in an agency operating plan whose development costs are over $1,000,000 and include one or more of the following:

a. requires a year or more to reach operational status;

b. involves more than one agency or governmental unit; or

c. materially alters the work methods of agency personnel and/or the delivery of services to agency clients.

2. A state agency may not expend appropriated funds for a major information resources project unless the project has been reviewed and approved by a Quality Assurance Team comprised of the Department of Information Resources and the State Auditor's Office. The Quality Assurance Team shall determine approval based on an analysis of the project's risk. The Quality Assurance Team may request any information necessary to determine a project's potential risk. The Quality Assurance Team may waive the project review requirements for any project, as deemed appropriate.

3. The Quality Assurance Team may require independent project monitoring, project status reporting, project expenditure reporting, or any additional information necessary to assess a project's on-going potential for success. After a project has been completed, the team may also require an agency to submit a project post-implementation evaluation report to determine if the project met its planned objectives.

4. The Department of Information Resources shall provide technical assistance to agencies in regard to quality assurance, participate in a project as deemed necessary by the Quality Assurance Team and review and analyze information provided by the agencies. The State Auditor's Office shall provide audit and review of the projects and the information provided by the agencies.

5. The Quality Assurance Team may request the assistance of the Legislative Budget Board and Comptroller's Office in regard to the accuracy of project expenditures and compliance with this Act.

6. The Quality Assurance Team will provide a report to the Governor, Lieutenant Governor, Speaker of the House, the House Appropriations Committee, and Senate Finance Committee on the status of projects under its review by December 1 of each year.

7. The State Auditor shall provide an independent evaluation of the post implementation evaluation review process to ensure the validity of its results and send the evaluation to the Legislative Audit Committee.

8. The Department of Information Resources may issue guidelines and rules for software development, quality assurance and the review of major information resources projects.

9. The Quality Assurance Team shall require each affected agency to quantitatively define the expected outcomes and outputs for each major information resource project at the outset, monitor cost, and evaluate the final results to determine whether expectations have been met. The Department of Information Resources may waive this requirement.

Sec. 45. **West Texas Disaster Recovery and Operations Data Center.** The Department of Information Resources (DIR) shall operate, or through cooperative agreement, manage operations of a disaster recovery and operations data center on the campus of Angelo State University. It is the intent of the Legislature that all state agencies and institutions of higher education utilize the West Texas Disaster Recovery Center (the Center) for testing disaster recovery plans and for disaster recovery services. None of the funds appropriated by this Act may be expended for entering into or renewing contracts for disaster recovery plan testing services or disaster recovery services from other state agencies or other providers of these services without first obtaining a waiver from the DIR certifying

that the requested service requirements cannot be provided at reasonable costs through the Center. Waiver requests will be evaluated by the DIR based on cost-effectiveness to the State of Texas. Waivers may be granted for specific periods of time and any contracts for services obtained under waiver shall not extend beyond the expiration date of the waiver.

State agencies and institutions of higher education that use the Center shall do so under contract with the DIR. The DIR is further authorized to collect fees for these services in amounts which offset the direct and indirect costs of providing such services. The DIR may request assistance from the State Auditor's Office regarding the billing system formula for offsetting service costs. The DIR is further directed to work with the Council on Competitive Government on issues concerning state data center consolidations and provide information relating to the use of the Center as a location for one of the state's consolidated data centers.

In evaluating a biennial operating plan submitted for review by a state agency, DIR shall consider whether the goals of any proposed projects in the plan could be accomplished at lower costs by using the services and/or equipment of the Center, and may require the agency to seek a bid from the Center to accomplish the purpose of the project.

Sec. 46. **Construction Standards.** All agencies, departments and institutions covered by this Act shall ascertain that the standards and specifications for new construction, repair and rehabilitation of existing structures and facilities are in accordance with the State Purchasing and General Services Act (Subtitle D, Title 10, Government Code). A statement shall be filed with the Comptroller of Public Accounts to show compliance with this Section.

Sec. 47. **Construction Project Analysis Required.** None of the funds appropriated by this Act, except for funds appropriated to institutions of higher education, may be expended for capital construction projects that are subject to project analysis provisions of Chapter 2166, Government Code, unless the agency, department or institution has complied with those provisions and completed the project analysis process. Prior to expenditure of any funds subject to this section for capital construction projects, a completed project analysis must be filed with the Legislative Budget Board, the Governor's Office of Budget and Planning, and the Comptroller of Public Accounts.

Sec. 48. **Prime Design Professional Fees.** The prime design professional may be either a registered architect or a registered professional engineer. Fees paid to the prime design professional from funds appropriated by this Act shall be governed by the following schedule and provisions:

1. The schedule of basic fees to be paid a prime design professional for all professional services as set out below, based on the total cost of the work, shall not exceed:

Construction Cost of Project:	Dormitories, Garages, and Warehouses	Classroom, Office and Other Bldgs.	Health, Research, Special Education Facilities
Over $15,000,000	6.0%	6.0%	6.0%
$200,000 to $15,000,000	6.5%	7.0%	7.5%
Up to $200,000	7.5%	8.0%	8.5%

Basic fee for remodeling and alterations shall be one-third greater than scheduled above. Alterations and remodeling is defined as any change, architectural, structural, mechanical or electrical, made to an existing structure and includes portions of that structure changed as a result of additions or extensions to a structure.

2. When one building design is used in two or more locations within the same project, the fees to be paid shall be:

    a. For the first building of such design, a basic fee calculated according to the schedule above.

    b. For the second and subsequent buildings utilizing such design, the basic fee shall be reduced 35%. Such fee shall include changes required by site conditions including foundation redesign; partition changes; mechanical and electrical changes; necessary program changes; other architectural or engineering services normal under such circumstances; and inspection of the construction.

3. Prime design professional fees shall include:

    a. The necessary conferences, and the preparation of preliminary studies and final designs.

    b. The production of complete architectural and engineering drawings and specifications, including their proper correlation.

    c. Construction contract administration and all other normal professional services.

    d. Payment of all fees to consulting engineers, architects and landscape architects for their services in connection with the building design and construction when employed by the prime design professional.

4. The prime design professional shall inspect the construction of the work to such an extent as may be necessary to ascertain whether the work is being executed in conformity with his working drawings or specifications or directions; make recommendations on materials and equipment; check and report on contractor's proposals in connection with changes in the contract; and approve certificates of payment. When continuous field supervision or a clerk of the works is deemed necessary by the state, the cost of such supervisory personnel shall be borne by the state in addition to the basic fee.

5. The maximum fee specified shall include the cost of all professional services rendered by architects or engineers, and the aggregate contract price for services rendered by a consulting architect and consulting engineer shall never exceed the applicable fee limitation except as set forth in sub-section 4 hereof.

6. The state will furnish the prime design professional a limited consulting service consisting of a complete survey, soil analysis, and a program of the work outlining in detail the space requirements, their general relationships and the standards of types of construction.

Sec. 49. **Construction Policy.** No state entity receiving an appropriation under this Act may establish a rule or policy which is inconsistent with the legislative intent that funds appropriated herein for construction projects be expended only pursuant to state entity policies which provide the greatest competitive advantage to the state allowable under Chapter 2258, Government Code.

Sec. 50. **Limitation on Use of Funds for Personal Residences.** Out of appropriations made by this Act, no expenditures exceeding an aggregate amount of $25,000 for the biennium beginning on September 1, 1997 shall be made for purchasing, remodeling or repairing of a personal residence or living quarters unless the expenditures are I) required by court order, ii) will result in increased safety, significant net cost savings or prevention of substantial waste, or iii) are specifically identified in a Capitol Budget in this Act. Prior to any such expenditure in excess of $25,000, the Governor and Legislative Budget Board must approve the expenditure under authority granted pursuant to Article XVI, Section 69, of the Texas Constitution. In the event of an emergency or in the absence of a meeting by the Legislative Budget Board within 30 days of the request, the Director of the Legislative Budget Board, after consultation with the Board members, may take action in conjunction with the

Governor on the request. The General Services Commission shall report all expenditures for this purpose to the Legislative Budget Board.

Sec. 51. **Contracts for Professional Services: Indemnification.** In contracting for professional services under Subchapter A, Chapter 2254, Government Code (the Professional Services Procurement Act) using funds appropriated under this Act, a state agency may require the contractor to indemnify or hold harmless the state from claims and liabilities resulting from the negligent errors, omissions, or acts of the contractor or persons employed by the contractor. A state agency may not include contractual provisions requiring a contractor to indemnify or hold harmless the agency for damages arising from the negligent acts of the agency or its employees.

Sec. 52. **Limitation on Contracts with Previous Employees.** None of the funds appropriated by this Act may be used to enter into a contract for consulting or professional services or into an employment contract, with any individual who has been previously employed by the department or agency within the past twelve months. For the purpose of this section, the term “employment contract” shall include a personal services contract regardless of whether the performance of such a contract involves the traditional relationship of employer and employee.

Sec. 53. **Contracting for In-State Services.** In contracting for professional services using funds appropriated by this Act, a state agency shall require the contractor to purchase products and materials produced in Texas when they are available at a comparable price and in a comparable period of time.

Sec. 54. **Plants.** None of the funds appropriated by this Act shall be expended for the purchase, rental, or maintenance of live or artificial indoor plants used purely for aesthetic purposes.

Sec. 55. **Grant Restriction.** None of the funds appropriated by this Act may be expended for grants to any law enforcement agency regulated by Chapter 415, Government Code, unless (i) the law enforcement agency requesting the grant is in compliance with all rules developed by the Texas Commission on Law Enforcement Officer Standards and Education pursuant to Chapter 415, Government Code or (ii) the Texas Commission on Law Enforcement Officer Standards and Education certifies that the requesting agency is in the process of achieving compliance with such rules.

Sec. 56. **Listing of Bidders.** None of the funds appropriated by this Act shall be expended for the development or maintenance of a bidders list other than a central list authorized to be maintained by the General Services Commission under provisions of the State Purchasing and General Services Act. The limitation created by this section shall not apply to institutions of higher education or to the Department of Transportation. However, it is the intent of the Legislature that institutions of higher education utilize the commission's central bidders list whenever possible.

Sec. 57. **Expenditures for State-Federal Relations.** None of the funds appropriated by this Act may be spent by a state agency to carry on functions for which funds have been appropriated to the Office of State-Federal Relations to perform except when an interagency contract has been executed between the Office of State-Federal Relations and the state agency. Prior to travel to Washington, D.C., state agency personnel shall inform the Office of State-Federal Relations regarding the timing of the trip, the purpose of the trip, and the name of a contact person for additional information.

Sec. 58. **Research Policy.** No agency may expend any funds appropriated by this Act for research projects of any type until the agency has adopted and filed with the Legislative Budget Board a policy which clearly establishes and protects the property rights of the state with regard to any patentable product, process, or idea that might result from such research.

In order to avoid duplication, state agencies, excluding institutions of higher education, may not expend funds appropriated by this Act to conduct or support policy research on subjects within the statutory jurisdiction of another agency without providing prior written notification to the agency concerning a work plan and the coordination of resources.

Sec. 59. **Court Representation and Outside Legal Counsel.** Except as otherwise provided by the Constitution or general or special statutes, the Attorney General shall have the primary duty of representing the State of Texas in the trial of civil cases. Funds appropriated in this Act may not be expended by any agency of the state government (other than those included in Article X of this Act) to initiate a civil suit or defend itself against any legal action without the consent of the Attorney General. Upon receipt of a request for outside counsel, it is the intent of the Legislature that the Attorney General shall make a determination on the request as expeditiously as possible, but in no event later than 10 working days after receiving such request. Absent this consent, such agency shall be represented in that particular action by the Office of the Attorney General. Where the Attorney General, District Attorney, Criminal District Attorney, County Attorney, or other lawyer is required by constitutional or statutory provision to represent a state agency, state official, state board or state department, no compensation shall be paid from any appropriation made in this Act to any other attorney for representing the State of Texas in the trial of a civil suit in Constitutional Courts except in those cases where the Attorney General consents to such representation or the District Attorney, Criminal District Attorney, County Attorney or other lawyer has requested that the attorney or attorneys employed by the particular state agency, state official, state department or state board assist with the trial of the particular civil suit. This provision shall not, however, restrict a state agency, state official, state department or state board in the investigation and assembling of evidence in connection with a pending or prospective civil suit. Further, this provision shall not prohibit the foregoing state officials, state agencies, state boards or state departments and their employees from investigating, filing or presenting a claim, owing to the State of Texas, when such claim is filed with or presented to an individual, association, corporation, guardian, administrator, executor, receiver, trustee, legal representative, or probate court.

This provision shall not restrict the Attorney General from employing special assistants to assist in the trial of civil suits to be paid from the appropriations therefor made to the Attorney General's Office.

Prior to expenditure of funds for retaining outside legal counsel, agencies and departments other than those included in Article X of this Act shall request the Attorney General to perform such services. If the Attorney General determines that outside counsel is in the best interest of the state, the Attorney General shall so certify to the Comptroller of Public Accounts and to the requesting agency which may then utilize appropriated funds to retain outside counsel. However, funds appropriated by this Act may not be used to contract with an attorney who represents clients before the agency or who has, during a six month period preceding the initiative of the contract and a six month period following the termination of the contract, represented clients before the agency. It is specifically provided that no agency shall initiate the process of selecting outside legal counsel prior to receiving the approval of the Attorney General to retain outside counsel.

It is the intent of the Legislature that when the Attorney General is called upon by a state agency to take legal action in court against another state agency that the Attorney General give special consideration to permitting one of the agencies to employ, from the permitted agency's funds, outside counsel to represent that agency in that action in order to avoid a conflict of interest by the Attorney General in the representation of both agencies.

In the event that the Attorney General should initiate legal action against another state agency in behalf of the Attorney General rather than another agency, the Legislature determines that a conflict of interest exists and the agency against which the Attorney General takes action is hereby authorized to expend appropriated funds for outside legal counsel to represent that agency without the prior approval or consent of the Attorney General.

The first five (5) paragraphs of this section shall not apply to funds appropriated to the Office of the Governor; Comptroller of Public Accounts; Department of Agriculture; General Land Office and Veterans Land Board; or the Railroad Commission of Texas.

None of the funds appropriated by this Act may be expended to pay the legal fees and expenses of a lawyer or law firm which represents the State of Texas or any of its agencies in any contested matter

if such lawyer or law firm is representing a plaintiff in a proceeding seeking monetary damages from the State of Texas or any of its agencies.

Sec. 60. **Judgments.**

1. None of the funds appropriated by this Act, including appropriations made in Article X of the Act, may be expended for payment of any judgment or settlement prosecuted by or defended by the Attorney General and obtained against the State of Texas or any state agency, except pursuant to this section or where it is specifically provided in an item or items of appropriation that the funds thereby appropriated or expenditures therein authorized may be used for the payment of such judgments.

2. State agencies appropriated funds by this Act are hereby authorized to expend funds appropriated elsewhere in this Act for the purposes of paying settlements and judgments against the state for causes brought in a federal court or a Texas state court under specific statutory authority. Payments made pursuant to this subsection are hereby made subject to the following processes and limitations: (a) such funds are to be paid out by the Comptroller on vouchers drawn by the agency settling the lawsuit or paying the judgment, subject to the approval of the Governor and of the Attorney General according to Subsection 4 of this section; (b) for purposes of this subsection, judgment shall mean a judgment order rendered in a federal court or a Texas state court of competent jurisdiction for which an appeal or rehearing, or application therefor, is not pending and for which the time limitations for appeal or rehearing have expired; (c) the payment of any settlement or judgment shall not exceed $250,000; (d) the payment of the settlement or judgment would not cause the total amount of payments made by the payer agency for that fiscal year to exceed ten percent (10%) of the total amount of funds available for expenditure by that agency for that fiscal year; and (e) the payment of any settlement or judgment shall be made only with a complete release from any and all related claims and causes against the state, and in the case of a judgment, the payment shall be made only in full satisfaction of that judgment. The authorization provided by this subsection shall not apply in those cases where the judgment order of the trial court was entered, or a settlement agreement was executed, prior to September 1, 1995.

3. Each state agency shall report a claim for property damage to the Attorney General not later than the second working day after the date the agency receives the claim. A state agency shall prepare a voucher for payment of a claim not later than the 10th working day after the date an agreement to settle the claim has been reached.

4. At least one-half of any amounts appropriated by an Act of any session of the Legislature subsequent to the 74th Legislature, Regular Session, in settlement of a judgment or in settlement of a cause of action brought against the State shall be transferred from amounts appropriated to the involved agency for that fiscal year. The transfer requirement established by this paragraph may be waived either in whole or in part by the Legislative Budget Board.

5. Payment of all judgments and settlements prosecuted by or defended by the Attorney General is subject to approval of the Attorney General as to form, content, and amount, and certification by the Attorney General that payment of such judgment or settlement is a legally enforceable obligation of the State of Texas. This subsection shall apply equally to funds appropriated for expenditure through the state treasury, as well as funds appropriated for expenditure from funds held in local banks.

6. The Attorney General shall report to the Legislative Budget Board and the Governor's Office of Budget and Planning not less than monthly, a listing of all settlements and judgments above $5,000 submitted to the Comptroller for payment. The document for publication shall contain at least the following information unless all or part of the information is exempt by court order or the Open Records Act: (1) a summary of the cause of action; (2) a summary of the terms of the settlement; (3) the style of the case;

(4) the name and business address of each attorney representing the opposing litigants at the time of the settlement; (5) the amount of the judgment or settlement; (6) the fund or account from which payment was or should be made; (7) the statutory citation for the appropriation or other authority to be made; and (8) specific statutes granting waiver of sovereign immunity or legislative resolution granting litigant permission to sue.

7. The State Auditor shall verify compliance with this requirement for all funds appropriated in this Act, including funds which are retained and expended from accounts held outside the state treasury and which are not subject to reimbursement through funds held in the state treasury. Upon verification that an agency has not obtained the Attorney General's approval prior to payment of a judgment or settlement, the State Auditor shall certify such fact to the Comptroller of Public Accounts. The Comptroller shall withhold all appropriations for administrative expenses for the involved agency, until such time as the Legislative Audit Committee notifies the Comptroller that the agency's non-compliance has been reviewed and necessary recommendations or changes made.

Sec. 61. **Purchase of Insurance.** None of the funds appropriated by this Act may be expended for purchasing insurance to cover claims arising under the Texas Tort Claims Act. Notwithstanding the foregoing, a state agency may purchase director's or officer's liability insurance to cover claims arising under the Texas Tort Claims Act with appropriated funds for the agency's appointed commission or board members and executive management staff.

Sec. 62. **Expenditures for Representatives of Grievants Prohibited.** None of the funds appropriated by this Act may be used to pay expenses for salary, travel or per diem of public employees who represent grievants in the presentation of grievances concerning wages, hours of work, or conditions of work except that state employees are allowed to take annual leave, compensatory leave, or leave without pay, subject to the procedures established by their agency of employment, to engage in this activity.

Sec. 63. **Agricultural Soil and Water Conservation.** Appropriations made elsewhere in this Act to the Texas Water Development Board, Texas State Soil and Water Conservation Board, Texas Agricultural Experiment Station, and the Texas Agricultural Extension Service out of the Agricultural Soil and Water Conservation Account No. 563 shall be allocated to each of those agencies in equal amounts.

Sec. 64. **Limitation on Travel Expenditures.** None of funds appropriated by this Act may be expended, without the prior approval of the Legislative Budget Board, for travel purposes if such expenditure would cause the agency’s or institution’s travel expenditures for that fiscal year to exceed an amount equal to ninety (90) percent of that agency’s or institution’s fiscal year 1997 travel expenditures. The Legislative Budget Board may consider requests from agencies which demonstrate circumstances which would make such reductions in actual travel impractical or inefficient in accomplishing the goals and strategies contained in their appropriations pattern. Such circumstances may include new or expanded programs, law enforcement, tax collection activities, statutorily mandated travel, or other pressing public purposes.

Sec. 65. **Limitation on Expenditures for Purchases and Conversions of Alternative Fuel Vehicles.** A state agency, including an institution of higher education, that is required to meet the percentage requirements for vehicles capable of using alternative fuels may expend funds appropriated by this Act for the purpose of meeting the percentage requirements only if the agency purchases or converts a vehicle that uses the most cost-effective, fuel efficient and mechanically efficient alternative fuel source.

BUDGET POLICY & APPROPRIATION MANAGEMENT

Sec. 66. **Performance Rewards and Penalties.** It is the intent of the legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of each state agency and institution. In order to achieve the objectives and service standards established by this Act, agencies and institutions shall make every effort to attain the designated key performance target levels associated with each item of appropriation.

(a) To support and encourage the achievement and maintenance of these appropriated annual performance levels, continued expenditure of any appropriations in this Act shall be contingent upon compliance with the following provisions:

(1) Agencies and institutions, in coordination with the Legislative Budget Board, shall establish performance milestones for achieving targets within each annual budget and performance period; time frames for these milestones and the related performance reporting schedule shall be under guidelines developed by the Legislative Budget Board.

(2) Agencies and institutions shall provide testimony as to the reasons for any performance variances to the Senate Finance Committee and the House Appropriations Committee, as determined to be necessary by those committees; assessments of agency and institution performance shall be provided to the committees under guidelines and procedures developed by the Legislative Budget Board.

(b) Upon a finding that an agency or institution has successfully met or exceeded performance expectations, or has failed to achieve expected performance levels, the Legislative Budget Board, and the Governor, may adopt a budget execution order, which may include but is not limited to, one or more of the following:

(1) Positive Incentives/Rewards - Increased funding, exemption from reporting requirements, increased funding transferability, formalized recognition or accolade, awards or bonuses, expanded responsibility, or expanded contracting authority;

(2) Negative Incentives/Redirection - Evaluation of outcome variances for remedial plan, reduction of funding, elimination of funding, restriction of funding, withholding of funding, reduction of funding transferability, transfer of functional responsibility to other entity, recommendation for placement in conservatorship, direction that a management audit be conducted or direction that other remedial or corrective actions be implemented.

(3) The Legislative Budget Board may develop rules and procedures for the implementation of the above provisions.

(4) The Legislative Budget Board may request from the State Auditor's Office comments regarding performance penalties and rewards.

(c) To further foster, support, and reward outstanding performance, ongoing productivity improvements and innovative improvement programs, and to retain key high performing employees, qualified state agencies may expend amounts necessary from funds appropriated in this Act for the purposes of enhancing compensation for employees who directly contributed to such improvements. To be eligible for this provision, an agency must:

(1) Achieve or exceed targets for 80% of the established key performance measures for fiscal year 1996 as reflected in the “Summary Assessment of Agency Performance: Fiscal Year 1996" produced by the Legislative Budget Board and submitted to the 75th Texas Legislature; and,

(2) Have an unqualified certification for at least 70% of its performance measures by the State Auditor's Office as reflected in the "Summary Assessment of Agency Performance: Fiscal Year 1996" produced by the Legislative Budget Board and submitted to the 75th Texas Legislature. If an agency has not been subject to this review, then the most recent certification review will apply.

(3) File a report with the Legislative Budget Board, Governor's Office of Budget and Planning, House Appropriations Committee, and Senate Finance Committee describing the success of the innovative program and criteria used to assess the improvements.

In addition, sixty days prior to implementation, qualified agencies are required to file a report with the Legislative Budget Board, Governor's Office of Budget and Planning, House Appropriations Committee, and Senate Finance Committee describing in detail how they intend to use this flexibility to further the goals of this section.

Sec. 67. **Performance Benchmarking.** It is the intent of the Legislature that all state agencies and institutions of higher education subject to the strategic planning requirements of Government Code, Chapter 2056, engage in an internal performance benchmarking process which will provide for the identification and development of agency-specific performance benchmarks and their linkage to state-level benchmarks. Each state agency and institution of higher education shall report on the results of its benchmarking process in its strategic plan prepared for the 1999-2004 period pursuant to Government Code, Chapter 2056.

Sec. 68. **Customer Satisfaction Assessment.** It is the intent of the Legislature that the state agencies and institutions of higher education listed below identify the groups of individuals who could be deemed as "customers" of the services provided by the agency or institution and assess the level of satisfaction by these groups with the services provided by the agency or institution. These state agencies and institutions of higher education shall report the results of their assessment of customer satisfaction in their strategic plan prepared for the 1999-2004 period pursuant to Government Code, Chapter 2056.

Article I
Office of the Attorney General
Comptroller of Public Accounts

Article II
Department of Aging
Commission on Alcohol and Drug Abuse
Commission for the Blind
Department of Health
Department of Human Services
Department of Mental Health and Mental Retardation
Department of Protective and Regulatory Services
Rehabilitation Commission

Article III
Texas Education Agency
Higher Education Coordinating Board
The University of Texas at Arlington
Texas A&M International University
Texas Southern University
Angelo State University
The University of Texas Health Science Center at San Antonio
Texas Agricultural Extension Service

Article IV
Supreme Court of Texas
Court of Criminal Appeals
Fourth Court of Appeals District, San Antonio

Article V
Alcoholic Beverage Commission
Department of Public Safety

Article VI
Natural Resource Conservation Commission
Parks and Wildlife Department

Article VII
Housing and Community Affairs, Department of
Texas Workforce Commission

Article VIII
Board of Chiropractic Examiners
Department of Insurance
Public Utility Commission

Sec. 69. **Activity-Based Costing Pilot Project.** The State Auditor's Office, the Legislative Budget Board and the Governor's Office of Budget and Planning shall select an agency or institution of higher education from each article in this Act for the purpose of implementing, on a pilot basis, the concept of activity-based costing. Selected entities should apply the concept of activity-based costing to at least one agency or institutional activity during the 1998-99 biennium. A report detailing each agency's or institution's experiences with activity-based costing should be submitted to the State Auditor's Office, the Legislative Budget Board and the Governor's Office of Budget and Planning no later than September 30, 1998.

Sec. 70. **Accounting Irregularities.** Upon a determination by the Comptroller of Public Accounts that an agency or an institution of higher education has inaccurately reported the expenditure of appropriated funds or has demonstrated other reoccurring accounting irregularities, the Comptroller of Public Accounts is hereby authorized to refer such agency or institution to the State Auditor to take appropriate action including, but not limited to, the implementation of a comprehensive financial audit of the agency or institution.

Sec. 71. **Bookkeeping Entries.** Should clerical or bookkeeping errors result in any moneys being expended, transferred, or deposited into incorrect funds in or with the state treasury or any moneys being cleared from a trust and suspense fund to other than the proper fund, such erroneously expended, transferred, deposited, or cleared moneys may be transferred to the correct funds or accounts or trust and suspense account within the state treasury upon request of the administering department with the concurrence of the Comptroller of Public Accounts, and so much as is necessary for said transfer is hereby appropriated.

Sec. 72. **Accounting for State Expenditures.** Notwithstanding the various patterns of appropriation established in this Act, the Comptroller of Public Accounts is hereby directed to account for the expenditure of funds appropriated by this Act in a manner which allows for the reporting of expenditures attributable to each strategy in each agency's respective Strategic Planning and Budget Structure as approved by the Governor's Office of Budget and Planning and the Legislative Budget Board. Such information shall be recorded and maintained systematically in the state accounting system in a manner which provides for the integration of the state's budget data and the state's accounting data and to facilitate the state's budget development process.

This provision is not intended to require the deposit into and subsequent disbursement of funds from the state treasury which relate to Texas Public Education Grants, Skiles Act Debt Service, or Local Funds defined in Section 51.009(C), Education Code, except for tuition and lab fees.

Sec. 73. **Cost Allocations.** For the purpose of more effective and efficient identification and allocation of costs, and to effect timely payments to employees and vendors, agencies may temporarily charge salary and/or operating costs to appropriations most applicable for the expense being incurred. Upon receipt of more specific information such as personnel-time allocation information for payrolls, or allocation of office supplies or other goods and services, agencies may reimburse the original paying appropriations by transfer from the appropriation to which the expenditure should have been charged. Such transfers must be accomplished within twelve months in a manner which records appropriate expenditures to the borrowing appropriation and negative expenditures to the lending appropriation. These transfers may be in summary amounts in a manner approved by the Comptroller of Public Accounts. Each agency must maintain adequate detailed records to support summary transfer amounts.

Sec. 74. **Special Fiscal Year Determination Procedures.**

(1) Subscriptions to magazines and newspapers. The funds appropriated by this Act to a state agency for a particular fiscal year may be used to pay for the complete cost of a magazine or newspaper subscription even if the subscription covers more than one fiscal year.

(2) Seminars and conferences. The funds appropriated by this Act for a particular fiscal year may be expended to pay the complete cost of registering for or reserving a meeting room or other space for a seminar or conference notwithstanding the fact that it will occur during the next fiscal year. This subsection applies only if the sponsor of the seminar or conference or owner of the meeting room or other space requires the payment to be received before the beginning of the next fiscal year.

(3) Monthly telephone line charges. The funds appropriated by this Act for a particular fiscal year may be expended to pay a monthly telephone line charge that covers all or part of August of that fiscal year and all or part of September of the next fiscal year. This subsection does not apply to long-distance or other charges made on a per-call basis.

(4) Payments under this section are subject to rules and procedures established by the Comptroller of Public Accounts.

Sec. 75. **Grants.** Funds appropriated by this Act for grants of money to be made by state agencies, including the agencies in the legislative branch, are appropriated for the statutory purposes as the grantor agency may specify. It is the intent of the Legislature that grants be distributed by state agencies on a reimbursement or as needed basis unless otherwise provided by statute or otherwise determined by the grantor agency to be necessary for the purposes of the grant.

Funds appropriated by this Act for grants to be made by a state agency for a particular fiscal year may be distributed in subsequent fiscal years so long as the grant has been awarded and treated as a binding encumbrance by the grantor agency prior to the end of the appropriation year of the funds appropriated for grant purposes. Distribution of the grant funds is subject to Section 403.071, Government Code.

In the event the Legislature should appropriate oil overcharge moneys for programs administered by the Texas Department of Housing and Community Affairs to benefit low to moderate income Texans, the General Services Commission or administering agency shall advance two months of the expected contract dollars upon the commencement of the program agency contract. Additional funds shall be

provided to the contracting agency as documentation of the expenditure of advanced dollars is received.

Sec. 76. **Annual Fee Rate Review and Adjustment.** It is the intent of the legislature that agencies annually review all fees and fee rates administered and adjust rates as necessary to recover the costs of providing services, including indirect costs, and to maintain rates consistent with inflation.

Sec. 77. **Fee Increase Notification.** None of the funds appropriated by this Act may be expended by an agency which increases the rate of a fee assessed by that agency unless the agency provides a notice to the payer of the fee that the fee rate was set by the agency or its governing board and not mandated by the Legislature.

Sec. 78. **Prompt Payment for Interagency Goods and Services.** Any funds appropriated by this Act that are obligated pursuant to written agreement for payment by one state agency or institution to another state agency or institution for the exchange of goods or services shall be remitted within thirty (30) days after the goods or services are provided and an invoice is received. In the event that a receiving agency or institution does not accept the goods or services or finds an error in the invoice, the receiving agency or institution shall notify the performing agency or institution in writing as soon as possible within the 30-day period and shall make payment not less than ten (10) days after the problems are corrected or the error resolved to the satisfaction of both parties. If both parties are unable to agree on the amount of payment, the Comptroller shall determine the appropriate amount. However, in the event that written notice is not provided within the 30-day period, the Comptroller is hereby authorized to transfer the necessary funds upon request by the agency or institution providing the interagency goods and services from appropriated balances of the receiving agency or institution.

Sec. 79. **Prompt Payment Discounts.** State agencies when purchasing goods and services including those purchased through or by the General Services Commission shall negotiate a prompt payment discount with the vendor.

All state agencies when paying for goods and services that were purchased under an agreement that included a prompt payment discount shall submit the necessary payment documents or information to the Comptroller with sufficient lead time to allow the Comptroller to generate a payment or warrant and for the agency to deliver the warrant to the vendor in time to take advantage of the prompt payment discount.

Sec. 80. **Reimbursements for Unemployment Benefits.**

1. At the close of each calendar quarter, the Texas Workforce Commission shall prepare a statement reflecting the amount of unemployment benefits paid to all former state employees based on wages earned from state employment and present it to the Comptroller of Public Accounts, who is hereby directed to pay by warrant or transfer out of funds appropriated from the Unemployment Compensation Special Administration Fund Account No. 165 such amount to the Unemployment Compensation Benefit Account No. 937 to reimburse it for such payments.

   The Unemployment Compensation Special Administration Fund Account No. 165 shall be reimbursed, for one-half of the unemployment benefits paid, from appropriations made in this Act to the state agency which previously employed each respective former state employee whose payroll warrants were originally issued in whole or part from the General Revenue Fund, dedicated General Revenue Fund accounts, or Other Special Funds. From information provided by the Texas Workforce Commission, the Comptroller of Public Accounts shall determine the proportionate amount of the reimbursement or payment due from the General Revenue Fund, dedicated General Revenue Fund accounts, and Other Special Fund appropriations and transfer such amounts to the Unemployment Compensation Special Administration Fund Account No. 165. The amounts reimbursed pursuant to this paragraph are hereby reappropriated to the

Unemployment Compensation Special Administration Fund Account No. 165 for the purpose of reimbursing the Unemployment Compensation Benefit Account No. 937. The reimbursement requirements established by this paragraph may be waived, either in whole or in part, by the Legislative Budget Board.

In addition, the Unemployment Compensation Special Administration Fund Account No. 165 shall be reimbursed, for one-half of the unemployment benefits paid, from amounts appropriated to the Reimbursements to the Unemployment Compensation Benefit Account item in this Act out of dedicated General Revenue Fund accounts or Other Special Funds and shall be fully reimbursed from funds held in local bank accounts, for all former state employees whose payroll warrants were originally issued in whole or part from dedicated General Revenue Fund accounts, Other Special Funds or local bank accounts, respectively. From information provided by the Texas Workforce Commission, the Comptroller of Public Accounts shall determine the proportionate amount of the reimbursement or payment due from funds other than General Revenue and transfer such funds to the Unemployment Compensation Special Administration Fund Account No. 165. For reimbursements due from funds not held in the state treasury, state agencies shall reimburse the Unemployment Compensation Special Administration Fund Account No. 165 with a check. The amounts reimbursed from local funds pursuant to this paragraph are hereby appropriated to the Unemployment Compensation Special Administration Fund Account No. 165 for the purpose of reimbursing the Unemployment Compensation Benefit Account No. 937. Such transfers and payments as are authorized under law shall be made within thirty (30) days from receipt of the statement of payments due. The Comptroller of Public Accounts may prescribe accounting procedures and regulations to implement this section.

2. An agency, institution, department, commission, board, division, or other unit of state government is authorized to allocate funds to a revolving account created on its books to receive contributions from funds other than General Revenue based on a percentage-of-payroll assessment to be determined by such unit of government for the purpose of reimbursing the Unemployment Compensation Special Administration Fund Account No. 165 for the unemployment benefits paid.

3. The State Auditor shall review in his audit of respective agencies compliance with the provisions of this section. The Comptroller of Public Accounts, upon receipt of notification from the State Auditor's Office of amounts remaining due from funds held outside the state treasury, shall lapse or reduce equivalent amounts of any General Revenue appropriations for such agencies until the delinquent amounts are repaid.

4. The Comptroller of Public Accounts, upon certification of amounts due from the Texas Workforce Commission, including the sources of such amounts due, may transfer funds from such state agencies, institutions, departments, commissions, boards, divisions, or other units of state government as the Texas Workforce Commission certifies remain due over thirty (30) days from receipt of the statement of payments due. The Texas Workforce Commission shall also determine the amounts due from funds held outside the state treasury and notify the State Auditor and Comptroller of such amounts.

Sec. 81. **Reimbursements for Workers' Compensation Payments.**

1. At the close of each fiscal quarter, the Workers' Compensation Division of the Attorney General's Office shall prepare a statement reflecting the amount of workers' compensation benefits paid to, or on behalf of, former and current state employees based on wages earned from state employment and present it to the Comptroller of Public Accounts.

The General Revenue Fund shall be reimbursed, for twenty-five percent (25%) of the workers' compensation benefits paid out of strategy item A.1.1., Workers' Comp Payments, from appropriations made elsewhere in this Act to the state agency which previously employed or currently employs each former or current state employee whose payroll warrants were originally issued in whole or in part from the General Revenue Fund, dedicated General Revenue Fund accounts, or Other Special Funds. From information provided by the Workers' Compensation Division of the Attorney General's Office, the Comptroller of Public Accounts shall determine the proportionate amount of the reimbursement or payment due from the General Revenue Fund, dedicated General Revenue Fund accounts, and Other Special Fund appropriations and transfer such amounts to the General Revenue Fund. The amounts reimbursed pursuant to this paragraph are hereby reappropriated for the purpose of paying workers' compensation benefits out of strategy item A.1.1., Workers' Comp Payments, for current and former state employees. The reimbursement requirements established by this paragraph may be waived, either in whole or in part, by the Legislative Budget Board.

In addition, the General Revenue Fund shall be reimbursed, for seventy-five percent (75%) of the workers' compensation benefits paid, from balances in dedicated General Revenue Fund accounts and in Other Special Funds and shall be fully reimbursed from funds held in local bank accounts, for all former and current state employees whose payroll warrants were originally issued in whole or in part from dedicated General Revenue Fund accounts, Other Special Funds or local bank accounts, respectively. From information provided by the Workers' Compensation Division of the Attorney General's Office, the Comptroller of Public Accounts shall determine the proportionate amount of the reimbursement or payment due from funds other than General Revenue and transfer such funds to the General Revenue Fund. For reimbursements due from funds not held in the state treasury, state agencies shall reimburse the General Revenue Fund with a check. Twenty-five percent (25%) of the amounts reimbursed from local funds pursuant to this paragraph are hereby appropriated for the purpose of paying workers' compensation benefits out of strategy item A.1.1., Workers' Comp Payments, for current and former state employees.

Such transfers and payments as are authorized under law shall be made within thirty (30) days from receipt of the statement of payments due. The Comptroller of Public Accounts may prescribe accounting procedures and regulations to implement this section.

2. An agency, institution, department, commission, board, division, or other unit of state government is authorized to allocate funds to a revolving account created on its books to receive contributions from funds other than General Revenue based on a percentage-of-payroll assessment to be determined by such unit of government for the purpose of reimbursing the General Revenue Fund for the workers' compensation paid.

3. The State Auditor shall review in his audit respective agencies compliance with the provisions of this section. The Comptroller of Public Accounts, upon receipt of notification from the State Auditor's Office of amounts remaining due from funds held outside the state treasury, shall lapse or reduce equivalent amount of any General Revenue appropriations for such agencies until the delinquent amounts are repaid.

4. The Comptroller of Public Accounts, upon certification of amounts due from the Workers' Compensation Division of the Attorney General's Office, including the sources of such amounts due, may transfer funds from such state agencies, institutions, departments, commissions, boards, divisions, or other units of state government as the Workers' Compensation Division of the Attorney General's Office certifies remain due over thirty (30) days from receipt of the statement of payments due. The Workers' Compensation Division of the Attorney General's Office shall also determine the

amounts due from funds held outside the state treasury and notify the State Auditor and Comptroller of such amounts.

Sec. 82. **Evaluation of Outcome Measures.** Contingent upon the enactment of legislation implementing the Texas Performance Review *Disturbing the Peace* recommendation HHS 7 that state agencies purchasing substitute care create and maintain a joint system of outcome measures, it is the intent of the Legislature that the Health and Human Services Commission, the Department of Protective and Regulatory Services, the Texas Juvenile Probation Commission, and the Texas Department of Mental Health and Mental Retardation jointly identify, expand and refine, by January 1998, their core outcome measures for substitute care providers. The Health and Human Services Commission shall be designated the lead agency in coordinating the implementation of HHS 7. The above agencies shall jointly evaluate the reliability and usefulness of each outcome measure so that improvements can be made to ensure children receive the highest quality services at the least cost to the state and report to the Governor, Lieutenant Governor, Speaker of the House of Representatives, Comptroller, and Legislative Budget Board no later than January 1999.

Sec. 83. **Statewide Capital Planning.** Each agency and each institution of higher education appropriated funds by this Act shall supply to the Bond Review Board capital planning information relating to projects subject to this section and financing options for the 2000-2001 fiscal biennium in a format and according to guidelines developed by the Bond Review Board. Such information shall include, but not be limited to, the following items of information:

i) a description of the project or acquisition;
ii) the cost of the project;
iii) the anticipated useful life of the project;
iv) the timing of the capital need;
v) a proposed source of funds (method of financing);
vi) a proposed type of financing; and
vii) any additional related information requested by the Bond Review Board.

The Bond Review Board shall compile a statewide capital expenditure plan for the 2000-2001 fiscal biennium from the information submitted by agencies and institutions in accordance with the capital planning guidelines. Copies of the guidelines shall be filed with the Governor's Office of Budget and Planning and the Legislative Budget Board no later than December 31, 1997. The Bond Review Board shall file copies of the capital expenditure plan for the period beginning September 1, 1999 with the Governor's Office and the Legislative Budget Board no later than September 1, 1998.

The statewide capital plan should identify the state's capital needs and alternatives to finance these needs. The Bond Review Board shall review input from all state agencies and institutions regarding their current and future capital needs as part of the strategic planning process. The Board shall inform the Legislature on the possible budget impact of the capital plan on the state's debt capacity.

This section shall apply to each anticipated state project requiring capital expenditures for:

(1) land acquisition;
(2) construction of building and other facilities;
(3) renovations of buildings and other facilities estimated to exceed $1 million in the aggregate for a single state agency or institution of higher education; or
(4) major information resources projects estimated to exceed $1 million.

Sec. 84. **Consolidated Funds.** Contingent on the enactment of legislation relating to the dedication of funds, the Comptroller, upon approval of the Legislative Budget Board, may change an applicable agency's method of financing source name as provided in this Act to reflect changes made by the other legislation which affects the status of the funding source. No change in the amount of the appropriation would be affected by this change.

REPORTING REQUIREMENTS

Sec. 85. **Budgeting and Reporting.** As a limitation and restriction upon appropriations made by this Act, agencies and institutions of higher education appropriated funds by this Act may expend funds only if there is compliance with the following provisions:

1. On or before November 1 of each fiscal year, an itemized budget covering the operation of that fiscal year shall be filed with the Governor's Office of Budget and Planning, the Legislative Budget Board, the Comptroller of Public Accounts and Legislative Reference Library in the format prescribed jointly by both budget offices.

2. All subsequent amendments to the original budget shall be filed with the Governor's Office of Budget and Planning and the Legislative Budget Board within thirty (30) days of approval of such amendments unless such reporting requirement is waived.

3. Under guidelines developed by the Legislative Budget Board, each agency shall file a report with the Legislative Budget Board, the Governor's Office of Budget and Planning, the Legislative Reference Library, the Texas State Publications Clearinghouse, and the appropriate substantive committees of the House and Senate analyzing its performance relative to the attainment of stated outcome, output and efficiency targets of each funded goal and strategy. The report shall be submitted at such intervals required by the Legislative Budget Board and shall contain a comparison of actual performance for the reporting period with targeted performance based on the level of funding appropriated. In developing guidelines for the submission of agency performance reports, the Legislative Budget Board shall:

   (1) specify the measures to be reported including the key performance measures established in this Act;
   (2) approve the definitions of measures reported; and,
   (3) establish standards for and the reporting of variances between actual and targeted performance levels.

   The Legislative Budget Board may adjust projected performance target levels, develop new measures, modify or omit existing measures and measure definitions, and/or transfer measures between agencies, goals or strategies to reflect appropriation changes made by riders or other legislation subsequent to passage of this Act, invocation of budget execution authority by the Governor and the Legislative Budget Board, or as unforeseen circumstances may warrant during the biennium.

4. To ensure that the Program and Cost Accounting functions of the Uniform Statewide Accounting System (USAS) are maximized, it is the intent of the Legislature that the Legislative Budget Board and the Governor's Office of Budget and Planning: (1) determine the agencies, institutions, goals, strategies or other reporting units for which cost accounting data is required; (2) approve the basis for calculating and allocating costs to selected functions, tasks or measures; (3) determine the frequency of reporting cost accounting data needed; and, (4) provide for the integration of cost accounting data into the budget development and oversight process. The determinations to be made should be based upon due consideration of the relative benefits and cost-effectiveness of applying cost accounting requirements to a given state operation.

   It is further the intent of the Legislature that the Comptroller of Public Accounts develop and provide USAS training modules and support for state agencies and institutions to activate the cost accounting requirements addressed above.

Sec. 86. **Annual Reports and Inventories.** None of the moneys appropriated by this Act may be expended after a period of ninety (90) days following the close of the fiscal year unless there has been filed with the Governor, the State Auditor, the Legislative Budget Board, Legislative Reference Library, and Comptroller of Public Accounts an annual report as of August 31 of the preceding fiscal

year by the executive head of each department or agency specified in this Act, showing the use of appropriated funds.

An annual report shall be prepared by the agency to present the financial position and the results of its operations and changes in financial position for the fiscal year in conformity with reporting guidance provided by the Comptroller of Public Accounts. The Comptroller will approve all reports as to form and content. The guidance may require supplemental information necessary for preparation of the state's Comprehensive Annual Financial Report.

The annual report shall include the following:

1. An annual financial report including a statement of assets, liabilities and fund balances and showing the true condition of all funds and accounts balances for which the department or agency head is responsible, and reflecting the actual cash on hand and on deposit in banks and in state treasury accounts, and moneys due the department or agency from all sources; values of consumable supplies and postage; values of inventories of movable equipment and other fixed assets; investments of bonds, notes, and other securities owned by any special funds under the jurisdiction of the department or agency; all other assets; and all sums of which the department or agency is liable for services rendered or goods received; and all outstanding commitments. The report shall also contain summaries by sources of all revenues collected or accruing to the state through the department or agency for the fiscal year immediately preceding; and a summary of appropriations, expenditures, bona fide encumbrances and all other disbursements of the department or agency for the fiscal year. The Comptroller of Public Accounts is to approve all reports as to form and content.

2. A list of all bonded employees showing name, title, and amount of surety bond, together with the name of the surety company.

3. An analysis of space occupied by the department or agency showing the number of square feet rented and the number of square feet occupied in state-owned buildings; giving the location of such space by building name or address and the number of square feet devoted to office, warehouse or other designated uses, indicating the cost per square foot, cost per month, annual cost and lessor of all rented space, and such other information as may be of assistance in describing the space utilized by each state department or agency.

4. An itemized statement of all professional and/or consulting fees paid out of appropriations made by this Act. The statement shall include the name of each person, partnership, corporation or other business entity receiving such fees and for what purposes the fees were paid. Except as otherwise provided by this Act, the statement shall include the services of licensed professionals and the personal services of individuals or entities under an independent contract to study or advise the agency, as defined by Chapter 2254, Government Code.

5. An itemized statement of all legal services purchased by the agency, including outside legal counsel. The statement shall include the name of each person, partnership, corporation or business entity, the amount paid and the purpose for which the fees were paid. This subsection does not apply to legal services provided by the Office of the Attorney General or by employees of the agency.

6. A summary of the costs of operating and the use made of state-owned aircraft or aircraft operated under long-term lease or rental. The summary shall be in a format specified by the Legislative Budget Board and the State Aircraft Pooling Board and shall include aircraft description, date purchased or leased, cost, hours flown, operating costs, number of flights and destination, number, names and destination of passengers, date of each flight and a detailed and specific description of the official business purpose of each flight. Aircraft flight

logs required by this section shall be provided on a monthly basis to the State Aircraft Pooling Board.

7. A list of purchases made in accordance with Section 2155.067, Government Code, to which the General Services Commission has taken exception. Each item in the list should contain the following information: product purchased, vendor and purchase amount.

8. A section, consisting of the Master File Report Verification Form certified by the Texas General Land Office, confirming that the inventory report is an accurate and complete record of the agency's real property as of the date specified, or if the report is not accurate and complete, that the appropriate update forms will be submitted within 15 days of the date of the annual report. Certification by the General Land Office will serve as acknowledgment that the agency is in compliance with the real property inventory reporting requirements as stated in Section 31.151, et seq., Natural Resources Code. A copy of this section should be directed to the General Land Office for inclusion in the State Real Property Inventory records.

9. A report indicating the transfer, between appropriation items, of funds appropriated by this Act . Only those appropriation items affected by transfers must be listed and the amounts indicated shall reflect the net of all transfers affecting the particular item. For the purpose of this subsection, the term “appropriation items” shall include items listed in an “Informational Listing of Appropriated Funds”.

10. A report documenting the agency's progress under its plan for increasing use of historically underutilized businesses prepared in compliance with Section 2161.124, Government Code. The report shall be in a format specified by the General Services Commission pursuant to Section 2161.124.

11. Indirect Costs: The annual report shall include a supporting schedule detailing total expenditures made by the agency and on the agency's behalf by others. Expenditures made on the agency's behalf by other agencies should include, but are not limited to: employee benefits such as social security matching costs, health insurance, and retirement contributions; benefit replacement pay; workers' compensation payments; unemployment compensation payments; bond debt service; and an allocation of indirect cost from such general government agencies as the Comptroller of Public Accounts, General Services Commission, Attorney General, Department of Information Resources, State Auditor's Office, and any others as determined by the Comptroller of Public Accounts. The Comptroller shall develop the appropriate format and reporting requirements associated with this supporting schedule and provide the assistance necessary for each agency to properly submit the information. The reporting requirement contained in this subsection shall apply to only those agencies as determined by the Legislative Budget Board.

12. It is further provided that the State Auditor is to certify to the Comptroller of Public Accounts any and all departments which have not filed the required annual report within the specified time, and the Comptroller of Public Accounts is to withhold any appropriations for expense reimbursements for the heads or any employees of such departments or agencies as are on this certified list until such time as the State Auditor shall notify the Comptroller that such delinquent reports have been filed. The words "heads of departments or agencies" as used in this Section shall mean the elected and appointed officials, members of commissions, boards, etc., and the chief administrative officer of such department, board, commission, bureau, office, or agency of the state for which appropriations are made in this Act.

All departments, institutions of higher education, agencies, officers and employees or agents of the state shall report into the Uniform Statewide Accounting System (USAS) all payables and binding encumbrances by appropriation account for the first three quarters of the current appropriation year within thirty days after the close of each quarter. Payables and binding encumbrances for all

appropriation years will be reported annually no later than September 30 of each fiscal year. On October 1 of each fiscal year, the Comptroller of Public Accounts shall lapse all unencumbered non-construction appropriation balances for all prior appropriation years based on the payables and binding encumbrances reported. If an agency submits a valid claim after thirty days against a prior year appropriation account, the Comptroller of Public Accounts may reinstate the agency's appropriations to the extent of the claim. Payables and binding encumbrances must be reported for all appropriations in the format that the Comptroller of Public Accounts prescribes.

All state agencies and institutions of higher education are to reconcile on a schedule to be determined by the Legislative Budget Board and the Comptroller of Public Accounts, their expenditures and binding encumbrances, payables and accrued expenditures, as reported in USAS, with their strategic planning and budget structure as reported in the Automated Budget and Evaluation System of Texas (ABEST). Agencies are to complete in ABEST, as part of their reconciliation by strategy, a method of financing in accordance with the General Appropriations Act.

Sec. 87. **Certification Summary Required.** As soon as practical following the Comptroller's certification of the appropriations made by the Seventy-fifth Legislature, the Comptroller shall transmit to the members of the Legislature a Summary Table which details the basis for certification of the major funds. The table shall be similar in format and detail to the "Major Estimates Summary Tables" published by the Comptroller in the Biennial Revenue Estimate and shall include the 1996-97 biennial appropriations from the major funds.

Sec. 88. **Report of Expenditures by County.** The Comptroller of Public Accounts shall prepare an annual report reflecting expenditures by state agencies for each county. The report shall include appropriate information to both summarize total expenditures by agency by county, and reflect the type of expenditures by object or other arrangement as determined by the Comptroller. To the extent possible, all expenditures from funds held in the state treasury shall be reported on an actual basis reflecting the county where the goods or services were delivered. However, in situations where it may not be possible or practical to accurately determine the correct county, such as debt service payments, employee fringe benefits, etc., the Comptroller shall estimate the expenditures by county. All state agencies shall cooperate as necessary with the Comptroller in providing necessary information to enable the timely completion of the report. A copy of each report shall be filed with the Governor, Lieutenant Governor, Speaker of the House of Representatives, and Legislative Budget Board no later than December 1 of each year.

Sec. 89. **Minutes of Board Meetings.** The appropriations made by this Act are contingent upon adherence to the following procedure: in order that the Governor and the Legislature may be more adequately informed about the disposition and use of appropriations authorized from all funds, the governing bodies of the institutions, schools, and agencies of the executive branch of the government shall cause to be filed with the Legislative Reference Library, immediately upon transcription, certified copies of the minutes of board meetings. Any changes or subsequent corrections of minutes shall be similarly filed with the Legislative Reference Library.

Sec. 90. **Acknowledgment of Exceptions to Certain Purchases.** The Legislature directs the General Services Commission to notify the board and commission members, agency heads and elected officials of all state agencies including institutions of higher education that the Commission, pursuant to Section 2155.067, Government Code, has taken exception to the respective agency's decision to purchase any good, service, or item on a non-competitive basis.

Sec. 91. **Acknowledgment of State Auditor Reports.** The Legislature directs the State Auditor's Office to notify the board and commission members, agency heads and elected officials of all state agencies including institutions of higher education of any report published by the State Auditor concerning the respective agency, board or institution.

Sec. 92. **Contract Notification.** Not later than the 10th day after a state agency or institution of higher education enters into i) a contract for consulting services as defined by Section 2254.021(1),

Government Code; ii) a contract for professional services as defined by Section 2254.002(2), Government Code; iii) a construction contract; or iv) a contract for major information systems, the

agency or institution shall provide written notification, on a form prescribed by the Legislative Budget Board, to the Legislative Budget Board, the House Appropriations Committee, the Senate Finance Committee, and the appropriate House and Senate oversight committees. The notification requirement established by this section shall also apply to any amendment, modification, renewal or extension of a contract subject to this section.

The notification requirement established by this section shall not apply to a contract for which the total value does not exceed $1,000, including amendments, modifications, renewals and extensions, or to a professional services contract for medical or optometric services.

Sec. 93. **Reports on Nonresident Bidders.**

1. During January and July of each year, a state agency or institution of higher education shall file with the Legislative Budget Board a report that identifies each nonresident bidder as defined by Section 2152.064, Government Code, to whom the agency or institution awarded a contract with a value of $25,000 or more for the purchase of supplies, materials, services or equipment during the six calendar months preceding the month in which the report is filed, if the agency or institution awarded such a contract during the reporting period.

   For contracts with a value of $250,000 or more, the contracting state agency or institution of higher education shall include, in the report to the Legislative Budget Board, an explanation for the need to use a nonresident bidder.

2. State agencies and institutions of higher education shall report to the Legislative Budget Board, in addition to the information required by Section 2152.064(b), Government Code, as noted above, the total dollar value of all purchases of supplies, materials, services and equipment for each six calendar month period. If the total amount reported under Section 2152.064(b) is greater than $1,000,000 or greater than 25 percent of total purchases, the agency or institution shall provide an explanation of action taken by the agency or institution to ensure that resident bidders are given adequate consideration in the purchasing process.

3. The staff of the Legislative Budget Board shall prepare a report which summarizes the nonresident bidder information. This report shall be filed with the presiding officer of each house of the legislature and the presiding officers of the House Appropriations Committee and the Senate Finance Committee.

Sec. 94. **Distribution of Reports: Nonresident Bidders and Recycled Materials.** None of the funds appropriated by this Act shall be expended for the purpose of distributing, to a member of the Legislature or other state official, copies of a report prepared pursuant to Section 2152.064, Government Code, or Section 2155.448 (b), Government Code, unless the copy is specifically requested by that state official. This provision shall not be construed as prohibiting the filing, without prior request, of a copy of such a report with the Governor or the Legislative Budget Board.

Sec. 95. **Internal Audit Findings.** In addition to any reporting requirements established by Section 2102.009, Government Code, each agency appropriated funds by this Act and subject to the application of the Texas Internal Auditing Act and each institution of higher education appropriated funds by this Act shall file with the Governor's Office of Budget and Planning, the Legislative Budget Board, and the State Auditor a copy of each written report submitted by its Internal Auditor, or Internal Audit Section, to the agency's or institution’s governing board or governing officer within 30 days of the date the report was so submitted. Each agency and each institution subject to this section shall, in addition, submit to the Governor's Office of Budget and Planning, the Legislative Budget Board, and the State Auditor a statement of any action plan or other response issued by its governing board to address the findings in such a report.

Sec. 96. **Notification to Members of the Legislature.** It is the intent of the Legislature that agencies provide notification to affected members of the Legislature prior to the public announcement of the closing of any field offices.

Sec. 97. **Investment Strategy and Investment Report.**

1. A state agency or political subdivision investing local funds, the total of which exceed $1,000,000, shall adopt an investment strategy governing the investment of those funds. In devising the investment strategy, special consideration should be given to the types of policies prescribed in the Government Financial Officers Association Preferred Investment Practices. An investment strategy must describe the investment objectives of the agency or political subdivision using the following priorities:

    a. suitability of the investment to the financial requirements of the agency or political subdivision;
    b. safety of principal;
    c. liquidity;
    d. marketability;
    e. diversification;
    f. yield.

2. The state agency or political subdivision shall submit a quarterly investment report to the governing body of the agency or political subdivision. The report must state:

    a. the carrying value (total cost of an investment plus or minus amortization or accretion) of each individual investment as of the date of the report;
    b. the market value (face or par value multiplied by the dollar price of the security) of each individual investment as of the date of the report;
    c. the maturity date of each individual investment; and
    d. the account or fund in the agency or subdivision budget that was the source of the money for each individual investment.

Sec. 98. **Liaison to Legislative Committees.** It is the intent of the Legislature that state employees working in Washington on behalf of various state agencies shall act in a liaison capacity and shall provide the most current information on federal funding and legislative issues to the appropriate substantive committees of both the House and the Senate.

Sec. 99. **Reporting of Outstanding Judgments.** It is specifically provided that all state agencies, boards, commissions, institutions, and other state governmental units shall report all uncollected and outstanding debts and judgments to the Office of the Attorney General, not later than sixty days after normal agency collection procedures have failed, for further collection efforts. The Office of the Attorney General may develop a uniform reporting procedure for state agencies and institutions to report uncollected debts and judgments to the Attorney General's Office for further collection efforts.

Sec. 100. **Reporting of Lawsuits Against the State.** It is specifically provided that all state agencies, boards, commissions, institutions, and other state governmental units shall notify the Legislative Budget Board and the Governor's office of each lawsuit filed against the State, or state employee or official for which the State may be liable for payment, not later than thirty days after the lawsuit was filed.

Sec. 101. **Workforce Commission Expenditure Report.**

a. Each Texas Workforce Commission office that participates in a state or federally funded workforce program in a local workforce development area shall, no later than ninety (90) days after the close of each fiscal year, provide the local workforce development board for

that area with an accounting of all expenditures by that office, for the preceding fiscal year, associated with the delivery of services in that area.

b. The accounting required by this provision shall include:

i) the salary and benefits of each employee of the office who works in the area;

ii) the indirect costs for regional and state administration, including payroll, supervisory, and other administrative costs;

iii) the values or rental cost of any building and all equipment owned or leased by the office;

iv) the number of employees in the office assigned to each major function of the delivery of workforce development services and the overall salary expenditure attributable to each major function;

v) the training costs incurred by the office, including travel costs related to training; and

vi) any other costs associated with the delivery of services in the area.

c. The information required to be reported by this provision shall be prepared in accordance with rules established by the Council on Workforce and Economic Competitiveness and the Texas Workforce Commission.

Sec. 102. **Uniform Reporting of Cost Data on Alternative Fuel Vehicles.**

a. Each state agency and institution of higher education that purchases or converts vehicles to use alternative fuel sources shall, in addition to any existing reporting requirements, provide the following information to the General Services Commission by October 1 of each fiscal year:

(1) the total number and purchase price or conversion cost of alternative fuel vehicles by fuel source;

(2) the cost of operating, maintaining, and repairing alternative fuel vehicles by fuel source;

(3) a comparison of the operating, maintenance and repair costs of the agency's alternative fuel vehicles and traditional fuel vehicles; and

(4) the total annual expenditures for purchasing, converting, operating, maintaining and repairing alternative fuel vehicles.

b. The General Services Commission shall submit a report to the Legislative Budget Board and the Governor's Office of Budget and Planning by January 1 of each fiscal year which contains a compilation and analysis of the information required under this section. The report also shall include: the total annual state expenditures for converting or purchasing alternative fuel vehicles; the total state expenditures for operating, maintaining and repairing alternative fuel vehicles; the estimated annual savings to the state in purchase price if traditional fuel vehicles had been purchased; and the estimated savings and maintenance, and repair costs if no conversions had been performed and traditional fuel vehicles had been purchased.

REPORTING REQUIREMENTS
(Continued)

Sec. 103. **Reporting Requirements: Temporary Assistance for Needy Families (TANF) Federal Funds.** Any state agency appropriated TANF federal funds shall report to the Single State Agency for TANF, all federal, state, and local expenditures, administrative expenditures in relation to the 15% federal ceiling, related caseload data, and work participation rates on a quarterly basis to ensure compliance with federal provisions and the state maintenance of effort. The Single State Agency shall compile a report of the information and submit it to the Legislative Budget Board and the Office of the Governor by September 1, December 1, March 1, and June 1 of each year of the biennium. Each report submitted to the Legislative Budget Board and the Office of the Governor pursuant to this provision must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Office of the Governor.

Sec. 104. **Reporting Requirements: Child Care and Development Block Grant (CCDBG) Federal Funds.** The Texas Workforce Commission, in cooperation with the Department of Protective and Regulatory Services, shall submit a quarterly report to the Legislative Budget Board and the Office of the Governor of all federal, state and local expenditures on child care, including administrative expenditures in relation to the 5% federal ceiling. Each report shall be submitted on September 1, December 1, March 1, and June 1 of each year of the biennium and must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Office of the Governor.

OTHER APPROPRIATION AUTHORITY

Sec. 105. **Acceptance of Gifts of Money.** All bequests and gifts of money to state agencies named in this Act, including the legislative branch, which have specific authority to accept gifts are hereby appropriated to the agency designated by the grantor and for such purposes as the grantor may specify, subject to the following:

1. Unless exempted by specific statutory authority, all such bequests and gifts of moneys shall be deposited into the state treasury and shall be expended in accordance with the provisions of this Act.

2. No gifts or bequests to a state agency shall be transferred to a private or public development fund or foundation, unless written permission for the transfer is given by the donor of the gift or representative of the estate. An account of all such letters of written permission and transfers of gifts and bequests shall be kept by the agency and shall be reported to the State Auditor.

Sec. 106. **Federal Funds/Block Grants.**

1. All funds received from the United States government by state agencies and institutions named in this Act are hereby appropriated to such agencies for the purposes for which the federal grant, allocation, aid, payment or reimbursement was made subject to the following:

   a. Except for institutions of higher education, federal funds, including unexpended balances, shall be deposited to and expended from the specific appropriation item or items identified in this Act.

      Except for institutions of higher education, no federal funds may be expended for strategies or functions other than those which have been reviewed by the Seventy-fifth Legislature and authorized by specific language in this Act or encompassed by an agency's budget structure as established by this Act.

   b. As applicable, federal reimbursements received for expenditures previously made or services performed on behalf of federal programs from state funds shall be credited by the Comptroller to the fund from which the expenditure was originally made. The credit shall

be to the agency's current appropriation item or accounts from which the expenditures of like character were originally made and are hereby reappropriated. Reimbursements received from employee benefits paid from General Revenue Fund appropriations of other administering agencies shall be deposited to the unappropriated General Revenue Fund.

c. All agencies receiving federal funds shall utilize those funds to the maximum extent possible to reduce expenditures of appropriated state funds. It is the intent of the Legislature that reductions in state funds be returned to the state treasury.

d. It is the intent of the Legislature that any position created for administration of federal grant programs shall be phased out upon discontinuance of the particular federal grant for which it was authorized.

e. Annual reports showing federal funds received and their intended usage shall be filed by the Governor's Budget and Planning Office with the presiding officers of both houses of the Legislature for referral to appropriate standing committees for review.

2. Agencies subject to the Position Classification Act will make federal grant employment in accordance with the provisions of that Act in positions listed in, or otherwise authorized by, this article.

3. In order to maximize the amount of federal alcohol and drug abuse funds which might become available to the Texas Commission on Alcohol and Drug Abuse, it is the intent of the Legislature that state funds used by any state agency to provide alcohol and drug abuse services may be counted towards any required state matching contribution for such federal funds.

4. Each agency and each institution of higher education shall report i) each application or request made to the United States government for the grant of funds and ii) the award or designation, by the United States government, of any funds for expenditure by a Texas state agency to the Governor's Office of Budget and Planning, the Legislative Budget Board, and the Office of State-Federal Relations. The Legislative Budget Board may develop reporting procedures necessary to implement this provision.

5. In the event that federal programs which authorize federal funds included in this Act are eliminated, consolidated or replaced with new federal programs and funding authorization or block grants, and/or the federal funds appropriated to agencies are reduced, any reduction or reallocation of federal funds will be distributed across affected agencies and programs to pattern the strategies and programs included in this Act to the extent possible without restricting the state's ability to receive federal funds, in accordance with a plan approved by the Legislative Budget Board and the Governor. Any such plan must be distributed in writing to all members of the Legislature at least ten days before Legislative Budget Board action.

Sec. 107. **Reimbursements and Payments.**

1. Any reimbursements received by an agency of the state for authorized services, including contractual agreements with a non-governmental source or any unit of government, including state, federal or local government, and any payments to an agency of the state government made in settlement of a claim for damages, are hereby appropriated to the agency of the state receiving such reimbursements and payments for use during the fiscal year in which they are received. Revenues specifically established by statute on a fee or service provided basis are not appropriated by this section and are available for expenditure by the collecting agency only if appropriated elsewhere in this Act.

2. Forfeited money, proceeds from the sale of forfeited property or similar monetary awards related to the agency's participation in the seizure of controlled substances or other contraband

are hereby appropriated to the receiving state agency, unless distribution is otherwise provided by statute or specific provision of this Act.

3. Except as provided elsewhere in this Act, net amounts of money received by an agency as a result of tax seizures or other similar recoveries authorized by statute shall be deposited in the state treasury as unappropriated revenues to the funds and/or accounts authorized by statute. The portion of proceeds representing recoveries of costs incurred in such forfeitures, seizures or similar functions are appropriated to the receiving agency. Such cost recoveries include court costs, attorney fees, rentals or storage fees, auction and sale costs, preparation costs to condition property for sale, and salaries, travel, and other overhead costs of the agency.

4. The reimbursements and payments received under Subsection 1 shall be credited by the Comptroller to the agency's current appropriation items or accounts from which the expenditures of like character were originally made, or in the case of damage settlements to the appropriation items or accounts from which repairs or replacements are made; provided, however, that any refund of less than fifty dollars ($50) to an institution of higher education for postage, telephone service, returned books and materials, cylinder and container deposits, insurance premiums and like items, shall be deposited to the current fund account of the institution in the state treasury and such funds are hereby reappropriated.

Sec. 108. **Surplus Property.** Receipts to any agency of the state government specified in this Act which are received from the sale of surplus property, equipment, livestock, commodities, or salvage pursuant to the provisions of Chapter 2175, Government Code, are hereby appropriated to such state agency for expenditure during the fiscal year in which such receipts are received. Receipts from such surplus and salvage sales are to be credited to the appropriation item from which like property, equipment, livestock, or commodities would be purchased.

Sec. 109. **Refunds of Deposits.**

1. Any money deposited into the state treasury which is subject to refund as provided by law shall be refunded from the fund into which such money was deposited, transferred, or otherwise credited, and so much as is necessary for said refunds is hereby appropriated.

2. Unless another law, or section of this Act, provides a period within which a particular refund claim must be made, funds appropriated by this Act may not be used to pay a refund claim made under this Section after four years from the latest date on which the amount collected or received by the state was due, if the amount was required to be paid on or before a particular date. If the amount was not required to be paid on or before a particular date, a refund claim may not be made after four years from the date the amount was collected or received. A person who fails to make a refund claim within the period provided by law, or this provision, shall not be eligible to receive payment of a refund under this section.

3. As a specific limitation to the amount of refunds paid from funds appropriated by this Act during the 1998-99 biennium, the Comptroller shall not approve claims or issue warrants for refunds in excess of the amount of revenue estimated to be available from the tax, fee, or other revenue source during the biennium according to the Biennial Revenue Estimate of the Comptroller of Public Accounts used for certification of this Act. Any claim or portion of a claim which is in excess of this limitation shall be presented to the next legislature for a specific appropriation in order for payment to be made. This limitation shall not apply to any taxes or fees paid under protest.

4. The Comptroller of Public Accounts shall establish accounting procedures for suspense fund refund transactions in which all agencies will eliminate the delayed clearance of moneys from the suspense fund, reduce accounting paperwork, and maximize revenues to the General Revenue Fund and other state funds.

Sec. 110. **Vending Machines Authorized.** Except in those areas which are now served by vendors operating under supervision of the Commission for the Blind, vending machines may be placed on state-owned or leased property or in state-owned or leased buildings only with the approval of the governing boards or commissions and such approval shall be recorded in the minutes of the body. A copy of the contract shall be filed with the General Services Commission showing the location within the agency and the terms of the contract. Proceeds, net revenues, rentals or commissions received shall be accounted for as state revenue and the amount so collected is hereby appropriated to the institution, board, commission or agency for use as directed by the board or commission authorizing the installation. The amount of such proceeds, net revenues, rentals or commissions and disposal of such funds shall be included in the annual report of the state agency as required elsewhere in this Act. Vending machines located in areas or buildings now being serviced by vendors under the supervision of the Commission for the Blind must be operated under a joint contract with the machine owners and the vendors operating under the supervision of the Commission for the Blind.

Sec. 111. **Pay Station Telephones Authorized.** Pay station telephones may be located in the capitol area only with the approval of the General Services Commission and the net proceeds of such installations shall be collected and deposited to the General Revenue Fund by the General Services Commission. In other areas pay telephones may be located in state-owned or leased buildings or on state-owned land only with the approval of the governing board or commission and the net proceeds shall be collected and accounted for as state revenue and the amount so collected is hereby appropriated for use by the agency as determined by the governing board or commission. The amount of net proceeds and disposal of such funds shall be included in the annual report of the state agency as required elsewhere in this Act.

Sec. 112. **Appropriation of Collections for Seminars and Conferences.** All funds collected for the reimbursement of costs directly associated with the conducting of seminars, conferences or clinics which directly relate to the legal responsibilities and duties of the agency and which are for the purposes of education, training, or informing employees or the general public are hereby appropriated for the necessary expenses incurred in conducting the seminar; provided, however, all applicable laws, and rules and regulations for the acquisition of goods and services for the state shall apply to such expenditures. Any unexpended balances remaining as of August 31, 1997, in an appropriation made by Article IX, Section 99, of H.B. 1, 74th Legislature, Regular Session, 1995, are hereby reappropriated for the same purpose.

Sec. 113. **Appropriation of Bond Proceeds.** The proceeds from the issuance and sale of bonds or other obligations pursuant to the provisions of Articles 601d and 601d-1, V.T.C.S., are appropriated to the state agency to whose account the proceeds are deposited or credited. Proceeds include interest and investment income.

Sec. 114. **CMIA Interest Payments.** There is hereby appropriated to the State Comptroller for the biennium ending August 31, 1999 sufficient general revenue monies for the payment of interest due the federal government under the Cash Management Improvement Act of 1990 (CMIA).

An amount equal to the amount of interest payments made from general revenue on behalf of special funds or accounts as a result of the federal Cash Management Improvement Act of 1990 is hereby appropriated from special funds. The comptroller shall transfer from each special fund or account to general revenue, an amount equal to the amount of interest paid on behalf of each special fund or account.

Sec. 115. **Reimbursement for Treasury Operations.** In accordance with Section 404.071, Government Code, the Comptroller of Public Accounts shall determine the costs incurred in receiving, paying, accounting for, and investing money in funds and accounts which are entitled to receive depository interest. An amount equal to these costs shall be deducted from the interest earned on such funds and accounts and is hereby appropriated for deposit into the General Revenue Fund.

Sec. 116. **Appropriation of Disproportionate Share Hospital Payments to State Owned Hospitals.** Disproportionate Share Hospital Program payments from the Department of Health to state owned hospitals are appropriated to the receiving state agency/hospital as replacement funding for funds transferred to the Department of Health and shall be subject to such accounting provisions as required by the Comptroller of Public Accounts including, but not limited to, deposits to the fund or account from which the original source of transfers to the Department of Health was made.

Sec. 117. **Appropriation of Receipts: Credit Card Service Fees.** Any fee receipts assessed by an agency for the use of a credit card to pay a fee or penalty, as may be authorized by law, are hereby appropriated to that agency for the purpose of paying the service charge assessed by the credit card issuer.

EQUAL OPPORTUNITY PROVISIONS

Sec. 118. **Discriminatory Practices.** None of the funds appropriated by this Act shall be expended by agencies which practice discrimination based on race, creed, sex or national origin. The State Attorney General shall be specifically responsible for the enforcement thereof upon the request of the Governor.

Sec. 119. **Goods or Services Provided by Texans with Disabilities.** State agencies and institutions covered by this Act are encouraged to fully utilize appropriated funds to purchase products and services provided by Texans with disabilities under the provisions of Chapter 122, Human Resources Code.

Sec. 120. **Standardized EEO Reporting and Required Compliance Training for State Agencies.**

1. It is the intent of the Legislature that any qualified applicant have access to compete for employment with the state.

2. Not later than the seventh workday of each calendar year, each state agency, including public institutions of higher education, shall report equal employment opportunity information for the preceding calendar year to the Texas Commission on Human Rights as required by this section. The report must be made on a form provided by the Commission. The Commission shall collect equal employment opportunity information reported to the Commission by a state agency. The information must include data compiled on a monthly basis showing:

    a. the total number of employees of the agency and the total number of new employees hired each month since the date of the last report made by the agency;

    b. the total number of employees of the agency listed by racial and ethnic group and the percentage of the total number of agency employees for each racial and ethnic group, including a distinction for those categories between the total number of employees and the total number of employees hired each month since the date of the last report made by the agency;

    c. the total number of male employees and the total number of female employees of the agency, including a distinction for those categories between the total number of employees and the total number of employees hired each month since the date of the last report made by the agency;

    d. the total number of male and total number of female employees of the agency for each racial and ethnic group, including a distinction for those categories between the total number of employees and the total number of employees hired each month since the date of the last report made by the agency; and

e. the total number of employees of the agency listed by job classification and the total number of employees for each sex, race and ethnic group listed by job classification, including a distinction for those categories between the total number of employees and the total number of employees hired each month since the date of the last report made by the agency.

The Commission shall compile the information reported to the Commission under this section with the assistance of the Comptroller of Public Accounts and the uniform statewide accounting system. No later than December 15 of each year, the commission shall provide each state agency with a copy of the form to be used to make a report under this section for the following year.

3. For the purposes of this section, racial and ethnic groups shall consist of Black, Hispanic, and White.

4. Any state agency, including public institutions of higher education, that fails to comply with reporting requirements established by this section shall pay the Commission an amount not to exceed $2,000, from funds appropriated by this Act, for each reporting period that the state agency fails to report equal employment opportunity information.

5. All state agencies, including public institutions of higher education, that have three or more complaints of employment discrimination, other than complaints determined to be without merit, during each year of the biennium shall expend funds appropriated by this Act to receive Comprehensive Equal Employment Opportunity training to be provided by the Texas Commission on Human Rights or other entities or persons approved by the Commission for supervisory and managerial personnel. The Commission shall train supervisory and managerial personnel who are respondents named in the complaints against such agencies. Each agency shall pay for all training costs or reimburse the Commission for its costs associated with this training through interagency contracts. The cost of training provided by the Commission shall be determined and approved by the Commission and the General Services Commission.

Sec. 121. **Minority Hiring Practices.**

1. The Texas Commission on Human Rights reports that, state agencies and institutions of higher education contained in Sec. ___, Art. ___, SB ___, Acts of the Seventy-fourth Legislature, Regular Session, 1995, are below the available Blacks, Hispanics and females for one or more categories in the total civilian labor force.

2. The Texas Commission on Human Rights reports that, historically, state agencies and institutions of higher education have underutilized or excluded Blacks, Hispanics and females in proportion to their available numbers in the civilian labor force.

3. The Texas Commission on Human Rights reports that state agencies and institutions of higher education are not employing Blacks, Hispanics and females in proportion to their available numbers in the civilian labor force.

4. The Texas Commission on Human Rights reports that the number of complaints filed with the Texas Commission on Human Rights against state agencies and institutions of higher education during the fiscal year 1992 was 315 at a cost of $787,500 plus $1,890,155 for litigation costs.

5. The Texas Commission on Human Rights reports that Whites comprise 64 percent of the total civilian labor force in the state and that minorities comprise 36 percent of the total civilian labor force in the state and of that percentage of minorities, 38 percent are Black and 54 percent are Hispanic.

6. The Texas Commission on Human Rights reports that women comprise 43 percent of the total civilian labor force in the state and that men comprise 57 percent.

7. The Texas Commission on Human Rights reports that the following percentages represent Blacks, Hispanics and females within the civilian labor force by job category.

Job Category	Black	Hispanic	Female
Officials/Administration	5%	8%	26%
Professional	7%	7%	44%
Technical	13%	14%	41%
Protective Services	13%	18%	15%
Para-Professionals	25%	30%	55%
Administrative Support	16%	17%	84%
Skilled Craft	11%	20%	8%
Service/Maintenance	19%	32%	27%

8. Each agency and institution of higher education may spend appropriated funds to perform an analysis of their current work force compared to available Black, Hispanics and females in the statewide civilian labor force to determine percentage of exclusion or underutilization by each job category.

9. Based upon a work force availability analysis that demonstrates the exclusion or underutilization of Blacks, Hispanics and females, or court-ordered remedies, or supervised conciliations or settlement agreements to remedy past or current discrimination, each state agency and institution of higher education shall develop and implement a plan to recruit capable and qualified applicants, mindful of the diversity in the State of Texas. Each state agency and institution shall act in compliance with the Texas Commission on Human Rights Act. The Commission shall monitor state agencies and institutions to determine compliance with this provision.

10. Nothing in this Act shall be construed to affect court-ordered remedies, affirmative action, conciliation agreements, or settlements that are in accordance with the law.

11. All state agencies and institutions of higher education funded by this Act shall report to the Texas Commission on Human Rights, within 60 days after the close of each fiscal year, the number of Blacks, Hispanic and female hirings and total hirings made during that year. The Texas Commission on Human Rights shall, no later than January 1, 1999, submit to the Legislative Budget Board and the Governor's Office of Budget and Planning a state minority and women hiring practice report detailing this information.

Sec. 122. **Affirmative Action Plans.**

1. In accordance with the schedule established by Subsection 2 of this provision, state agencies and institutions shall enlist the assistance of the Texas Human Rights Commission in the review and revision of the affirmative action plan of each agency and institution. The review shall be completed, and necessary revisions implemented, within the first 12 months of the biennium prescribed by the schedule in Subsection 2. Thereafter, an annual report detailing compliance with the affirmative action plan shall be submitted by October 1 to the Governor, the Legislature, and the Legislative Budget Board.

2. Review and revision of affirmative action plans shall be performed by state agencies and institutions within each functional category of state government on a six-year cycle according to the following schedule. Agencies and institutions within each functional category shall be defined by the Legislative Budget Board.

   a.) For the 1998-1999 biennium: General Government; Natural Resources; Business and Economic Development (excluding the Department of Transportation).

   b.) For the 2000-2001 biennium: Education (excluding public community/junior colleges); Public Safety and Criminal Justice; Judiciary.

c) For the 2002-2003 biennium: Health and Human Services; Regulatory; and the Department of Transportation.

Sec. 123. **Standardized Personnel Policies, Procedures, and Training Required for State Agencies and Public Institutions and Systems of Higher Education.**

1. In accordance with Section 21.003(a)(9), Labor Code, state agencies and public institutions and systems of higher education are required to develop and implement personnel policies that comply with Chapter 21, Labor Code, including personnel selection procedures that incorporate a work force diversity program. In accordance with the schedule in Subsection 4 of this section, each state agency and public institution and system of higher education subject to Section 21.003(a)(9), Labor Code, shall expend funds appropriated by this Act to reimburse the Texas Commission on Human Rights (the Commission) through an interagency contract for reasonable and necessary costs and travel expenses to provide technical assistance and review all personnel policies and procedures of each state agency and public institution and system of higher education to ensure compliance with Chapter 21, Labor Code.

2. Actual cost and travel reimbursements to the Texas Commission on Human Rights shall be determined by the General Services Commission in an amount not to exceed $5,000 per each state agency or public institution or system of higher education.

3. Any state agency or public institution or system of higher education that fails to comply with this Section is subject to a penalty not to exceed $5,000 from funds appropriated by this Act. The Commission upon hearing and finding of fact that any state agency or public institution or system of higher education is not in compliance with this section, shall so certify to the Comptroller, the Governor, and the Legislative Budget Board. Upon confirmation by the Legislative Budget Board that the penalty imposed by this subsection should be assessed, the Comptroller shall transfer to the Commission, from funds appropriated to the agency, institution, or system, an amount equal to the actual costs incurred by the Commission in reviewing agency personnel policies and procedures and shall transfer to the General Revenue Fund an amount equal to the difference between $5,000 and the amount transferred to the Commission pursuant to this subsection.

4. Review of all personnel policies and procedures shall be performed at state agencies and institutions within each functional category of state government on a six-year cycle according to the following schedule. Agencies and institutions within each functional category shall be defined by the Legislative Budget Board.

   a.) For the 1998-1999 biennium: General Government; Natural Resources (excluding the Parks and Wildlife Department); Business and Economic Development (excluding the Department of Transportation).

   b.) For the 2000-2001 biennium: Education (excluding public community/junior colleges); Public Safety and Criminal Justice; Judiciary.

   c.) For the 2002-2003 biennium: Health and Human Services; Regulatory; and the Department of Transportation and the Parks and Wildlife Department.

5. None of the funds appropriated above may be expended after January 1, 1998 by any state agency or public institution of higher education which does not train each new employee during orientation on the agency's or institution's policies and procedures prohibiting discrimination, including sexual harassment. Supplemental training shall be provided to each employee on a biennial basis. The Texas Commission on Human Rights shall develop and make available to each state agency and institution material to provide a basis for this training. A signed statement from each employee documenting attendance at the training shall be placed in the employee's personnel file.

Sec. 124. **Contracting with Historically Underutilized Businesses.**

1. It is the intent of the Legislature that any qualified business should have access to compete for business from the state.

2. It is the intent of the Legislature that this section apply to any appropriation made by this Act to state agencies and institutions of government.

3. In this section "historically underutilized business" means an entity with its principal place of business in Texas and which is:

   a. a corporation formed for the purpose of making a profit in which at least 51 percent of all classes of the shares of stock or other equitable securities are owned by one or more persons who are economically disadvantaged because of their identification as members of certain groups, including Black Americans, Hispanic Americans, women, Asian Americans, and Native Americans, and have suffered the effects of discriminatory practices or similar insidious circumstances over which they have no control; and have a proportionate interest and demonstrate active participation in the control, operation, and management of the corporation's affairs;

   b. a sole proprietorship created for the purpose of making a profit that is 100 percent owned, operated, and controlled by a person described by subdivision a. of this subsection;

   c. a partnership formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons who are described by subdivision a. of this subsection and have a proportionate interest and demonstrate active participation in the control, operation, and management of the partnership's affairs;

   d. a joint venture in which each entity in the joint venture is a historically underutilized business under this subsection; or

   e. a supplier contract between a historically underutilized business under this subsection and a prime contractor under which the historically underutilized business is directly involved in the manufacture or distribution of the supplies or materials or otherwise warehouses and ships the supplies.

4. In this section "commission" means the General Services Commission.

5. It is the intent of the Legislature that the commission adopt rules based on the results of the State of Texas Disparity Study. All state agencies and institutions of higher education shall adopt the commission rules. Each state agency and institution of higher education shall make a good faith effort to increase purchases and contract awards to historically underutilized businesses based on the rules adopted by the commission to implement the disparity study.

6. It is the intent of the Legislature that state agencies and institutions of higher education shall report to the commission the following information, classified by group status as defined in subsection 2.a. above and by gender: (i) the total dollar amount of purchases and payments made under contracts awarded to historically underutilized businesses; (ii) the number of businesses participating in state bond issuances, if applicable; (iii) the number of businesses used in acquiring, constructing, or equipping state facilities or operating state programs with funds appropriated by this Act; and (iv) the number of historically underutilized businesses submitting bids and/or proposals for the acquisition, construction, equipping, or operational implementation of state facilities or programs.

7. It is the intent of the Legislature that all state agencies and institutions of higher education appropriated funds by this Act shall report to the commission and Comptroller of Public

Accounts all non-treasury funds spent with historically underutilized businesses in accordance with the reporting required in Chapter 2161, Government Code.

8. It is the intent of the Legislature that all state agencies and institutions of higher education include in their agency strategic plan, a plan for increasing the use of historically underutilized businesses in purchasing and construction contracting. The State Auditor shall report to the commission a state agency that is not complying with Section 2161.123, Government Code. In determining whether an agency is making a good faith effort to comply, the state auditor shall consider whether the agency has adopted rules and procedures governing the agency's historically underutilized business contract awards in accordance with the commission goals, used the commission's list and other sources to identify historically underutilized businesses that can and are available to meet agency needs, and made marketing and outreach efforts to historically underutilized businesses.

9. It is the intent of the Legislature that the state auditor shall, in cooperation with the commission, develop procedures to periodically monitor compliance by state agencies with Section 2161.123, Government Code. If an agency is found by the state auditor not to be in compliance, the Commission shall assist the agency in regaining compliance status. However, if the agency does not achieve compliance within a twelve month period, the Legislative Budget Board may revoke purchasing authority that the commission delegated to the agency under Government Code, Sections 2155.131 or 2155.133. If the Legislative Budget Board revokes an agency's delegated purchasing authority under this subsection, the comptroller may consider that fact an emergency requiring a transfer from the agency's appropriated funds to the commission appropriated funds of an amount equal to the cost the commission will incur in performing the functions formerly delegated to the agency as determined by the Legislative Budget Board.

10. It is the intent of the Legislature that when determining whether a public need exists for the continuation of a state agency or its advisory committees or for the performance of the functions of the agency or its advisory committees, the Sunset Advisory Commission shall consider the extent to which the agency has complied with requirements of state law or state agency rules regarding purchasing goals and programs for historically underutilized businesses.

11. It is the intent of the Legislature that a political subdivision of the state that receives state funds may establish a program to increase the participation of historically underutilized, disadvantaged, minority-owned and/or women-owned businesses as contractors and/or subcontractors on contracts with the political subdivision. To the extent permissible under the U.S. Constitution, such governing body may develop and implement goals based on any evidence, including an independent study, for the participation of such businesses as contractors and/or subcontractors.

12. This section is an expression of the intent of the Legislature and does not negate a power granted by general law.

Sec. 125. **Board Member Diversity.** Executive and judicial branch agencies and institutions which are statutorily or constitutionally authorized to appoint members of boards, commissions or advisory bodies, shall attempt to make these appointments so as to represent the gender composition, minority populations, and geographic regions of the state. In this section, "minority populations" include African Americans, Native Americans, Asian Americans, and Hispanic Americans.

EXPENDITURES SPECIFICALLY AUTHORIZED

Sec. 126. **Petty Cash Accounts.** A state agency may expend petty cash funds in a manner consistent with the provisions of §403.241, et seq., Government Code. Such amounts as are necessary for the efficient operation of state agencies should be drawn from appropriations where similar expenditures would be made.

Sec. 127. **Expenditures for Talking Book Machines.** Each state agency for which funds are appropriated by this Act is hereby authorized to expend not more than $100,000 per year from available appropriations for the purchase of talking book machines.

Sec. 128. **Employee Meal Authorization.** State agencies providing institution-based services, including the Department of Criminal Justice, the Department of Mental Health and Mental Retardation, the Texas Youth Commission, the School for the Blind and Visually Impaired, and the School for the Deaf, are hereby authorized to provide meals to employees working in institutional settings and may charge a fee at costs established by the agencies which do not exceed the direct and indirect costs of preparation.

Sec. 129. **Registered Nurses and Licensed Vocational Nurses.** Any state agency may pay an additional evening shift differential not to exceed 15 percent of the monthly pay rate to registered nurses who work the 3:00 p.m. to 11:00 p.m. shift, or its equivalent, and an additional night shift differential not to exceed 10 percent of the monthly pay rate to registered nurses and licensed vocational nurses who work the 11:00 p.m. to 7:00 a.m. shift, or its equivalent. An additional weekend shift salary differential not to exceed five percent of the monthly pay rate may be paid to registered nurses and licensed vocational nurses. The weekend shift salary differential may be paid to an eligible individual in addition to the evening shift or night shift salary differential.

Sec. 130. **Bank Fees and Charges.** From interest income appropriated by this Act, amounts may be used for the purpose of paying bank fees and charges as necessary.

Sec. 131. **Year 2000 Facilities Infrastructure.** Agencies and institutions of higher education appropriated funds for the purpose of facilities maintenance shall give high priority to the use of any appropriated funds to identify and remedy Year 2000 problems which might cause harm to the people of Texas. In addition, each affected agency or institution shall, by November 1, 1998, report to the Legislature on the problems identified, problems corrected and problems outstanding.

Sec. 132. **Postal Services.** An agency may expend appropriated funds to purchase any form of mailing service available from the United States Postal Service, including a change of address service, if the expenditure would result in lower postal costs for the agency and provided that the service is consistent with the level of accountability, timeliness, security, and quality of service of other available postal services.

The General Services Commission shall provide information to agencies relating to postal services available from the United States Postal Service and shall assist agencies in determining which services to use consistent with agency needs for accountability, timeliness, security, and quality of service.

Sec. 133. **Negotiated Rulemaking: Senate Bill 882 .** Contingent upon the enactment of Senate Bill 882, or other similar legislation by the 75th Legislature, Regular Session, relating to negotiated rulemaking by state agencies, a state agency may pay for costs necessary to meet the objectives of the Negotiated Rulemaking Act. To the extent allowed by the General Appropriations Act, the agency may use for this purpose money budgeted for any program area within the agency that may be positively affected by the use of the process.

Each agency which expends funds for the purposes described by this section shall file a semi-annual report, with the Governor's Office of Budget and Planning and the Legislative Budget Board, indicating specific purposes of such expenditures.

OTHER PROVISIONS

Sec. 134. **Prison-produced Goods.** In order that all state agencies and institutions covered by this Act fully utilize funds herein appropriated, it is the intent of the Legislature that such agencies and institutions shall purchase goods produced by the Texas prison system when such goods are equal to or lower in price than goods of a comparable quality when purchased on the open market.

Sec. 135. **Acquisition of Property.** In order to conserve the moneys appropriated by this Act, the General Services Commission and the governing board of an institution of higher education either acting directly or through the General Services Commission or through any other state agency in behalf of their respective institutions, are hereby authorized to negotiate purchases of commodities and supplies of any kind or character whatsoever needed by any state agency with the duly authorized agencies of the federal government. However, any such commodities or supplies so purchased shall be obtained at a price not to exceed the prevailing market value thereof, and if there be no market value then at the real or intrinsic value.

It is further provided that only for the purposes of the expenditures authorized in the preceding paragraph, the General Services Commission and the governing board of an institution of higher education may waive the requirement of bidder's bond and performance bonds, otherwise required, in negotiating such purchases with the duly authorized representatives of the federal government.

Except as specifically authorized to do so by statute, none of the agencies for which appropriations are made in this Act shall accept the donation of real property or expend any of the moneys appropriated herein for the purchase of real property without the expressed permission and authorization of the Legislature. It is further provided that the institutions of higher education are specifically authorized to accept gifts or devises of real property from private sources for the establishment of scholarships, professorships, or other trusts for educational purposes, provided such property will not hereafter require educational and general funds appropriations by the Legislature for operation, maintenance, repair, or the construction of buildings.

Sec. 136. **Sale of Hearings Transcripts.** Proceeds from the sale of transcripts made by hearings reporters who are state employees shall be deposited in the state treasury in all cases where the copies of the transcript are made on state time or using state supplies or equipment. State agencies allowing employees to retain proceeds from the sale of transcripts shall develop procedures for assuring that neither state equipment nor supplies are used in preparing copies of transcripts.

Sec. 137. **State Telephone System Use.** It is the intent of the Legislature that policy manuals of state agencies and institutions of higher education contain the directive that state employees be advised that an employee may be held liable for the cost difference between a non-state telecommunications system call and a system call, unless the non-system call meets the following standards: (1) the executive head certifies to the Comptroller that an emergency exists; (2) the General Services Commission determines the non-system call is most cost effective; or (3) the system network is not available at the location.

Sec. 138. **Telecommunication Revolving Account.** All moneys paid into this account in accordance with the provisions of Chapter 2170, Government Code, are hereby appropriated and may be expended for the purposes set out in Chapter 2170. This includes services such as planning, development of requests for information and proposals and contract negotiations. The balance in this account as of August 31, 1997, is hereby reappropriated and may be expended for those same purposes.

Sec. 139. **Centralized Capitol Complex Telephone System.** This section shall apply to state departments and agencies in the Capitol Complex area utilizing the state-owned Centralized Telephone Service of the General Services Commission.

Upon certification by the General Services Commission as to the pro rata share of the system for each using agency, a reimbursement to the General Services Commission shall be accomplished by the most efficient and expeditious procedure possible including the elimination of warrant issuance when feasible. Funds applicable to the state-owned Centralized Telephone Service shall be maintained in the Telecommunication Revolving Account but specifically identified. The Telecommunication

Revolving Account shall be utilized as the depository for specific appropriations, reimbursements from using agencies, and shall be a source of funds to purchase, installment purchase, lease or otherwise acquire services, supplies, and equipment and to pay salaries, wages, and other costs directly attributable to the provisions and operations of the system.

All moneys paid into this account are appropriated for stated purposes and the balance at August 31, 1997, is reappropriated for the 1998 fiscal year and the balance at August 31, 1998, is reappropriated for fiscal year 1999. Not withstanding other provisions in this Act, the General Services Commission is authorized to enter into a lease-purchase or installment purchase agreement for equipment and related telephone lines, etc., for a state-owned Centralized Telephone System.

Sec. 140. **Use of TEX-AN Network.** The Legislature instructs state agencies to use the Texas Agency Network (TEX-AN) to the fullest extent possible. Funds appropriated by this Act to state agencies as defined in Section 2151.002, Government Code, shall not be expended for the acquisition of intercity telecommunications facilities or services until a determination has been made by the General Services Commission (GSC) and the Department of Information Resources (DIR) that the agency requirement for intercity telecommunications cannot be met by the TEX-AN network. State agencies shall not enter into or renew contracts with carriers or other providers of intercity telecommunications facilities or services without obtaining waivers from the GSC and DIR certifying that the requested intercity telecommunications requirements cannot be provided at reasonable costs on the TEX-AN network. Waiver requests will be evaluated by the GSC and DIR based on cost-effectiveness to the entire State of Texas. Waivers may be granted for specific periods of time and automatically expire upon the expiration date unless an extension is approved by the GSC and DIR. Contracts for services obtained under waiver shall not extend beyond the expiration date of the waiver.

Sec. 141. **Unlisted Telephone Numbers Prohibited.** None of the funds appropriated by this Act shall be expended by any state agency, official or employee thereof, for the payment or rental or toll charges on telephones which are not listed or available from "Information Operators" at telephone exchanges. This section shall not prohibit unlisted telephone numbers used in providing access to computers, telephone system control centers, long distance networks, elevator control systems, and other tone controlled devices where restricted access to the telephone number is justified for security or other purposes, or in narcotic undercover operations or in detection of illegal sales of securities under the Securities Act.

Sec. 142. **Examination Fees.** All examination fees, including the cost of the examination, shall be collected by state agencies and the payment for the examination cost shall be paid from funds appropriated to the agency.

Sec. 143. **Use of State Energy Resources.** Before expending any funds appropriated by this Act for the acquisition of oil, gas, coal, lignite or other natural resource used in the production of energy, any agency or institution which leases land for mineral development through a board for lease as authorized by Natural Resources Code, Chapters 34, 35 or 36, shall use, to the greatest extent practical, resources produced from land owned by the institution or agency to meet the energy requirements of the particular institution or agency. In order to implement this provision, the various boards for lease shall include a provision in all mineral leases to allow the taking in kind of any royalties due to the state. Further, the leases may include a provision for placing state meters on all gas wells at the wellhead for monitoring the amount of gas taken.

Sec. 144. **In-kind Gas Program.** Under the authority of Subchapter H, Chapter 31 of the Natural Resources Code, the General Land Office shall review and approve any contract entered into by a state agency for the acquisition of an annual average of 100 MCF per day or more of natural gas used to meet its energy requirements. If the General Land Office is able to substitute a contract using in-kind royalty gas from state-owned lands or other gas for the contract under which the agency acquires or proposes to acquire its natural gas supplies, the Commissioner shall, on a monthly basis, inform the Comptroller of the savings being achieved by the agency and the Comptroller shall reduce the

agency's utility appropriation authority accordingly. The Comptroller shall transfer the savings realized into the General Revenue Fund.

Sec. 145. **State Preservation Board Approval.** State agencies appropriated funds to perform services with respect to the operation, maintenance, preservation and restoration of the State Capitol and Old General Land Office Building, or their contents and surrounding grounds, shall upon designation by the State Preservation Board expend funds appropriated by this Act to perform such services.

Sec. 146. **Collection of Funds for Institutional Clients.** It is the intent of the Legislature that all state agencies serving clients in institutions shall make every effort to collect funds from all available sources, including, but not limited to, hospitalization coverage and child support.

Sec. 147. **Retention of Mineral Rights.** No state lands shall be sold unless the mineral rights are retained by the state, unless impractical.

Sec. 148. **Access to State Lands.** The state shall require egress and ingress on all state lands when any state lands are sold, providing additional state lands in the immediate area an easement to a public thoroughfare.

No state funds shall be expended with any person, corporation or business entity for any purpose not presently specifically authorized by statute where that person, corporation or business entity denies the state access by easement to landlocked state properties. State funds shall be construed as any tax funds, bond monies guaranteed by the state or any other funds flowing to or through any state agency, board, commission, entity or authority and specifically includes river authorities.

Sec. 149. **State Property Use for State Purposes Required.** No person shall entrust state property to any state official or employee or to anyone else to be used for other than state purposes.

Sec. 150. **Use of Capital Trust Fund.**

1. It is the intent of the Legislature that all proceeds and interest deposited in the Capital Trust Fund to the credit of the Department of Mental Health and Mental Retardation and all receipts and interest received during the 1998-99 biennium from MHMR lands be expressly available for the purpose of funding future legislative appropriations for MHMR only. No proceeds or interest credited to the Capital Trust Fund for MHMR shall be available for appropriations benefitting any other state agency except as outlined in Subsection 2 below.

2. It is the intent of the Legislature that the Capital Trust Fund not be available or used by any agency for the purpose of paying salaries. In the event of conflict with other appropriation acts, any matching benefit charges for salaries paid from the fund must be treated as a charge against the appropriation for individual projects in order to conserve the integrity of cash received from each land sale.

Sec. 151. **Memberships or Dues for Professional Organizations.** In order to conserve funds appropriated by this Act to agencies and institutions of higher education, the agency head or head of an institution of higher education, or that person’s designee, shall review and grant prior approval for any expenditures for recurring memberships or dues to professional organizations. This provision shall not apply to a state library.

Sec. 152. **Limitation on Expenditures for Leased Space.** None of the funds appropriated by this Act may be expended for leased office or building space for operations which are moved into newly constructed, purchased, expanded, or renovated state owned facilities funded from Texas Public Finance Authority Revenue Bonds.

Sec. 153. **Consolidation of Lease Space to State Owned Space.** In the event that any agency moves from leased space to state owned space subsequent to the passage of this Act, the Comptroller

of Public Accounts is hereby directed to reduce funds appropriated to each affected agency, by an amount equal to the lease costs that would have been incurred for the remainder of the biennium had the agency remained in leased space, less the costs the agency incurs for moving and the agency's tenant finish-out expenses as defined by the General Services Commission. Required moving and tenant finish-out costs incurred by an agency moving from leased space to state owned space in fiscal year 1997 may be paid from 1998 year appropriations and costs incurred in 1998 may be paid from 1999 year appropriations as necessary to facilitate the move. Furthermore, the Comptroller of Public Accounts is hereby directed to transfer to the General Services Commission from the special funds or accounts, including dedicated General Revenue Fund accounts, of those agencies that move into a state facility funded from Texas Public Finance Authority revenue bond proceeds, each agency's proportional share of the lease payments made for the facility as determined by the General Services Commission. The Comptroller shall reduce the amounts appropriated to the General Services Commission out of the General Revenue Fund for Lease Payments, in the appropriate article of this Act, by an amount equal to the sum of the transfers from the special funds or accounts. The funds so transferred are hereby appropriated to the General Services Commission for the purposes of making lease payments to the Texas Public Finance Authority.

Sec. 154. **Space Occupied by Agencies.** Agencies funded through appropriations made by this Act, other than those in Articles III and IV, but including the Higher Education Coordinating Board, shall make every effort to achieve and maintain a ratio of not more than one-hundred-fifty-three (153) square feet per employee, in conformance with Section 2165.104, Government Code, at each agency site for usable office space as defined by the General Services Commission, in both state-owned and leased buildings, insofar as possible without sacrifice of critical public or client services. For purposes of this provision, sites at which 15 or fewer employees are located may be excluded. This provision shall not be construed so as to require an agency to relocate to another facility or site if such relocation would result in an increased building rental cost. Each agency shall report its progress toward achieving this objective in its annual financial report required by this Act.

This section shall not apply to the Higher Education Coordinating Board until the Board's lease for office space in effect on the effective date of this Act expires or is terminated.

Sec. 155. **High Speed Rail.** As soon as practicable, the Texas High-Speed Rail Authority created by Senate Bill 1190, Acts of the Seventy-first Legislature, Regular Session, or its successor, shall reimburse the General Revenue Fund for the amounts appropriated by Senate Bill 222, Acts of the Seventy-first Legislature, Regular Session.

Sec. 156. **Coordinated Technology Training.** The Legislature instructs all state agencies to maximize the utilization of appropriated funds used for information resource technology training by coordinating their training plans each calendar quarter with the Department of Information Resources if such offerings meet agency requirements and are cost-competitive.

Sec. 157. **Job Notice Posting Waiver.** To the extent permissible by law, any agency affected by legislatively-mandated reorganizations and/or mergers may transfer or reassign an employee without the necessity of posting a job vacancy notice provided that the executive director of the agency certifies that each transfer or reassignment is necessary for the proper implementation of the reorganization and/or merger.

Sec. 158. **Transfer of Master Lease Purchase Program Payments.** The Texas Public Finance Authority is hereby authorized to transfer each agency's share of administrative fees and lease payments pursuant to the Master Lease Purchase Program from each agency's appropriations made elsewhere in this Act to the Texas Public Finance Authority Master Lease Purchase Program cost of issuance funds and the State Lease Fund Account, respectively. Transfers for administrative fees and lease payments shall not be made earlier than fifteen (15) days prior to the date that debt service payment is required. The Texas Public Finance Authority may transfer funds necessary for Master Lease Purchase Program debt service payments from the State Lease Fund Account to the Texas Public Finance Authority Master Lease Purchase Program interest and sinking funds.

The Comptroller of Public Accounts shall assist the Texas Public Finance Authority in the transfer of lease payments. State agencies participating in the Master Lease Purchase Program shall cooperate in the timely transfer of lease payments to the Texas Public Finance Authority. The absence of specific Master Lease payment appropriations, identified in an agency's capital budget, shall not be construed to release an agency from lease payment obligations.

Sec. 159. **Agency's Participation in Master Lease Purchase Program.** It is the intent of the Legislature that all agencies participate in the Master Lease Purchase Program to the extent that the Master Lease Purchase Program is the most cost effective type of financing when using a lease-purchase method for acquisition of capital assets.

Sec. 160. **Administrative Fee Appropriation.** The administrative fees charged by the Comptroller of Public Accounts to cover the costs incurred as a result of administering the state employee organization membership fee deduction under Section 403.0165, Government Code, are to be deposited in the General Revenue Fund.

Sec. 161. **Alternative Fuels Finance Payments: Transfer and Appropriation.** The Texas Public Finance Authority (TPFA) is hereby authorized to transfer each agency's pro rata share of administrative fees and finance payments pursuant to the alternative fuels finance program from each agency's appropriations made elsewhere in this Act to the TPFA alternative fuels finance program cost of issuance fund(s) and the State Lease Fund Account, respectively. Transfers for administrative fees and lease payments shall not be made earlier than fifteen (15) days prior to the date that debt service payment is required. The TPFA may transfer funds necessary for alternative fuels finance program debt service payments from the State Lease Fund Account to the TPFA alternative fuels finance program interest and sinking fund(s) and is hereby appropriated all necessary amounts from those funds for payment of debt service associated with the program. Any reimbursements or payments received by the TPFA for services rendered under agreement with any political subdivision of the state participating in the alternative fuels finance program are hereby appropriated to the TPFA for debt service payments associated with the program.

Sec. 162. **Use of State Facilities for Meetings and Conferences.** All state agencies shall make use of state owned facilities for meetings and conferences unless such facilities are not available on the needed date(s) or are not adequate to accommodate the meeting or conference.

Sec. 163. **Contracting Requirements.** None of the funds appropriated in Article II or Article V of this Act shall be used to contract with or issue a license, certificate or permit to the owner, operator or administrator of a facility if the license, permit or certificate has been revoked by another Article II or Article V agency.

Sec. 164. **Identification of Funds for Early Childhood Programs.** Each agency receiving funds appropriated by this Act for early childhood programs and any appropriate interagency committee on early childhood programs shall coordinate efforts to identify potential sources of local, state, federal, and private funds and technical assistance to support collaboration and cooperation of local early child care and education programs.

Sec. 165. **Interagency Workgroup: Juvenile Crime Intervention.** It is the intent of the Legislature that Texas Department of Protective and Regulatory Services convene an interagency work group to maximize the utilization of federal categorical grants that support prevention and early intervention strategies to reduce the incidence of juvenile crime in local communities. The work group shall consist of representatives from the Texas Juvenile Probation Commission, Texas Youth Commission, Texas Department of Housing and Community Affairs, Texas Department of Health, Texas Department of Mental Health and Mental Retardation, Criminal Justice Division of the Governor’s Office, Health and Human Services Commission, Attorney General’s Office, and the Criminal Justice Policy Council. It is the intent of the Legislature that state supported colleges and universities be utilized to assist in community development, grant writing and evaluation at no cost to local communities.

Sec. 166. **Energy Saving Information Technology Equipment.** All state agencies shall consider costs of electrical energy in determining the "best value" for the agency in the procurement of information technology equipment. Those agencies, located in Capitol Complex buildings, whose electrical energy costs are paid by the General Services Commission and who upgrade, during the biennium beginning September 1, 1997, to more modern energy efficient equipment resulting in a continuing energy savings of 75% or more, shall be reimbursed for the calculated savings for the remainder of the biennium by a transfer of funds from appropriations made elsewhere in this Act to the General Services Commission for facilities operation. Amounts transferred pursuant to this section are hereby appropriated to the receiving agency.

Sec. 167. **Review of Agency Rules.** None of the funds appropriated by this Act shall be expended by a state agency for the purpose of developing, promulgating, or adopting rules unless the state agency reviews and considers for readoption, in accordance with this section, each rule adopted by that agency pursuant to Chapter 2001, Government Code (Administrative Procedure Act). Such reviews shall include, at a minimum, an assessment by the agency as to whether the reason for adopting or readopting the rule continues to exist. Such reviews shall be conducted in accordance with the Administrative Procedure Act in the same manner as for a proposed rule and shall be conducted no later than four years after a rule becomes final and no later than four years after a rule is readopted by an agency.

Prior to review of a rule, an agency shall file with the Texas Register a notice of intention to review. The notice of intention shall include the Texas Administrative Code citation to the rule to be reviewed. For the purpose of this section, publication in the Texas Register of the Texas Administrative Code citation to the rule to be reviewed shall satisfy the statutory requirement that the text of the rule be published in the Texas Register.

For a rule which became final prior to September 1, 1997, a review described by this section shall be conducted no later than August 31, 2001.

Each agency subject to this section shall develop a plan to review, in accordance with this section, all rules which became final prior to September 1, 1997 and shall file such plan with the Governor, the Legislative Budget Board and the Secretary of State and cause notice of such plan to published in the Texas Register no later than August 31, 1998. The Secretary of State shall make the full text of the plan available to the public without charge through an electronic medium.

Sec. 168. **Improve Access to Automated Teller Machines in State Facilities.** It is the intent of the Legislature to implement *Disturbing the Peace: The Challenge of Change in Texas Government* recommendation CG 5, the General Services Commission is hereby directed to survey state agency's needs and requirements for automated teller machine (ATM) services and shall administer and manage the leasing of state common space for ATM usage. This section is a specific exemption to Sec. 110, Vending Machines Authorized, and funds received from ATMs are not appropriated to the agency where the machine resides. The Comptroller's Office is hereby directed to deposit any ATM-related revenue, including leasing fees, into the General Revenue Fund, except for such revenue generated by higher education institutions and the State Preservation Board.

A credit union whose field of membership consists primarily of state employees shall not be prohibited from operating, for the benefit of those employees, an automated teller machine (ATM) in a state office building and, if such a credit union does not impose a user fee or surcharge for the use of the ATM by either members or non-members, the credit union shall not be required to pay a fee to the state for locating the ATM in the state office building.

Sec. 169. **Access to Public Information.** It is the intent of the Legislature to implement *Disturbing the Peace: The Challenge of Change in Texas Government* recommendation CG 15, to improve access to public information. The Records Management Interagency Coordinating Council (RMICC) shall develop a statewide subject-matter index for organizing state information by January 1, 1999. The RMICC shall seek information from all state agencies and institutions of higher education necessary

to ensure accurate categorization of programs and phone numbers. State agencies and institutions of higher education shall cooperate in this effort. Further, the General Services Commission (GSC) shall work with telephone companies to reorganize the Blue Pages government listings according to the subject-matter index developed by RMICC, and to include the telephone numbers for state government information. The GSC shall reorganize and expand phone directories it publishes to provide state agencies' phone numbers listed both alphabetically by agency name and by subject-matter, using the index created by RMICC. The GSC shall update the information it places on the Internet as frequently as it provides updated information to its own telephone operators.

Sec. 170. **Electronic Mail Addresses.** It is the intent of the Legislature to implement *Disturbing the Peace: The Challenge of Change in Texas Government* recommendation CG 16, each state agency and institution of higher education shall establish, maintain and publicize an Internet e-mail address to provide citizens with convenient access to state government no later than September 1, 1998.

Sec. 171. **Plan for Efficient Telecommunications in State Offices.** It is the intent of the Legislature to implement the Texas Performance Review report *Disturbing the Peace* recommendation CG 6 that state agencies plan for efficient use of telecommunications technologies. Accordingly, any agency that wires or re-wires state-owned or leased space shall comply with cabling standards promulgated by the Department of Information Resources (DIR). Plans for such wiring projects shall be submitted to the General Services Commission (GSC) for review and approval. The agency may proceed with the project if GSC fails to act within 10 days.

In addition, the Design, Construction and Leasing Division and the Telecommunications Division of the GSC shall work together prior to site location for any new state offices. The GSC shall consider telecommunications costs in selecting site locations and shall negotiate for favorable statewide contracts for cable and installation services.

The General Services Commission shall require co-located agencies to use a common telephone system in each location. The GSC shall develop a five-year plan for co-location. Any office scheduled for co-location that needs a telephone system during the interim shall obtain GSC approval. The GSC shall consider both compatibility with a future common system and the best method of acquisition in light of the planned relocation.

In the event legislation is enacted to implement Texas Performance Review *Disturbing the Peace* GG 6, references in this section to the Telecommunications Division of the General Services Commission shall mean the telecommunications corporation created by that legislation.

Prior to requiring co-located agencies to utilize a common telephone system, the General Services Commission shall conduct a study to determine the potential effect on customer satisfaction and cost effectiveness.

In addition, the General Services Commission shall conduct a customer satisfaction assessment of state agency automated telephone answering systems currently in operation.

Sec. 172. **Supported Employment at State Agencies.** Contingent upon the enactment of legislation implementing the Texas Performance Review report *Disturbing the Peace* recommendation WF 7 that would allow state agencies to use their employees as supported employment providers for supported employment clients working in state agencies, it is the intent of the Legislature that state agencies and institutions of higher education be allowed to offer non-cash incentives to employees who serve as supported employment providers for their co-workers. Such incentives may include, but not be limited to, compensatory time. It is the intent of the Legislature that state employees who serve as supported employment providers for their co-workers would do so within the scope of their usual workday, and not work in excess of 40 hours a week as a result of their supported employment duties.

In recognition of the possibility that state employees might have diminished productivity in their regular jobs if they take on supported employment duties, the Legislature hereby directs that state

agencies should be reimbursed for their employees' time out of the funds appropriated for supported employment services, the Texas Department of Mental Health and Mental Retardation, the Texas Rehabilitation Commission, the Texas Commission for the Blind, the Texas Education Agency, and the Texas Planning Council for Developmental Disabilities may reimburse state agencies and institutions of higher education who provide supported employment services to their employees through the use of other employees instead of outside vendors. For any employee who delivers supported employment services to a co-worker, the agencies listed above may reimburse an agency or institution of higher education at an hourly rate equal to that employee's hourly wage, except that such hourly rate may not exceed the hourly rate the agencies listed above would pay a supported employment vendor who is not a state employee.

Sec. 173. **Increase Information Sharing to Reduce Fraud.** It is the intent of the Legislature that the Health and Human Services Commission, the Texas Workers' Compensation Commission (TWCC), the Texas Department of Insurance, and health-profession licensing agencies implement recommendation FR 12 in *Disturbing the Peace: The Challenge of Change in Texas Government* by developing procedures to share information through database matches and mutual notification of actions against fraud. The TWCC and the Texas Workforce Commission (TWC) shall develop guidelines for information exchanges between the two agencies that would improve each agency's effectiveness through the use of the most current employee information. The Office of the Attorney General, Texas Department of Human Services, TWCC, and TWC shall expand the employee new-hire reporting program to accommodate the requirements of recent federal welfare reform legislation.

Sec. 174. **Restriction on Investment of State Funds.** Becoming effective September 1, 1998, neither the state nor any entity of state government, including but not limited to the comptroller, any department, commission, board or office of state government, any university system or institution of higher education as defined in Section 61.003 of the Education Code, any public retirement system as defined in Section 802.001 of the Government Code or any state depository board shall use state funds to invest in or purchase securities, including obligations, of a private corporation or other private business entity that owns 10% or more of a corporation or business entity, which records or produces any song, lyrics or other musical work that explicitly describes, glamorizes or advocates:

(1) act of criminal violence, including murder, assault, assault on police officers, sexual assault, and robbery;
(2) necrophilia, bestiality, or pedophilia;
(3) illegal use of controlled substance;
(4) criminal street gang activity;
(5) degradation or denigration of females; or
(6) violence against a particular sex, race, ethnic group, sexual orientation, or religion.

Sec. 175. **Paperwork Reduction.** It is the intent of the Legislature that each executive branch agency and each institution of higher education expending funds appropriated by this Act reduce, no later than January 1, 1998, the amount of information that it requires to be submitted, whether on paper or through an electronic medium, by its customers. For the purpose of this section, the term "customer" shall include: benefit recipients, clients, licensees, regulated entities, and students.

Sec. 176. **Notification of Increase in Appropriations.** The Legislative Budget Board shall inform the State Auditor when a state agency or an institution of higher education has received a large increase in appropriations, including a large increase in federal or other money passed through to the agency or institution. The State Auditor shall consider this information in devising an audit plan under Chapter 321, Government Code.

Sec. 177. **Study of Payment Methods.** The Comptroller shall conduct an in-depth study of the comparative costs and benefits of different standards payment methods, such as the cost reimbursement method and the unit rate method. State agencies shall cooperate with the Comptroller in the study. The Comptroller shall report the results of the study to the Governor and to the presiding officer of each house of the Legislature not later than December 15, 1998.

Sec. 178. **Recover Housing Costs.** It is the intent of the Legislature that the General Land Office (GLO) shall implement the Texas Performance Review report *Disturbing the Peace: The Challenge of Change in Texas Government* recommendation CG 18 by contracting for the determination of the fair market rental value of all housing provided to state employees by agencies required to report their housing. The GLO shall provide, to each state agency providing housing to employees, information on the fair market rental values no later than March 1, 1998. The GLO shall also provide the statewide total and agency totals to the Legislative Budget Board, the Governor's Office of Budget and Planning, and the Comptroller of Public Accounts no later than March 1, 1998.

The General Land Office is hereby appropriated $25,000 out of the General Revenue Fund for fiscal year 1998 to contract for the fair market rental value determination and $15,000 out of the General Revenue Fund for fiscal year 1999 to pay for the costs associated with continuing to contract for fair market rental value information.

Each agency required to report employee housing to the General Land Office shall recover at least 20 percent of the established fair market rental value of its housing during fiscal year 1999. The recovered funds are hereby appropriated to the agency for its use. The General Land Office shall provide the Comptroller, Legislative Budget Board, and Governor's Office of Budget and Planning with information regarding estimated and projected revenue gains achieved by agencies providing employee housing. The Comptroller shall reduce the general revenue appropriations of all agencies required to report their housing information to the General Land Office by a total of not less than $2,769,000 for fiscal year 1999 to reflect the additional revenues. In the event that actual revenue gains reported by the GLO are inadequate to achieve the targeted amounts, the Comptroller of Pubic Accounts shall determine the appropriate additional budget reductions.

Agencies that provide employee housing shall report to the Legislature annually all employees who receive agency housing, the fair market rental value of housing supplied by the agency, and the amount of revenue recovered to meet the mandated goals. All agencies and institutions of higher education not required to report real property information to the General Land Office shall report the estimated impact of similar requirements to the Seventy-sixth Legislature. The Texas Higher Education Coordinating Board shall report the information required of state institutions of higher education.

Sec. 179. **State-Owned Housing.**

a. Effective September 1, 1998, unless specifically authorized by this Act, no person shall receive housing below the rate established pursuant to Section 178 of this article. Individuals authorized by this Act for reduced rate housing are absolutely critical to safe operation of a facility.

b. No funds shall be expended to construct additional employee housing.

c. When existing facilities are no longer suitable for employee housing, the agency should determine the feasibility of converting the use of housing or razing the structure before making repairs or updates.

d. No person shall receive additional compensation in lieu of state-owned housing.

Sec. 180. **Emolument Elimination.** All agencies are authorized to provide free housing and utilities for certain agency employees until September 1, 1998. Notwithstanding the limitations placed on expenditures of funds for the payment of employee moving expenses contained in this Act, those individuals who choose to move from agency housing as a result of this provision are authorized to utilize state-owned equipment and personnel to move household goods. In the event that such equipment is unavailable, the agency is authorized to pay for the services of a commercial transportation company or self-service vehicles in an amount not to exceed $1,000 per move.

Sec. 181. **Cleaning Allowances.** A cleaning allowance is an allotment to help defray the cost of maintaining a uniform for certain state employees. A cleaning allowance authorized elsewhere in this Act for specific positions of employment is an authorization for the specific position and shall not transfer with an employee if that employee transfers to a position for which such reimbursement is not authorized. Cleaning and clothing allowances shall not be considered compensation for purposes of retirement contribution determination.

Sec. 182. **Increase Collection of State Receivables.** It is the intent of the Legislature to implement *Disturbing the Peace: The Challenge of Change in Texas Government* recommendation CG-23. The Comptroller of Public Accounts and the Office of the Attorney General shall jointly study the state's receivables and report the results of that study to the Seventy-sixth Legislature no later than January 31, 1999.

OTHER APPROPRIATIONS AND ADJUSTMENTS

Sec. 183. **Service Transfers.** Having determined that the reasonable costs of the services rendered by administrative and service departments or agencies of the state to certain state agencies in carrying out their statutory duties and responsibilities to be the sums herein indicated, the Legislature hereby adopts the foregoing fact-finding; and for the purpose of paying for such services there is hereby appropriated and the Comptroller of Public Accounts shall transfer from the following funds to the General Revenue Fund at the end of each fiscal year the following sums:

	For the Years Ending August 31, 1998	August 31, 1999
State Highway Fund No. 6	$ 7,500,000	$ 7,500,000
Game, Fish and Water Safety Account No. 9	770,805	801,314
Clean Air Account No. 151	283,069	289,083
Water Quality Account No. 153	37,779	37,130
Pharmacy Board Operating Account No. 523	61,900	64,350
Hazardous and Solid Waste Fees Account No. 549	61,400	61,400
Hazardous and Solid Waste Remediation Fee Account No. 550	174,261	197,765
Solid Waste Disposal Fees Account No. 5000	139,176	137,305
TOTAL	$ 9,028,390	$ 9,088,347

Sec. 184. **Capital Construction Project: Legislative Services Office Building.** Any unexpended balances, as of August 31, 1997, remaining in the appropriation made by Section 161, Article IX, of House Bill 1, Seventy-fourth Legislature, Regular Session, 1995, are hereby reappropriated for the original purposes for the biennium beginning September 1, 1997.

Sec. 185. **Capital Construction Project: State Insurance Building.** The Texas Public Finance Authority may issue revenue bonds or other revenue obligations in an amount estimated to be $8,600,000 to finance the renovation of the old State Board of Insurance Building. As provided by Article 601d, Vernon's Texas Civil Statutes, in recognition that cost estimates are not final at the time that the project is authorized for financing and that bonds may be issued to fund associated costs, including reasonably required reserve funds, capitalized interest, administrative costs of the authority and issuing expenses, the principal amount of any issuance of bond for this purpose may be in an amount not to exceed one and one-half the amount of the expected cost for the project being financed. From the proceeds of the issuance and sale of such bonds or obligations, such amounts as may be necessary to fund the associated costs of issuance are hereby appropriated to the Texas Public Finance

Authority for the fiscal biennium beginning September 1, 1997. From the remaining proceeds of the issuance and sale of such bonds, such amounts as may be necessary to fund any costs relating to the renovation of the old State Board of Insurance Building are hereby appropriated to the General Services Commission for the fiscal biennium beginning September 1, 1997. The capital project authorized in this section is not subject to limitations on capital budget expenditures included elsewhere in this Act.

Sec. 186. **Capital Construction Project: John H. Reagan Building.** The Texas Public Finance Authority may issue revenue bonds or other revenue obligations to finance the renovation of the John H. Reagan Building, at an estimated project cost of $25,463,400. As provided by Article 601d, Vernon's Texas Civil Statutes, in recognition that cost estimates are not final at the time that the project is authorized for financing and that bonds may be issued to fund associated costs, including reasonably required reserve funds, capitalized interest, administrative costs of the Authority and issuing expenses, the principal amount of any issuance of bonds for this purpose may be in an amount not to exceed one and one-half the amount of the expected cost for the project being financed. From the proceeds of the issuance and sale of such bonds or obligations, such amounts as may be necessary to fund the associated costs of issuance are hereby appropriated to the Texas Public Finance Authority for the fiscal biennium beginning September 1, 1997. From the remaining proceeds of the issuance and sale of such bonds or obligations, such amounts as may be necessary to fund any costs relating to the renovation of the John H. Reagan Building are hereby appropriated to the General Services Commission for the fiscal biennium beginning September 1, 1997. The capital project authorized in this section is not subject to the limitations on capital budget expenditures included elsewhere in this Act. In addition to the appropriations made above, the amount of $442,084 is appropriated in Article I of this Act for payment to the Texas Public Finance Authority for debt service payments on the revenue bonds or other obligations as authorized by this section.

Sec. 187. **State Health Care Purchasing.** Contingent upon the enactment of legislation for the purpose of implementing the recommendations in the Texas Performance Review report *Disturbing the Peace* HHS 30 that authorizes state agencies and certain local health care providers to use more flexible and efficient purchasing methods, appropriations out of the General Revenue Fund to the following agencies are hereby reduced by the amount listed:

	1998	1999
Office of the Attorney General	$218,250	$291,000
Commission for the Blind	3,000	4,000
Department of Human Services	579,750	773,000
Health and Human Services Commission	15,000	20,000
Department of Health	360,750	481,000
Interagency Council on Early Childhood Intervention	12,750	17,000
Department of Mental Health and Mental Retardation	161,500	260,000
Rehabilitation Commission	122,250	163,000
Workers' Compensation Commission	42,750	57,000

Sec. 188. **Year 2000 Conversion.** It is the intent of the Legislature that all state agencies and institutions of higher education adequately address and resolve the technology problems associated with conversion to the Year 2000. It is also the Legislature's intent that any funds appropriated for this purpose be expended exclusively on efforts to resolve the Year 2000 problem. Each state agency and institution of higher education shall be primarily responsible for its own information systems but will coordinate its efforts through the Department of Information Resources. Each state agency and institution of higher education shall cooperate with the Department of Information Resources in all respects concerning the Year 2000 problem, and shall provide to the Department, as often as may be required and in the format required by the Department, any and all information required by the Department pertaining to any aspect of the Year 2000 problem. While most state agencies and institutions of higher education have indicated an ability to address this issue within their current level of funding, several have requested additional funding specifically for this issue. Agencies requesting

additional funds indicated below may be allocated amounts for the purpose of resolving the Year 2000 conversion problem subject to the following provisions:

(a) The amount appropriated in this rider is sum certain and shall not be exceeded. Out of fund sources indicated below in subsection (d), $110,916,771 is hereby appropriated for the purpose of resolving the Year 2000 conversion problem.

(b) The amount appropriated in (a) above shall be deposited into a new agency number created within the Uniform Statewide Accounting System by the Comptroller of Public Accounts for the sole purpose of receiving, controlling, recording and disbursing Year 2000 project expenditures. The Department of Information Resources shall determine and advise the Comptroller of the timing, frequency and amount of funds to be transferred to each agency. The Department of Information Resources shall establish procedures for the approval of use of these funds which shall be distributed to agencies on a cost reimbursement basis only.

(c) The Comptroller shall establish an accounting process that records the amounts approved by the Department of Information Resources, and subsequently transferred to agencies, at a summary level by object of expense code at the Year 2000 project agency level in USAS. It is the intent of the Legislature that the extraordinary level of expenditures incurred by agencies in resolving the Year 2000 conversion problems not be reflected in the operating budgets and expenditures of each operating agency. The Comptroller's process must address these concerns in order to furnish the Legislature with accurate centralized records of all expenditures reimbursed through the Year 2000 Project agency as well as a report of the amounts and types of expenditures incurred by each operating agency participating in the use of such appropriations. Year-to-year and biennium-to-biennium comparative data for individual agencies should be maintained and reported in a manner designed to exclude the Year 2000 appropriations made herein.

(d) The amounts listed below are estimates only, and no agency shall be entitled to receipt of any portion of the funds listed below except to the extent each has obtained the necessary approval from the Department of Information Resources.

Agency	Fund/Account	Amount
Article I		
General Services Commission	General Revenue	$ 549,143
Comptroller of Public Accounts	General Revenue	16,633,650
Office of the Attorney General	General Revenue	937,478
Library and Archives Commission	General Revenue	164,050
Office of the Secretary of State	General Revenue	155,975
Article II		
Health & Human Services Commission	General Revenue	$ 161,308
Health & Human Services Commission	Federal Funds	17,923
Department of Mental Health and Mental Retardation	General Revenue	2,646,900
Rehabilitation Commission	Federal Funds	85,000
Department of Human Services	General Revenue	20,693,315
Department of Human Services	Federal Funds	33,494,185

OTHER APPROPRIATIONS AND ADJUSTMENTS
(Continued)

Article III

Texas School for the Deaf	General Revenue	$ 29,750
Higher Education Coordinating Board	General Revenue	146,775
Higher Education Coordinating Board	Student Loan Funds	79,033
Teacher Retirement System	Estimated Other Educational & General Income	892,500
Texas Education Agency	General Revenue	425,000
Texas Education Agency	Federal Health, Education, & Welfare Fund No. 148	425,000

Article IV

Office of Court Administration	General Revenue	$ 36,380

Article V

Department of Public Safety	State Highway Fund No. 6	$12,533,441
Department of Criminal Justice	General Revenue	$4,857,113

Article VI

General Land Office	General Revenue	$297,500
Railroad Commission	General Revenue	1,615,000
Railroad Commission	Oil Field Cleanup Account No. 145	940,000
Railroad Commission	Alternative Fuels Research & Education Account No. 101	65,000
Railroad Commission	TERRA Account No. 5014	100,000
Department of Agriculture	General Revenue	97,835
Animal Health Commission	General Revenue	149,175
Texas Natural Resource Conservation Commission	Hazardous & Solid Waste Remediation Fees Account No. 550	207,400
Texas Natural Resource Conservation Commission	Waste Tire Recycling Account No. 5001	207,400
Texas Natural Resource Conservation Commission	Petroleum Storage Tank Remediation Account No. 655	1,659,200

Article VII

Department of Commerce	General Revenue	$306,000

Article VIII

Worker's Compensation Commission	General Revenue	$1,020,000
Total:		$101,628,428

Department of Information Resources (DIR) Contingency $9,288,343

Method of Financing for DIR Contingency:

Fund/Account	Amount
General Revenue	$6,305,632
Federal Funds	1,976,301
Student Loan Funds	4,649
Estimated Other Educational & General Income	52,500
Federal Health, Education, & Welfare Fund No. 148	25,000
State Highway Fund No. 6	737,261
Oil Field Cleanup Account No. 145	55,294
Alternative Fuels Research & Education Account No. 101	3,824
TERRA Account No. 5014	5,882
Hazardous & Solid Waste Remdiation Fees No. 550	12,200
Waste Tire Recycling Account No. 5001	12,200
Petroleum Storage Tank Remediation Account No. 655	97,600
Total, DIR Contingency Method of Financing:	$9,288,343

Grand Total: $110,916,771

(e) Any agency that requires funding in addition to the amounts appropriated in Articles I through VIII of this Act to resolve the Year 2000 conversion problem may apply to the Legislative Budget Board and Governor's Budget Office for access to any available unobligated funds appropriated by this section. The Legislative Budget Board and Governor's Budget Office shall consider recommendations from the Department of Information Resources and may approve such allocations and advise the Department of Information Resources and the Comptroller of the available unobligated funds which may be utilized for these agencies.

Sec. 189. **Contingency Appropriation: House Bill 2133.** The following provisions are contingent upon enactment of House Bill 2133, or similar legislation by the Seventy-fifth Legislature, relating to the creation of the State Office of Risk Management:

1. Effective September 1, 1997, the appropriations and FTEs shown below shall be transferred to the State Office of Risk Management.

	1998	1999	FTEs
Office of the Attorney General			
Strategy E.1.1., Pay Workers' Compensation	$4,309,315	$4,309,315	84
Workers' Compensation Commission			
Strategy A.2.1., Risk Management Program	$838,825	$838,825	22

Accordingly, the "Number of Full-time Equivalent Positions (FTE)" figure indicated in Article I for the Office of Attorney General is hereby decreased by 84 for fiscal year 1998 and by 84 for fiscal year 1999; the "Number of Full-time Equivalent Positions (FTE)" figure indicated in

Article VIII for the Workers' Compensation Commission is hereby decreased by 22 for fiscal year 1998 and by 22 for fiscal year 1999. The amounts transferred from the Office of the Attorney General pursuant to this subsection shall be from the General Revenue Fund appropriation to that agency. The amounts transferred from the Worker's Compensation Commission pursuant to this section shall be from interagency contract receipts.

2. In addition to the amounts transferred pursuant to subsection 1, the State Office of Risk Management is hereby appropriated out of the General Revenue Fund $371,800 in fiscal year 1998 and $9,600 in fiscal year 1999 to be used for the purposes of moving, office renovation, and information systems installation.

3. Performance measures contained in Office of the Attorney General Strategy E.1.1., Pay Workers' Compensation, and Workers' Compensation Commission Strategy A.2.1., Risk Management Program, shall be applicable to the State Office of Risk Management. The State Office of Risk Management shall begin reporting, on a quarterly basis, to the Governor's Office of Budget and Planning and the Legislative Budget Board on all performance measures not later than February 28, 1998.

4. The State Office of Risk Management shall develop an operating budget to carry out the Office's duties and responsibilities pursuant to House Bill 2133. The operating budget must be submitted to the Governor's Office of Budget and Planning and the Legislative Budget Board by the latter of October 1, 1997, or within thirty days of the appointment of a director. The operating budget shall identify proposed expenditures and the method of financing for the biennium ending August 31, 1999 in a format prescribed by the Governor's Office of Budget and Planning and the Legislative Budget Board.

Sec. 190. **Sunset Bill Provisions: Department of Protective and Regulatory Services.** In addition to any additional conditions or limitations contained elsewhere in this section, the appropriations and appropriation reductions made by this section are hereby made contingent upon the enactment of Senate Bill 359, or similar legislation, by the Seventy-fifth Legislature, Regular Session.

1. **Streamline the Inspection of Day-care Facilities to implement recommendations in *Disturbing the Peace*.** The Department of Protective and Regulatory Services shall form an interagency task force with the Texas Workforce Commission, the Texas Department of Human Services, and the Texas Department of Health to develop and implement a protocol that coordinates day-care facility inspections. Appropriations made by this Act out of the General Revenue Fund to the Department of Protective and Regulatory Services are hereby reduced by $247,023 for fiscal year 1998 and $247,023 for fiscal year 1999. Appropriations made by this Act out of the General Revenue Fund to the Texas Workforce Commission are hereby reduced by $254,895 for fiscal year 1998 and $254,895 for fiscal year 1999. Appropriations made by this Act out of the General Revenue Fund to the Texas Department of Human Services are hereby reduced by $9,082 for fiscal year 1998 and $9,082 for fiscal year 1999.

   Contingent upon enactment of Senate Bill 359, or similar legislation, by the Seventy-fifth Legislature, there is hereby appropriated out of the General Revenue Fund to the Department of Protective and Regulatory Services $13,000 for fiscal year 1998 and $13,000 for fiscal year 1999 to maintain a computerized data base containing relevant day-care facility inspection information.

2. **Purchase the Most Cost-effective Substitute Care to implement recommendations in *Disturbing the Peace*.** Not later than September 1, 1998, the Department of Protective and Regulatory Services shall develop and implement a pilot program under which the Department purchases substitute care services through a competitive bidding process. The Department must design the pilot program to produce a substitute care system that is outcome-based and that uses the Department's outcome measures. Appropriations made by this Act out

of the General Revenue Fund to the Department of Protective and Regulatory Services are hereby reduced by $634,000 for fiscal year 1999.

Sec. 191. **Contingency Appropriation and Limitation on Expenditures: Temporary Assistance for Needy Families (TANF) Federal Funds.** For the biennium beginning September 1, 1997, in addition to sums appropriated elsewhere by this Act, the balance of all available TANF federal funds allocated to the State (estimated to be $25,085,494) is hereby appropriated for the purposes for which the TANF block grant is made. In the event of an expenditure requirement related to fiscal penalties, caseload growth, or other program needs (such as meeting work participation targets or increasing the capacity to serve TANF recipients facing time-limited benefits), the funds appropriated by this provision may be expended and/or transferred as appropriate by the Single State Agency for TANF, subject to the written prior approval of the Governor and the Legislative Budget Board and the following conditions:

i. Except for expenditures related to penalties or caseload growth, expenditure approval for funds appropriated by this provision will be based on documentation of a need for TANF funds, a written plan outlining the use and projected impact of the funds, progress in improving performance measures, and demonstrated effectiveness of the planned use of funds.

ii. The Texas Workforce Commission may not access TANF funds pursuant to this provision until contingency appropriations for the JOBS program have been expended or encumbered for the purpose of meeting work participation rates or providing employment services, and the Texas Workforce Commission has substantially met the performance targets established in the agency's approved plan for contingency appropriations for the JOBS program.

The expenditure of TANF federal funds is hereby limited to those amounts specifically identified and appropriated by this Act, unless specific written approval is made by the Legislative Budget Board and the Office of the Governor.

Sec. 192. **Contingency Appropriation: House Bill 1216.** Contingent upon enactment of House Bill 1216, or similar legislation relating to the creation and operation of the Texas Emancipation Juneteenth Cultural and Historical Commission, by the 75th Legislature, Regular Session, the Texas Emancipation Juneteenth Cultural and Historical Commission is hereby appropriated $210,000 in each fiscal year of the biennium out of funds deposited to the credit of the Emancipation Juneteenth Cultural and Historical Commission Account in the General Revenue Fund for the purpose of implementing House Bill 1216.

Sec. 193. **Improve Funding for the Texas Incentive and Productivity Commission.** Contingent upon enactment of Senate Bill 784, or similar legislation, to implement the recommendations of *Disturbing the Peace: The Challenge of Change in Texas Government* EI 9, the Comptroller shall reduce each state agency's and institution of higher education's appropriation by 72 cents per full-time and part-time employee and transfer the funds to the Texas Incentive and Productivity Commission. It is the intent of the Legislature that each fund and/or account pay the 72 cents in proportion to the number of employees being paid from that source. It is further the intent of the Legislature that these funds solely be used for administrative costs incurred by the Texas Incentive and Productivity Commission. The Comptroller shall prescribe rules and procedures to implement this rider.

Sec. 194. **Texas Healthy Kids Corporation.** The appropriations and appropriation reductions made by this section are hereby made contingent upon the enactment of House Bill 3, or similar legislation, by the Seventy-fifth Legislature, Regular Session.

1. **Initial Operations for the Texas Healthy Kids Corporation in Fiscal Year 1998.** The Department of Insurance is authorized to accept grants and gifts of money, property, or services on behalf of the Texas Healthy Kids Corporation to assist the acting Director in carrying out the powers of the acting Director in accordance with House Bill 3. The

Department may utilize funds appropriated to the Texas Department of Insurance for the purpose of temporarily employing staff and related expenses in beginning operations on behalf of the Corporation. All grants and gifts of money or property shall be held by the Department of Insurance in a suspense account until the appointment and qualification process of the Board of Directors of the Texas Healthy Kids Corporation has been completed. At that time, all amounts of money and property, except the amounts herein appropriated, shall be deposited to the credit of the Corporation as provided in House Bill 3. The Department of Insurance is hereby appropriated, from the receipts of the Texas Healthy Kids Corporation, the amount of $159,116 in fiscal year 1998 as reimbursement for expenditures incurred in carrying out the duties imposed in accordance with House Bill 3. Also contingent upon the enactment of House Bill 3 or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated in the bill pattern for the Texas Department of Insurance is hereby increased by 3 for fiscal year 1998.

2. **Set-up Funding for the Texas Healthy Kids Corporation.** The amounts of $3,020,500 for fiscal year 1998 and $1,750,000 for fiscal year 1999 are hereby appropriated to the Texas Healthy Kids Corporation out of the General Revenue Fund for the purpose of implementing House Bill 3. Funds appropriated by this subsection may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

3. **Funding of the Stabilization Revolving Fund.** Funds from the Child Support Retained Collections Account in the General Revenue Fund in the amount of $1,747,000 for fiscal year 1999 are hereby appropriated to the Comptroller of Public Accounts; these funds shall be deposited by the Comptroller in the Stabilization Revolving Fund established by House Bill 3 to be held in the Texas Treasury Safekeeping Trust Company and used for the payment of health care premiums for children whose premium is unable to be paid for a temporary period of time under rules established by the Texas Healthy Kids Corporation.

4. **Savings Related to IV-D Medicaid Cases.** Contingent upon enactment of House Bill 3, or similar legislation by the Seventh-fifth Legislature, Regular Session, that implements the Texas Performance Review recommendation HHS 1, the appropriation of general revenue to the Department of Health for the Medicaid Program made in Article II of this Act shall be reduced by $1,608,000 for fiscal year 1998 and $5,117,000 for fiscal year 1999.

Sec. 195. **Appropriation for a $100 per Month Salary Increase.**

(a) The Comptroller of Public Accounts is hereby appropriated an amount estimated to be $251,680,000 out of the General Revenue Fund and an amount estimated to be $171,360,000 out of other funds and accounts to fund the $100 per month salary increase for employees of state agencies, as such a salary increase is reflected in the salary rates authorized elsewhere in this Act. This subsection shall not apply to institutions of higher education.

(b) The Comptroller of Public Accounts is hereby appropriated an amount not to exceed $94,000,000 out of the General Revenue Fund and an amount estimated to be $46,295,000 out of other funds and accounts to provide for a $100 per month salary increase for the non-faculty employees of institutions of higher education and for employees of the Higher Education Coordinating Board. This section shall not apply to public community/junior colleges.

(c) This section shall not apply to statewide elected officials, justices and judges of the appellate and district courts, district attorneys, criminal district attorneys, or county attorneys performing the duties of a district attorney, or to compensatory per diem of board or commission members.

(d) Any increase in employee benefit costs associated with the salary increase provided by this Act shall be paid only out the appropriations made in subsections (a) and (b). Provisions requiring salaries and benefits to be proportional to the source of funds shall apply to all sums allocated under this section. Each agency and institution shall pay the increase in compensation from funds held in the state treasury and from local funds in the same proportion as the employee's regular compensation.

(e) Funds appropriated by subsection (b) shall be apportioned between the various institutions of higher education based on the results of a survey, previously conducted by the Legislative Budget Board, of the number of non-faculty employees of institutions of higher education. Included within the General Revenue Fund appropriation in subsection (b) are funds to be apportioned among the Department of Criminal Justice, the Texas Youth Commission and the Department of Mental Health and Retardation on a per capita basis to be applied to the $100 per month salary increase for employees of the University of Texas Medical Branch at Galveston, the Texas Tech University Health Sciences Center, and the University of Texas Health Science Center at Houston whose salaries are paid out of interagency contract receipts from contracts for the provision of inmate health care or psychiatric services.

(f) The Comptroller of Public Accounts shall promulgate rules and regulations as necessary to administer this section. Funds appropriated by subsections (a) and (b) shall be allocated to each agency and institution, and to the appropriate employee benefit appropriation items, in accordance with such rules and regulations and may be used only for the purpose of providing a salary increase and paying associated employee benefit costs.

(g) This section does not authorize an increase of classified salary rates or exempt salary rates above the rates listed in this Act.

Sec. 196. **Contingency Appropriation for Senate Bill 102.** Contingent upon the enactment of Senate Bill 102, or similar legislation relating to the creation and use of an emergency medical services and trauma care system fund, by the 75th Legislature, Regular Session, the Texas Department of Health is hereby appropriated $1,500,000 for fiscal year 1998 and $2,500,000 for fiscal year 1999 out of the Advisory Commission on Emergency Communications Account No. 5007 for the purpose of implementing that Act. The Department of Health is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items in Article II of this Act.

Sec. 197. **Department of Economic Development: Contingency for Senate Bill 932.** The following provisions are contingent upon the enactment of Senate Bill 932, or similar legislation, creating the Department of Economic Development (TDED), by the Seventy-fifth Legislature, Regular Session.

1. Pursuant to Senate Bill 932, or similar legislation, all appropriations made by this Act to the Department of Commerce are hereby transferred to the TDED.

2. Funds transferred to the TDED by this section may be expended to reimburse, in accordance with Section 4 of this article, the expenses of members of the Texas Strategic Military Planning Commission.

3. Funds appropriated by this Act to the Office of the Governor and/or Trusteed Programs within the Office of the Governor may be expended to provide administrative support for the Texas Strategic Economic Development Planning Commission, including, in accordance with Section 4 of this article, the expenses of members of the Commission.

4. The TDED shall develop an operating budget to carry out the governing board's duties and responsibilities pursuant to Senate Bill 932. The operating budget must be submitted to the Governor's Office of Budget and Planning and the Legislative Budget Board for approval no later than August 1, 1997 or within thirty days of the appointment of a executive director.

† Sec. 198. **Contingency Appropriation: Enrollment Growth.** Contingent on enactment of House Bill 4 and passage of House Joint Resolution 4, for the 1998-99 biennium, the amount of $165,000,000 is hereby appropriated out of the General Revenue Fund for the purpose of allocation to the Texas Education Agency for increases in student enrollment growth to the Foundation School Program greater than those projected in other provisions of this Act. In the event of an increase in student enrollment, the Comptroller of Public Accounts is hereby authorized to allocate, subject to the prior approval of the Governor and the Legislative Budget Board, appropriations under this provision to the Texas Education Agency.

† *As amended by House Bill 4, Regular Session, 1997.*

RECAPITULATION - ARTICLE IX
GENERAL PROVISIONS
(General Revenue)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Recover Housing Costs	$ 25,000	$ -2,754,000
Service Transfers	-9,028,390	-9,088,347
Capital Construction Project: State Insurance Building		
Capital Construction Project: John H. Reagan Building		
State Health Care Purchasing	-1,516,000	-2,066,000
Year 2000 Conversion	28,613,989	28,613,990
Contingency Appropriation: House Bill 2133	371,800	9,600
Contingency for Senate Bill 359	-498,000	-1,132,000
Contingency Appropriations, Temporary Assistance for Needy Families		
Contingency Appropriation: House Bill 1216		
Texas Healthy Kids Corporation: House Bill 3	1,412,500	-1,620,000
Appropriation for a $100 per Month Salary Increase	172,840,000	172,840,000
Contingency Appropriation: Senate Bill 102		
Contingency Appropriation: Enrollment Growth	100,000,000	
Appropriations Made in Other Legislation	65,000,000	
Total	165,000,000	
TOTAL, ARTICLE IX - General Provisions	$ 357,220,899	$ 184,803,243

RECAPITULATION - ARTICLE IX
GENERAL PROVISIONS
(General Revenue - Dedicated)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Recover Housing Costs	$	$
Service Transfers		
Capital Construction Project: State Insurance Building		
Capital Construction Project: John H. Reagan Building		
State Health Care Purchasing		
Year 2000 Conversion	1,683,000	1,683,000
Contingency Appropriation: House Bill 2133		
Contingency for Senate Bill 359		
Contingency Appropriations, Temporary Assistance for Needy Families		
Contingency Appropriation: House Bill 1216		
Texas Healthy Kids Corporation: House Bill 3		
Appropriation for a $100 per Month Salary Increase	33,505,000	33,505,000
Contingency Appropriation: Senate Bill 102	1,500,000	2,500,000
Contingency Appropriation: Enrollment Growth		
TOTAL, ARTICLE IX - General Provisions	$ 36,688,000	$ 37,688,000

RECAPITULATION - ARTICLE IX
GENERAL PROVISIONS
(Federal Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Recover Housing Costs	$	$
Service Transfers		
Capital Construction Project: State Insurance Building		
Capital Construction Project: John H. Reagan Building		
State Health Care Purchasing		
Year 2000 Conversion	18,011,704	18,011,704
Contingency Appropriation: House Bill 2133		
Contingency for Senate Bill 359		
Contingency Appropriations, Temporary Assistance for Needy Families	25,085,494	
Contingency Appropriation: House Bill 1216		
Texas Healthy Kids Corporation: House Bill 3	-2,623,000	-8,349,000
Appropriation for a $100 per Month Salary Increase	41,000,000	41,000,000
Contingency Appropriation: Senate Bill 102		
Contingency Appropriation: Enrollment Growth		
TOTAL, ARTICLE IX - General Provisions	$ 81,474,198	$ 50,662,704

RECAPITULATION - ARTICLE IX
GENERAL PROVISIONS
(Other Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Recover Housing Costs	$	$
Service Transfers		
Capital Construction Project: State Insurance Building	8,600,000	
Capital Construction Project: John H. Reagan Building	25,463,400	
State Health Care Purchasing		
Year 2000 Conversion	7,149,692	7,149,692
Contingency Appropriation: House Bill 2133		
Contingency for Senate Bill 359		
Contingency Appropriations, Temporary Assistance for Needy Families		
Contingency Appropriation: House Bill 1216	210,000	210,000
Texas Healthy Kids Corporation: House Bill 3	159,116	
Appropriation for a $100 per Month Salary Increase	34,322,500	34,322,500
Contingency Appropriation: Senate Bill 102		
Contingency Appropriation: Enrollment Growth		
TOTAL, ARTICLE IX - General Provisions	$ 75,904,708	$ 41,682,192

RECAPITULATION - ARTICLE IX
GENERAL PROVISIONS
(All Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Recover Housing Costs	$ 25,000	$ -2,754,000
Service Transfers	-9,028,390	-9,088,347
Capital Construction Project: State Insurance Building	8,600,000	
Capital Construction Project: John H. Reagan Building	25,463,400	
State Health Care Purchasing	-1,516,000	-2,066,000
Year 2000 Conversion	55,458,385	55,458,386
Contingency Appropriation: House Bill 2133	371,800	9,600
Contingency for Senate Bill 359	-498,000	-1,132,000
Contingency Appropriations, Temporary Assistance for Needy Families	25,085,494	
Contingency Appropriation: House Bill 1216	210,000	210,000
Texas Healthy Kids Corporation: House Bill 3	-1,051,384	-9,969,000
Appropriation for a $100 per Month Salary Increase	281,667,500	281,667,500
Contingency Appropriation: Senate Bill 102	1,500,000	2,500,000
Contingency Appropriation: Enrollment Growth	100,000,000	
Appropriations Made in Other Legislation	65,000,000	
Total	165,000,000	
TOTAL, ARTICLE IX - General Provisions	$ 551,287,805	$ 314,836,139

ARTICLE X

THE LEGISLATURE

Section 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated legislative agencies.

SENATE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Senate	$ 24,475,918	$ 26,307,731
Grand Total, SENATE	$ 24,475,918	$ 26,307,731

1. **Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Senate may be expended for constitutionally authorized annual salaries for Members of the Senate and the Lieutenant Governor, per diem, other salaries and wages, consumable supplies and materials, current and recurring operating expenses, films, membership dues in any national or regional organization of legislative leaders, capital outlay, building repair and remodeling and other expenses of the Senate including interim expenses of the Seventy-fifth and Seventy-sixth Legislatures as may be authorized by law or by resolution.

2. **Appropriation of Fees: Rental Space in Capitol Building.** The Texas Senate shall charge a reasonable fee for rental of space within the State Capitol Building under its control and authority. Any fees so collected are hereby appropriated for use by the Texas Senate during the biennium covered by this Act.

3. **Unexpended Balances.** Any unexpended balances as of August 31, 1997, in the appropriations made by the Legislature to the Senate are hereby reappropriated to the Senate for the same purposes for the biennium beginning September 1, 1997.

HOUSE OF REPRESENTATIVES

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. House of Representatives	$ 25,112,967	$ 26,090,799
Grand Total, HOUSE OF REPRESENTATIVES	$ 25,112,967	$ 26,090,799

1. **Purposes For Which Appropriations May Be Expended.** Funds appropriated to the House of Representatives may be expended for Constitutionally authorized annual salaries for Members of the House of Representatives, per diem, other salaries and wages, consumable supplies and materials, current and recurring operating expenses, films, membership dues in the National Conference of State Legislatures and in any national or regional organization of legislative leaders, capital outlay, building repair and remodeling, and other expenses for the House of Representatives, including interim expenses of the Seventy-fifth and Seventy-sixth Legislatures as may be authorized by law or resolution.

2. **Appropriation of Fees: Rental Space in Capitol Building.** The House of Representatives shall charge a reasonable fee for rental of space within the State Capitol Building under its control and authority. Any fees so collected are hereby appropriated for use by the House during the biennium covered by this Act.

3. **Unexpended Balances.** Any unexpended balances as of August 31, 1997, in the appropriations made by the Legislature to the House of Representatives are hereby reappropriated to the House of Representatives for the same purposes for the biennium beginning September 1, 1997.

4. **Transfer Authority.** Transfers in an amount determined by the Speaker of the House may be made from these balances for the purpose of funding Senate Bill No. 54, Acts of the Sixty-fifth Legislature, Regular Session.

5. **Unexpended Balances: Senate and House of Representatives.** Any unexpended balances as of August 31, 1998 in the appropriations made hereinabove to the Senate and the House of Representatives are hereby reappropriated for the same purposes for the fiscal year beginning September 1, 1998.

6. **Transfer and Appropriation to Legislative Budget Board Account.** Out of the appropriations made in this Article for the Senate or the House of Representatives, there may be transferred, upon the written approval of the Lieutenant Governor or the Speaker of the House, to an appropriations account for the Legislative Budget Board such sums as may be deemed necessary but not to exceed an aggregate of $4,223,580 for the fiscal year beginning September 1, 1997 and $4,223,580 for the fiscal year beginning September 1, 1998, for maintaining the operations of said Legislative Budget Board. In addition to amounts identified elsewhere in this provision, there is hereby appropriated to the Legislative Budget Board out of the General Revenue Fund a total of $3,500,000 for the 1998-99 biennium in lieu of prior and other interagency transfers, including: $300,000 in each fiscal year from the Texas Education Agency for school finance modeling, $250,000 in each fiscal year from the Texas Education Agency for the Educational Economic Policy Center, $340,000 in each fiscal year from the Texas Department of Human Services for the Federal Funds Analysis Unit, and $860,000 in each fiscal year for other necessary expenses in carrying out the provisions of Chapter 322, Government Code.

Such sums as may be transferred to an account for the Legislative Budget Board shall be budgeted by said board pursuant to Chapter 322, Government Code, and any amendments thereto including the payment of travel expenses and registration fees incurred by Budget Board members or members of its staff in attending meetings on problems of federal-state relations, interstate problems, problems affecting state or local governments, and meetings sponsored by the Council of State Governments or any of its affiliated organizations, and contributions incident to membership in national or regional organizations of state governments.

7. **Unexpended Balances: Legislative Budget Board.**

   a. Any unexpended balances as of August 31, 1997, in the appropriations made to the Legislative Budget Board for fiscal year 1997, are hereby reappropriated to the Legislative Budget Board for the biennium beginning September 1, 1997.

   b. Any unexpended balances as of August 31, 1998, in the appropriations made hereinabove to the Legislative Budget Board are hereby reappropriated for the same purposes for the fiscal year beginning September 1, 1998.

8. **Transfer to Sunset Advisory Commission Account and Unexpended Balances.**

   a. Out of the appropriations made in this Article for the Senate or the House of Representatives, there may be transferred upon the written approval of the Lieutenant Governor or the Speaker of the House, to an appropriations account for the Sunset Advisory Commission such sums as may be deemed necessary but not to exceed an aggregate of $1,307,370 for the fiscal year beginning September 1, 1997, and $1,311,966 for the fiscal year beginning September 1, 1998, for maintaining the operations of the commission. Any unexpended balances as of August 31, 1998, in the appropriations made hereinabove to the Sunset Advisory Commission are hereby reappropriated for the same purposes for the fiscal year beginning September 1, 1998.

   b. Any unexpended balances as of August 31, 1997, in the appropriations made to the Sunset Advisory Commission for fiscal year 1997, are hereby reappropriated to the Sunset Advisory Commission for the biennium beginning September 1, 1997.

LEGISLATIVE COUNCIL

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Legislative Council	$ 40,288,671	$ 40,288,671
Grand Total, LEGISLATIVE COUNCIL	$ 40,288,671	$ 40,288,671

1. **Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Legislative Council may be expended for payment of salaries and other necessary expenses in carrying out the provisions of Chapter 324, Acts, Fifty-first Legislature, Regular Session, 1949 (Senate Bill No. 316), and Chapter 448, Acts, Fifty-eighth Legislature, Regular Session, 1963

(Senate Bill No. 367), and of the operation of the data processing division and for expenses and registration fees of members of the Council or of members of its staff and advisory committees in attending any meetings on problems of Federal-State relations, interstate relations, problems affecting state or local governments, or meetings sponsored by the Council of State Governments; and for computer programs to assist in carrying out the statutory revision program (Chapter 448, Acts of the Fifty-eighth Legislature, 1963); completing updating, maintaining the statutory information retrieval program; and to provide data processing services to aid members and committees in accomplishing their legislative duties (Chapter 126, Acts of the Sixty-eighth Legislature, 1983). Out of funds appropriated above $1,000,000 annually shall be transferred each to the Senate and House of Representatives for printing costs and $50,000 each shall be transferred annually for moving expenses and the actual cost of legislative per diems of Members for Called Sessions of the 75th and 76th Legislature shall be transferred quarterly.

2. **Unexpended Balances.** Any unexpended balances as of August 31, 1997 in amounts previously appropriated to the Legislative Council are hereby reappropriated to the council for the biennium beginning September 1, 1997 for the purposes stated in rider provision 1 of the preceding appropriation to the council.

   Any unexpended balances in the appropriations account of the Legislative Council as of August 31, 1998 are hereby reappropriated to the Legislative Council for the fiscal year beginning September 1, 1998.

3. **Appropriation of Fees: Charges for Information Services.** In addition to other amounts appropriated, there is appropriated to the Legislative Council for the fiscal years beginning September 1, 1997 and September 1, 1998 any amounts received as charges under Section 323.014(c), Government Code.

COMMISSION ON UNIFORM STATE LAWS

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Commission on Uniform State Laws	$ 80,289	$ 80,289
Grand Total, COMMISSION ON UNIFORM STATE LAWS	$ 80,289	$ 80,289

1. **Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Commission on Uniform State Laws may be expended for payment of the contribution by the State of Texas to the National Conference of Commissioners on Uniform State Laws and for payment of other necessary expenses of the commission in carrying out provisions of Chapter 415, Acts, Fifty-second Legislature, Regular Session, 1951, as amended by Chapter 735, Acts, Sixty-fifth Legislature, Regular Session, 1977, including the printing of the commission's report and travel expenses of members of the commission to attend annual meeting of the National Conference of Commissioner's on Uniform State Laws and travel to the state capitol on commission business.

COMMISSION ON UNIFORM STATE LAWS
(Continued)

2. **Unexpended Balances.** Any unexpended balances as of August 31, 1997 in the general appropriations made for the Commission on Uniform State Laws are hereby reappropriated to the Commission on Uniform State Laws for the same purposes for the biennium beginning September 1, 1997.

   Any unexpended balances in the appropriations of the Commission on Uniform State Laws as of August 31, 1998 are hereby reappropriated to the Commission on Uniform State Laws for the fiscal year beginning September 1, 1998.

STATE AUDITOR'S OFFICE

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
1. State Auditor	$ 12,012,525	$ 12,062,525
Grand Total, STATE AUDITOR'S OFFICE	$ 12,012,525	$ 12,062,525
Method of Financing:		
General Revenue Fund	$ 11,062,525	$ 11,062,525
Other Special State Funds	950,000	1,000,000
Total, Method of Financing	$ 12,012,525	$ 12,062,525

1. **Legislative Audit Committee Direction.** The sums appropriated for the State Auditor's Office are to be expended under the direction and subject to the control of the Legislative Audit Committee in furtherance of the functions assigned by statute to the department.

2. **Fund Transfers for Reimbursement of Services.** In order that the General Revenue Fund may be reimbursed for the expenses of services performed for state agencies, departments, commissions, boards or divisions supported from funds other than the General Revenue Fund, it is hereby provided that the State Auditor may request the Comptroller to make transfers from unappropriated balances of such other funds to the General Revenue Fund. It is further provided that transfers may be requested from federal grant funds on deposit within special appropriations maintained by the state agencies, departments, commissions, boards or divisions in the General Revenue Fund. The amounts so requested for all transfers are to be based on actual costs of such services, and transfer of the requested amounts shall be made by the Comptroller with the approval of the Legislative Audit Committee.

   Where work is performed for state agencies, departments, commissions, boards or divisions that do not carry their funds in the State Treasury, it is hereby provided that reimbursement shall be made out of such funds to the General Revenue Fund for actual cost of such work, and billings therefor shall be made by the State Auditor with the approval of the Legislative Audit Committee.

3. **Appropriation of Reimbursements for Audit Activities.** Reimbursements received for work performed in fulfillment of federal audit requirements are hereby reappropriated to the State Auditor's Office.

STATE AUDITOR'S OFFICE
(Continued)

Reimbursements for costs incurred for work performed in auditing or oversight type reviews, as directed by the Legislature, of entities other than those defined as state departments and institutions of higher education, are hereby appropriated to the State Auditor's Office. (Examples of this type of work include reviews of river authorities, special districts, regional or metropolitan transit authorities, or other political subdivisions created by acts of the Legislature.)

4. **Unexpended Balances.** Any unexpended balance as of August 31, 1997, in amounts previously appropriated to the State Auditor from the General Revenue Fund is hereby reappropriated to the State Auditor for the same purposes for the biennium beginning September 1, 1997.

   Any unexpended balance remaining in the appropriations of the State Auditor as of August 31, 1998, is hereby reappropriated to the State Auditor for the same purposes for the fiscal year beginning September 1, 1998.

5. **Notification of State Auditor Reports.** The State Auditor shall provide copies of audit reports to the respective affected agencies and to the Legislative Audit Committee prior to public release of any audit or audit information.

LEGISLATIVE REFERENCE LIBRARY

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
1. Legislative Reference Library	$ 805,017	$ 1,054,763
Grand Total, LEGISLATIVE REFERENCE LIBRARY	$ 805,017	$ 1,054,763

1. **Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Legislative Reference Library may be expended for library administration and services, for salaries and wages, travel, consumable supplies and materials, current and recurring operating expenses, capital outlay, books and periodicals, and other necessary expenses to be expended under the direction of the Legislative Library Board.

2. **Unexpended Balances.** Any unexpended balances as of August 31, 1997, in the general appropriations made to the Legislative Reference Library are hereby reappropriated for the biennium beginning September 1, 1997.

   Any unexpended balances as of August 31, 1998, in the appropriations made hereinabove to the Legislative Reference Library are hereby reappropriated for the same purposes for the fiscal year beginning September 1, 1998.

Sec. 2. (a) A provision of the General Provisions of this Act that restricts or limits the use or transfer of appropriated funds, or that imposes a duty or places a limitation or condition precedent on a state agency, applies to entities and appropriations under this Article only to the extent that the provision by its terms specifically and expressly applies to those entities or appropriations. A general reference

to "funds appropriated by this Act" or similar words is not specific and express application for purposes of this section.

(b) Amounts appropriated under this Article may be transferred among entities covered by this Article in accordance with Chapter 326, Government Code.

Retirement and Group Insurance

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law; estimated	$ 3,804,721	$ 3,861,792
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees; estimated	$ 7,087,424	$ 7,229,173
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 10,892,145	$ 11,090,965
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 10,892,145	$ 11,090,965

Social Security and Benefit Replacement Pay

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Out of the General Revenue Fund:		
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH -- EMPLOYER Provide an employer match for Social Security contributions; estimated	$ 4,746,814	$ 4,818,016
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees; estimated	$ 1,440,199	$ 1,306,594

Social Security and Benefit Replacement Pay
(Continued)

Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 6,187,013	$ 6,124,610
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 6,187,013	$ 6,124,610

RECAPITULATION - ARTICLE X
THE LEGISLATURE
(General Revenue)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Senate	$ 24,475,918	$ 26,307,731
House of Representatives	25,112,967	26,090,799
Legislative Budget Board	1,750,000	1,750,000
Legislative Council	40,288,671	40,288,671
Uniform State Laws, Commission on	80,289	80,289
State Auditor's Office	11,062,525	11,062,525
Legislative Reference Library	805,017	1,054,763
Subtotal, Legislature	$ 103,575,387	$ 106,634,778
Retirement and Group Insurance	10,892,145	11,090,965
Social Security and Benefit Replacement Pay	6,187,013	6,124,610
TOTAL, ARTICLE X - The Legislature	$ 120,654,545	$ 123,850,353

RECAPITULATION - ARTICLE X
THE LEGISLATURE
(Other Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Senate	$	$
House of Representatives		
Legislative Budget Board		
Legislative Council		
Uniform State Laws, Commission on		
State Auditor's Office	950,000	1,000,000
Legislative Reference Library		
Subtotal, Legislature	$ 950,000	$ 1,000,000
Retirement and Group Insurance		
Social Security and Benefit Replacement Pay		
TOTAL, ARTICLE X - The Legislature	$ 950,000	$ 1,000,000

RECAPITULATION - ARTICLE X
THE LEGISLATURE
(All Funds)

	For the Years Ending August 31, 1998	For the Years Ending August 31, 1999
Senate	$ 24,475,918	$ 26,307,731
House of Representatives	25,112,967	26,090,799
Legislative Budget Board	1,750,000	1,750,000
Legislative Council	40,288,671	40,288,671
Uniform State Laws, Commission on	80,289	80,289
State Auditor's Office	12,012,525	12,062,525
Legislative Reference Library	805,017	1,054,763
Subtotal, Legislature	$ 104,525,387	$ 107,634,778
Retirement and Group Insurance	10,892,145	11,090,965
Social Security and Benefit Replacement Pay	6,187,013	6,124,610
TOTAL, ARTICLE X - The Legislature	$ 121,604,545	$ 124,850,353

ARTICLE XI. SAVINGS CLAUSE

If any section, sentence, clause or part of this Act shall for any reason be held to be invalid, such decision shall not affect the remaining portions of this Act; and it is hereby declared to be the intention of the Legislature to have passed each sentence, section, clause, or part thereof irrespective of the fact that any other sentence, section, clause or part thereof may be declared invalid.

ARTICLE XII. EMERGENCY CLAUSE

The importance of the legislation to the people of the State of Texas and the crowded condition of the calendars in both Houses of the Legislature create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three separate days in each House be suspended, and said Rule is hereby suspended; and this Act shall take effect and be in force from and after its passage, and it is so enacted.