

Greg Bonnen
Chair



Mary González
Vice Chair

**TEXAS HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS**

**AGENDA
SUBCOMMITTEE ON ARTICLES I, IV & V
MARY GONZÁLEZ, CHAIR**

FEBRUARY 21, 2023
08:00 AM
CAPITOL EXTENSION, E2.030

- I. CALL TO ORDER**
- II. CHAIR'S OPENING REMARKS**
- III. OFFICE OF THE ATTORNEY GENERAL**
 - Harrison Gregg, Analyst, Legislative Budget Board
 - The Honorable Ken Paxton, Attorney General of Texas
 - Brent Webster, First Assistant Attorney General, Office of the Attorney General
- IV. COMPTROLLER OF PUBLIC ACCOUNTS & FISCAL PROGRAMS**
 - Charles Smith, Analyst, Legislative Budget Board
 - The Honorable Glenn Hegar, Comptroller of Public Accounts
- V. COMMISSION ON THE ARTS**
 - K.J. Curtis, Analyst, Legislative Budget Board
 - Gary Gibbs, Ph.D, Executive Director, Texas Commission on the Arts
- VI. BOND REVIEW BOARD**
 - Harrison Gregg, Analyst, Legislative Budget Board
 - Rob Latsha, Executive Director, Bond Review Board
- VII. CANCER PREVENTION & RESEARCH INSTITUTE OF TEXAS**
 - K.J. Curtis, Analyst, Legislative Budget Board
 - Wayne Roberts, Chief Executive Officer, Cancer Prevention and Research Institute of Texas
- VIII. COMMISSION ON STATE EMERGENCY COMMUNICATIONS**
 - George Purcell, Analyst, Legislative Budget Board
 - Kelli Merriweather, Executive Director, Commission on State Emergency Communications

IX. EMERGENCY SERVICES RETIREMENT SYSTEM

- John Posey, Analyst, Legislative Budget Board
- Jerry Romero, Board Vice Chair, Texas Emergency Services Retirement System
- Tiffany White, Executive Director, Texas Emergency Services Retirement System

X. EMPLOYEES RETIREMENT SYSTEM & SOCIAL SECURITY & BENEFIT REPLACEMENT PAY

- John Posey, Analyst, Legislative Budget Board
- Porter Wilson, Executive Director, Employees Retirement System of Texas

XI. ETHICS COMMISSION

- George Purcell, Analyst, Legislative Budget Board
- Randy Erben, Vice Chair, Texas Ethics Commission
- J.R. Johnson, Executive Director, Texas Ethics Commission

XII. HISTORICAL COMMISSION

- K.J. Curtis, Analyst, Legislative Budget Board
- Catherine McKnight, Vice Chair, Texas Historical Commission

XIII. PUBLIC TESTIMONY

XIV. CLOSING REMARKS

XV. ADJOURN

AGENDA ITEM III:

**OFFICE OF THE ATTORNEY
GENERAL**

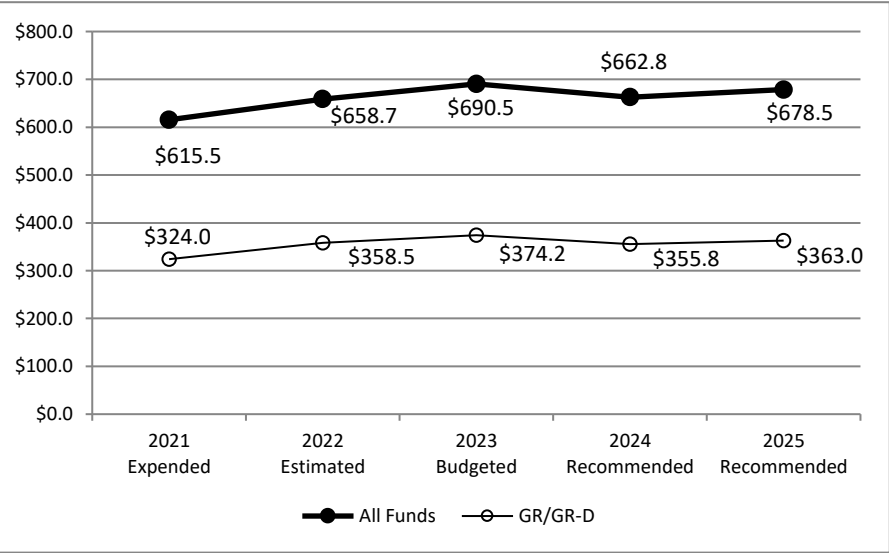
Office of the Attorney General
Summary of Budget Recommendations - House

Page I-3
 Ken Paxton, Attorney General
 Harrison Gregg, LBB Analyst

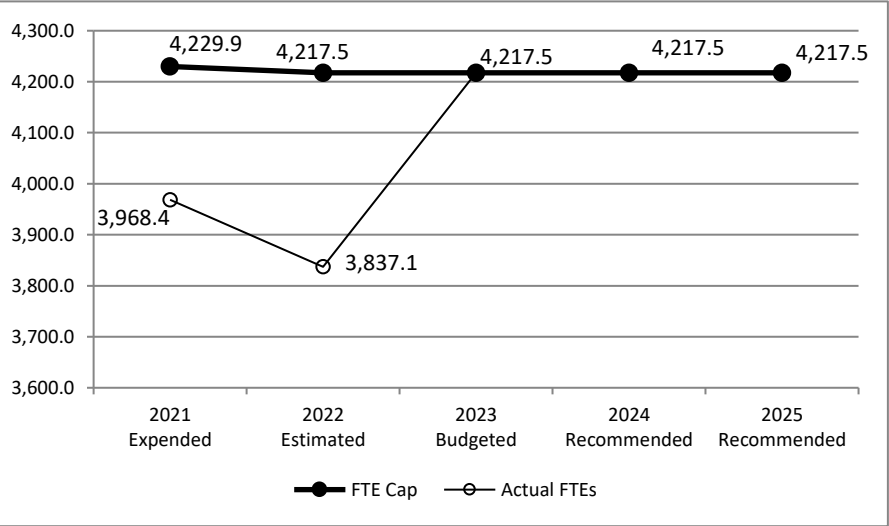
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$540,588,077	\$568,324,368	\$27,736,291	5.1%
GR Dedicated Funds	\$192,034,938	\$150,505,064	(\$41,529,874)	(21.6%)
<i>Total GR-Related Funds</i>	<i>\$732,623,015</i>	<i>\$718,829,432</i>	<i>(\$13,793,583)</i>	<i>(1.9%)</i>
Federal Funds	\$440,658,027	\$460,237,789	\$19,579,762	4.4%
Other	\$175,906,154	\$162,299,294	(\$13,606,860)	(7.7%)
All Funds	\$1,349,187,196	\$1,341,366,515	(\$7,820,681)	(0.6%)

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	4,217.5	4,217.5	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

Office of the Attorney General
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Decrease in GR for one-time expenditures relating to outside legal counsel for litigation against Google.	(\$23.4)	\$0.0	\$0.0	\$0.0	(\$23.4)	A.1.1.
B)	Method of finance swap of \$16.0 million in GR-D Account No. 0469 Compensation to Victims of Crime for federal Victims of Crime Act (VOCA) funds. \$12.9 million in GR/GR-D authority is shifted from GR-D 0469 in C.1.1, Crime Victims' Compensation, to \$12.9 million in GR in Child Support Enforcement.	\$12.9	(\$16.0)	\$16.0	\$0.0	\$12.9	B.1.1, C.1.1, & E.1.1.
C)	Decrease in GR and Federal Funds related to the removal of one-time funding for Phase II of the Child Support IT Modernization Project.	(\$16.1)	\$0.0	(\$37.3)	\$0.0	(\$53.4)	E.1.1.
D)	Increase in GR related to a method of finance swap from GR-D Account No. 0469 Compensation to Victims of Crime.	\$28.2	(\$28.2)	\$0.0	\$0.0	\$0.0	C.1.2.
E)	Increase in GR related to additional funding for victims assistance grants related to rape crisis centers.	\$14.0	\$0.0	\$0.0	\$0.0	\$14.0	C.1.2.
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
F)	Increase in All Funds related to statewide salary adjustments.	\$23.9	\$1.7	\$21.9	\$0.0	\$47.5	G.1.1.
G)	A net increase in matching Federal Funds related to an increase in financing for crime victims compensation claim payments (\$7.2 million), primarily due to the VOCA Fix Act, state funding for Child Support Enforcement (\$28.1 million), and an increase in federal asset forfeitures (\$0.1 million) offset by a decrease in state funding for Agency IT Projects (\$9.9 million).	\$0.0	\$0.0	\$25.5	\$0.0	\$25.5	A.1.1, B.1.1, C.1.1, & E.1.1.
H)	Decrease in GR and matching Federal Funds due to additional federal incentives that are anticipated to be collected to and appropriated from the Child Support Retained Collections Account for Child Support Enforcement.	(\$2.9)	\$0.0	(\$5.6)	\$0.0	(\$8.5)	B.1.1.
I)	Decrease in GR primarily related to one-time funding for CAPPS and Legal Case Legacy Modernization capital projects.	(\$8.9)	\$0.0	\$0.0	\$0.0	(\$8.9)	Various
J)	A net decrease in Federal Funds related to discretionary grants for criminal investigations, victims assistance, and asset forfeitures.	\$0.0	\$0.0	(\$1.2)	\$0.0	(\$1.2)	A.1.1. & C.1.2.

Office of the Attorney General
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
K)	A net increase in Interagency Contracts related to interagency legal services agreements offset by a decrease in Criminal Justice grants.	\$0.0	\$0.0	\$0.0	\$0.5	\$0.5	A.1.1.
L)	Decrease in Appropriated Receipts related to projected decreases in collections from Court Costs, Attorneys Fees, and other authorized fees.	\$0.0	\$0.0	\$0.0	(\$14.3)	(\$14.3)	A.1.1. & E.1.1.
M)	Decrease in GR related to the removal of funding for vehicle upgrades.	(\$0.2)	\$0.0	(\$0.3)	\$0.0	(\$0.5)	B.1.1.
N)	Increase in General Revenue (\$0.2 million), GR-D 0469 (\$1.0 million), Federal Funds (\$0.6 million) and Interagency Contracts (\$0.2 million) related to allocations for indirect costs and miscellaneous items.	\$0.2	\$1.0	\$0.6	\$0.2	\$2.0	Various
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$27.7	(\$41.5)	\$19.6	(\$13.6)	(\$7.8)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$79.0	\$2.7	\$64.0	\$0.7	\$102.4	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$51.5)	(\$44.2)	(\$44.4)	(\$14.3)	(\$110.2)	As Listed

Office of the Attorney General
Selected Fiscal and Policy Issues - House

1. **General Revenue – Dedicated Account Number 0469 Compensation to Victims of Crime.** GR-D Account No. 0469 receives state revenues from court costs paid by certain types of defendants, partial proceeds from the disposal of commissioners’ court surplus property, juror donations, and certain fees from civil penalties related to handgun licensing violations.

GR-D Account No. 0469 has faced significant declines in revenue from fiscal year 2016 to fiscal year 2022, at an average decrease of 5.1% per year. The decline in revenue was exacerbated by the COVID-19 pandemic with a decrease between fiscal year 2019 to fiscal year 2020 of 16.7%. Estimates provided by the OAG project that revenues to the account will stabilize somewhat during the 2024-25 biennium with a small increase in revenue expected between fiscal year 2022 and fiscal year 2024 of about 5.4%. According to the OAG, the decline is expected to resume in future biennia.

The 87th Legislature appropriated \$43.2 million in General Revenue as part of the OAG’s Rider 34, Transfer of General Revenue into Dedicated Accounts, to be deposited into GR-D Account No. 0469. Additionally, during the 87th, Third Called Session, the Legislature appropriated \$54.8 million in Coronavirus State Fiscal Recovery Funds as part of Senate Bill 8 to be deposited into the account. The OAG indicates that these additional funds have helped bolster the solvency of GR-D Account No. 0469 and based on assumptions made in the agency’s Legislative Appropriations Request, they anticipate that the account will have a remaining cash balance of \$21.0 million at the end of the 2024-25 biennium.

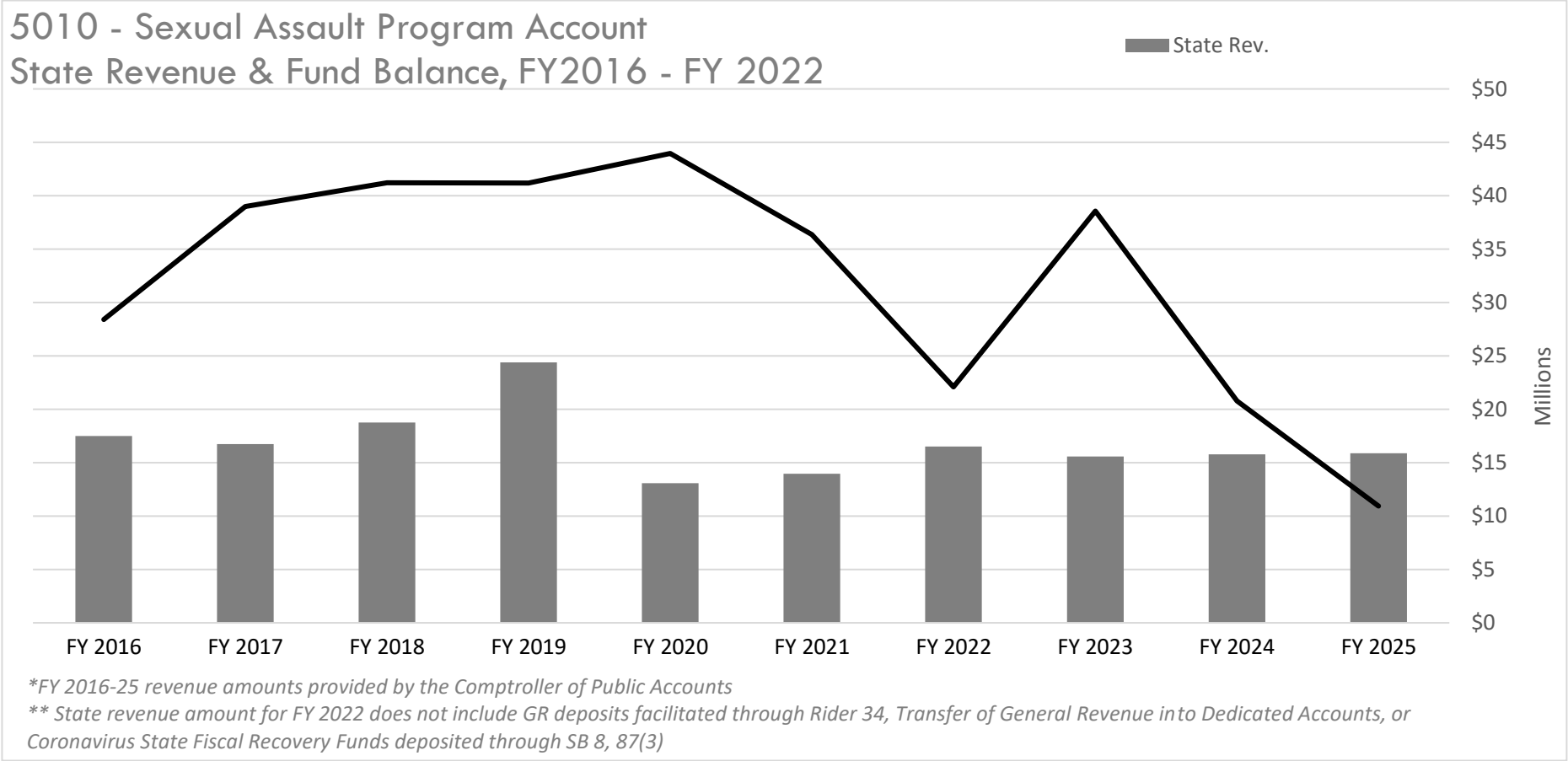
Recommendations include \$109.4 million in GR-D Account No. 0469 funding for the 2024-25 biennium, which is allocated towards C.1.1, Crime Victims’ Compensation and for statewide salary adjustments. This is a \$43.3 million decrease from the 2022-23 base amount of \$151.7 million. Recommendations also include an increase of \$16.0 million in Federal Funds due to a Method of Finance swap from GR-D Account No. 0469. A separate method of finance swap increases GR by \$28.4 million and decreases GR-D Account No. 0469 by the same amount within C.1.2. Victims Assistance to address long-term revenue decline affecting the account.

2. **General Revenue – Dedicated Account Number 5010 Sexual Assault Program.** GR-D Account No. 5010 was created to receive community and parole supervision and probation fees from individuals convicted of sexually related offenses, as well as professional fees collected from sexually oriented businesses. GR-D Account No. 5010 funds are used for grants to increase awareness and prevention of sexual violence, to aid victims of human trafficking, to support sexual assault nurse examiner programs, and to increase services across the state for victims of sexual assault.

Aside from the OAG, appropriations out of GR-D Account No. 5010 are made to the Health and Human Services Commission, the Governor’s office, the Department of Public Safety, and the Supreme Court.

Agency (Program)	Est./Bud. 2022-23 Biennium Total	Recommended 2024-25 Biennium Total	Biennium Difference
OAG (Victims Assistance Grants)	\$32,192,200	\$32,370,544	\$178,344
Trusted Programs (Child Sex Trafficking Team)	\$2,564,548	\$2,000,000	(\$564,548)
HHSC (Child Advocacy Programs)	\$10,000,000	\$10,000,000	\$0
SCOT (Basic Civil Legal Services)	\$10,000,000	\$10,000,000	\$0
DPS (Human Trafficking Enforcement)	\$9,851,590	\$10,335,324	\$483,734
Total	\$64,608,338	\$64,705,868	\$97,530

The 87th Legislature appropriated \$26.1 million in General Revenue as part of the OAG’s Rider 34, Transfer of General Revenue into Dedicated Accounts, to be deposited into the GR-D Account No. 5010. Additionally, during the 87th, Third Called Session, the Legislature appropriated \$52.3 million in Coronavirus State Fiscal Recovery Funds as part of Senate Bill 8 to be deposited into the account. The OAG indicates that these additional funds have helped bolster the solvency of GR-D Account No. 5010.



Recommendations include \$32.4 million in GR-D Account No. 5010 in the 2024-25 biennium to continue OAG victim assistance grants at the 2022-23 biennium funding levels. Recommendations also include the addition of a rider that, contingent upon passage of relevant legislation, would enable for the fee assessed on sexually oriented businesses in Sec. 102.051 of the Business & Commerce Code to be set within the General Appropriations Act.

3. **Victims Assistance.** Through Strategy C.1.2. Victims Assistance, the OAG coordinates with law enforcement entities, prosecutors' offices, other state agencies, and nonprofit organizations to provide grants and contracts supporting victim-related services. Seven assistance programs are administered by the OAG and their funding amounts are outlined in Rider 9 of the agency's bill pattern. Strategy C.1.2 is made up entirely of appropriations directed to these programs. Recommendations include a \$14.0 million increase in Victim Assistance funding for rape crisis centers in the 2024-25 biennium. This increase includes \$9.0 million to address current and projected waitlists for counseling services, \$4.0 million for a pilot program that provides funding to support the unique challenges faced by rural and border communities, and \$1.0 million towards a grant to implement a centralized training, technical assistance, and evaluation program for rape crisis centers across the state. Recommendations also include a \$0.7 million increase in funding primarily related federal awards for Rape Prevention & Education within the Sexual Assault Prevention and Crisis Services program for the 2024-25 biennium.

Program	Est./Bud. 2022-23 Biennium Total	Recommended 2024-25 Biennium Total	Biennial Difference
Victims Assistance Coordinators and Victims Liaisons	\$4,862,002	\$4,862,002	\$0
Sexual Assault Prevention and Crisis Services Program	\$39,721,527	\$53,268,032	\$13,546,505
Sexual Assault Services Program Grants	\$3,048,936	\$4,048,936	\$1,000,000
Legal Services Grants	\$5,000,000	\$5,000,000	\$0
Other Victim Assistance Grant	\$21,622,812	\$21,772,721	\$149,909
Statewide Victim Notification System	\$6,046,228	\$6,046,228	\$0
Address Confidentiality	\$322,698	\$322,698	\$0
Total	\$80,624,203	\$95,320,617	\$14,696,414

Method of Finance			
General Revenue	\$14,011,287	\$56,380,951	\$42,369,664
GR-D Compensation to Victims of Crime Fund No. 0469	\$28,263,710	\$0	(\$28,263,710)
GR-D Victims of Crime Auxiliary Fund No. 0494	\$322,698	\$322,698	\$0
GR-D Sexual Assault Program Account No. 5010	\$32,192,200	\$32,192,200	\$0
Federal Funds	\$5,834,308	\$6,424,768	\$590,460
Total	\$80,624,203	\$95,320,617	\$14,696,414

4. **Outside Counsel for Google Litigation.** In December 2020, the OAG filed suit against Google for violations of federal and state antitrust consumer protection law. The OAG contracted with Keller Lenkner LLC and the Lanier Law Firm for outside legal counsel services for this case. Keller Lenkner's contract is contingent, and they will only receive compensation if there is a monetary award from the litigation in OAG's favor, which is capped at 11% of the total recovery. Lanier requested a mixed hourly and contingent fee contract that contained an alternative fee structure that would be triggered if the Legislature appropriated at least \$43.2 million to the OAG for expert witnesses, hourly rates, and litigation costs. This alternative fee structure would allow for Lanier to collect a paid hourly rate (regardless of outcome), but with the caveat that the firm would receive a lower percentage of any award (5%). The 87th Legislature appropriated the \$43.2 million towards litigation costs related to the case, thus enabling the alternative fee structure for Lanier.

In January 2022, Google filed a motion to dismiss the multistate antitrust case brought forward by the OAG. This motion was denied in September 2022, which will allow the OAG to proceed litigation on all counts under Section 2 of the Sherman Act. The case will now proceed to discovery with the OAG expecting the trial to begin sometime in 2024.

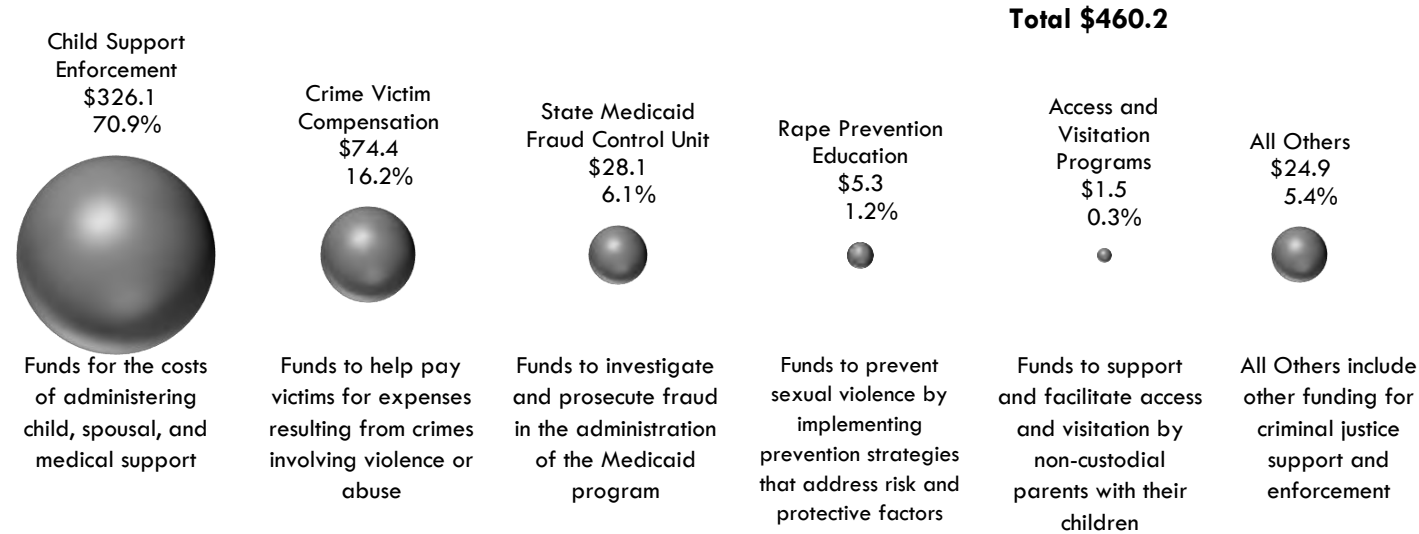
The OAG expended \$4.4 million in FY 2022 on witness fees and legal services related to the Google litigation. The OAG anticipates expending an additional \$19.0 million in FY 2023 relating to the case. Recommendations do not include the agency's request to revise Rider 32, Appropriation for Outside Legal Counsel and Litigation Services, of the OAG's bill pattern to allow the agency to carryforward unexpended balances from the \$43.2 million appropriation for outside legal counsel in litigation against Google. The agency estimates that the amount to be carryforward into the 2024-25 biennium would be roughly \$19.8 million.

5. **Child Support IT Modernization Project.** The Child Support IT Modernization Project was started in the 2020-21 biennium with the initiation of Phase I, which involved the implementation of agile software development processes and built out required systems architecture and infrastructure to serve as the foundation of the renewed system. Capital costs for Phase I of the project included \$46.1 million in the 2020-21 biennium and estimated continued operating costs of \$21.1 million in the 2022-23 biennium. Phase II of the project involved ongoing agile development and continuous integration and deployment models, refinement of systems architecture and infrastructure, and modernizing case management core system components, including legal and financial processing. Phase II capital costs are estimated at \$47.3 million for the 2022-23 biennium. Currently, Phase II is within budget and on schedule.

Phase III of the project is intended to continue transformation of the Texas Child Support Enforcement System using modern Software as a Service, integration Platform as a Service, low code, and cloud technologies. This phase would also complete the process of removing application dependencies from the legacy mainframe, optimize systems architecture and infrastructure, and modernizing case management core system components, including locate, establishment, enforcement, and reporting capabilities. Phase III is a two-year project set to begin September 1, 2023, with estimated costs of \$53.0 million of which \$19.2 million is in General Revenue and \$37.3 million is in federal funds.

Recommendations do not include funding for Phase III of the Child Support IT Modernization Project.

Office of the Attorney General
Summary of Federal Funds (2024-25)

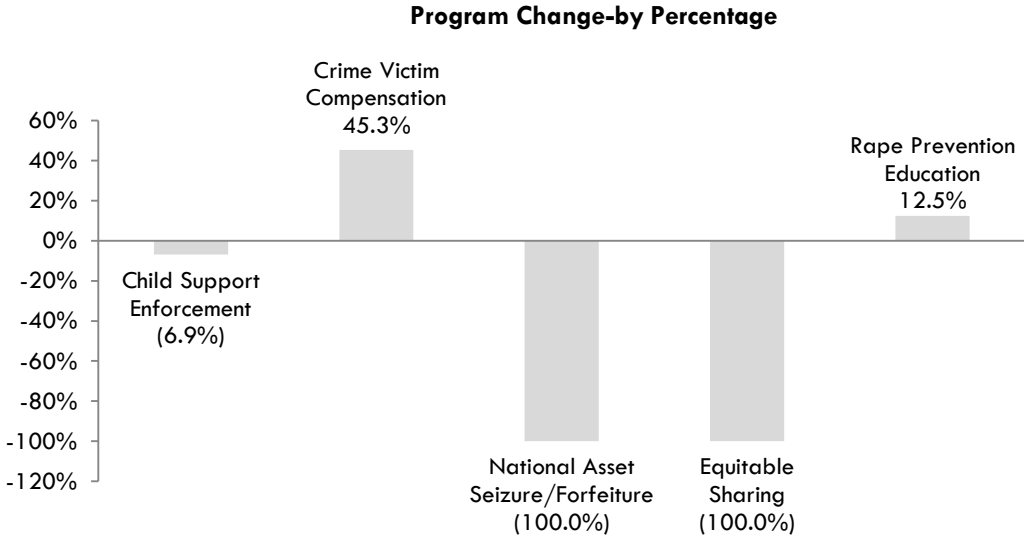
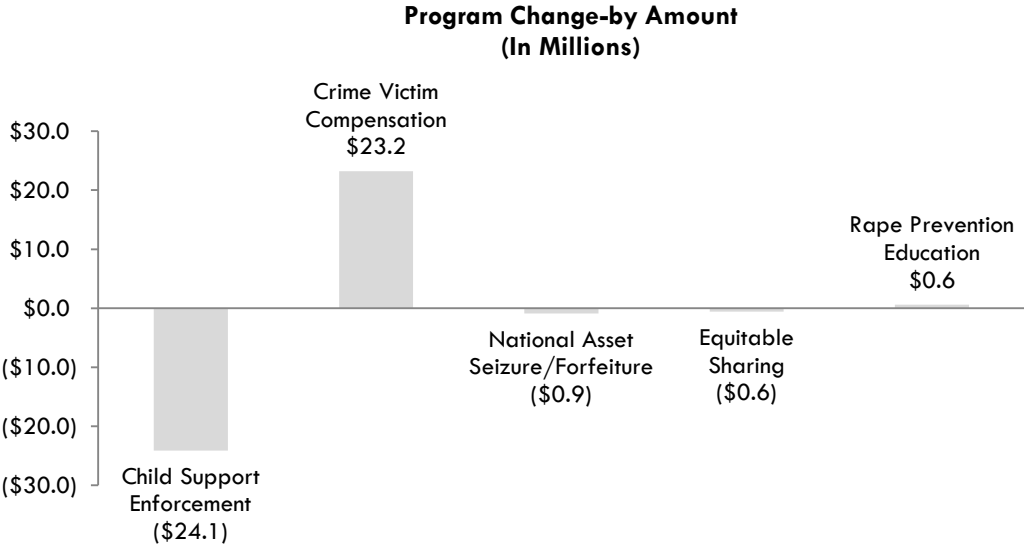


Selected Federal Fiscal and Policy Issues

Federal Funds estimates for the 2024-25 biennium include an estimated net decrease of \$0.9 million related to the Child Support Enforcement and Crime Victims Compensation programs.

An additional \$21.9 million in unallocated Federal Funds are appropriated to implement salary adjustments.

Programs with Significant Federal Funding Changes from 2022-23



**Office of the Attorney General
Rider Highlights - House**

Modification of Existing Riders

2. **Capital Budget.** Recommendations include the following:
 - Continuation of funding for Child Support Hardware/Software Enhancements at \$0.2 million and Crime Victims Management System Enhancement and Support at \$0.7 million for the 2024-25 biennium.
 - Removal of funding for Child Support Motor Vehicles for the 2024-25 biennium, which is a \$0.4 million decrease from the 2022-23 biennium. Pursuant to Art. IX, Sec. 17.17, Supplemental Appropriations Bill, the intention is to fund this through the supplemental bill.
 - Continuation of funding for Data Center Consolidation at \$119.2 million for the 2024-25 biennium, which is a \$28.4 million decrease from funding provided in the 2022-23 biennium through the 2022-23 GAA and HB 2, 87th Regular Session.
7. **Appropriations of Receipts, Court Costs.** Recommendations include an increase in Appropriated Receipts from \$23.0 million to \$25.0 million per fiscal year. Recommendations also include the addition of rider language that would require the agency to track revenue, expenditures, and allocations related to collections from court costs, attorneys' fees, and investigative costs.
9. **Victims Assistance Grants.** Recommendations include an increase in funding for Sexual Assault Prevention Crisis Services Program from \$39.7 million in the 2022-23 biennium to \$53.3 million in the 2024-25 biennium, for Sexual Assault Services Program Grants from \$3.0 million to \$4.0 million and for Other Victims Assistance Grants from \$21.6 million in the 2022-23 biennium to \$21.8 million in the 2024-25 biennium (also see page 7). Also, recommendations include the addition of rider language that designates funding amounts to be used for backlogs, a new pilot program to address unique issues faced by rural and border communities, and for the implementation of an evaluation program for rape crisis centers across the state. Furthermore, recommendations include a revision of rider language for clarity.
10. **Child Support Contractors.** Recommendations include the removal of language referencing Strategy E.1.1, Agency IT Projects due to the strategy not being funded.
15. **Interagency Contract with the Texas Department of Transportation.** Recommendations include an increase in Interagency Contracts appropriation amounts to provide legal services to the Texas Department of Transportation from \$6.7 million to \$7.2 million per fiscal year.
17. **Excess Incentive Collections.** Recommendations include an increase in Child Support Retained Collections appropriations received through federal incentives from \$92.0 million to \$96.2 million per fiscal year based on agency estimates.
19. **Unexpended Balance Carried Forward Between Biennia.** Recommendations include an increase in estimated Appropriated Receipts unexpended balances remaining from \$33.0 million at the end of FY 2021 to \$34.0 million at the end of FY 2023.
20. **State Office of Risk Management.** Recommendations include an increase in Interagency Contract appropriation amounts for the State Office of Risk Management from \$0.8 million to \$1.0 million per fiscal year.
22. **Annual Child Support Service Fee.** Recommendations include a decrease in estimated revenue from annual child support service fees deposited to General Revenue from \$22.5 million to \$20.1 million per fiscal year.
23. **Monthly Child Support Processing Fee.** Recommendations include a decrease in estimated revenue from monthly child support processing fees deposited to General Revenue from \$1.9 million to \$1.5 million per fiscal year.

- 29. **FTE Expenditure Limitation.** Recommendations add language clarifying that the limitations of this rider do not prevent the transfer of funds between Strategy B.1.1, Child Support Enforcement and B.1.2, State Disbursement Unit as necessary for child support operations.
- 31. **Child Support and Administration Transferability.** Recommendations include the removal of language referencing Goal E: General Administration, which is not funded in the recommendations.
- 37. **Legal Services Transferability and Reporting.** Recommendations include the revision of rider language to allow for the agency to transfer indirect cost funding into A.1.1, Legal Services to pay indirect costs as indicated in the agency's federal approved indirect cost rate plan.

Deleted Riders

- 32. **Appropriation for Outside Legal Counsel and Litigation Services.** Recommendations include the deletion of this rider due to the included funding being a one-time item.
- 33. **TXCSES 2.0.** Recommendations include the deletion of this rider due to TXCSES 2.0 project being cancelled in the 2020-21 biennium.
- 34. **Transfer of General Revenue into Dedicated Accounts.** Recommendations include the deletion of this rider due to the appropriation of General Revenue into Dedicated Accounts 469 and 5010 being a one-time funding item to address fund balance issues of those accounts (also see pages 4-7).

New Riders

- 37. **Federal Forfeitures.** Recommendations include the addition of a rider that would appropriate remaining federal forfeiture unexpended balances at the end of the 2022-23 biennium (estimated at \$100,000), to be used in the 2024-25 biennium within Strategy A.1.1, Legal Services.
- 38. **Contingency for Legislation Relating to Sexually Oriented Business Fee.** Recommendations include the addition of a rider that, contingent upon the passage of corresponding legislation, would set the amount assessed on sexually oriented businesses for each customer admitted.

Office of the Attorney General
Items Not Included in Recommendations - House

Section 5

	2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	Targeted Salary Increases. This request includes funding for a twelve-percent salary increases for assistant attorney generals, IT staff, and finance staff to support retention efforts in these areas.	\$19,463,860	\$26,119,812	0.0	No	No	\$26,119,812
2)	Google AdTech Litigation. This request includes funding for outside legal counsel in antitrust litigation against Google, as outlined in Rider 32, Appropriation for Outside Legal Counsel and Litigation Services, of the 2022-23 GAA. The requested amount consists of estimated unexpended balances that the agency is requesting the authority to carryforward into the 2024-25 biennium.	\$19,882,318	\$19,882,318	0.0	No	Yes	\$0
3)	Law Enforcement Operations Criminal Investigations Division (CID). This request includes funding for additional FTEs, tools, supplies, equipment, training, software licenses, and a data intelligence system solution (IT project) within CID, which falls within Strategy A.1.1, Legal Services. The additional FTEs consists of the following 30.0 positions: - 1.0 Major - 1.0 Captain - 2.0 Lieutenants - 24.0 Sergeants - 1.0 Crime Analyst II - 1.0 Program Specialist I	\$15,988,651	\$15,988,651	30.0	Yes	Yes	\$10,583,854
4)	Child Support System Modernization Project Phase III. This request includes funding for Phase III of the Child Support IT Modernization Project. This phase aims to remove remaining application dependencies from the legacy mainframe, optimize systems architecture and infrastructure, and modernizing case management system components.	\$19,219,606	\$56,528,252	0.0	Yes	Yes	\$10,250,000

Office of the Attorney General
Items Not Included in Recommendations - House

Section 5

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
5)	Legal Case Modernization. This request includes funding for the Legal Case Modernization capital project, which will migrate 14 agency legal divisions to a new system for case management. The first phase of this project is being completed in the 2022-23 biennium and involves the migration of three agency legal divisions over to the new system.	\$7,500,000	\$7,500,000	0.0	Yes	Yes	\$3,600,000
6)	Agency Mainframe Decommissioning. This request includes funding for the decommissioning of the agency's two legacy mainframe systems. One system is for the administrative and legal divisions and is being replaced by CAPPS Financials and Legal Case Legacy Modernization and the other is a system used by the Child Support Division and is being replaced by the Child Support IT Modernization Project.	\$11,425,000	\$24,625,000	0.0	Yes	Yes	\$180,000

Agency Requested Rider Revisions Not Included

A)	Modification of Rider 7, Appropriation of Receipts, Court Costs. The agency requests to modify Rider 7 to remove language that requires for the agency to setup accounting information in the Uniform Statewide Accounting System (USAS) that would track expenditures, revenue, and allocations related to court costs, attorneys' fees, and investigative costs recovered by the agency.	\$0	\$0	0.0	No	No	\$0
B)	Modification of Rider 32, Denial of Legal Representation. The agency requests to modify Rider 32 to remove language that requires the agency to provide to the Legislative Budget Board a written explanation as to a client agency was denied legal representation by the Office of the Attorney General.	\$0	\$0	0.0	No	No	\$0

Office of the Attorney General
Items Not Included in Recommendations - House

Section 5

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
C)	Deletion of Rider 33, Report on Certain Litigation. The agency requests to delete Rider 33, which requires that the agency submit a report to the House Appropriations Committee and Senate Finance Committee concerning the amount of money spent during the previous two fiscal years on litigation related to the enforcement of the Election Code.	\$0	\$0	0.0	No	No	\$0
D)	Deletion of Rider 34, Child Support Enforcement Salary Limitation. The agency requests to delete Rider 34, which requires the agency to seek written approval from the LBB in the event that the agency decides to expend funds within B.1.1, Child Support Enforcement on merit salary increases and promotions above a set threshold.	\$0	\$0	0.0	No	No	\$0
E)	Modification of Rider 36, Legal Services Transferability and Reporting. The agency requests to modify Rider 36 to remove language that requires the agency to submit a quarterly report that details the status of full time equivalent positions included in Strategy A.1.1, Legal Services.	\$0	\$0	0.0	No	No	\$0
F)	Reinstatement of Rider 32, Appropriation of Outside Legal Counsel and Litigation Services. The agency requests to reinstate Rider 32 to include a revised General Revenue appropriation amount of \$19,882,317 for an outside legal counsel contract related to litigation against Google. The amount reflects the unexpended portion of the 2022-23 appropriation for \$43.3 million. This request corresponds to Exceptional Item #2.	\$0	\$0	0.0	No	No	\$0
G)	Modification of Article IX, Sec. 17.11, Human Trafficking Prevention Coordinating Council. The agency requests to change the deadline for the reporting requirement for the Human Trafficking Prevention Coordinating Council from May 1 to December 1. This would align the reporting date with that of the Human Trafficking Prevention Task Force.	\$0	\$0	0.0	No	No	\$0
TOTAL Items Not Included in Recommendations		\$93,479,435	\$150,644,033	30.0			\$50,733,666

Office of the Attorney General
Appendices - House

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Office of the Attorney General
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
LEGAL SERVICES 1.1.1	\$280,280,022	\$246,057,932	(\$34,222,090)	(12.2%)	
Total, Goal 1, PROVIDE LEGAL SERVICES	\$280,280,022	\$246,057,932	(\$34,222,090)	(12.2%)	
CHILD SUPPORT ENFORCEMENT 2.1.1	\$672,338,667	\$700,503,844	\$28,165,177	4.2%	
STATE DISBURSEMENT UNIT 2.1.2	\$26,134,979	\$26,717,334	\$582,355	2.2%	
Total, Goal 2, ENFORCE CHILD SUPPORT LAW	\$698,473,646	\$727,221,178	\$28,747,532	4.1%	
CRIME VICTIMS' COMPENSATION 3.1.1	\$175,015,070	\$182,802,907	\$7,787,837	4.4%	
VICTIMS ASSISTANCE 3.1.2	\$80,624,203	\$95,320,617	\$14,696,414	18.2%	
Total, Goal 3, CRIME VICTIMS' SERVICES	\$255,639,273	\$278,123,524	\$22,484,251	8.8%	
MEDICAID INVESTIGATION 4.1.1	\$41,316,330	\$40,286,810	(\$1,029,520)	(2.5%)	
Total, Goal 4, REFER MEDICAID CRIMES	\$41,316,330	\$40,286,810	(\$1,029,520)	(2.5%)	
AGENCY IT PROJECTS 5.1.1	\$71,476,396	\$0	(\$71,476,396)	(100.0%)	
Total, Goal 5, GENERAL ADMINISTRATION	\$71,476,396	\$0	(\$71,476,396)	(100.0%)	
ADMINISTRATIVE SUPPORT FOR SORM 6.1.1	\$2,001,529	\$2,080,310	\$78,781	3.9%	
Total, Goal 6, ADMINISTRATIVE SUPPORT FOR SORM	\$2,001,529	\$2,080,310	\$78,781	3.9%	
SALARY ADJUSTMENTS 7.1.1	\$0	\$47,596,761	\$47,596,761	100.0%	
Total, Goal 7, SALARY ADJUSTMENTS	\$0	\$47,596,761	\$47,596,761	100.0%	
Grand Total, All Strategies	\$1,349,187,196	\$1,341,366,515	(\$7,820,681)	(0.6%)	

Office of the Attorney General
Funding Changes and Recommendations by Strategy - House -- GENERAL REVENUE FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
LEGAL SERVICES 1.1.1	\$159,370,551	\$132,550,605	(\$26,819,946)	(16.8%)	Recommendations reflect: 1) a decrease of \$23,400,796 in General Revenue for one-time expenditures relating to outside legal counsel for litigation against Google. 2) a decrease of \$3,419,150 in General Revenue primarily related to one-time funding for CAPPS and Legal Case Legacy Modernization capital projects.
Total, Goal 1, PROVIDE LEGAL SERVICES	\$159,370,551	\$132,550,605	(\$26,819,946)	(16.8%)	
CHILD SUPPORT ENFORCEMENT 2.1.1	\$325,992,665	\$331,977,139	\$5,984,474	1.8%	Recommendations reflect: 1) a decrease \$3,871,613 in General Revenue related to one-time funding for CAPPS and Legal Case Legacy Modernization capital projects. 2) an increase of \$12,895,068 in General Revenue due to a method of finance swap from GR-D 0469. 3) a decrease of \$2,868,981 in General Revenue due to increased collected and appropriated federal incentives from the Child Support Retained Collections Account. 4) a decrease of \$170,000 in General Revenue related to vehicle upgrades.
STATE DISBURSEMENT UNIT 2.1.2	\$11,311,937	\$11,311,938	\$1	0.0%	
Total, Goal 2, ENFORCE CHILD SUPPORT LAW	\$337,304,602	\$343,289,077	\$5,984,475	1.8%	
CRIME VICTIMS' COMPENSATION 3.1.1	\$389,413	\$0	(\$389,413)	(100.0%)	Recommendations reflect a decrease of \$389,413 in General Revenue primarily related to one-time funding for CAPPS and Legal Case Legacy Modernization capital projects.

Office of the Attorney General
Funding Changes and Recommendations by Strategy - House -- GENERAL REVENUE FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
VICTIMS ASSISTANCE 3.1.2	\$14,011,287	\$56,380,951	\$42,369,664	302.4%	Recommendations reflect: 1) a decrease of \$69,048 in General Revenue primarily related to one-time funding for CAPPs and Legal Case Legacy Modernization capital projects. 2) an increase of \$28,263,710 in General Revenue related to a method of finance swap from GR-D Account No. 0469 Compensation to Victims of Crime. 3) an increase of \$14,000,000 in General Revenue related to added funding for victims assistance grants related to rape crisis centers. 4) an increase of \$175,002 related to the allocation of indirect costs.
Total, Goal 3, CRIME VICTIMS' SERVICES	\$14,400,700	\$56,380,951	\$41,980,251	291.5%	
MEDICAID INVESTIGATION 4.1.1	\$13,231,257	\$12,206,170	(\$1,025,087)	(7.7%)	Recommendations reflect a decrease of \$1,025,087 in General Revenue primarily related to one-time funding for CAPPs and Legal Case Legacy Modernization capital projects.
Total, Goal 4, REFER MEDICAID CRIMES	\$13,231,257	\$12,206,170	(\$1,025,087)	(7.7%)	
AGENCY IT PROJECTS 5.1.1	\$16,114,674	\$0	(\$16,114,674)	(100.0%)	Recommendations reflect a decrease of \$16,114,674 in General Revenue related to the removal of one-time funding for Phase II of the Child Support IT Modernization Project.
Total, Goal 5, GENERAL ADMINISTRATION	\$16,114,674	\$0	(\$16,114,674)	(100.0%)	
ADMINISTRATIVE SUPPORT FOR SORM 6.1.1	\$166,293	\$0	(\$166,293)	(100.0%)	Recommendations reflect a decrease of \$166,293 in General Revenue primarily related to one-time funding for CAPPs and Legal Case Legacy Modernization capital projects.
Total, Goal 6, ADMINISTRATIVE SUPPORT FOR SORM	\$166,293	\$0	(\$166,293)	(100.0%)	
SALARY ADJUSTMENTS 7.1.1	\$0	\$23,897,565	\$23,897,565	100.0%	Recommendations reflect an increase in General Revenue related to statewide salary adjustments.
Total, Goal 7, SALARY ADJUSTMENTS	\$0	\$23,897,565	\$23,897,565	100.0%	
Grand Total, All Strategies	\$540,588,077	\$568,324,368	\$27,736,291	5.1%	

Office of the Attorney General
Funding Changes and Recommendations by Strategy - House -- GR DEDICATED

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
LEGAL SERVICES 1.1.1	\$7,838,247	\$7,838,247	\$0	0.0%	
Total, Goal 1, PROVIDE LEGAL SERVICES	\$7,838,247	\$7,838,247	\$0	0.0%	
CHILD SUPPORT ENFORCEMENT 2.1.1	\$0	\$0	\$0	0.0%	
STATE DISBURSEMENT UNIT 2.1.2	\$0	\$0	\$0	0.0%	
Total, Goal 2, ENFORCE CHILD SUPPORT LAW	\$0	\$0	\$0	0.0%	
CRIME VICTIMS' COMPENSATION 3.1.1	\$123,418,083	\$108,394,827	(\$15,023,256)	(12.2%)	Recommendations reflect: 1) a decrease of \$16,000,000 in GR-D 0469 due to a method of finance swap from VOCA Federal Funds to be used for crime victims' compensation payments. 2) an increase of \$976,744 in GR-D 0469 related to the allocation of indirect costs.
VICTIMS ASSISTANCE 3.1.2	\$60,778,608	\$32,514,898	(\$28,263,710)	(46.5%)	Recommendations reflect a decrease of \$28,263,710 in GR-D 0469 related to a method of finance swap for General Revenue.
Total, Goal 3, CRIME VICTIMS' SERVICES	\$184,196,691	\$140,909,725	(\$43,286,966)	(23.5%)	
MEDICAID INVESTIGATION 4.1.1	\$0	\$0	\$0	0.0%	
Total, Goal 4, REFER MEDICAID CRIMES	\$0	\$0	\$0	0.0%	
AGENCY IT PROJECTS 5.1.1	\$0	\$0	\$0	0.0%	
Total, Goal 5, GENERAL ADMINISTRATION	\$0	\$0	\$0	0.0%	
ADMINISTRATIVE SUPPORT FOR SORM 6.1.1	\$0	\$0	\$0	0.0%	
Total, Goal 6, ADMINISTRATIVE SUPPORT FOR SORM	\$0	\$0	\$0	0.0%	
SALARY ADJUSTMENTS 7.1.1	\$0	\$1,757,092	\$1,757,092	100.0%	Recommendations reflect an increase in GR-Dedicated funds primarily related to statewide salary adjustments.
Total, Goal 7, SALARY ADJUSTMENTS	\$0	\$1,757,092	\$1,757,092	100.0%	
Grand Total, All Strategies	\$192,034,938	\$150,505,064	(\$41,529,874)	(21.6%)	

Office of the Attorney General
Funding Changes and Recommendations by Strategy - House -- FEDERAL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
LEGAL SERVICES 1.1.1	\$3,542,473	\$1,806,242	(\$1,736,231)	(49.0%)	Recommendations reflect: 1) a decrease of \$1,836,231 in Federal Funds related to discretionary grants. 2) an increase of \$100,000 in Federal Funds related to federal asset forfeitures unexpended balances.
Total, Goal 1, PROVIDE LEGAL SERVICES	\$3,542,473	\$1,806,242	(\$1,736,231)	(49.0%)	
CHILD SUPPORT ENFORCEMENT 2.1.1	\$289,995,569	\$312,170,559	\$22,174,990	7.6%	Recommendations reflect: 1) an increase of \$28,074,187 in Federal Funds related to an increase in matching funds due to the reallocation of General Revenue to Strategy B.1.1, Child Support Enforcement. This reallocation is a result of the method of finance swap from GR-D 0469 to Federal Funds within Strategy C.1.1, Crime Victims' Compensation. 2) a decrease of \$5,569,197 in Federal Funds due to increased collected and appropriated federal incentives from the Child Support Retained Collections Account. 3) a decrease of \$330,000 in Federal Funds related to vehicle upgrades.
STATE DISBURSEMENT UNIT 2.1.2	\$14,823,042	\$15,405,396	\$582,354	3.9%	Recommendations reflect an increase of \$582,354 in Federal Funds related to an increase in matching funds due to a swap of \$3 fees for committed General Revenue.
Total, Goal 2, ENFORCE CHILD SUPPORT LAW	\$304,818,611	\$327,575,955	\$22,757,344	7.5%	
CRIME VICTIMS' COMPENSATION 3.1.1	\$51,207,574	\$74,408,080	\$23,200,506	45.3%	Recommendations reflect: 1) an increase of \$16,000,000 in Federal Funds related to a method of finance swap from GR-D 0469. 2) an increase of \$7,200,506 in Federal Funds related to an increase in financing for crime victim compensation claim payments, primarily due to the VOCA Fix Act.
VICTIMS ASSISTANCE 3.1.2	\$5,834,308	\$6,424,768	\$590,460	10.1%	Recommendations reflect an increase of \$590,460 in Federal Funds related to discretionary grants.
Total, Goal 3, CRIME VICTIMS' SERVICES	\$57,041,882	\$80,832,848	\$23,790,966	41.7%	

Office of the Attorney General					
Funding Changes and Recommendations by Strategy - House -- FEDERAL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
MEDICAID INVESTIGATION 4.1.1	\$28,080,640	\$28,080,640	\$0	0.0%	
Total, Goal 4, REFER MEDICAID CRIMES	\$28,080,640	\$28,080,640	\$0	0.0%	
AGENCY IT PROJECTS 5.1.1	\$47,174,421	\$0	(\$47,174,421)	(100.0%)	Recommendations reflect a decrease of \$47,174,421 in Federal Funds related to the removal of one-time funding for Phase II of the Child Support IT Modernization Project.
Total, Goal 5, GENERAL ADMINISTRATION	\$47,174,421	\$0	(\$47,174,421)	(100.0%)	
ADMINISTRATIVE SUPPORT FOR SORM 6.1.1	\$0	\$0	\$0	0.0%	
Total, Goal 6, ADMINISTRATIVE SUPPORT FOR SORM	\$0	\$0	\$0	0.0%	
SALARY ADJUSTMENTS 7.1.1	\$0	\$21,942,104	\$21,942,104	100.0%	Recommendations reflect an increase in Federal Funds related to statewide salary adjustments.
Total, Goal 7, SALARY ADJUSTMENTS	\$0	\$21,942,104	\$21,942,104	100.0%	
Grand Total, All Strategies	\$440,658,027	\$460,237,789	\$19,579,762	4.4%	

Office of the Attorney General
Funding Changes and Recommendations by Strategy - House -- OTHER FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
LEGAL SERVICES 1.1.1	\$109,528,751	\$103,862,838	(\$5,665,913)	(5.2%)	Recommendations reflect: 1) a decrease of \$6,149,211 in Appropriated Receipts related to projected decreases in collections from court costs, attorney fees, and other authorized fees. 2) a decrease of \$4,028 in Interagency Contracts - Criminal Justice grants. 3) an increase of \$487,326 in Interagency Contracts related to interagency legal services agreements.
Total, Goal 1, PROVIDE LEGAL SERVICES	\$109,528,751	\$103,862,838	(\$5,665,913)	(5.2%)	
CHILD SUPPORT ENFORCEMENT 2.1.1	\$56,350,433	\$56,356,146	\$5,713	0.0%	Recommendations reflect an increase of \$5,713 in Appropriated Receipts related to attorney's fees for child support cases.
STATE DISBURSEMENT UNIT 2.1.2	\$0	\$0	\$0	0.0%	
Total, Goal 2, ENFORCE CHILD SUPPORT LAW	\$56,350,433	\$56,356,146	\$5,713	0.0%	
CRIME VICTIMS' COMPENSATION 3.1.1	\$0	\$0	\$0	0.0%	
VICTIMS ASSISTANCE 3.1.2	\$0	\$0	\$0	0.0%	
Total, Goal 3, CRIME VICTIMS' SERVICES	\$0	\$0	\$0	0.0%	
MEDICAID INVESTIGATION 4.1.1	\$4,433	\$0	(\$4,433)	(100.0%)	Recommendations reflect a decrease of \$4,433 in Appropriated Receipts related to reimbursements.
Total, Goal 4, REFER MEDICAID CRIMES	\$4,433	\$0	(\$4,433)	(100.0%)	
AGENCY IT PROJECTS 5.1.1	\$8,187,301	\$0	(\$8,187,301)	(100.0%)	Recommendations reflect a decrease of \$8,187,301 in Appropriated Receipts primarily related to the removal of one-time funding for the Child Support IT Modernization Project Phase I.
Total, Goal 5, GENERAL ADMINISTRATION	\$8,187,301	\$0	(\$8,187,301)	(100.0%)	
ADMINISTRATIVE SUPPORT FOR SORM 6.1.1	\$1,835,236	\$2,080,310	\$245,074	13.4%	Recommendations reflect an increase of \$245,074 in Interagency Contracts related to the allocation of indirect costs.
Total, Goal 6, ADMINISTRATIVE SUPPORT FOR SORM	\$1,835,236	\$2,080,310	\$245,074	13.4%	

Office of the Attorney General					
Funding Changes and Recommendations by Strategy - House -- OTHER FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
SALARY ADJUSTMENTS 7.1.1	\$0	\$0	\$0	0.0%	
Total, Goal 7, SALARY ADJUSTMENTS	\$0	\$0	\$0	0.0%	
Grand Total, All Strategies	\$175,906,154	\$162,299,294	(\$13,606,860)	(7.7%)	

Office of the Attorney General
Summary of Federal Funds - House
(Dollar amounts in Millions)

Appendix B

Program	Est 2022	Bud 2023	Rec 2024	Rec 2025	2022-23 Base	2024-25 Rec	2024-25 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Child Support Enforcement	\$173.0	\$177.2	\$163.0	\$163.0	\$350.2	\$326.1	70.9%	(\$24.1)	(6.9%)
Crime Victim Compensation	\$24.9	\$26.3	\$36.4	\$38.0	\$51.2	\$74.4	16.2%	\$23.2	45.3%
State Medicaid Fraud Control Units	\$14.0	\$14.0	\$14.0	\$14.0	\$28.1	\$28.1	6.1%	\$0.0	0.0%
Rape Prevention Education	\$2.7	\$2.1	\$2.7	\$2.7	\$4.7	\$5.3	1.2%	\$0.6	12.5%
Grants to States for Access and Visitation Programs	\$0.7	\$0.7	\$0.7	\$0.7	\$1.5	\$1.5	0.3%	\$0.0	0.0%
Internet Crimes Against Children	\$0.8	\$0.7	\$0.7	\$0.7	\$1.5	\$1.4	0.3%	(\$0.2)	(10.9%)
Preventive Health and Health Services Block Grant	\$0.6	\$0.6	\$0.6	\$0.6	\$1.1	\$1.1	0.2%	\$0.0	0.0%
South West Border High Intensity Drug Trafficking Areas	\$0.2	\$0.2	\$0.2	\$0.2	\$0.3	\$0.3	0.1%	\$0.0	0.0%
All Other Grants ¹	\$1.5	\$0.5	\$7.6	\$14.5	\$2.0	\$22.1	4.8%	\$20.0	994.4%
TOTAL:	\$218.5	\$222.1	\$225.9	\$234.4	\$440.7	\$460.2	100.0%	\$19.6	4.4%

¹All Other Grants include funding for criminal justice support and enforcement, and unallocated salary adjustment funding.

Office of the Attorney General
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2021	Actual 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	4,229.4	4,217.5	4,217.5	4,217.5	4,217.5
Actual/Budgeted	3,968.4	3,837.1	4,217.5	NA	NA

Schedule of Exempt Positions (Cap)					
Attorney General, Group 6	\$153,750	\$153,750	\$153,750	\$153,750	\$153,750

- Notes:
- a) The State Auditor's Office Reports, Executive Compensation at State Agencies (Report 22-706, August, 2022), does not indicate market average salaries for elected officials. The salary for the Attorney General is a public policy decision that is not tied directly to the market average for similar professional positions.
 - b) The State Auditor's Office is the source of the FY 2021 and FY 2022 annual average (actual) FTE levels.
 - c) Fiscal years 2021 and 2022 actual FTE figures are less than the FTE cap limits primarily due to staff vacancies and turnover. Child Support contractors, which comprise of 116.9 FTEs in fiscal year 2021 and 199.1 FTEs in fiscal year 2022, are not included in the actual amounts for either fiscal year.



House Appropriations Committee February 21, 2023

The Office of the Attorney General

The Texas Attorney General is the State of Texas' chief legal officer. As provided by the Texas Constitution and governing statutes, the Office of Attorney General's (OAG) main responsibilities are:

1. Defending the State of Texas and its duly enacted laws by providing legal representation to the State, its officials and agencies, rendering legal opinions, reviewing bonds of public security, and ensuring compliance with the Texas Public Information Act.
2. Serving the children of Texas through the enforcement of the state's child support laws and the collection of child support on behalf of Texas families.
3. Securing justice for Texans by investigating and prosecuting criminal activities, including crimes of human trafficking, internet crimes against children, election fraud, assisting local law enforcement in prosecutions and appeals, investigating Medicaid fraud, apprehending fugitives, providing support to victims of violent crime, and administering victim assistance programs.
4. Protecting Texans from fraud, waste, and abuse by enforcing consumer protection and antitrust laws, educating consumers on fraudulent scams, and seeking recovery from Medicaid fraudsters in civil actions.
5. Safeguarding the freedoms of Texans as guaranteed by the United States and Texas constitutions.

Legal Services

The OAG continues to be a substantial source of revenue and provide cost savings for the state. The Texas constitution and numerous statutes require the OAG to defend the State of Texas and its duly enacted laws. To date, the Paxton Administration has recovered well in excess of \$2 billion to General Revenue and has avoided and minimized costly claims, potentially totaling billions in exposure to the state. In the last two years alone, the OAG has recovered almost \$1 billion to General Revenue. For example, by preventing the Centers for Medicare and Medicaid Services from arbitrarily and capriciously denying Texas' Medicaid 1115 Waiver, which provides critical funding and quality care to vulnerable communities, the OAG saved the State an estimated \$250 to \$300 billion over the next 10 years.

Child Support

Despite the ever-growing challenge of the child support caseload in Texas, the OAG's Child Support Division (CSD) leads the nation in child support collections and has earned more performance-based federal incentive payments than any other state. According to preliminary data from Federal Fiscal Year (FFY) 2021 (the last published reporting period), Texas led the nation by collecting more than \$4.51 billion in support. This total is \$1.9 billion more than the next-highest collecting state, California. In FY 2022, CSD recovered over \$287 million to reimburse the state for public assistance outlays. In addition to recovering public assistance expenditures already made, child support collections also help avoid future public assistance outlays, with an estimated \$1.56 billion in costs avoided in FY 2022 alone.



Protecting Texans

Protecting Texans is at the core of all OAG functions. OAG has been a global leader in combating the opioid epidemic and is leading a multi-state investigation and litigation effort against opioids manufacturers and distributors to ensure that Texas is able to secure the funds and resources necessary to combat the opioid crises. To date, the OAG has secured historic settlements with these distributors and manufacturers totaling nearly \$3 billion, much of it dedicated to opioid abatement purposes so effective strategies can be more broadly adopted and be directed to where the need is greatest.

Most recently, the OAG has entered into a multistate coalition to litigate against Google for multiple violations of federal and state antitrust and consumer protection laws, including anticompetitive conduct, exclusionary practices and deceptive misrepresentations in connection with its role in the multi-trillion-dollar online display advertising industry. These large-scale litigation efforts come with their own set of needs, and we appreciate the support we have received from the legislature in these litigation efforts that are invaluable for our citizens and for democracy.

The recent Court of Criminal Appeals' decision in *State v. Stephens*, PD-1032-20, 2021 WL 5917198 Tex. Ct. Crim. App. (2021), holding that only District Attorneys have inherent authority to may criminally prosecute election fraud, created a critical gap in the enforcement of election law and a danger to the integrity of elections. Safeguarding the public against election fraud to ensure all elections in Texas are transparent and secure is at the cornerstone of a thriving republic and we will continue to work to ensure that the people of the State of Texas be provided with safe, secure, and transparent elections. Additionally, the OAG Criminal Investigations Division is responsible for criminal investigations and support of prosecutions for the OAG and State of Texas and conducts both proactive and reactive investigations.

The OAG's Criminal Investigation Division's areas of responsibility, which includes the Child Exploitation and Cold Case Units, has seen a tremendous caseload growth. In 2022 alone, the OAG's Child Exploitation Unit received over 20,000 CyberTips and referrals for investigation and this number unfortunately seems to continue to grow exponentially. As of 2020, there were approximately 20,072 unsolved homicides in the state of Texas. Since its creation in 2021, the OAG Cold Case and Missing Persons Unit is actively working to fill a void in law enforcement investigations and is currently working 30 cases from outside law enforcement agencies and has received 147 inquiries from the general public, mainly family members of crime victims, asking how the Unit could assist in unsolved homicide or missing persons investigations. The OAG is truly serving as a resource to support agencies from around the state, assisting with forensic testing for law enforcement agencies around the state who would otherwise not have the funding to do testing on their cold cases and providing free training statewide.

The OAG remains committed to combatting human trafficking. With the continued assistance of the Legislature, the OAG's Human Trafficking/Transnational Organized Crime (HTTOC) Division was able to add critical staff members to help investigate and prosecute human trafficking. These positions include investigators, criminal analysts, and prosecutors. The OAG's HTTOC Division is currently involved in 45 criminal cases, 12 civil cases, and currently working on several operations throughout the state. Additionally, HTTOC recently tried one of the first familial, child labor trafficking cases in Texas, resulting in a 99-year sentence for one defendant and a life sentence with a \$10,000 fine for the other.



Agency Budget Overview

Within the OAG bill pattern, House Bill 1 as introduced provides appropriations sufficient for core agency functions. The OAG appreciates this committee's recognition of the need to invest in our state employees as seen by the salary increases of 5-percent in both fiscal years 2024 and 2025. OAG's FY 2024-2025 Legislative Appropriations Request (LAR) included as the top priority an exceptional item to provide similar relief to OAG employees. These appropriations will assist with offsetting the loss of employee's earning power, inflationary increases, and separating for better pay. They will also enable OAG employees to continue providing the best services possible for the State of Texas. Because of this committee's commitment to state employees, the OAG has removed the exceptional item for an inflationary salary increase to all OAG employees from the agency's budget requests.

House Bill 1 also provides an additional \$7 million annually in both fiscal years 2024 and 2025 for OAG grantees and replaces the funding source with General Revenue. The Attorney General is appreciative of the stability provided by the inflow of General Revenue and remains committed to working closely with the Legislature on solving funding shortfalls for grantees. Recognizing the support of this committee's confidence, the OAG commands diligence and ensures fiscal prudence when employing administrative oversight responsibilities of the Compensation to Victims of Crime Account No. 0469 (Fund 0469) and the Sexual Assault Program Account No. 5010 (Fund 5010). Further, House Bill 1 includes OAG's requested method of finance swaps in the B.1.1 Strategy Child Support Enforcement from Retained Collections to General Revenue and in the C.1.1 Strategy Crime Victims' Compensation from Fund 0469 to federal funds.

OAG's FY 2024-2025 LAR was intentionally and thoughtfully prepared to ensure the agency has the resources necessary to execute enumerated programs, while remaining fiscally prudent, operationally efficient, transparent, and good stewards for Texas taxpayers. The OAG appreciates this committee's acknowledgement by providing base level requests for FY 2024 and FY 2025 in House Bill 1 as introduced, with the exception of the Child Support System Modernization Project (CSSMP). Due to the momentum, successes, and stage of completion for this project, the OAG is including an exceptional item to restore funding for CSSMP. The OAG does not come before this committee with a request for additional financial resources lightly. With the deletion of the exceptional item for inflationary salary increases and the addition of CSSMP, the OAG has six exceptional items in total with only CSSMP being new since the submission of OAG's FY 2024-2025 LAR.

At the core of the successes outlined briefly above are the more than 4,000 employees that work at the OAG who all are dedicated to excellence and providing outstanding work to the State of Texas. Every day, throughout the state there are OAG employees representing our state and working directly with Texas families. To ensure that the agency continues to provide a high level of work for the citizens of Texas, the OAG is requesting the following exceptional items in priority order.

1. **Targeted Salary Increases (\$13,059,906 annually).** First and most importantly, the OAG is requesting a targeted salary increase. The OAG's attorney, information technology, and finance employees are three of the agency's most strategic populations. Each of these populations are facing significant, enduring, and accelerating economic pressures from the labor market. The OAG has lost valuable ground gained through previous pay increases for attorneys provided by the Legislature. This problem has become exacerbated post-COVID and expanded to now include additional populations. One of the Attorney General's key priorities is the continued recruitment and retention of exceptionally talented staff. As a result, the OAG is requesting an additional targeted 12-percent salary increase in FY 2024 after accounting for the 5-percent salary increase set forth in House Bill 1. The targeted population includes the following:



- Assistant Attorneys General: The cornerstone of the OAG's ability to carry out its core legal services functions.
 - IT staff: Critical to the OAG's continued ability to modernize, increase efficiencies, and provide high-quality information resources to taxpayers.
 - Finance employees: To ensure the OAG can serve taxpayers effectively and transparently, while also acting as effective stewards of public funds.
2. **Google AdTech Litigation (\$19,882,318 one-time estimated).** In 2020, OAG entered into a consortium of states to litigate against Google, and it is taking place on multiple fronts. To wit, the federal government filed its own copycat lawsuit in the Eastern District of Virginia on January 25, 2023, well over two years after Texas filed its lawsuit in the Eastern District of Texas. These large-scale litigation efforts come with their own set of needs, and the OAG appreciates the support received from the Legislature in these litigation efforts. This request seeks re-appropriation of the estimated unused balance of the appropriation made by the 87th Legislature to enable the OAG to continue prosecution of this litigation. This appropriation would be limited to funding ongoing or incurred litigation expenses including expert services, litigation costs, and payments to outside counsel. Payments to outside counsel would only be made as (1) permitted by the operative contract between outside counsel and the OAG, and (2) per the contract's terms, outside counsel's potential contingent-fee recovery was previously reduced upon the 87th Legislature's appropriation of funding. This case is currently pending in federal court in the Southern District of New York. The case was originally filed in the Eastern District of Texas, Sherman Division, after which it was transferred to a multi-district litigation venue in the Southern District of New York.
3. **Law Enforcement Operations Criminal Investigations Division (\$9,700,989 FY 2024 and \$6,287,662 FY 2025).** The Attorney General is authorized to employ and commission peace officers (CPO) in accordance with Texas Government Code, Section 402.009. The OAG Criminal Investigations Division (CID) consists of 115 CPOs and 34 support staff. The CID is responsible for criminal investigations and support of prosecutions for the OAG and State of Texas and conducts both proactive and reactive investigations. OAG is seeking additional funding to address three CID needs.

First, the CID has historically funded CPOs tools, equipment, vehicles, and training to perform their assigned functions with asset forfeitures, which is unusual and possibly unique for a state law enforcement agency. Workload growth and functions necessitate funding these basic equipment needs on a cyclical basis with General Revenue rather than a volatile funding source of asset forfeitures where basic equipment is funded only if collections are received.

Second, the CID has not received additional FTE's from the Legislature since FY 2006 outside the targeted areas of Human Trafficking and Elections Integrity in the 2020-2021 biennium. Thus, the CID has caseload growth without a corresponding increase in workforce as previously discussed. OAG is requesting 30 additional FTEs to address case and workload growth, including the costs of equipment to outfit a CPO. The FTEs are for the following CID areas:

- Cold Case - 4.0 FTEs (1.0 Lieutenant, 2.0 Sergeants, and 1.0 Crime Analyst)
- Prosecution Assistance – 4.0 FTEs (4.0 Lieutenants)
- Child Exploitation - 10.0 FTEs (10.0 Lieutenants)



- Digital Forensics - 5.0 FTEs (5.0 Lieutenants)
- Facilities Security - 3.0 FTEs (3.0 Lieutenants)
- Supervisory Personnel and Administration - 4.0 FTEs (1.0 Major, 1.0 Captain, 1.0 Lieutenant, and 1.0 Program Specialist)

Third, the CID uses numerous disjointed systems to manage its case work. Evidence is dispersed through many stored network drives and storage systems containing sensitive data. This data requires systematic tagging, classification, case association, and more importantly, chain of custody controls to ensure data is preserved and unaltered. A more efficient and secure way to store, manage, and collaborate with this data and information is required.

4. **Child Support System Modernization Project Phase 3 (\$39,328,252 FY 2024 and \$17,000,000 FY 2025).** The Child Support System Modernization Phase 3 project is the final phase of complex system development, providing modern technologies supporting critical business functions. Phase 3 of this project will remove remaining Texas Child Support Enforcement System (TXCSES) application dependencies from the legacy mainframe, optimize systems architecture and infrastructure, and deliver value through modernizing case management core system components, including locate, establishment, enforcement, and reporting capabilities. Phase 3 of the system modernization project will enable the decommissioning of the TXCSES application and all legacy supporting services and infrastructure that do not have a dependency on the more than 200+ terabytes of archived data and financial records on the mainframe today. Funding for this initiative will continue the momentum for Phase 2 from the 2022-2023 biennium.
5. **Legal Case Modernization (\$6,000,000 FY 2024 and \$1,500,000 FY 2025).** The OAG Legal Case Modernization project will migrate 14 agency legal divisions to a modern, low-code, configurable system for case management. This project will unify all legal divisions under one platform, streamlining the capability for case collaboration, optimized document management, workflow, task management, and case analytics. The OAG manages a docket of over 30,000 cases at any given time. Funding for this initiative will continue the momentum for Legal Case Legacy Modernization project from the 2022-2023 biennium. Outcomes of this project will include:
 - Removing documents from numerous shared network drives and systems to a single content management platform where work product can be collaboratively shared, versioned, searched, and associated to one or many cases.
 - Shared visibility into case information, deadlines, tasks, and court dates through integrated calendaring and scheduling capabilities.
 - Dashboards with real-time visibility to key agency metrics including number of cases, attorney case load, hours associated to a case, win/loss rates, and time/hours billed.
6. **Agency Mainframe Decommissioning (\$14,625,000 FY 2024 and \$10,000,000 FY 2025).** The OAG is in the process of removing all dependencies from its legacy mainframes. The OAG has two separate mainframes that are independent from one another. One mainframe is dedicated to OAG's administrative and legal divisions (A/L), whereas the other mainframe is dedicated solely to the Child Support Division (CSD).

Regarding the A/L mainframe, the OAG is completing CAPPS Financials migration and Legal Case Legacy Modernization. Decommissioning efforts will focus on all other legacy applications that remain and the continuous processing and disposition of archiving



data to modern storage systems. Records retention requires the OAG to maintain legal case files ranging from five years to permanent retention.

Regarding the CSD mainframe, the Texas Child Support Enforcement System (TXCSES) has been federally certified for 25+ years and contains more than 200+ terabytes of legacy data. While the Child Support System Modernization Project will completely remove all mainframe dependencies, this project will focus on the continuous processing and disposition of archiving all mainframe data to modern storage systems. State records retention schedules require the OAG to maintain child support case data for five years after the case has closed.

Systems and tooling utilized as a result of decommissioning will allow for continuous archiving of case data to maximize the efficiency on platforms for open cases, while remaining in legal compliance with records retention schedules. Key historical case data and information will also be made available for data analytics and reporting solutions.

OAG's exceptional items total \$150.6 million over the 2024-2025 biennium. The annual ongoing costs associated with these exceptional items equals \$25.2 million, or 17-percent of the biennial cost. The total method of finance for exceptional items are as follows:

Method of Finance	FY 2024	FY 2025	Total Biennium	Estimated Ongoing Costs
General Revenue	\$ 66,203,032	\$ 26,122,782	\$ 92,325,814	\$ 18,375,689
Fund 0469 and Fund 5010 ¹	\$ 238,168	\$ 238,168	\$ 476,336	\$ 238,168
Federal Funds	\$ 36,301,756	\$ 21,433,109	\$ 57,734,865	\$ 6,574,467
Interagency Contracts ¹	\$ 53,509	\$ 53,509	\$ 107,018	\$ 53,509
Total	\$ 102,796,465	\$ 47,847,568	\$ 150,644,033	\$ 25,241,833

¹Applicable to Targeted Salary Increases only.



2022-2023 Biennium Expended/Budgeted and 2024-2025 Biennium 88th Legislature - House Bill (Introduced)

Method of Finance	2022-2023 Biennium Expended/Budgeted	2024-2025 Biennium House Bill (introduced)	Difference
General Revenue Funds	\$ 540,588,077	\$ 568,324,368	\$ 27,736,291 (1)
General Revenue - Dedicated Funds	192,034,938	150,505,064	(41,529,874) (2)
Subtotal - General Revenue Related	\$ 732,623,015	\$ 718,829,432	\$ (13,793,583)
Federal Funds	\$ 440,658,027	\$ 460,237,789	\$ 19,579,762 (3)
Other Funds	175,906,154	162,299,294	(13,606,860) (4)
TOTAL	\$ 1,349,187,196	\$ 1,341,366,515	\$ (7,820,681)

(1) The \$27.7M increase in General Revenue Related represents the following: (a) \$28.4M increase to Victims Assistance replacing Compensation to Victims of Crime Account No. 0469 (Fund 0469) with General Revenue for grantees, (b) \$23.9M increase to Salary Adjustments for the Article IX Section 17.18 Appropriation for a Salary Increase for General State Employees, (c) \$16.0M increase in Child Support Enforcement and Agency IT Projects related to method of finance swap (MOF) from Fund 0469 to General Revenue within base budget, (d) \$9.0M increase to Victims Assistance for rape crisis centers, (e) \$4.0M increase to Victims Assistance for pilot program dedicated to support the unique challenges of rural and border counties, (f) \$1.0M increase to Victims Assistance to implement a centralized training, technical assistance, and evaluation program for rape crisis centers, (g) (\$2.8M) decrease in Child Support Enforcement for MOF swap from General Revenue to federal incentives, (h) (\$9.0M) decrease to all strategies in indirect costs primarily related to CAPPS Financial Transition Phase II Project and Legal Case Legacy Modernization Project, (i) (\$19.2M) decrease in Agency IT Projects due to removal of Child Support IT Modernization Project funding, and (j) (\$23.4M) decrease to Legal Services for Google outside legal counsel and litigation services.

(2) The (\$41.6M) decrease in General Revenue Dedicated Related represents the following: (a) \$1.8M increase to Salary Adjustments for the Article IX Section 17.18 Appropriation for a Salary Increase for General State Employees, (b) \$1.0M increase to Crime Victims Compensation related to the fluctuation of indirect costs allocation rates from Fund 0469, (c) (\$16.0M) decrease to Crime Victims Compensation replacing Fund 0469 with federal funds and moving base budget to Child Support Enforcement and Agency IT Projects, and (d) (\$28.4M) decrease in Victims Assistance replacing Fund 0469 with General Revenue for grantees.



(3) The \$19.6M increase in Federal Funds represents the following: (a) \$28.1M increase in Child Support Enforcement related to the General Revenue increase for the MOF swap from Fund 0469 within base budget plus increased federal match resulting from MOF swap for the \$35 fee to committed GR offset by a decrease for discretionary grants, (b) \$21.9M increase to Salary Adjustments for the Article IX Section 17.18 Appropriation for a Salary Increase for General State Employees, (c) \$16.0M increase in Crime Victims Compensation replacing Fund 0469 for crime victim payments, (d) \$7.2M increase Crime Victims Compensation for crime victims payments, (e) \$0.5M increase in State Disbursement Unit for matching funds from MOF swap for the \$3 fee to committed General Revenue, (f) (\$1.8M) decrease in Legal Services for federal equitable sharing funding, (g) (\$5.6M) decrease in Child Support Enforcement for MOF swap from General Revenue to federal incentives resulting in a loss of matching funds, (h) (\$9.9M) decrease to Agency IT Projects related to Appropriated Receipts matching funds offset by an increase for MOF swap from Fund 0469 to General Revenue matching funds, and (i) (\$37.3M) decrease in Agency IT Projects due to removal of Child Support IT Modernization Project funding.

(4) The (\$13.6M) decrease in Other Funds represents the following: (a) \$0.5M increase in Legal Services for interagency contracts, (b) (\$6.1M) decrease in Legal Services for Appropriated Receipts, and (c) (\$8.2M) decrease in Agency IT Projects for Appropriated Receipts.

AGENDA ITEM IV:

COMPTROLLER OF PUBLIC ACCOUNTS & FISCAL PROGRAMS

Comptroller of Public Accounts
Summary of Budget Recommendations - House

Page I-20

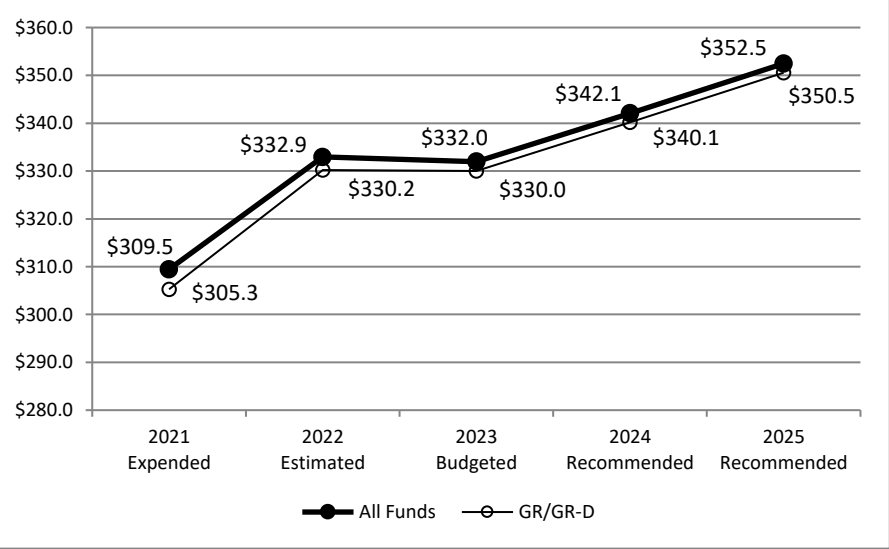
The Honorable Glenn Hegar, Comptroller of Public Accounts

Charles Smith, LBB Analyst

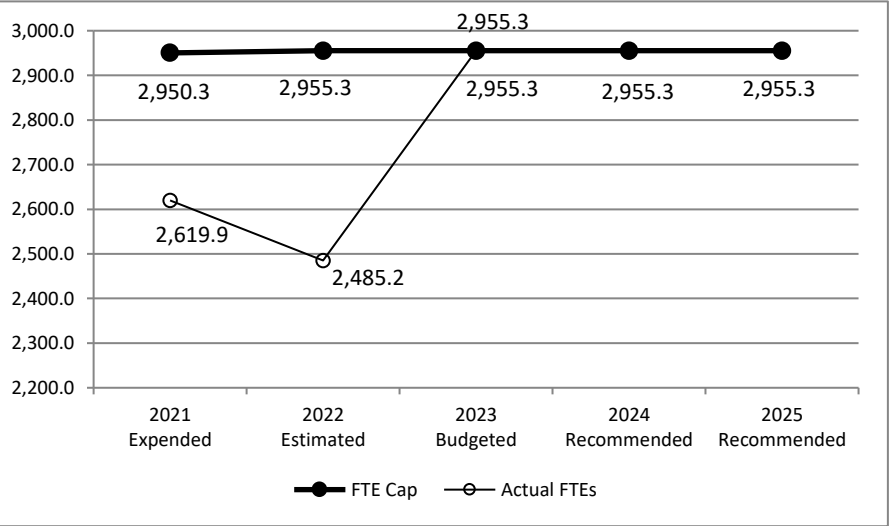
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$660,190,964	\$690,691,822	\$30,500,858	4.6%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$660,190,964</i>	<i>\$690,691,822</i>	<i>\$30,500,858</i>	<i>4.6%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$4,700,356	\$3,845,820	(\$854,536)	(18.2%)
All Funds	\$664,891,320	\$694,537,642	\$29,646,322	4.5%

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	2,955.3	2,955.3	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

Comptroller of Public Accounts
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
A)	Decrease of \$824,536 in Appropriated Receipts primarily from state seizure funds from fiscal year 2021 being carried forward into fiscal year 2022.	\$0.0	\$0.0	\$0.0	(\$0.8)	(\$0.8)	A.1.1, B.4.1
B)	Decrease of \$30,000 in Interagency Contracts due to completion of project for Texas Workforce Commission.	\$0.0	\$0.0	\$0.0	(\$0.1)	(\$0.1)	B.1.2
C)	Reallocation of \$5.6 million in General Revenue from Other Operating Expenses to budget for full staff.	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	All Strategies
D)	Increase of \$30.5 million for the statewide salary adjustments.	\$30.5	\$0.0	\$0.0	\$0.0	\$30.5	D.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$30.5	\$0.0	\$0.0	(\$0.9)	\$29.6	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$30.5	\$0.0	\$0.0	\$0.0	\$30.5	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0.0	\$0.0	\$0.0	(\$0.9)	(\$0.9)	As Listed

NOTE: Totals may not sum due to rounding.

Comptroller of Public Accounts
Selected Fiscal and Policy Issues - House

1. **Reporting Centralized Accounting and Payroll/Personnel System (CAPPS).** Recommendations provide for a total of \$96.8 million in All Funds for ongoing support of the statewide version of CAPPS. The recommended funding represents a decrease of \$30,000 due to the completion of an interagency contract with Texas Workforce Commission to provide updated tax tables in CAPPS. Figure 1 provides a summary of CAPPS funding sources, estimated expenditures, and recommended funding levels for the past and current biennia, and future biennium.

Figure 1. CAPPS funding for the Comptroller of Public Accounts.

	2020-21 Expended	2022-23 Estimated/Budgeted	2024-25 Recommended	Biennial Change
General Revenue	\$ 87,435,953	\$ 96,829,632	\$ 96,829,632	\$ -
Appropriated Receipts	\$ 4,367,205	\$ -	\$ -	\$ -
Interagency Contracts	\$ 4,807,180	\$ 30,000	\$ -	\$ (30,000)
Total	\$ 96,610,338	\$ 96,859,632	\$ 96,829,632	\$ (30,000)

Source: Legislative Budget Board

Agency Deployment onto CAPPS. The Comptroller largely began the process of migrating agencies onto the statewide version of CAPPS in the 2016-17 biennium. Agencies deploy twice; once for the Financials portion of CAPPS, and again for the HR/Payroll portion. As it stands, and excluding Article X agencies, only three agencies have remaining deployments in the upcoming biennia: Employees Retirement System and Lottery Commission for Financials, and the Department of Criminal Justice for both. Figure 2 below summarizes the deployment funding provided to agencies since the 2018-19 biennium and agencies' exceptional item requests for the 2024-25 biennium. Please note that 2024-25 exceptional item requests are based on 2024-25 Legislative Appropriations Requests (LARs) and may be updated later by impacted agencies.

Figure 2. Summary of CAPPS Deployment Appropriations and Requests.

	Number of Agencies	GR- Related Total	All Funds Total	Notes
2018-19 Appropriations	16	\$ 9,818,026	\$ 17,621,208	Amounts include \$7,697,029 in All Funds to upgrade the Department of Transportation Hub System
2020-21 Appropriations	16	\$ 12,735,695	\$ 21,086,898	Amounts include \$150,842 to the Alcoholic Beverage Commission for the ongoing support related to previous CAPPS deployment.
2022-23 Appropriations	10	\$ 7,917,339	\$ 18,636,920	Amounts include \$1,435,000 to Department of Agriculture and Parks & Wildlife for ongoing support, and \$10,642,247 to the Department of Transportation for upgrades and improvements.
2024-25 Exceptional Items	1	\$ 2,552,964	\$ 2,552,964	Exceptional Item Requests as submitted in the agencies' 2024-25 LARs.

Source: Legislative Budget Board

Article IX Sec. 9.09, Centralized Accounting and Payroll/Personnel System Deployments. Recommendations maintain an Article IX provision which is updated to identify agencies scheduled for deployment during the 2024-25 biennium and requires those agencies to coordinate with the Comptroller for this purpose, in accordance with Sec. 2101.036, Government Code. Although Legislative Appropriation Request exceptional items are not included in recommendations for the affected agencies scheduled for CAPPs deployment, the provision limits the transferability of CAPPs funding to other purposes should funding be provided to the affected agencies. Any increased funding for CAPPs deployment will be identified in the affected agencies' capital budget riders.

- Reporting of Utilization of Historically Underutilized Businesses (HUB).** Pursuant to Section 2161.127, Government Code, each state agency and institution of higher education (IHE) must include as part of its Legislative Appropriations Request (LAR) a report detailing the extent to which the agency or IHE has made “good faith” efforts to comply with both HUB-related general law and rules adopted by the Comptroller of Public Accounts. The LBB has subsequently gathered information related to agency HUB activity and created a report with HUB utilization data by agency for fiscal years 2020 and 2021 (see page 12 of this packet). Figure 3 provides a high-level summary of agency and IHE attainment of HUB goals based on figures included in the report.

Recommendations maintain Article IX, Sec. 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures, which indicates that this report is available on the LBB website and provides the web address to the report.

Figure 3. Summary of Agencies' and Institutions' of Higher Education Attainment of HUB Goals.

	Fiscal Year 2020						Fiscal Year 2021					
	Goals Met or Exceeded		Goals Not Met		Goals Not Set by Agency or IHE*		Goals Met or Exceeded		Goals Not Met		Goals Not Set by Agency or IHE*	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Attainment of Agency HUB Goals												
Heavy Construction	11	9.2%	53	44.2%	56	46.7%	7	5.8%	54	45.0%	59	49.2%
Building Construction	35	28.2%	59	47.6%	30	24.2%	32	25.8%	60	48.4%	32	25.8%
Special Trade Construction	30	22.9%	83	63.4%	18	13.7%	31	23.7%	80	61.1%	20	15.3%
Professional Services	45	31.5%	81	56.6%	17	11.9%	41	28.7%	85	59.4%	17	11.9%
Other Services	43	26.9%	112	70.0%	5	3.1%	50	31.3%	105	65.6%	5	3.1%
Commodities	89	55.3%	69	42.9%	3	1.9%	78	48.4%	81	50.3%	2	1.2%

Source: Legislative Budget Board

*Goals set at zero or not submitted by an agency or IHE are excluded from counts and calculations for “Goals Met or Exceeded” and “Goals Not Met”.

**Comptroller of Public Accounts
Rider Highlights - House**

Modification of Existing Riders

2. **Capital Budget.** Recommendations revise rider to reflect authority recommendations for Daily Operations (\$11,798,585 in each fiscal year), Data Center Consolidation – Disaster Recovery Services (\$1,363,749 in fiscal year 2024 and \$1,366,489 in fiscal year 2025), and the Centralized Accounting and Payroll/ Personnel System (\$48,414,816 in each fiscal year).

Deleted Riders

20. **Improve and Enhance Security and Services.** Delete rider identifying a \$5.8 million appropriation for purposes of improving the agency's information security and enhancing taxpayer services to improve voluntary compliance.

Article IX

- 9.09 **Centralized Accounting and Payroll/Personnel System Deployments.** Revise the rider to identify agencies scheduled for deployment during the 2024-25 biennium. Rider requires those agencies to coordinate with the Comptroller for that purpose. The provision also limits the transferability of CAPPS funding to the agencies identified in the provision for other purposes. See page 6 for updated rider language.

Part 9. INFORMATION RESOURCES PROVISIONS

Sec. ~~9.099.10~~. Centralized Accounting and Payroll/Personnel System Deployments.

- (a) In accordance with Government Code, Section 2101.036, agencies identified in this subsection shall coordinate with the Comptroller of Public Accounts for the purpose of deploying either or both financial and human resources/payroll functionality of the Centralized Accounting and Payroll/Personnel System (CAPPS) during the 2024-25 biennium:

Article I

~~Office of the Attorney General
Commission on State Emergency Communications
Employees Retirement System
Facilities Commission
Public Finance Authority
Preservation Board
State Office of Risk Management~~

Article III

~~Higher Education Coordinating Board~~

Article V

~~Department of Criminal Justice
Commission on Fire Protection
Commission on Jail Standards~~

Article VI

~~Commission on Environmental Quality
General Land Office
Soil and Water Conservation Board
Water Development Board~~

Article VII

~~Lottery Commission~~

Article VIII

~~Behavioral Health Executive Council
Board of Chiropractic Examiners
Board of Dental Examiners
Health Professions Council
Office of Public Insurance Counsel
Optometry Board
Securities Board
Board of Veterinary Medical Examiners~~

- (b) Notwithstanding the authority provided in Section 14.03, appropriations made elsewhere in this Act to agencies identified in Subsection (a), for the purpose of deploying either or both financial and human resources/payroll functionality of CAPPS during the 2024-25 biennium are not available for any other purpose.

Comptroller of Public Accounts
Items Not Included in Recommendations - House

		2024-25 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
Agency Exceptional Items Not Included (in agency priority order)							
1)	General Revenue funding to restructure the salary rates for the agency's Audit and Enforcement divisions.	\$6,451,704	\$6,451,704	0.0	No	No	\$6,451,704
2)	General Revenue funding to replace the Uniform Statewide Accounting System (USAS) and Texas Identification Number System (TINS) with more modern solutions.	\$18,068,790	\$18,068,790	0.0	Yes	No	\$10,033,040
TOTAL Items Not Included in Recommendations		\$24,520,494	\$24,520,494	0.0	\$16,484,744		

Comptroller of Public Accounts
Appendices - House

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* Appendix is not included - no significant information to report

Comptroller of Public Accounts					
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
ONGOING AUDIT ACTIVITIES A.1.1	\$202,480,273	\$203,006,878	\$526,605	0.3%	Recommendations reflect an increase in General Revenue of \$1.3 million reallocated from other strategies offset by a decrease in Appropriated Receipts of \$0.8 million related to lower professional fees and services. Recommendations fund an increase in audit related travel and salaries.
TAX LAWS COMPLIANCE A.2.1	\$88,067,403	\$87,850,492	(\$216,911)	(0.2%)	Recommendations reflect a decrease in General Revenue of \$0.2 million primarily due to a decrease in indirect costs related to professional fees and services.
TAXPAYER INFORMATION A.3.1	\$38,245,171	\$37,951,242	(\$293,929)	(0.8%)	Recommendations reflect a decrease in General Revenue of \$0.3 million primarily due to a decrease in indirect costs related to professional fees and services.
TAX HEARINGS A.4.1	\$24,125,727	\$23,986,930	(\$138,797)	(0.6%)	Recommendations reflect a decrease in General Revenue of \$0.1 million primarily due to a decrease in indirect costs related to lower professional fees and services.
Total, Goal A, COMPLIANCE WITH TAX LAWS	\$352,918,574	\$352,795,542	(\$123,032)	(0.0%)	
ACCOUNTING/REPORTING B.1.1	\$60,489,145	\$59,789,484	(\$699,661)	(1.2%)	Recommendations reflect a decrease in General Revenue of \$0.7 million primarily due to a decrease in indirect costs related to lower professional fees and services.
CAPPS IMPLEMENTATION B.1.2	\$96,859,632	\$96,829,632	(\$30,000)	(0.0%)	Recommendations reflect a decrease of \$30,000 due to the completion of an Interagency Contract with the Texas Workforce Commission to provide updated tax tables for CAPPS.
PROPERTY TAX PROGRAM B.2.1	\$32,815,260	\$33,599,114	\$783,854	2.4%	Recommendations reflect an increase of \$0.8 million in General Revenue due to ongoing costs related to the field appraisal of school district property values and arbitration system required by Chapter 41A of the Tax Code.
TREASURY OPERATIONS B.3.1	\$12,287,349	\$12,140,400	(\$146,949)	(1.2%)	Recommendations reflect a decrease in General Revenue of \$0.1 million primarily due to lower professional fees and services.
PROCUREMENT AND SUPPORT SERVICES B.4.1	\$14,385,306	\$14,798,206	\$412,900	2.9%	Recommendations reflect an increase in General Revenue of \$0.5 million primarily for an increase in salaries. Also reflected is a decrease of \$39,000 in Appropriated Receipts.
Total, Goal B, MANAGE FISCAL AFFAIRS	\$216,836,692	\$217,156,836	\$320,144	0.1%	

Comptroller of Public Accounts					
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
REVENUE & TAX PROCESSING C.1.1	\$95,136,054	\$94,084,406	(\$1,051,648)	(1.1%)	Recommendations reflect a decrease in General Revenue of \$1.1 million primarily due to a decrease in indirect costs related to lower professional fees and services.
Total, Goal C, MANAGE STATE REVENUE	\$95,136,054	\$94,084,406	(\$1,051,648)	(1.1%)	
SALARY ADJUSTMENTS D.1.1	\$0	\$30,500,858	\$30,500,858	100.0%	Recommendations reflect an increase of \$30.5 million in General Revenue for statewide salary adjustments.
Total, Goal D, SALARY ADJUSTMENTS	\$0	\$30,500,858	\$30,500,858	100.0%	
Grand Total, All Strategies	\$664,891,320	\$694,537,642	\$29,646,322	4.5%	

Comptroller of Public Accounts
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2021	Actual 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	2,950.3	2,955.3	2,955.3	2,955.3	2,955.3
Actual/Budgeted	2,619.9	2,485.2	2,955.3	NA	NA

Schedule of Exempt Positions (Cap)					
Comptroller of Public Accounts, Group 6	\$153,750	\$153,750	\$153,750	\$153,750	\$153,750

Notes:

- a) The State Auditor's Office is the source for the FY 2021 and FY 2022 annual average (actual) FTE levels. Actual FTE figures are below the cap due to staff vacancies and turnover.
- b) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 20-706, August 2022) does not indicate market average salaries for elected officials. The salary for the Comptroller of Public Accounts is a public policy decision that is not tied directly to the market average for similar professional positions.

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
88TH REGULAR SESSION

Procurement Category:	Heavy Construction	Building Construction	Special Trade	Professional Services	Other Services	Commodities
	Goal	Goal	Goal	Goal	Goal	Goal
Statewide	11.2 %	21.1 %	32.9 %	23.7 %	26.0 %	21.1 %

*****AGENCY DETAIL*****

Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article I - General Government													
Commission on the Arts													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	100.0 %	26.0 %	0.0 %	21.1 %	72.8 %
	2021	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	100.0 %	26.0 %	23.0 %	21.1 %	61.2 %
Office of the Attorney General													
	2020					32.9 %	84.8 %			26.0 %	19.8 %	21.1 %	43.3 %
	2021					32.9 %	87.0 %			26.0 %	22.2 %	21.1 %	5.2 %
Bond Review Board													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	26.0 %	95.6 %	21.1 %	60.5 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	26.0 %	78.3 %	21.1 %	27.7 %
Cancer Prevention and Research Institute of Texas													
	2020							23.7 %	42.4 %	26.0 %	6.2 %	21.1 %	24.1 %
	2021							23.7 %	31.9 %	26.0 %	4.2 %	21.1 %	9.8 %
Comptroller of Public Accounts													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	32.9 %	9.8 %	23.7 %	0.0 %	26.0 %	28.9 %	21.1 %	12.6 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	32.9 %	6.6 %	23.7 %	0.0 %	26.0 %	32.6 %	21.1 %	13.2 %
Commission on State Emergency Communications													
	2020							23.7 %	58.3 %	26.0 %	21.7 %	21.1 %	21.8 %
	2021							23.7 %	100.0 %	26.0 %	44.6 %	21.1 %	5.7 %
Texas Emergency Services Retirement System													
	2020									26.0 %	39.4 %	21.1 %	28.8 %
	2021									26.0 %	53.2 %	21.1 %	17.3 %

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
88TH REGULAR SESSION

Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article I - General Government													
Employees Retirement System													
	2020	0.0 %	0.0 %	21.1 %	3.5 %	32.9 %	67.0 %	23.7 %	12.5 %	26.0 %	30.7 %	21.1 %	34.5 %
	2021	0.0 %	0.0 %	21.1 %	9.9 %	32.9 %	117.9 %	23.7 %	0.0 %	26.0 %	33.4 %	21.1 %	37.2 %
Texas Ethics Commission													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	23.7 %	100.0 %	26.0 %	72.5 %	21.1 %	58.8 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	23.7 %	100.0 %	26.0 %	72.8 %	21.1 %	28.8 %
Facilities Commission													
	2020	11.2 %	36.3 %	21.1 %	21.3 %	32.9 %	20.5 %	23.7 %	4.4 %	26.0 %	16.6 %	21.1 %	17.3 %
	2021	11.2 %	0.0 %	21.1 %	18.3 %	32.9 %	27.2 %	23.7 %	21.2 %	26.0 %	9.2 %	21.1 %	21.0 %
Public Finance Authority													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	23.7 %	0.0 %	26.0 %	3.1 %	21.1 %	51.7 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	23.7 %	10.1 %	26.0 %	4.9 %	21.1 %	81.0 %
Office of the Governor													
	2020							23.7 %	0.0 %	26.0 %	24.0 %	21.1 %	22.9 %
	2021							23.7 %	0.0 %	26.0 %	35.7 %	21.1 %	5.0 %
Trusted Programs Within the Office of the Governor													
	2020					32.9 %	0.0 %	0.0 %	0.0 %	26.0 %	1.8 %	21.1 %	59.8 %
	2021					32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	1.0 %	21.1 %	0.4 %
Historical Commission													
	2020	11.2 %	17.2 %	21.1 %	3.6 %	32.9 %	5.2 %	23.7 %	83.3 %	26.0 %	12.1 %	21.1 %	14.1 %
	2021	11.2 %	0.0 %	21.1 %	42.0 %	32.9 %	2.0 %	23.7 %	23.5 %	26.0 %	4.3 %	21.1 %	15.8 %
Department of Information Resources													
	2020					32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	35.7 %	21.1 %	38.9 %
	2021					32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	40.9 %	21.1 %	95.1 %
Library & Archives Commission													
	2020	5.0 %	0.0 %	5.0 %	100.0 %	5.0 %	0.0 %	23.7 %	32.1 %	5.0 %	0.4 %	25.0 %	37.5 %
	2021	5.0 %	0.0 %	5.0 %	0.0 %	5.0 %	0.0 %	23.7 %	0.0 %	5.0 %	0.2 %	25.0 %	23.6 %

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
88TH REGULAR SESSION

Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article I - General Government													
Pension Review Board													
	2020	40.0 %	63.9 %										
	2021	40.0 %	69.5 %										
Preservation Board													
	2020	0.0 %	0.0 %	21.1 %	0.0 %	32.9 %	4.2 %	23.7 %	28.1 %	26.0 %	5.0 %	21.1 %	2.8 %
	2021	0.0 %	0.0 %	21.1 %	15.3 %	32.9 %	25.4 %	23.7 %	23.5 %	26.0 %	3.6 %	21.1 %	3.6 %
State Office of Risk Management													
	2020							23.7 %	69.9 %	26.0 %	30.1 %	21.1 %	37.8 %
	2021							23.7 %	64.5 %	26.0 %	0.0 %	21.1 %	0.6 %
Secretary of State													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	38.2 %	0.0 %	73.5 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	11.6 %	0.0 %	18.8 %
Veterans Commission													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	86.6 %	26.0 %	22.4 %	21.1 %	41.4 %
	2021	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	78.4 %	26.0 %	16.5 %	21.1 %	30.8 %
Article II - Health and Human Services													
Department of Family and Protective Services													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	32.9 %	41.3 %	23.7 %	0.0 %	26.0 %	27.6 %	21.1 %	52.9 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	32.9 %	13.7 %	23.7 %	0.0 %	26.0 %	24.6 %	21.1 %	42.4 %
Department of State Health Services													
	2020	11.2 %	0.0 %	21.1 %	13.0 %	32.9 %	13.6 %	23.7 %	3.2 %	26.0 %	3.0 %	21.1 %	4.4 %
	2021	11.2 %	0.0 %	21.1 %	99.8 %	32.9 %	26.9 %	23.7 %	7.0 %	26.0 %	0.6 %	21.1 %	5.2 %
Health and Human Services Commission													
	2020	11.2 %	19.5 %	21.1 %	22.2 %	32.9 %	15.2 %	23.7 %	2.3 %	26.0 %	15.0 %	21.1 %	22.7 %
	2021	11.2 %	13.8 %	21.1 %	20.3 %	32.9 %	27.0 %	23.7 %	2.9 %	26.0 %	15.1 %	21.1 %	18.8 %

Article III - Education

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
88TH REGULAR SESSION

Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article III - Education													
Texas Education Agency													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	5.0 %	0.7 %	12.0 %	7.2 %	21.1 %	42.1 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	2.0 %	2.3 %	8.0 %	8.4 %	45.0 %	3.6 %
School for the Blind and Visually Impaired													
	2020							23.7 %	0.0 %	26.0 %	17.6 %	21.1 %	5.2 %
	2021							23.7 %	0.0 %	26.0 %	22.7 %	21.1 %	16.6 %
School for the Deaf													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	5.0 %	26.0 %	14.1 %	21.1 %	28.7 %
	2021	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	33.2 %	23.7 %	0.0 %	26.0 %	6.3 %	21.1 %	10.7 %
Teacher Retirement System													
	2020					40.0 %	49.5 %	10.0 %	0.0 %	25.0 %	26.0 %	40.0 %	19.5 %
	2021					40.0 %	71.3 %	10.0 %	0.0 %	25.0 %	32.2 %	40.0 %	7.2 %
Higher Education Coordinating Board													
	2020							23.7 %	0.0 %	26.0 %	18.6 %	21.1 %	30.8 %
	2021							23.7 %	0.0 %	26.0 %	52.4 %	21.1 %	20.2 %
The University of Texas System Administration													
	2020	0.0 %	0.0 %	18.6 %	21.1 %	8.6 %	29.9 %	15.2 %	14.4 %	4.5 %	3.8 %	28.9 %	36.2 %
	2021	0.0 %	0.0 %	18.6 %	22.2 %	8.6 %	48.7 %	8.8 %	5.3 %	4.5 %	2.6 %	7.7 %	36.4 %
The University of Texas at Arlington													
	2020	5.2 %	0.6 %	22.5 %	8.1 %	33.5 %	24.5 %	11.7 %	7.0 %	6.4 %	5.6 %	21.2 %	32.7 %
	2021	6.0 %	0.0 %	25.3 %	18.3 %	36.3 %	23.0 %	11.9 %	6.0 %	6.4 %	6.4 %	21.2 %	25.0 %
The University of Texas at Austin													
	2020	11.2 %	0.0 %	21.1 %	4.2 %	32.9 %	24.6 %	23.7 %	23.9 %	26.0 %	8.9 %	21.1 %	19.1 %
	2021	11.2 %	0.7 %	21.1 %	11.7 %	32.9 %	25.4 %	23.7 %	10.6 %	26.0 %	6.5 %	21.1 %	25.4 %
The University of Texas at Dallas													
	2020	11.2 %	0.0 %	21.1 %	30.8 %	32.9 %	32.9 %	23.7 %	13.8 %	26.0 %	19.8 %	21.1 %	29.7 %
	2021	11.2 %	0.0 %	21.1 %	23.2 %	32.9 %	28.6 %	23.7 %	0.0 %	26.0 %	20.7 %	21.1 %	36.0 %

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
88TH REGULAR SESSION

Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article III - Education													
The University of Texas at El Paso													
	2020	0.0 %	0.0 %	36.1 %	36.1 %	26.5 %	26.5 %	0.0 %	0.0 %	10.1 %	10.1 %	28.2 %	28.2 %
	2021	0.0 %	0.0 %	54.8 %	54.8 %	49.6 %	49.6 %	2.4 %	2.4 %	8.4 %	8.4 %	27.6 %	27.6 %
The University of Texas Rio Grande Valley													
	2020	11.2 %	0.0 %	21.1 %	13.8 %	32.9 %	16.3 %	23.7 %	42.6 %	26.0 %	17.6 %	21.1 %	40.3 %
	2021	11.2 %	0.0 %	21.1 %	74.1 %	32.9 %	20.9 %	23.7 %	42.8 %	26.0 %	9.5 %	21.1 %	52.6 %
The University of Texas Permian Basin													
	2020			3.0 %	13.5 %	15.0 %	46.6 %	1.0 %	0.0 %	5.0 %	1.5 %	22.0 %	24.0 %
	2021			4.0 %	8.7 %	16.0 %	11.2 %	1.0 %	0.1 %	5.0 %	3.6 %	25.0 %	24.2 %
The University of Texas at San Antonio													
	2020	11.2 %	0.0 %	21.1 %	13.7 %	32.7 %	48.2 %	23.6 %	29.7 %	24.6 %	27.8 %	21.0 %	44.4 %
	2021	0.0 %	0.0 %	21.1 %	10.3 %	32.7 %	25.5 %	23.6 %	40.9 %	24.6 %	32.4 %	21.0 %	57.0 %
The University of Texas at Tyler													
	2020	0.0 %	0.0 %	14.1 %	17.1 %	21.7 %	71.4 %	9.8 %	0.2 %	11.4 %	8.9 %	15.8 %	9.8 %
	2021	0.0 %	0.0 %	14.1 %	19.2 %	21.7 %	2.7 %	9.8 %	0.1 %	11.4 %	9.1 %	15.8 %	7.0 %
Texas A&M University System Administrative and General Offices													
	2020	0.0 %	0.0 %	15.0 %	20.2 %	8.0 %	22.2 %	36.0 %	14.4 %	10.0 %	5.9 %	47.0 %	40.7 %
	2021	0.0 %	0.0 %	26.0 %	26.1 %	11.0 %	0.0 %	38.0 %	41.4 %	11.0 %	3.1 %	44.0 %	55.2 %
Texas A&M University													
	2020	5.0 %	0.0 %	22.0 %	41.2 %	22.3 %	17.5 %	23.7 %	10.4 %	15.0 %	12.6 %	25.0 %	22.1 %
	2021	5.0 %	0.0 %	22.5 %	45.0 %	22.0 %	12.7 %	23.7 %	5.0 %	14.5 %	9.9 %	25.0 %	23.4 %
Texas A&M University at Galveston													
	2020	5.0 %	0.0 %	11.7 %	0.0 %	19.7 %	11.2 %	18.0 %	64.4 %	15.0 %	4.9 %	19.0 %	17.6 %
	2021	5.0 %	0.0 %	11.0 %	0.0 %	19.0 %	5.0 %	18.5 %	84.0 %	15.0 %	12.6 %	19.0 %	14.4 %
Prairie View A&M University													
	2020	11.0 %	0.0 %	21.1 %	9.1 %	32.9 %	32.0 %	23.7 %	18.7 %	26.0 %	7.6 %	21.1 %	30.3 %
	2021	11.0 %	0.0 %	21.1 %	19.3 %	32.9 %	31.1 %	23.7 %	5.0 %	26.0 %	9.1 %	21.1 %	25.1 %

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
88TH REGULAR SESSION

Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article III - Education													
Tarleton State University													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	10.7 %	0.0 %	17.0 %	4.0 %	18.7 %	13.1 %	29.6 %	24.7 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	7.8 %	0.0 %	15.7 %	0.0 %	16.2 %	17.0 %	28.3 %	23.7 %
Texas A&M University - Central Texas													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	2.0 %	3.5 %	0.0 %	0.0 %	21.0 %	22.6 %	23.0 %	28.6 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	5.0 %	4.3 %	0.0 %	0.0 %	22.0 %	16.2 %	26.0 %	14.4 %
Texas A&M University - Corpus Christi													
	2020	0.0 %	0.0 %	16.2 %	48.7 %	21.6 %	6.0 %	14.9 %	5.2 %	10.1 %	4.5 %	28.7 %	21.7 %
	2021	0.0 %	100.0 %	16.2 %	18.8 %	16.5 %	2.2 %	14.5 %	36.2 %	9.9 %	6.8 %	23.8 %	27.4 %
Texas A&M University - Kingsville													
	2020	11.2 %	100.0 %	31.5 %	33.6 %	46.3 %	79.4 %	23.7 %	72.2 %	26.0 %	5.8 %	23.2 %	28.1 %
	2021	11.2 %	0.0 %	26.3 %	28.0 %	49.1 %	62.4 %	23.7 %	4.0 %	26.0 %	4.8 %	23.2 %	22.6 %
Texas A&M University - San Antonio													
	2020	0.0 %	0.0 %	0.0 %	0.1 %	33.0 %	0.0 %	24.0 %	0.0 %	25.0 %	17.7 %	21.0 %	35.7 %
	2021	11.0 %	0.0 %	21.0 %	0.0 %	33.0 %	0.0 %	24.0 %	0.0 %	26.0 %	14.9 %	21.0 %	58.4 %
Texas A&M International University													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	30.6 %	88.3 %	0.0 %	0.0 %	18.7 %	29.5 %	40.0 %	32.8 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	31.6 %	100.0 %	0.0 %	0.0 %	23.3 %	24.1 %	38.1 %	28.5 %
West Texas A&M University													
	2020	0.0 %	0.0 %	13.4 %	0.0 %	2.2 %	3.6 %	2.7 %	0.0 %	21.9 %	11.8 %	13.2 %	11.0 %
	2021	0.0 %	0.0 %	1.8 %	0.0 %	3.0 %	7.6 %	2.7 %	0.0 %	21.8 %	2.3 %	13.2 %	14.3 %
Texas A&M University - Commerce													
	2020	0.0 %	0.0 %	10.0 %	15.4 %	44.0 %	29.7 %	24.0 %	30.1 %	20.0 %	15.1 %	30.0 %	25.7 %
	2021	0.0 %	0.0 %	12.0 %	9.1 %	44.0 %	28.2 %	24.0 %	14.1 %	19.0 %	27.4 %	27.0 %	14.2 %
Texas A&M University - Texarkana													
	2020	0.0 %	0.0 %	5.7 %	0.0 %	7.1 %	0.0 %	23.6 %	0.0 %	15.5 %	2.7 %	21.1 %	17.5 %
	2021	0.0 %	0.0 %	5.7 %	0.0 %	7.1 %	0.0 %	23.6 %	0.0 %	15.5 %	1.0 %	21.1 %	14.9 %

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
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Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article III - Education													
University of Houston System Administration													
	2020	0.0 %	0.0 %	34.8 %	34.8 %	1.3 %	(1.3)%	0.0 %	0.0 %	0.4 %	0.4 %	37.8 %	37.9 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	12.3 %	12.3 %	24.4 %	24.4 %
University of Houston													
	2020	0.0 %	0.0 %	13.0 %	13.0 %	26.1 %	26.1 %	1.7 %	1.7 %	13.8 %	13.8 %	23.5 %	23.5 %
	2021	0.0 %	0.0 %	14.4 %	14.4 %	13.3 %	13.3 %	4.0 %	4.0 %	14.1 %	14.1 %	20.5 %	20.5 %
University of Houston - Clear Lake													
	2020	0.0 %	0.0 %	38.2 %	38.2 %	2.0 %	2.0 %	0.2 %	0.2 %	10.6 %	10.6 %	32.7 %	32.7 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	5.9 %	5.9 %	36.8 %	36.8 %	19.0 %	19.0 %	39.4 %	39.4 %
University of Houston - Downtown													
	2020	0.0 %	0.0 %	25.0 %	11.3 %	10.0 %	11.6 %	12.0 %	0.0 %	9.0 %	29.1 %	35.0 %	45.2 %
	2021	0.0 %	0.0 %	25.0 %	20.5 %	10.0 %	39.8 %	12.0 %	0.0 %	9.0 %	31.0 %	35.0 %	49.2 %
University of Houston - Victoria													
	2020	0.0 %	0.0 %	10.5 %	10.5 %	20.0 %	1.9 %	15.0 %	1.0 %	15.0 %	13.5 %	35.0 %	51.7 %
	2021	0.0 %	0.0 %	15.0 %	10.0 %	20.0 %	2.2 %	15.0 %	0.5 %	15.0 %	12.1 %	35.0 %	58.8 %
University of North Texas System Administration													
	2020	11.2 %	0.0 %	21.1 %	22.7 %	32.9 %	0.0 %	23.7 %	20.2 %	26.0 %	14.0 %	21.0 %	29.6 %
	2021	11.2 %	0.0 %	21.1 %	33.0 %	32.9 %	11.5 %	23.7 %	28.2 %	26.0 %	25.5 %	21.0 %	57.8 %
University of North Texas													
	2020	11.2 %	0.0 %	21.1 %	29.2 %	32.9 %	30.3 %	23.7 %	38.3 %	26.0 %	14.0 %	21.1 %	19.4 %
	2021	11.2 %	0.0 %	21.1 %	40.6 %	32.9 %	33.8 %	23.7 %	17.5 %	26.0 %	13.3 %	21.1 %	21.6 %
University of North Texas at Dallas													
	2020	0.0 %	0.0 %	21.1 %	26.8 %	32.9 %	51.1 %	23.7 %	0.0 %	26.0 %	26.3 %	21.0 %	52.2 %
	2021	0.0 %	0.0 %	21.1 %	39.7 %	32.9 %	61.3 %	23.7 %	0.0 %	26.0 %	28.4 %	21.0 %	57.4 %
Stephen F. Austin State University													
	2020	11.2 %	0.0 %	21.1 %	29.6 %	32.9 %	14.5 %	23.7 %	20.7 %	26.0 %	11.0 %	21.1 %	14.3 %
	2021	11.2 %	0.0 %	21.1 %	11.6 %	32.9 %	5.1 %	29.7 %	29.7 %	6.3 %	6.3 %	21.1 %	12.8 %

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Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article III - Education													
Texas Southern University													
	2020	11.2 %	0.0 %	21.1 %	18.7 %	32.9 %	17.7 %	23.7 %	8.8 %	26.0 %	4.9 %	21.1 %	49.1 %
	2021	11.2 %	0.0 %	21.1 %	17.3 %	32.9 %	18.2 %	23.7 %	16.1 %	26.0 %	4.2 %	21.1 %	28.2 %
Texas Tech University System Administration													
	2020	1.0 %	0.0 %	2.6 %	0.0 %	5.2 %	0.0 %	2.7 %	9.2 %	3.8 %	0.3 %	18.3 %	13.0 %
	2021	1.0 %	0.0 %	2.6 %	0.0 %	5.2 %	5.3 %	3.1 %	1.2 %	3.2 %	0.3 %	16.2 %	9.4 %
Texas Tech University													
	2020	3.8 %	0.0 %	11.9 %	24.5 %	23.2 %	16.0 %	16.1 %	46.7 %	15.2 %	14.1 %	29.3 %	26.1 %
	2021	2.3 %	4.0 %	14.1 %	12.6 %	21.5 %	23.3 %	18.6 %	48.9 %	15.0 %	14.4 %	28.1 %	30.2 %
Angelo State University													
	2020	0.0 %	0.0 %	11.3 %	16.1 %	5.0 %	4.2 %	7.6 %	17.2 %	19.6 %	15.6 %	15.0 %	21.7 %
	2021	0.0 %	0.0 %	10.4 %	6.7 %	8.0 %	14.0 %	10.0 %	13.3 %	19.6 %	15.7 %	21.0 %	26.5 %
Midwestern State University													
	2020	11.2 %	0.0 %	21.1 %	2.5 %	32.9 %	1.3 %	23.7 %	11.2 %	26.0 %	1.9 %	21.1 %	24.4 %
	2021	11.2 %	49.0 %	21.1 %	1.7 %	32.9 %	0.8 %	23.7 %	5.1 %	26.0 %	1.4 %	21.1 %	17.3 %
Texas Woman's University													
	2020	11.2 %	96.5 %	21.1 %	17.8 %	32.9 %	39.2 %	23.7 %	33.8 %	26.0 %	12.7 %	21.1 %	16.5 %
	2021	11.2 %	0.0 %	21.1 %	31.5 %	32.9 %	25.2 %	23.7 %	37.6 %	26.0 %	5.9 %	21.1 %	13.7 %
Texas State University System													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	4.0 %	0.0 %	7.8 %	12.8 %	11.0 %	21.0 %	24.3 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	2.7 %	0.0 %	0.0 %	12.8 %	8.4 %	21.0 %	8.5 %
Lamar University													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	30.0 %	23.7 %	9.0 %	26.0 %	8.4 %	21.1 %	14.5 %
	2021	11.2 %	0.0 %	21.1 %	85.3 %	32.9 %	52.5 %	23.7 %	13.8 %	26.0 %	14.1 %	21.1 %	20.4 %
Lamar Institute of Technology													
	2020			21.1 %	5.5 %					26.0 %	26.9 %	21.1 %	21.6 %
	2021			21.1 %	0.0 %					26.0 %	30.9 %	21.1 %	22.5 %

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
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Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article III - Education													
Lamar State College - Orange													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	7.4 %	23.7 %	0.0 %	26.0 %	10.1 %	21.1 %	21.9 %
	2021	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	42.2 %	23.7 %	0.0 %	26.0 %	24.1 %	21.1 %	23.8 %
Lamar State College - Port Arthur													
	2020	11.2 %	0.0 %	21.1 %	38.2 %	32.9 %	7.5 %	23.7 %	0.0 %	26.0 %	40.4 %	21.1 %	10.7 %
	2021	11.2 %	0.0 %	21.1 %	14.2 %	32.9 %	7.7 %	23.7 %	0.0 %	26.0 %	35.9 %	21.1 %	31.0 %
Sam Houston State University													
	2020	0.0 %	0.0 %	21.1 %	14.0 %	32.9 %	46.4 %	23.7 %	47.9 %	26.0 %	20.5 %	21.1 %	28.2 %
	2021	0.0 %	0.0 %	21.1 %	18.0 %	32.9 %	27.0 %	23.7 %	30.7 %	26.0 %	23.8 %	21.1 %	32.4 %
Texas State University													
	2020	11.2 %	0.0 %	21.1 %	23.6 %	32.9 %	19.6 %	23.7 %	56.2 %	26.0 %	6.0 %	21.1 %	27.2 %
	2021	11.2 %	0.0 %	21.1 %	27.8 %	32.9 %	20.6 %	23.7 %	40.3 %	26.0 %	7.4 %	21.1 %	26.6 %
Sul Ross State University													
	2020	0.0 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	12.9 %	26.0 %	0.5 %	21.1 %	10.2 %
	2021	0.0 %	0.0 %	21.1 %	0.0 %	32.9 %	0.1 %	23.7 %	0.3 %	26.0 %	6.3 %	21.1 %	10.6 %
Sul Ross State University Rio Grande College													
	2020	0.0 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	12.9 %	26.0 %	0.5 %	21.1 %	10.2 %
	2021	0.0 %	0.0 %	21.1 %	0.0 %	32.9 %	0.1 %	23.7 %	0.3 %	26.0 %	6.3 %	21.1 %	10.6 %
The University of Texas Southwestern Medical Center													
	2020	0.0 %	0.0 %	15.6 %	21.8 %	14.7 %	6.8 %	2.0 %	0.1 %	8.2 %	14.5 %	11.5 %	9.8 %
	2021	0.0 %	0.0 %	21.1 %	16.4 %	8.2 %	16.3 %	2.1 %	5.2 %	12.4 %	4.2 %	10.3 %	5.6 %
The University of Texas Medical Branch at Galveston													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	17.5 %	7.5 %	6.7 %	2.6 %	9.8 %	8.1 %	8.6 %	4.5 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	15.7 %	15.9 %	6.6 %	5.7 %	9.9 %	6.6 %	8.3 %	5.3 %
The University of Texas Health Science Center at Houston													
	2020	0.0 %	0.0 %	21.0 %	4.3 %	33.0 %	3.6 %	24.0 %	6.9 %	26.0 %	11.1 %	21.0 %	14.5 %
	2021	0.0 %	0.0 %	21.1 %	7.7 %	32.9 %	10.1 %	23.7 %	15.4 %	26.0 %	9.7 %	21.1 %	13.0 %

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
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Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article III - Education													
The University of Texas Health Science Center at San Antonio													
	2020	0.0 %	0.0 %	5.9 %	18.2 %	22.4 %	3.6 %	10.9 %	13.6 %	15.3 %	9.1 %	14.6 %	10.0 %
	2021	0.0 %	0.0 %	9.8 %	14.7 %	20.3 %	9.0 %	12.7 %	2.0 %	14.6 %	8.3 %	14.4 %	7.2 %
The University of Texas M.D. Anderson Cancer Center													
	2020	0.0 %	0.0 %	9.0 %	3.4 %	12.0 %	10.0 %	15.0 %	10.7 %	20.0 %	12.1 %	2.0 %	1.4 %
	2021	0.0 %	0.0 %	12.0 %	10.6 %	12.0 %	18.9 %	18.0 %	10.5 %	18.0 %	9.8 %	1.8 %	1.9 %
The University of Texas Health Science Center at Tyler													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	1.6 %	23.7 %	12.5 %	26.0 %	6.0 %	21.1 %	16.3 %
	2021	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.4 %	23.7 %	6.9 %	26.0 %	3.8 %	21.1 %	5.5 %
Texas A&M University System Health Science Center													
	2020			5.6 %	0.0 %	20.3 %	5.4 %	4.9 %	2.9 %	10.7 %	10.4 %	23.5 %	23.8 %
	2021			6.6 %	0.0 %	25.0 %	2.0 %	5.0 %	7.0 %	13.0 %	13.0 %	22.2 %	22.2 %
University of North Texas Health Science Center at Fort Worth													
	2020	11.2 %	0.0 %	21.1 %	22.7 %	32.9 %	15.5 %	23.7 %	0.0 %	26.0 %	4.7 %	21.0 %	11.0 %
	2021	11.2 %	0.0 %	21.1 %	31.1 %	32.9 %	15.9 %	23.7 %	0.1 %	26.0 %	4.7 %	21.0 %	13.1 %
Texas Tech University Health Sciences Center													
	2020	4.0 %	17.3 %	21.0 %	4.4 %	35.0 %	42.9 %	14.0 %	5.1 %	11.0 %	13.8 %	26.0 %	28.7 %
	2021	4.0 %	0.0 %	21.0 %	16.2 %	35.0 %	25.7 %	14.0 %	0.8 %	11.0 %	10.5 %	26.0 %	25.9 %
Texas Tech University Health Sciences Center at El Paso													
	2020	11.2 %	0.0 %	21.0 %	21.8 %	32.9 %	50.1 %	6.0 %	4.9 %	11.0 %	8.1 %	21.1 %	19.8 %
	2021	11.2 %	58.7 %	21.0 %	33.6 %	32.9 %	31.7 %	6.0 %	8.8 %	11.0 %	9.8 %	21.1 %	23.6 %
University of Houston College of Medicine													
	2020	11.2 %	0.0 %	21.1 %	23.7 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	9.8 %	21.1 %	20.3 %
	2021	11.2 %	0.0 %	21.1 %	25.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	8.0 %	21.1 %	19.2 %
Texas State Technical College System Administration													
	2020	11.2 %	2.3 %	21.1 %	0.0 %	32.9 %	14.9 %	23.7 %	0.4 %	26.0 %	20.0 %	21.1 %	4.3 %
	2021	11.2 %	2.1 %	21.1 %	3.7 %	32.9 %	9.2 %	23.7 %	0.0 %	26.0 %	28.2 %	21.1 %	5.6 %

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
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Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article III - Education													
Texas State Technical College - Harlingen													
	2020	11.2 %	2.3 %	21.1 %	0.0 %	32.9 %	14.9 %	23.7 %	0.4 %	26.0 %	20.0 %	21.1 %	4.3 %
	2021	11.2 %	2.1 %	21.1 %	3.7 %	32.9 %	9.2 %	23.7 %	0.0 %	26.0 %	28.2 %	21.1 %	5.6 %
Texas State Technical College - West Texas													
	2020	11.2 %	2.3 %	21.1 %	0.0 %	32.9 %	14.9 %	23.7 %	0.4 %	26.0 %	20.0 %	21.1 %	4.3 %
	2021	11.2 %	2.1 %	21.1 %	3.7 %	32.9 %	9.2 %	23.0 %	0.0 %	26.0 %	28.2 %	21.1 %	5.6 %
Texas State Technical College - Marshall													
	2020	11.2 %	2.3 %	21.1 %	0.0 %	32.9 %	14.9 %	23.7 %	0.4 %	26.0 %	20.0 %	21.1 %	4.3 %
	2021	11.2 %	2.1 %	21.1 %	3.7 %	32.9 %	9.2 %	23.7 %	0.0 %	26.0 %	28.2 %	21.1 %	5.6 %
Texas State Technical College - Waco													
	2020	11.2 %	2.3 %	21.1 %	0.0 %	32.9 %	14.9 %	23.7 %	0.4 %	26.0 %	20.0 %	21.1 %	4.3 %
	2021	11.2 %	2.1 %	21.1 %	3.7 %	32.9 %	9.2 %	23.7 %	0.0 %	26.0 %	28.2 %	21.1 %	5.6 %
Texas State Technical College - Ft. Bend													
	2020	11.2 %	2.3 %	21.1 %	0.0 %	32.9 %	14.9 %	23.7 %	0.4 %	26.0 %	20.0 %	21.1 %	4.3 %
	2021	11.2 %	2.1 %	21.1 %	3.7 %	32.9 %	9.2 %	23.7 %	0.0 %	26.0 %	28.2 %	21.1 %	5.6 %
Texas State Technical College - North Texas													
	2020	11.2 %	2.3 %	21.1 %	0.0 %	32.9 %	14.9 %	23.7 %	0.4 %	26.0 %	20.0 %	4.3 %	4.3 %
	2021	11.2 %	2.1 %	21.1 %	3.7 %	32.9 %	9.2 %	23.7 %	0.0 %	28.2 %	28.2 %	5.6 %	5.6 %
Texas A&M AgriLife Research													
	2020	23.9 %	0.0 %	17.0 %	17.4 %	12.0 %	3.5 %	1.3 %	5.4 %	5.7 %	4.4 %	15.2 %	17.3 %
	2021	0.0 %	0.0 %	8.0 %	15.7 %	4.7 %	18.1 %	3.7 %	4.1 %	4.6 %	7.5 %	15.2 %	15.5 %
Texas A&M AgriLife Extension Service													
	2020	0.0 %	0.0 %	0.0 %	0.5 %	17.6 %	0.0 %	0.0 %	0.0 %	4.5 %	12.0 %	23.6 %	26.3 %
	2021	0.0 %	0.0 %	0.0 %	48.9 %	1.0 %	40.1 %	0.0 %	0.0 %	5.5 %	4.8 %	23.6 %	23.9 %
Texas A&M Engineering Experiment Station													
	2020	0.0 %	0.0 %	9.8 %	9.6 %	22.4 %	26.7 %	40.7 %	7.8 %	11.7 %	6.3 %	17.9 %	20.2 %
	2021	0.0 %	0.0 %	10.0 %	70.7 %	23.0 %	0.0 %	34.0 %	15.8 %	8.0 %	7.4 %	21.0 %	29.0 %

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Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article III - Education													
Texas A&M Transportation Institute													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	32.9 %	3.4 %	23.7 %	61.3 %	10.2 %	24.6 %	21.1 %	38.5 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	32.9 %	12.7 %	23.7 %	0.0 %	26.0 %	28.0 %	21.1 %	20.2 %
Texas A&M Engineering Extension Service													
	2020	13.9 %	0.0 %	25.7 %	0.0 %	33.5 %	23.2 %	4.5 %	0.0 %	7.4 %	10.2 %	20.3 %	34.2 %
	2021	23.9 %	0.0 %	3.9 %	0.0 %	23.9 %	49.6 %	3.9 %	0.0 %	7.6 %	11.2 %	23.9 %	14.7 %
Texas A&M Forest Service													
	2020	0.0 %	0.0 %	21.3 %	0.0 %	8.9 %	20.7 %	0.6 %	0.5 %	4.1 %	8.5 %	22.8 %	18.6 %
	2021	0.0 %	0.0 %	25.5 %	90.6 %	11.4 %	13.3 %	33.5 %	0.0 %	6.0 %	7.5 %	18.6 %	26.9 %
Texas A&M Veterinary Medical Diagnostic Laboratory													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	7.4 %	0.6 %	0.0 %	0.0 %	13.5 %	0.9 %	22.2 %	19.5 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	4.1 %	0.0 %	0.0 %	0.0 %	3.6 %	1.5 %	23.5 %	15.3 %
Texas Division of Emergency Management													
	2020	0.0 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	3.7 %	26.0 %	1.0 %	21.1 %	5.3 %
	2021	0.0 %	0.0 %	21.1 %	0.0 %	16.6 %	0.0 %	7.2 %	7.2 %	13.5 %	1.2 %	13.3 %	3.4 %
Article IV - The Judiciary													
Supreme Court of Texas													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	47.1 %	21.1 %	46.9 %
	2021	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	39.7 %	21.1 %	14.2 %
Court of Criminal Appeals													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	1.1 %	0.0 %	71.6 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	49.9 %
First Court of Appeals District, Houston													
	2020									26.0 %	0.0 %	21.1 %	0.0 %
	2021									26.0 %	0.0 %	21.1 %	0.0 %

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Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article IV - The Judiciary													
Second Court of Appeals District, Fort Worth													
	2020									26.0 %	0.0 %	21.1 %	8.8 %
	2021									26.0 %	1.7 %	21.1 %	10.1 %
Third Court of Appeals District, Austin													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	100.0 %	21.1 %	0.0 %
	2021	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	0.0 %	21.1 %	87.8 %
Fourth Court of Appeals District, San Antonio													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	0.0 %	21.1 %	37.1 %
	2021	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	0.0 %	21.1 %	7.1 %
Fifth Court of Appeals District, Dallas													
	2020											21.1 %	19.4 %
	2021											21.1 %	7.3 %
Sixth Court of Appeals District, Texarkana													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	26.0 %	0.0 %	21.1 %	0.0 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	26.0 %	0.0 %	21.1 %	0.0 %
Seventh Court of Appeals District, Amarillo													
	2020					12.9 %	0.0 %			26.0 %	0.0 %	21.1 %	18.3 %
	2021					32.9 %	0.0 %			26.0 %	0.0 %	21.0 %	23.3 %
Eighth Court of Appeals District, El Paso													
	2020									26.0 %	0.0 %	21.1 %	100.0 %
	2021									26.0 %	0.0 %	21.1 %	100.0 %
Ninth Court of Appeals District, Beaumont													
	2020									0.0 %	0.0 %		
	2021									0.0 %	0.0 %		
Tenth Court of Appeals District, Waco													
	2020	11.2 %	0.0 %	23.1 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	38.6 %	21.1 %	29.0 %
	2021	11.2 %	0.0 %	23.1 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	27.0 %	21.1 %	82.1 %

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
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Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article IV - The Judiciary													
Eleventh Court of Appeals District, Eastland													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	1.0 %	0.0 %	0.0 %	0.0 %	1.5 %	1.1 %	50.0 %	27.9 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	1.0 %	0.0 %	0.0 %	0.0 %	1.5 %	0.9 %	50.0 %	12.9 %
Twelfth Court of Appeals District, Tyler													
	2020											21.1 %	49.4 %
	2021											21.1 %	80.6 %
Thirteenth Court of Appeals District, Corpus Christi-Edinburg													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	0.0 %	21.1 %	0.0 %
	2021	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	0.0 %	19.9 %	21.1 %	73.2 %
Fourteenth Court of Appeals District, Houston													
	2020									26.0 %	0.0 %	21.1 %	0.0 %
	2021									26.0 %	0.0 %	21.1 %	44.9 %
Office of Court Administration, Texas Judicial Council													
	2020									26.0 %	9.1 %	50.0 %	10.9 %
	2021									26.0 %	3.6 %	21.1 %	80.9 %
Office of Capital and Forensic Writs													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	26.0 %	0.0 %	21.1 %	23.5 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	26.0 %	0.0 %	21.1 %	35.5 %
Office of the State Prosecuting Attorney													
	2020									0.0 %	0.0 %	21.1 %	38.9 %
	2021									0.0 %	0.0 %	21.1 %	100.0 %
State Law Library													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	0.0 %	21.0 %	11.2 %
	2021	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	0.0 %	21.1 %	4.5 %
State Commission on Judicial Conduct													
	2020									26.0 %	6.5 %	21.1 %	10.2 %
	2021									26.0 %	0.0 %	21.1 %	7.7 %

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Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article V - Public Safety and Criminal Justice													
Alcoholic Beverage Commission													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.7 %	0.7 %	23.6 %	0.0 %	24.6 %	23.0 %	21.0 %	14.6 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	11.1 %	24.0 %	0.0 %	26.0 %	64.0 %	21.0 %	16.6 %
Department of Criminal Justice													
	2020	11.2 %	19.6 %	21.1 %	5.6 %	32.9 %	40.5 %	23.7 %	13.1 %	26.0 %	10.8 %	21.1 %	14.9 %
	2021	11.2 %	19.3 %	21.1 %	0.0 %	32.9 %	31.1 %	23.7 %	8.5 %	26.0 %	7.6 %	21.1 %	18.2 %
Commission on Fire Protection													
	2020									26.0 %	20.5 %	21.1 %	50.9 %
	2021									26.0 %	9.9 %	21.1 %	36.0 %
Commission on Jail Standards													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	75.2 %	26.0 %	31.1 %	21.1 %	59.0 %
	2021	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	100.0 %	26.0 %	62.1 %	21.1 %	45.9 %
Juvenile Justice Department													
	2020			21.1 %	37.4 %	32.9 %	11.7 %	23.7 %	0.0 %	26.0 %	9.0 %	21.1 %	27.0 %
	2021			21.1 %	0.7 %	32.9 %	11.7 %	23.7 %	0.0 %	26.0 %	7.5 %	21.1 %	29.3 %
Commission on Law Enforcement													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	23.7 %	100.0 %	26.0 %	3.6 %	21.1 %	31.5 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	100.0 %	26.0 %	11.7 %	21.1 %	24.0 %
Military Department													
	2020	11.2 %	65.3 %	21.1 %	87.8 %	32.9 %	50.4 %	23.7 %	41.5 %	26.0 %	35.0 %	21.1 %	24.0 %
	2021	11.2 %	50.7 %	21.1 %	64.7 %	32.9 %	43.2 %	23.7 %	74.8 %	26.0 %	23.2 %	21.1 %	42.9 %
Department of Public Safety													
	2020	1.6 %	1.6 %	26.1 %	26.1 %	11.4 %	11.4 %	1.2 %	1.2 %	13.9 %	13.9 %	20.7 %	20.7 %
	2021	0.0 %	0.0 %	6.2 %	32.1 %	39.7 %	63.7 %	3.0 %	0.0 %	13.0 %	14.0 %	15.1 %	23.7 %
Article VI - Natural Resources													

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
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Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article VI - Natural Resources													
Department of Agriculture													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	48.6 %	23.7 %	1.2 %	26.0 %	28.7 %	21.1 %	20.7 %
	2021	11.2 %	0.0 %	21.1 %	44.4 %	32.9 %	6.1 %	23.7 %	7.2 %	26.0 %	20.9 %	21.1 %	19.4 %
Animal Health Commission													
	2020	11.3 %	0.0 %	0.0 %	30.9 %	0.0 %	87.8 %	57.3 %	60.7 %	6.5 %	4.9 %	23.5 %	28.6 %
	2021	11.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	57.3 %	51.3 %	6.5 %	5.4 %	23.5 %	27.0 %
Commission on Environmental Quality													
	2020					32.9 %	20.9 %	23.7 %	9.2 %	26.0 %	39.1 %	21.1 %	38.9 %
	2021					32.9 %	50.0 %	23.7 %	12.2 %	26.0 %	40.5 %	21.1 %	33.7 %
General Land Office and Veterans' Land Board													
	2020	0.0 %	0.0 %	4.0 %	(2.8)%	18.0 %	10.1 %	5.0 %	10.0 %	10.0 %	29.3 %	3.0 %	2.8 %
	2021	0.0 %	0.0 %	4.0 %	40.7 %	15.0 %	11.6 %	7.0 %	5.9 %	15.0 %	32.0 %	3.0 %	1.5 %
Parks and Wildlife Department													
	2020	11.2 %	23.8 %	21.1 %	24.3 %	32.9 %	47.7 %	23.7 %	8.7 %	12.0 %	12.0 %	21.1 %	26.8 %
	2021	11.2 %	5.1 %	21.1 %	23.2 %	32.9 %	35.2 %	23.7 %	39.2 %	12.0 %	22.2 %	21.1 %	29.7 %
Railroad Commission													
	2020	11.2 %	0.0 %	21.1 %	46.7 %	32.9 %	6.3 %	23.7 %	41.6 %	26.0 %	5.8 %	21.1 %	36.8 %
	2021	11.2 %	0.0 %	21.1 %	74.1 %	32.9 %	54.7 %	23.7 %	48.6 %	26.0 %	5.3 %	21.1 %	16.1 %
Soil and Water Conservation Board													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	0.2 %	26.0 %	0.2 %	21.1 %	3.3 %
	2021	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	5.8 %	26.0 %	1.4 %	21.1 %	8.0 %
Water Development Board													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	6.1 %	21.1 %	47.9 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	3.7 %	21.1 %	25.4 %

Article VII - Business and Economic Development

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
88TH REGULAR SESSION

Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article VII - Business and Economic Development													
Department of Housing and Community Affairs													
	2020					0.0 %	0.0 %			26.0 %	41.9 %	21.1 %	85.6 %
	2021					0.0 %	0.0 %			26.0 %	1.9 %	21.1 %	75.4 %
Texas Lottery Commission													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	14.8 %	0.0 %	23.7 %	14.4 %	24.2 %	14.2 %	21.1 %	60.2 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	12.8 %	0.2 %	23.7 %	25.9 %	24.3 %	13.8 %	21.1 %	60.4 %
Department of Motor Vehicles													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	35.7 %	35.9 %	0.0 %	0.0 %	20.1 %	20.1 %	43.6 %	43.6 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	63.8 %	63.8 %	0.0 %	0.0 %	16.4 %	16.4 %	67.3 %	67.3 %
Department of Transportation													
	2020	11.2 %	5.3 %	21.1 %	13.8 %	32.9 %	34.5 %	23.7 %	36.2 %	26.0 %	16.3 %	21.1 %	13.9 %
	2021	11.2 %	5.4 %	21.1 %	5.3 %	32.9 %	29.0 %	23.7 %	58.7 %	26.0 %	18.7 %	21.1 %	7.6 %
Texas Workforce Commission													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	14.6 %	23.7 %	82.7 %	26.0 %	27.1 %	21.1 %	28.4 %
	2021	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	59.9 %	23.7 %	91.8 %	26.0 %	32.6 %	21.1 %	7.0 %
Article VIII - Regulatory													
State Office of Administrative Hearings													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	23.7 %	100.0 %	26.0 %	76.4 %	21.1 %	49.5 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	23.7 %	100.0 %	26.0 %	14.3 %	21.1 %	23.5 %
Behavioral Health Executive Council													
	2020									0.0 %	0.0 %	0.0 %	4.0 %
	2021									1.0 %	0.3 %	50.0 %	50.2 %
Board of Chiropractic Examiners													
	2020							23.7 %	100.0 %	26.0 %	0.0 %	21.1 %	21.5 %
	2021							23.7 %	100.0 %	26.0 %	0.0 %	21.1 %	74.7 %

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
88TH REGULAR SESSION

Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article VIII - Regulatory													
Texas State Board of Dental Examiners													
	2020							23.7 %	0.0 %	26.0 %	4.1 %	21.1 %	65.8 %
	2021							23.7 %	0.0 %	26.0 %	0.1 %	21.1 %	51.7 %
Funeral Service Commission													
	2020									26.0 %	0.0 %	21.1 %	59.1 %
	2021									26.0 %	47.9 %	21.1 %	85.5 %
Board of Professional Geoscientists													
	2020							23.7 %	100.0 %	26.0 %	19.0 %	21.1 %	61.0 %
	2021							23.7 %	100.0 %	26.0 %	43.6 %	21.1 %	17.0 %
Health Professions Council													
	2020									26.0 %	47.2 %	21.1 %	31.0 %
	2021									26.0 %	35.2 %	21.1 %	1.4 %
Department of Insurance													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	5.0 %	0.0 %	15.0 %	10.3 %	21.1 %	12.1 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	5.0 %	0.0 %	15.0 %	19.2 %	21.1 %	24.5 %
Office of Public Insurance Counsel													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	23.7 %	100.0 %	26.0 %	5.3 %	21.1 %	45.2 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	23.7 %	100.0 %	26.0 %	20.3 %	21.1 %	58.2 %
Department of Licensing and Regulation													
	2020			0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	11.3 %	23.1 %	47.2 %	48.2 %
	2021			0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	9.2 %	23.4 %	32.7 %	47.2 %	41.0 %
Texas Medical Board													
	2020							23.7 %	100.0 %	26.0 %	10.3 %	21.1 %	73.8 %
	2021							23.7 %	0.0 %	26.0 %	6.5 %	21.1 %	45.3 %
Texas Board of Nursing													
	2020							20.0 %	100.0 %	20.0 %	5.2 %	20.0 %	51.3 %
	2021							20.0 %	100.0 %	20.0 %	3.2 %	20.0 %	69.3 %

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
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Procurement Category:		Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Article VIII - Regulatory													
Optometry Board													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	100.0 %	26.0 %	99.6 %	21.1 %	0.0 %
	2021	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	100.0 %	26.0 %	100.0 %	21.1 %	0.0 %
Board of Pharmacy													
	2020							23.7 %	100.0 %	26.0 %	0.1 %	21.1 %	52.1 %
	2021							23.7 %	100.0 %	26.0 %	0.6 %	21.1 %	37.5 %
Executive Council of Physical Therapy & Occupational Therapy Examiners													
	2020	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	25.6 %	24.1 %	67.3 %
	2021	11.2 %	0.0 %	21.1 %	0.0 %	32.9 %	0.0 %	23.7 %	0.0 %	26.0 %	31.2 %	21.1 %	43.4 %
Board of Plumbing Examiners													
	2020					0.0 %	0.0 %	23.7 %	100.0 %	26.0 %	37.3 %	21.0 %	19.0 %
	2021					0.0 %	0.0 %	0.0 %	0.0 %	26.0 %	30.0 %	21.0 %	44.2 %
Racing Commission													
	2020							10.0 %	0.0 %				
	2021							10.0 %	0.0 %				
Securities Board													
	2020							23.7 %	100.0 %	26.0 %	16.4 %	31.1 %	65.0 %
	2021							23.7 %	100.0 %	26.0 %	7.5 %	21.1 %	26.1 %
Public Utility Commission of Texas													
	2020									26.0 %	13.6 %	21.1 %	17.2 %
	2021									26.0 %	6.2 %	21.1 %	16.5 %
Office of Public Utility Counsel													
	2020	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	26.0 %	26.2 %	21.1 %	70.6 %
	2021	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	26.0 %	4.4 %	21.1 %	8.2 %
Board of Veterinary Medical Examiners													
	2020							23.7 %	29.3 %	26.0 %	11.1 %	21.1 %	56.0 %
	2021							23.7 %	100.0 %	26.0 %	50.7 %	21.1 %	2.4 %

Article IX, Section 7.08, Reporting of Historically Underutilized Business (HUB) Key Measures
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Procurement Category:	Heavy Construction		Building Construction		Special Trade		Professional Services		Other Services		Commodities	
	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual

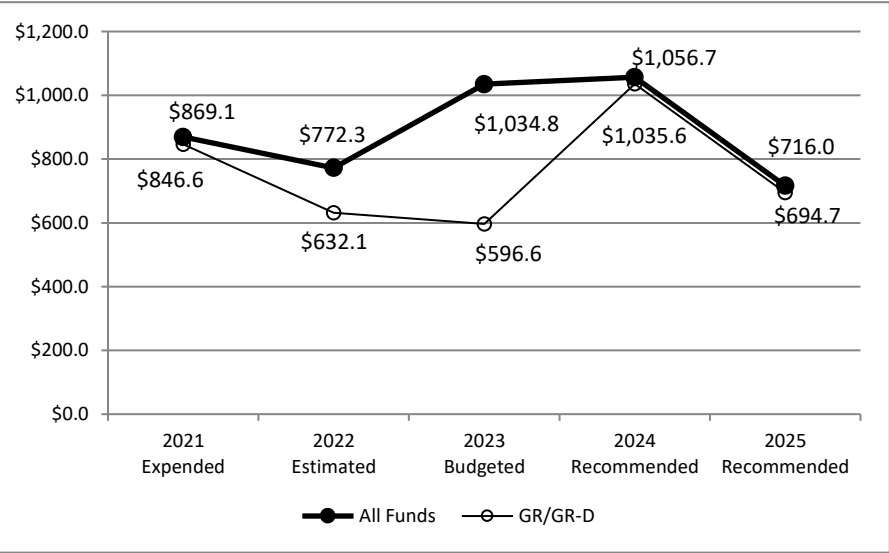
Fiscal Programs - Comptroller of Public Accounts
Summary of Budget Recommendations - House

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The Honorable Glenn Hegar, Comptroller of Public Accounts
Charles Smith, LBB Analyst

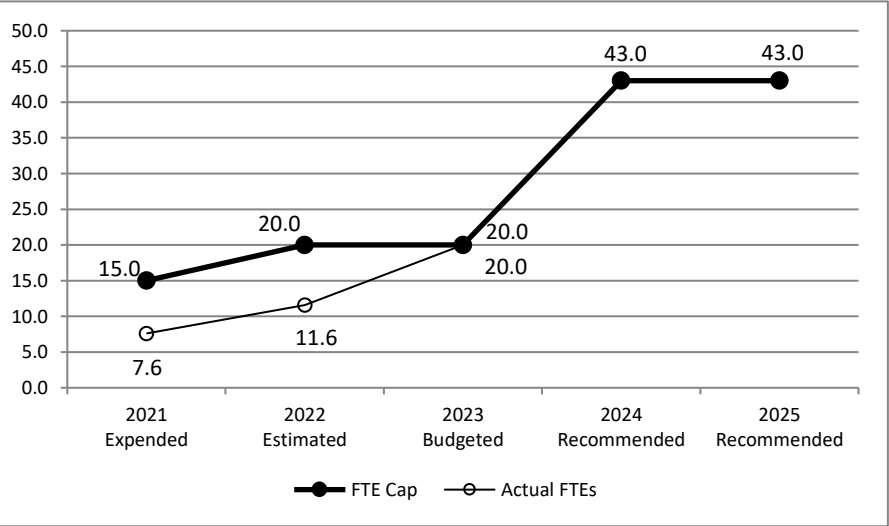
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$1,186,102,533	\$1,686,744,960	\$500,642,427	42.2%
GR Dedicated Funds	\$42,562,856	\$43,614,963	\$1,052,107	2.5%
Total GR-Related Funds	\$1,228,665,389	\$1,730,359,923	\$501,694,534	40.8%
Federal Funds	\$528,165,274	\$27,832,117	(\$500,333,157)	(94.7%)
Other	\$50,259,447	\$14,600,000	(\$35,659,447)	(71.0%)
All Funds	\$1,807,090,110	\$1,772,792,040	(\$34,298,070)	(1.9%)

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	20.0	43.0	23.0	115.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 32.1% of the agency's estimated total available funds for the 2024-25 biennium.

Fiscal Programs - Comptroller of Public Accounts
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Increase for mixed beverage tax reimbursements to counties and incorporated municipalities.	\$151.8	\$0.0	\$0.0	\$0.0	\$151.8	A.1.2
B)	Method of finance swap for gross weight/axle weight permit fee distribution to counties from State Highway Fund 6 to General Revenue.	\$34.0	\$0.0	\$0.0	(\$34.0)	\$0.0	A.1.10
C)	Increase for new grant program for rural county law enforcement contingent on passing of relevant legislation.	\$350.0	\$0.0	\$0.0	\$0.0	\$350.0	A.1.20

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

D)	Decrease in estimated miscellaneous claims and wrongful imprisonment claims payments.	(\$35.4)	(\$0.4)	\$0.0	(\$0.8)	(\$36.6)	A.1.1
E)	Decrease for judgments and settlements.	\$0.0	\$0.0	\$0.0	(\$0.9)	(\$0.9)	A.1.3
F)	Increase for law enforcement education funding.	\$0.0	\$1.4	\$0.0	\$0.0	\$1.4	A.1.7
G)	Increased Federal Funds for the State Energy Conservation Office (SECO).	\$0.0	\$0.0	\$0.2	\$0.0	\$0.2	B.1.1, B.1.3
H)	Decrease for one-time COVID-19 Federal Funds for the Broadband Development Office.	\$0.0	\$0.0	(\$500.5)	\$0.0	(\$500.5)	C.1.2
I)	Increased General Revenue for the statewide salary adjustment.	\$0.2	\$0.0	\$0.0	\$0.0	\$0.2	D.1.1

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	\$500.6	\$1.0	(\$500.3)	(\$35.7)	(\$34.3)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$536.0	\$1.4	\$0.2	\$0.0	\$537.6	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	(\$35.4)	(\$0.4)	(\$500.5)	(\$35.7)	(\$571.9)	As Listed

NOTE: Totals may not sum due to rounding.

**Fiscal Programs - Comptroller of Public Accounts
Selected Fiscal and Policy Issues - House**

1. **Mixed Beverage Tax Disbursements.** Recommendations provide \$635.1 million in General Revenue, which includes an increase of \$151.8 million to reflect the agency's estimate for the disbursement of mixed beverage tax receipts to cities and counties, as required by Section 184.051 of the Tax Code. Statute requires no less than 10.7143 percent of revenues to be disbursed to incorporated municipalities and to counties where the receipts were collected.
2. **Additional Agency Full Time Equivalents.** Recommendations include the agency's exceptional item request to increase to the agency's FTE cap by 23.0 FTEs. The recommendation allocates 18.0 FTEs to the Broadband Development Office (BDO) in Strategy C.1.1, Texas BDO Administration, and 5.0 FTEs to the State Energy Conservation Office (SECO) in Strategy B.1.1, Energy Office, for the management of newly available federal funding for the purposes of infrastructure expansion across the state.
3. **Contingency for County Law Enforcement.** Recommendations provide \$350.0 million in General Revenue funds for a new grant program for rural county law enforcement. This appropriation is contingent on enactment of legislation which authorizes the program.
4. **Method of Finance Swap for Gross Weight/Axle Permit Fee Disbursements to Counties.** Recommendations provide for a method of finance swap for distributions to counties for gross weight and axle weight permit fees from State Highway Fund 6 to the General Revenue Fund to align with statute. Per Transportation Code, Section 621.353, the Comptroller is required to send counties \$50 of each \$90 permit base fee and a portion of additional fee amounts paid by permittees based on the number of counties in which the vehicle would operate. These portions of the fees are deposited into General Revenue, and therefore, funding has traditionally been provided out of General Revenue funds. However, in the 2022-23 GAA, funding for this appropriation item was paid out of State Highway Fund 6 in order to save General Revenue in anticipation of a projected decline in state revenue.
5. **Texas Guaranteed Tuition Plan.** Pursuant to Article IX, Section 17.17, Supplemental Appropriations Bill, recommendations include the intention to fund the full payoff amount for the Texas Guaranteed Tuition Plan, also known as the Texas Tomorrow Fund, in the supplemental bill. According to the agency, the estimated total payoff as of June 1, 2023 is \$243,774,584. The Plan has historically been funded through the supplemental bill on a pay-as-you-go basis. House Bill 2, Eighty-Seventh Legislature, Regular Session appropriated \$271.2 million in General Revenue in fiscal year 2021 for the 2022-23 biennial payment.

**Fiscal Programs - Comptroller of Public Accounts
Rider Highlights - House**

Modification of Existing Riders

9. **Oil Overcharge Settlement Funds.** Recommendations update estimated revenue and estimated depository interest allocated for programs specified in the rider based on recommended funding levels out of the General Revenue-Dedicated Oil Overcharge Account No. 5005 in Strategy B.1.1, Energy Office, and Strategy B.1.2, Oil Overcharge Settlement Funds.
10. **Department of Energy (DOE) Federal Funds.** Recommendations update Federal Funds amounts anticipated for the Pantex and State Energy Programs to align with recommended funding levels included in Strategy B.1.1, Energy Office, and Strategy B.1.3, Federal Funds.
15. **Disabled Veteran Assistance Payments.** Recommendations revise amounts referencing appropriations for disabled veteran assistance payments to align with recommended funding levels in Strategy A.1.12, Disabled Veteran Assistance Payments. The biennial amount remains at \$19.0 million, but allocation by fiscal year has been revised.
22. **Opioid Abatement Account.** Recommendations revise wording of Rider 22 to align with statute in that rider provision are no longer contingent on Senate Bill 1827. That legislation has passed, and now all funds deposited to the General Revenue- Dedicated Opioid Abatement Account No. 5189 are appropriated to the Comptroller.

New Riders.

23. **Contingency for County Law Enforcement.** Recommendations include a rider for a new grant program that provides rural counties with additional law enforcement resources, contingent on enactment of legislation authorizing the program.

Deleted Riders

2. **Capital Budget.** Delete rider identifying authority of \$20.0 million in revenue bonds for the acquisition of real property related to the Texas Bullion Depository. The state currently leases the depository building, but last biennium, the legislature approved funding to purchase it. Ultimately, the current owner opted not to sell, and the Comptroller lapsed the \$20.0 million.
23. **Appropriation: Gross Weight / Axle Fees Distribution to Counties.** Delete rider identifying appropriations from State Highway Fund No. 006 equivalent to amounts collected from gross weight and axle weight permit fees for distribution to counties as provided in VTCA, Transportation Code Section 621.353 (estimated to be \$17.0 million each fiscal year). This rider is no longer needed because the recommended method of finance swap with General Revenue aligns the funding source with statute.

Fiscal Programs - Comptroller of Public Accounts
Appendices - House

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B	Summary of Federal Funds	*
C	FTE Highlights	8

* Appendix is not included - no significant information to report

Fiscal Programs - Comptroller of Public Accounts
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
MISCELLANEOUS CLAIMS A.1.1	\$62,555,445	\$26,000,000	(\$36,555,445)	(58.4%)	Recommendations include an estimated \$26.0 million in General Revenue (GR) funds for payment of miscellaneous and wrongful imprisonment claims, reflecting decreases of \$35.4 million in GR, \$0.4 million in GR-Dedicated Funds, and \$0.8 million in Other Funds.
REIMBURSE - BEVERAGE TAX A.1.2	\$483,264,000	\$635,080,000	\$151,816,000	31.4%	Recommendations include an increase of \$151.8 million in General Revenue for distribution of 10.7143 percent of mixed beverage gross receipts tax and sales tax receipts to cities and counties. Recommendations reflect the agency's exceptional item request for estimated disbursements.
JUDGMENTS AND SETTLEMENTS A.1.3	\$2,383,459	\$1,500,000	(\$883,459)	(37.1%)	Recommendations reflect a decrease of \$0.9 million in Other Funds due to judgment and settlement claims paid out of State Highway Fund No. 006 in fiscal year 2022.
COUNTY TAXES - UNIVERSITY LANDS A.1.4	\$20,144,442	\$20,144,442	\$0	0.0%	
LATERAL ROAD FUND DISTRICTS A.1.5	\$14,600,000	\$14,600,000	\$0	0.0%	
UNCLAIMED PROPERTY A.1.6	\$575,981,783	\$575,981,783	\$0	0.0%	
LAW ENFORCEMENT EDUCATION FUNDS A.1.7	\$9,400,000	\$10,800,000	\$1,400,000	14.9%	Recommendations reflect an increase of \$1.4 million General Revenue-Dedicated Account 116, Texas Commission on Law Enforcement, to increase funding for law enforcement education.
ADVANCED TAX COMPLIANCE A.1.8	\$13,943,648	\$13,943,648	\$0	0.0%	
SUBSEQUENT CVC CLAIMS A.1.9	\$406,704	\$406,704	\$0	0.0%	
GROSS WEIGHT/AXLE FEE DISTRIBUTION A.1.10	\$34,000,000	\$34,000,000	\$0	0.0%	Recommendations reflect a method of finance swap from State Highway Fund 6 to General Revenue of \$34.0 million for the biennium to align funding source with statute.
HABITAT PROTECTION FUND A.1.11	\$4,750,000	\$4,750,000	\$0	0.0%	
TEXAS GUARANTEED TUITION PLAN A.1.12	\$0	\$0	\$0	0.0%	House Bill 2, Eighty-Seventh Legislature, Regular Session appropriated \$271.2 million in General Revenue in fiscal year 2021 for the payment of unfunded liabilities for the 2022-23 biennium. The agency estimates the total payoff for unfunded liabilities at \$243,774,584, which is intended to be funded through the supplemental bill.
DISABLED VETERAN ASSIST PAYMENTS A.1.13	\$19,000,000	\$19,000,000	\$0	0.0%	
TEXAS BULLION DEPOSITORY A.1.14	\$350,000	\$350,000	\$0	0.0%	

Fiscal Programs - Comptroller of Public Accounts
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
CONTINGENCY COUNTY LAW ENFORCEMENT A.1.20	\$0	\$350,000,000	\$350,000,000	100.0%	Recommendations provide \$350.0 million for a new grant program contingent on the passing of legislation authorizing the program.
Total, Goal A, CPA - FISCAL PROGRAMS	\$1,240,779,481	\$1,706,556,577	\$465,777,096	37.5%	
ENERGY OFFICE B.1.1	\$3,216,669	\$3,554,122	\$337,453	10.5%	Recommendations reflect an increase of \$0.3 million in federal formula funding related to the State Energy Program.
OIL OVERCHARGE SETTLEMENT FUNDS B.1.2	\$31,280,618	\$31,280,618	\$0	0.0%	
FEDERAL FUNDS B.1.3	\$26,338,179	\$26,191,988	(\$146,191)	(0.6%)	Recommendations reflect a \$0.5 million decrease in federal loan reimbursements for the State Energy Program - Revolving Loans, offset by federal funding increases of \$0.1 million in the State Energy Program, \$0.1 million for the Transportation of Transuranic Wastes to the Waste Isolation Pilot Plant, and \$0.2 million in the DOE: Environmental Monitoring/Clean-up and Other Programs.
Total, Goal B, ENERGY OFFICE	\$60,835,466	\$61,026,728	\$191,262	0.3%	
TEXAS BDO ADMINISTRATION C.1.1	\$5,000,000	\$5,000,000	\$0	0.0%	
TEXAS BDO FEDERAL FUNDS C.1.2	\$500,475,163	\$0	(\$500,475,163)	(100.0%)	Recommendations include a decrease in new federal Coronavirus State Fiscal Recovery funds of \$500.5 million.
Total, Goal C, TEXAS BROADBAND DEVELOPMENT OFFICE	\$505,475,163	\$5,000,000	(\$500,475,163)	(99.0%)	
SALARY ADJUSTMENTS D.1.1	\$0	\$208,735	\$208,735	100.0%	Recommendations provide \$0.2 million for statewide salary adjustments.
Total, Goal D, SALARY ADJUSTMENTS	\$0	\$208,735	\$208,735	100.0%	
Grand Total, All Strategies	\$1,807,090,110	\$1,772,792,040	(\$34,298,070)	(1.9%)	

Fiscal Programs - Comptroller of Public Accounts
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2021	Actual 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	15.0	20.0	20.0	43.0	43.0
Actual/Budgeted	7.6	11.6	20.0	NA	NA

Schedule of Exempt Positions (Cap)

None.

Notes:

- a) Fiscal years 2021 and 2022 actual FTE figures are less than the FTE cap due to the new Broadband Development Office, which is in the process of hiring staff.
- b) The State Auditor's Office is the source for the FY2021 and FY2022 annual average (actual) FTE levels.

Presentation to the
House Committee on Appropriations
Subcommittee on Articles I, IV, and V

Presented by:
Glenn Hegar, Comptroller
Texas Comptroller of Public Accounts
February 21, 2023

COMPTROLLER OF PUBLIC ACCOUNTS (AGENCY 304)

Comptroller of Public Accounts

- The agency is requesting two additional exceptional items for the FY 2024-25 Biennium.
 - 1) Additional funds to restructure the salary rates for the agency's Audit and Enforcement Divisions, totaling \$6.5 million for the biennium.

This effort will reduce both divisions turnover and increase the agency's overall audit, collection and compliance efforts.

Comptroller of Public Accounts

- 2) We are also requesting funding for our Legacy Fiscal Modernization Project, totaling \$18.1 million for the biennium.

This project would update and modernize older mainframe legacy financial systems, such as the Uniform Statewide Accounting System (USAS) and the Texas Identification Number System (TINS).

AGENDA ITEM V:

**TEXAS COMMISSION
ON THE ARTS**

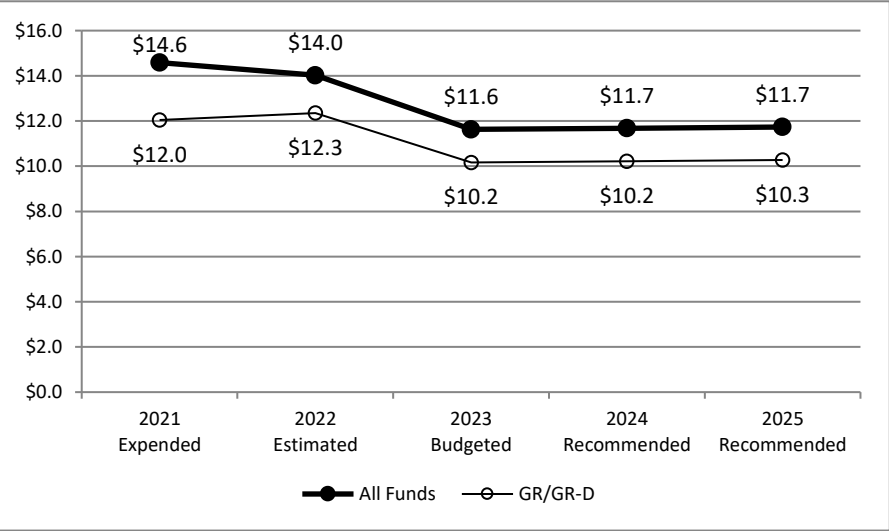
Commission on the Arts Summary of Budget Recommendations - House

Page I-1
Gary Gibbs, Executive Director
KJ Curtiss, LBB Analyst

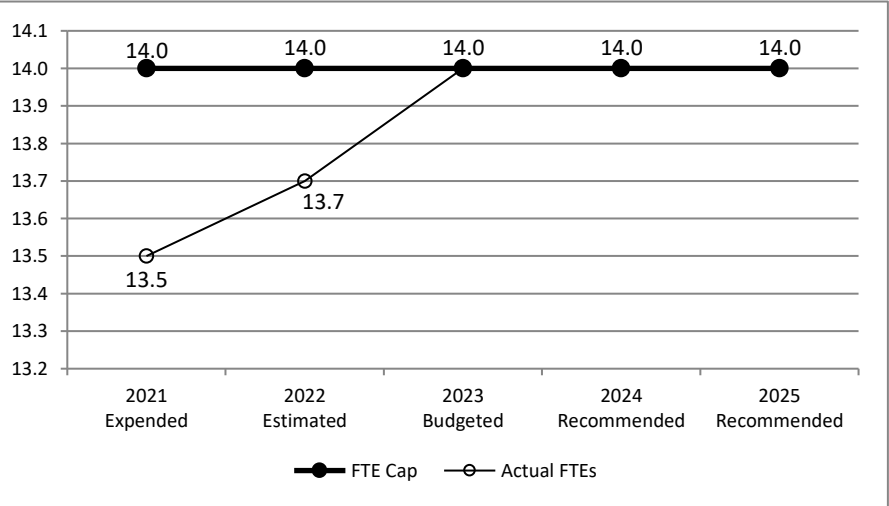
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$22,513,909	\$20,484,818	(\$2,029,091)	(9.0%)
GR Dedicated Funds	\$91	\$0	(\$91)	(100.0%)
<i>Total GR-Related Funds</i>	<i>\$22,514,000</i>	<i>\$20,484,818</i>	<i>(\$2,029,182)</i>	<i>(9.0%)</i>
Federal Funds	\$2,341,400	\$2,427,600	\$86,200	3.7%
Other	\$798,250	\$504,000	(\$294,250)	(36.9%)
All Funds	\$25,653,650	\$23,416,418	(\$2,237,232)	(8.7%)

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	14.0	14.0	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

Commission on the Arts
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
A)	Decrease of \$2,184,924 in General Revenue due to removal of one-time funding in the 2022-23 biennium for the construction of the Flower Mound Performing Arts Center. This is offset by an increase of \$91 in General Revenue due to the exhaustion of remaining balances in the General Revenue- Dedicated Commission on the Arts Operating Account 334.	(\$2.2)	(\$0.0)	\$0.0	\$0.0	(\$2.2)	A.1.1; A.1.2
B)	Decrease of \$94,250 in Appropriated Receipts from donations.	\$0.0	\$0.0	\$0.0	(\$0.1)	(\$0.1)	A.1.2
C)	Decrease of \$200,000 in License Plate Trust Fund Account 802 to reflect the removal of balances carried forward from the 2020-21 biennium.	\$0.0	\$0.0	\$0.0	(\$0.2)	(\$0.2)	A.1.1
D)	Increase of \$86,200 in Federal Funds from received annual National Endowment for the Arts award.	\$0.0	\$0.0	\$0.1	\$0.0	\$0.1	A.1.1
E)	Increase of \$155,742 in General Revenue due to exempt and non-exempt salary adjustments.	\$0.2	\$0.0	\$0.0	\$0.0	\$0.2	B.1.1; C.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		(\$2.0)	(\$0.0)	\$0.1	(\$0.3)	(\$2.2)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.2	\$0.0	\$0.1	\$0.0	\$0.3	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$2.2)	(\$0.0)	\$0.0	(\$0.3)	(\$2.5)	As Listed

NOTE: Totals may not sum due to rounding.

**Commission on the Arts
Rider Highlights - House**

Modification of Existing Riders

5. Unexpended Balances: Cultural and Performing Arts Center Grant

Recommendations include the continuation of authority for the agency to carry forward any unexpended and unobligated balances of General Revenue (estimated to be \$0) for the Flower Mound Cultural and Performing Arts Center to the 2024-25 biennium.

Commission on the Arts
Items Not Included in Recommendations - House

	2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	General Grants. Request for an increase in Arts Organization Grants funding which supports general operating and project expenses for arts organizations.	\$3,000,000	\$3,000,000	0.0	No	No	\$3,000,000
2)	Cultural District Project Grants. Request for additional funding to the Cultural District Grants program to meet an increase in requests within the 51 designated cultural districts.	\$5,000,000	\$5,000,000	0.0	No	No	\$5,000,000
3)	Staff Retention Efforts. Request for additional funding for salaries for staff retention.	\$144,258	\$144,258	0.0	No	No	\$144,258

TOTAL Items Not Included in Recommendations		\$8,144,258	\$8,144,258	0.0			\$8,144,258
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Commission on the Arts
Appendices - House

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* Appendix is not included - no significant information to report

Commission on the Arts
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
ARTS ORGANIZATION GRANTS A.1.1	\$10,427,734	\$8,129,010	(\$2,298,724)	(22.0%)	Recommendations reflect multiple funding changes, including: 1) Decrease of \$2,184,924 in General Revenue (GR) from one-time funding for a grant to fund the construction of the Flower Mound Cultural and Performing Arts Center carried forward from the 2020-21 biennium. 2) Increase of \$86,200 in Federal Funds received from annual National Endowment for the Arts award. 3) Decrease of \$200,000 in the License Plate Trust Fund to reflect balances carried forward from the 2020-21 biennium.
ARTS EDUCATION GRANTS A.1.2	\$1,515,824	\$1,421,574	(\$94,250)	(6.2%)	Recommendations include a decrease of \$94,250 in Appropriated Receipts from projected donations.
CULTURAL TOURISM GRANTS A.1.3	\$11,340,000	\$11,340,000	\$0	0.0%	
DIRECT ADMINISTRATION OF GRANTS A.1.4	\$1,383,838	\$1,383,838	\$0	0.0%	
Total, Goal A, ARTS AND CULTURAL GRANTS	\$24,667,396	\$22,274,422	(\$2,392,974)	(9.7%)	
CENTRAL ADMINISTRATION B.1.1	\$737,804	\$752,348	\$14,544	2.0%	Recommendations include an increase of \$14,544 in GR for the Executive Director exempt position to align with the State Auditor's Office Report market average salary.
INFORMATION RESOURCES B.1.2	\$248,450	\$248,450	\$0	0.0%	
Total, Goal B, INDIRECT ADMINISTRATION	\$986,254	\$1,000,798	\$14,544	1.5%	
SALARY ADJUSTMENTS C.1.1	\$0	\$141,198	\$141,198	100.0%	Recommendations include an increase of \$141,198 in GR for the statewide salary adjustments.
Total, Goal C, SALARY ADJUSTMENTS	\$0	\$141,198	\$141,198	100.0%	
Grand Total, All Strategies	\$25,653,650	\$23,416,418	(\$2,237,232)	(8.7%)	

Commission on the Arts
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2021	Actual 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	14.0	14.0	14.0	14.0	14.0
Actual/Budgeted	13.5	13.7	14.0	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 3	\$129,927	\$129,927	\$129,927	\$134,775	\$139,623

- Notes:
- a) The State Auditor's Office Report, Executive Director Compensation at State Agencies (Report 22-706, August 2022), indicates a market average salary of \$139,623 for the Executive Director position at the Commission on the Arts.
 - b) The State Auditor's Office is the source for the FY 2021 and FY 2022 annual average (actual) FTE levels.

Texas Commission on the Arts

2024-2025 Legislative Appropriations Request

EXCEPTIONAL ITEMS

**“ILLUMINATION CELEBRATION” ATTRACTS 16,000 PEOPLE
TO THE LIVELY DOWNTOWN CULTURAL DISTRICT IN ABILENE**



**Texas
Commission
on the Arts**

Investing in a Creative Texas

Exceptional Item 1

Additional Grant Funds for Arts Organizations

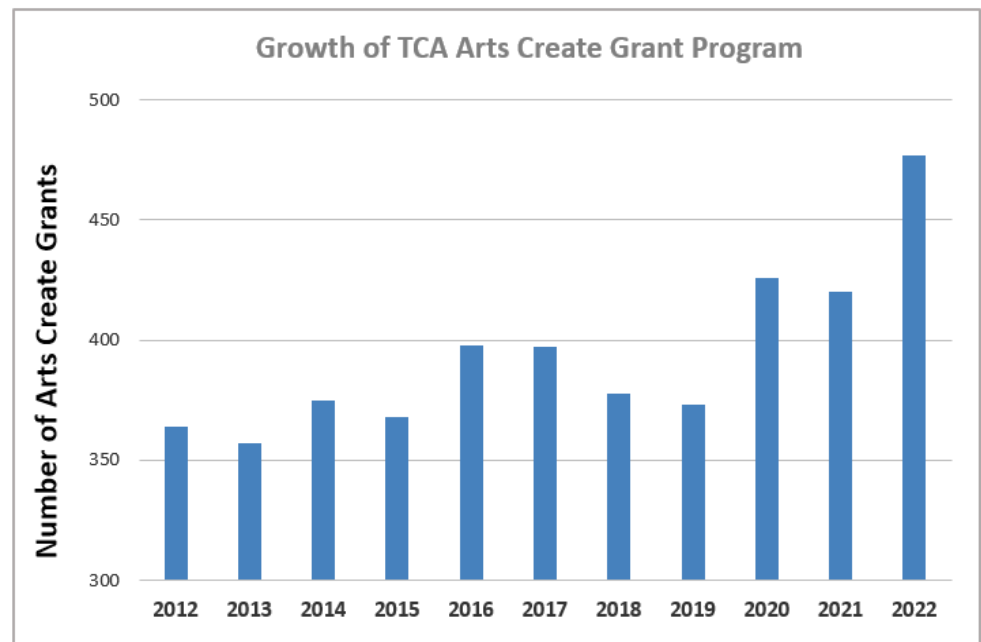
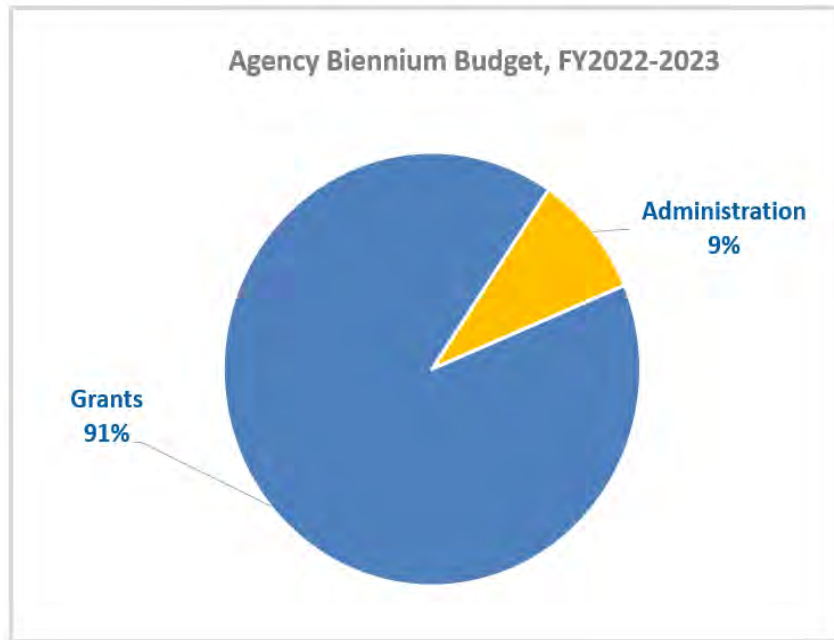
The amount appropriated to TCA to support grants for arts organizations' general operating and project expenses has remained flat since 2014. The state has experienced a significant growth in the number of arts organizations that are eligible for these grants since 2014. The cost of conducting business has also increased significantly. As a result, each grant awarded has less impact and must be reduced in order to serve arts organizations throughout the state. Recently, TCA has been faced with a 30% increase in organizations seeking support.

Due to the static funding levels and increased population, Texas now ranks 48th in per capita arts funding according to a 2022 report from the National Assembly of State Arts Agencies. The ability of Texas arts organizations to continue to contribute to the state's economy and maintain employment opportunities requires an increased investment. Each grant awarded by TCA must be matched with private funds 1:1.

Total Exceptional Item 1: \$3 million over the biennium

Texas Commission on the Arts

Investing in a Creative Texas



Arts Create grants provide Texas-based nonprofit arts organizations with multiyear general operating support. This investment allows arts organizations to focus on their mission and respond to the needs in their communities.

Recently, the agency has seen a nearly 30% increase in demand for these grants.

Exceptional Item 2

Additional Grant Funds for Cultural Districts

Pursuant to HB 2208, 79th Legislature (R), to date TCA has designated 51 unique cultural districts throughout the state as centers that provide economic development and cultural tourism opportunities. TCA provides Cultural District Project grants for prominent, highly visible projects, exhibitions, festivals, etc. throughout the state that utilize the arts to achieve one or more of the following goals:

- Attracting artists and cultural enterprises to the community;
- Encouraging business and job development;
- Addressing community-specific needs;
- Establishing tourism destinations;
- Preserving and reusing historic buildings;
- Enhancing property values; and/or
- Fostering local cultural development.

TCA's Cultural District program has evolved to be an extremely important part of the agency's work. The demand for grants supporting this work has increased dramatically. TCA first received an appropriation for Cultural Districts in 2016. In just six years, the number of organizations in designated Cultural Districts that are eligible to apply for funding has increased 97% from 110 to 217.

Additional funding is necessary to continue support for this very successful and impactful program.

Total Exceptional Item 2: \$5 million over the biennium

Texas Commission on the Arts

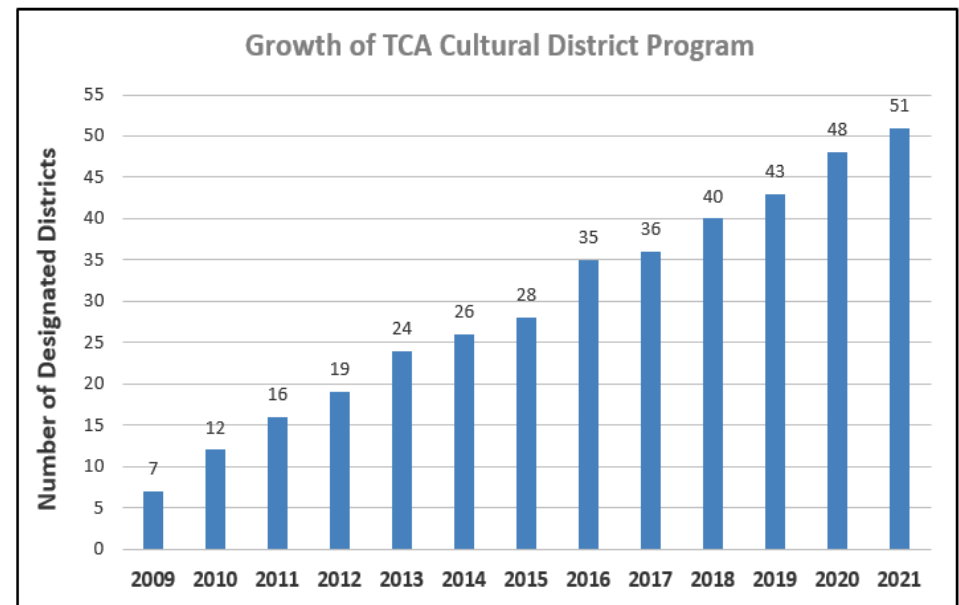
Investing in a Creative Texas

Map of 51 Official Texas Cultural Districts



Funding to activate these districts first became available in 2016.

Since that time, **the number of organizations eligible to apply for these funds has increased by 97%.**



In 2016, there were **110** nonprofit organizations eligible to apply for a Cultural District Project grant. In 2022, there were **217** nonprofit organizations eligible to apply for a Cultural District Project grant.

Exceptional Item 3

Funds for Employee Retention

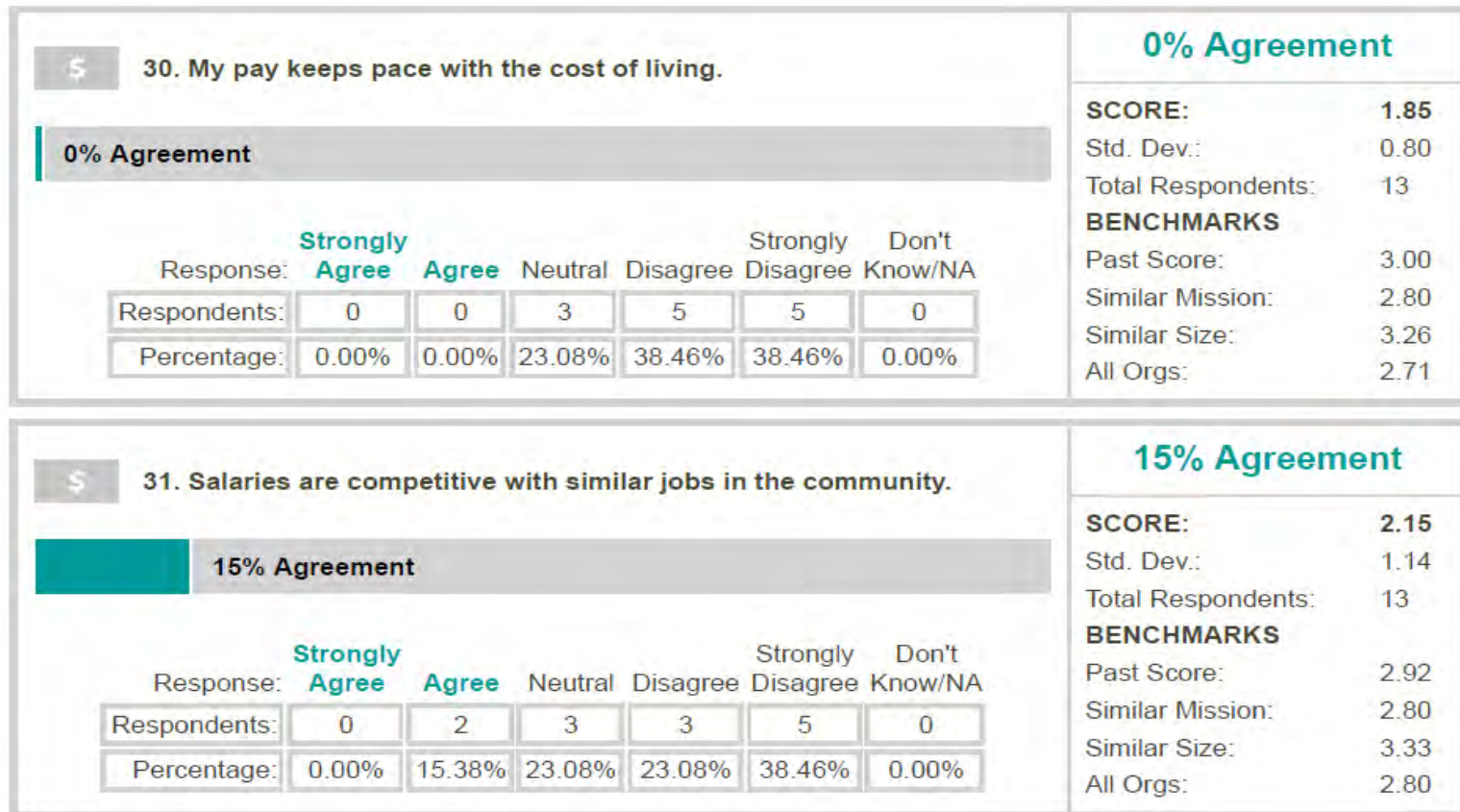
TCA has a highly-skilled and dedicated staff. All employees in leadership positions and grant administrators have degrees and/or practical expertise in the arts. The agency has a history of employees with long tenure. However, in recent years TCA has experienced an increase in employee turnover.

TCA's budget utilizes only 9% of its funds for administration, with salaries and benefits accounting for only 7%. Since the demand on TCA's budget leaves little opportunity for salary increases, employees have not even received cost of living increases. The issue of compensation consistently receives poor ratings in the Survey of Employee Engagement (SEE) Report from employees. In order to maintain a qualified and committed staff, the agency requires additional funds to assure employee satisfaction and retention.

The agency has amended the original exceptional item request considering the salary supplement included in the introduced bills. With this request, the agency intends to bring up the lower-end wages where we have seen the most turnover in recent years.

Total Exceptional Item 3: \$144,258 over the biennium

Texas Commission on the Arts
Investing in a Creative Texas



Survey of Employee Engagement
Texas Commission on the Arts Executive Summary 2022
Institute of Organizational Excellence
University of Texas at Austin

AGENDA ITEM VI:

BOND REVIEW BOARD

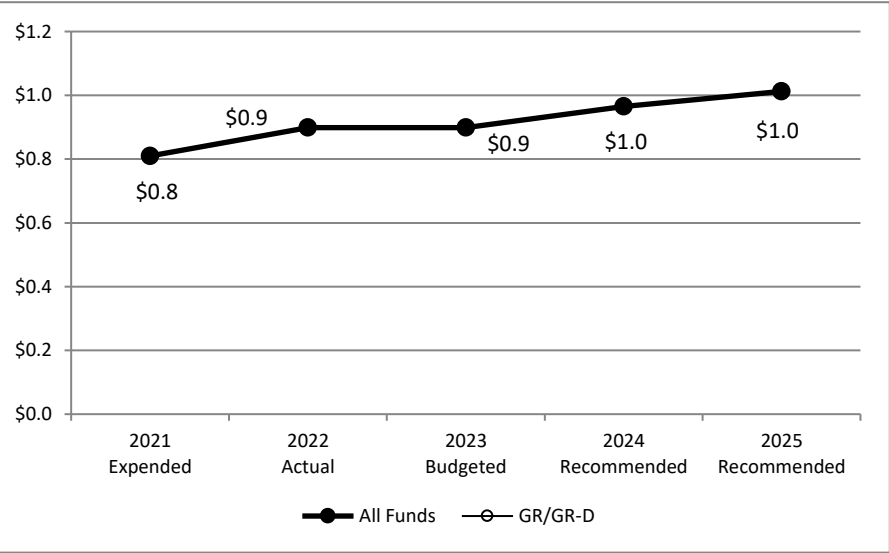
Bond Review Board Summary of Budget Recommendations - House

Page I-15
Rob Latsha, Executive Director
Harrison Gregg, LBB Analyst

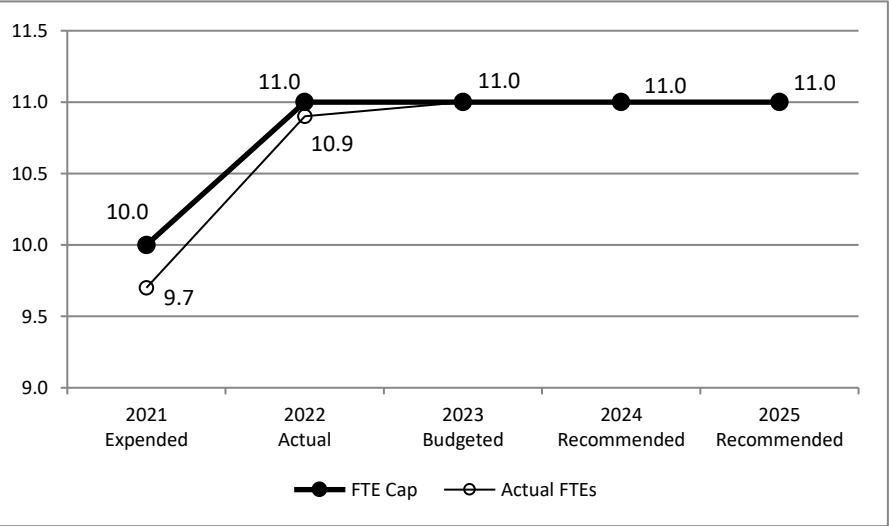
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$1,797,823	\$1,977,322	\$179,499	10.0%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
Total GR-Related Funds	\$1,797,823	\$1,977,322	\$179,499	10.0%
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
All Funds	\$1,797,823	\$1,977,322	\$179,499	10.0%

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	11.0	11.0	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

Bond Review Board
Summary of Funding Changes and Recommendations - House

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):							
A)	Increase in GR related to statewide salary adjustments and increase in salary for the executive director exempt position.	\$0.2	\$0.0	\$0.0	\$0.0	\$0.2	Various
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$0.2	\$0.0	\$0.0	\$0.0	\$0.2	As Listed
SIGNIFICANT & OTHER Funding Increases		\$0.2	\$0.0	\$0.0	\$0.0	\$0.2	As Listed
SIGNIFICANT & OTHER Funding Decreases		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed

NOTE: Totals may not sum due to rounding.

Bond Review Board Selected Fiscal and Policy Issues - House

1. **Constitutional Debt Limit (CDL).** Article III, Section 49(j) of the Texas Constitution limits the authorization of additional state debt if in any fiscal year the resulting annual debt service payable from the unrestricted General Revenue Fund – excluding revenues constitutionally dedicated for purposes other than state debt payment –exceeds 5 percent of the average annual unrestricted General Revenue Funds for the previous three years.

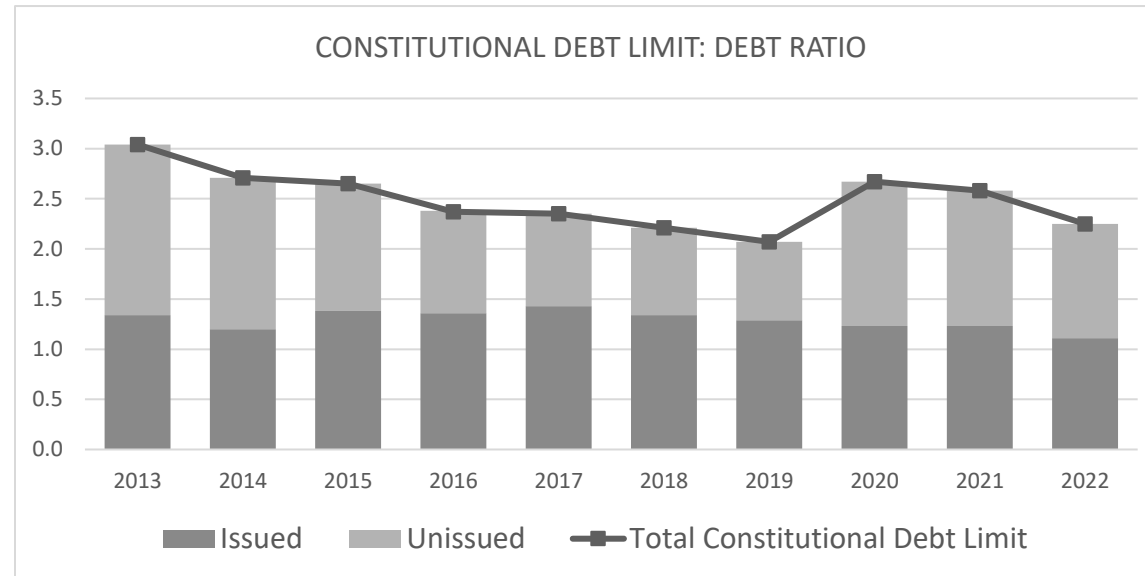
The Bond Review Board calculates two debt ratios to monitor state debt in relation to the constitutional debt limit:

- Debt service on outstanding (issued) debt as a percentage of unrestricted General Revenue Funds. At the end of fiscal year 2022, the Bond Review Board reported that the **issued debt was 1.11 percent**. This reflects a 0.12 percentage point decrease from fiscal year 2021.
- Debt service on outstanding debt and estimated debt service for authorized but unissued debt as a percentage of unrestricted General Revenue Funds. At the end of fiscal year 2022, the **issued, and authorized but unissued debt was 2.25 percent**. This reflects a 0.33 percentage point decrease from fiscal year 2021.

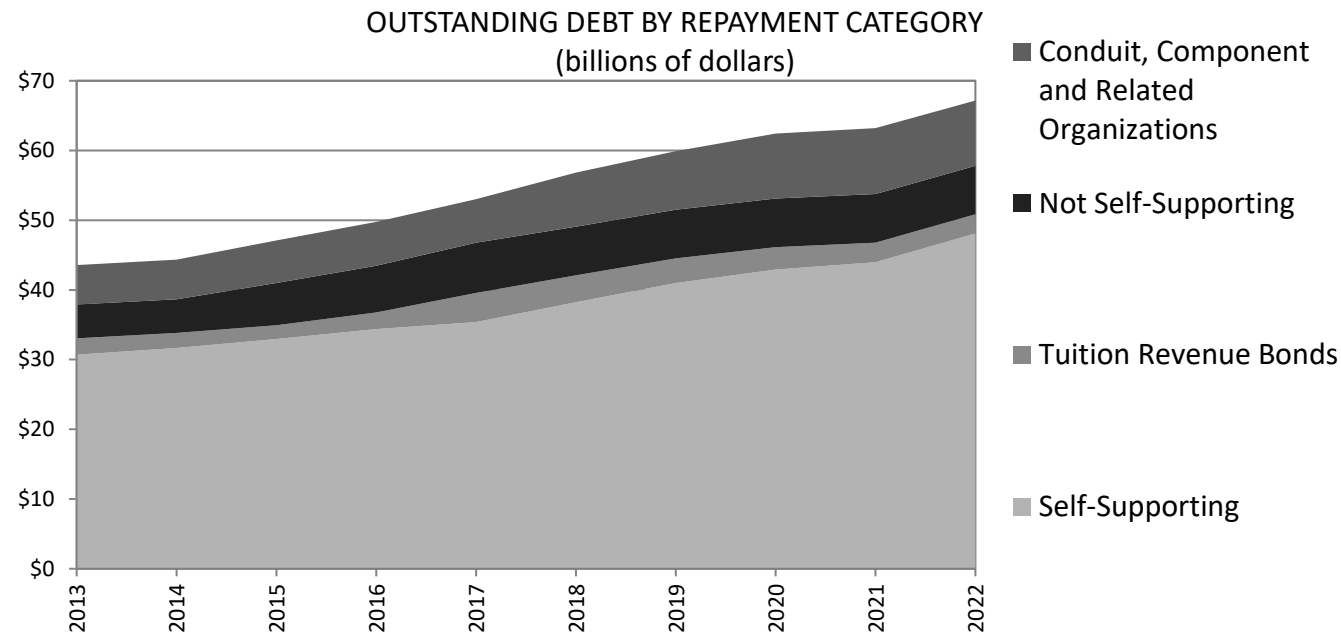
Several factors can impact the state's CDL debt service ratio:

- the three-year average of unrestricted General Revenue funds;
- amount of debt outstanding and associated debt service;
- a change in unissued debt authorizations and associated estimated debt service; and
- interest rates on issued debt and the assumptions used for authorized but unissued debt.

According to the the Bond Review Board, there is currently \$18.6 billion in additional debt capacity for non-self-supporting debt authorization that would be subject to the constitutional limit.



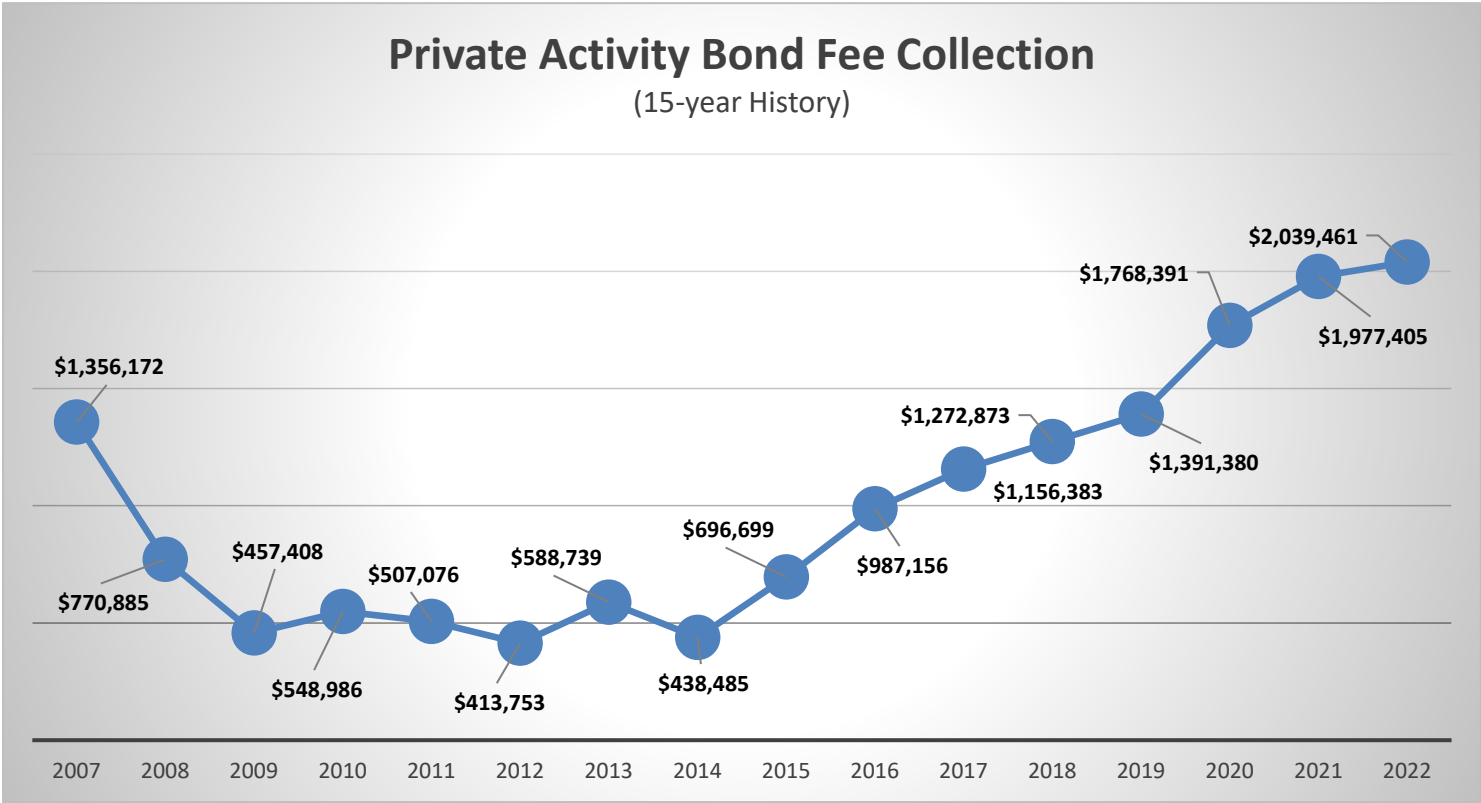
2. **State Debt Versus Local Debt.** According to the Bond Review Board, as of August 31, 2022, state and local debt totaled \$348.6 billion, of which local debt comprised \$284.2 billion, or 81.5 percent. The remaining \$64.4 billion is state debt outstanding including revenue conduit issuances. Conduit debt are securities issued by the state on behalf of third parties that are liable for repayment of the debt. Of the outstanding local debt, approximately \$186.7 billion is general obligation debt supported by tax collection. School district bond issuances account for \$104.2 billion, or 36.7 percent, of all outstanding local debt. At the end of fiscal year 2020, Texas ranked 42nd in state debt per capita and 3rd in local debt per capita according to the US Census Bureau.



3. **Texas’ General Obligation Bond Rating.** The state’s general obligation (GO) bond rating is the assessment of the state’s creditworthiness by the three major bond-rating agencies: Moody’s, Standard and Poor’s (S&P), and Fitch. All three rating agencies reevaluated Texas’ bond rating in fiscal year 2022 with Texas’ GO bonds receiving AAA ratings from each agency.

4. **Private Activity Bond Allocation Program Revenue.** The Bond Review Board administers the private activity bond (PAB) allocation program as required by Government Code, Chapter 1372 and is authorized by statute to collect fees related to the allocation of the state ceiling - the amount of tax-exempt private activity bonds that may be issued by all issuers in the state during a calendar year. At the beginning of fiscal year 2022, the Bond Review Board had up to \$5.9 billion in PAB authority, which included approximately \$2.7 billion in carry-forward from the prior three years and up to the fiscal year 2021 cap of \$3.2 billion.

The Bond Review Board collects a \$500 non-refundable application fee for a reservation of state ceiling, and certain issues are required to remit closing costs of at least \$1,000 to the agency. Additionally, the Bond Review Board is authorized to collect a \$5,000 application fee for qualified residential retail projects such as multi-family housing. Of this amount, statute allocates \$1,000 of the application fee to offset the costs of the Private Activity Bond Allocation program and allows for the transfer of \$4,000 of this fee to the Texas Department of Housing and Community Affairs for the Affordable Housing Research and Information program. All fees currently collected by the Bond Review Board are deposited to unobligated General Revenue.



**Bond Review Board
Rider Highlights – House**

New Riders

2. **Unexpended Balances: Between Fiscal Years within the Biennium.** Recommendations include the addition of a rider that provides the agency unexpended balance authority within the 2024-25 biennium.

Bond Review Board
Items Not Included in Recommendations - House

		2024-25 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
Agency Exceptional Items Not Included (in agency priority order)							
1)	Competitive Funding for Critical Classified Staff Positions. Agency requests \$33,000 in fiscal year 2024 and \$67,000 in fiscal year 2025 to attract and retain classified positions.	\$100,000	\$100,000	0.0	No	No	\$0
2)	Website Upgrade for Data Entry Portal. Agency requests \$385,000 in fiscal year 2024 and \$220,000 in fiscal year 2025 for a website upgrade IT capital project.	\$605,000	\$605,000	0.0	Yes	Yes	\$0
TOTAL Items Not Included in Recommendations		\$705,000	\$705,000	\$0			\$0

**Bond Review Board
Appendices - House**

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* Appendix is not included - no significant information to report

Bond Review Board					
Funding Changes and Recommendations by Strategy - House -- GENERAL REVENUE FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
REVIEW BOND ISSUES A.1.1	\$313,809	\$342,512	\$28,703	9.1%	Recommendations reflect: 1) An increase of \$15,191 related to the agency's reallocation of funding from Strategies B.1.1. and C.1.1. to Strategies A.1.1. and A.1.2. (Goal A), primarily for salary expenditures. 2) An increase of \$13,512 related to funding for the agency's exempt salary position, Executive Director, from \$127,500 to \$156,742.
STATE BOND DEBT A.1.2	\$315,144	\$346,112	\$30,968	9.8%	Recommendations reflect: 1) An increase of \$17,456 related to the agency's reallocation of funding from Strategies B.1.1. and C.1.1. to Strategies A.1.1. and A.1.2. (Goal A), primarily for salary expenditures. 2) An increase of \$13,512 related to funding for the agency's exempt salary position, Executive Director, from \$127,500 to \$156,742.
Total, Goal A, PROTECT TEXAS BOND RATING	\$628,953	\$688,624	\$59,671	9.5%	
ANALYZE LOCAL BOND DEBT B.1.1	\$857,882	\$840,512	(\$17,370)	(2.0%)	Recommendations reflect: 1) A decrease of \$30,882 related to the agency's reallocation of funding from Strategies B.1.1. and C.1.1. to Strategies A.1.1. and A.1.2. (Goal A), primarily for salary expenditures. 2) An increase of \$13,512 related to funding for the agency's exempt salary position, Executive Director, from \$127,500 to \$156,742.
Total, Goal B, LOCAL BOND DEBT	\$857,882	\$840,512	(\$17,370)	(2.0%)	
ADMINISTER PRIVATE ACTIVITY BONDS C.1.1	\$310,988	\$322,735	\$11,747	3.8%	Recommendations reflect: 1) A decrease of \$1,765 related to the agency's reallocation of funding from Strategies B.1.1. and C.1.1. to Strategies A.1.1. and A.1.2. (Goal A), primarily for salary expenditures. 2) An increase of \$13,512 related to funding for the agency's exempt salary position, Executive Director, from \$127,500 to \$156,742.
Total, Goal C, PRIVATE ACTIVITY BONDS	\$310,988	\$322,735	\$11,747	3.8%	
SALARY ADJUSTMENTS D.1.1	\$0	\$125,451	\$125,451	100.0%	Recommendations reflect an increase of \$125,451 for the statewide salary adjustments.

Bond Review Board					
Funding Changes and Recommendations by Strategy - House -- GENERAL REVENUE FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
Total, Goal D, SALARY ADJUSTMENTS	\$0	\$125,451	\$125,451	100.0%	
Grand Total, All Strategies	\$1,797,823	\$1,977,322	\$179,499	10.0%	

Bond Review Board
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2021	Actual 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	10.0	11.0	11.0	11.0	11.0
Actual/Budgeted	9.7	10.9	11.0	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 4	\$147,869	\$147,869	\$147,869	\$152,306	\$156,742

Notes:

a) The State Auditor's Office Reports, *Executive Compensation at State Agencies* (Report 22-706, August, 2022) indicates a market average salary of \$156,742 for the Executive Director position at the Bond Review Board.

b) The State Auditor's Office is the source of the FY 2021 and FY 2022 annual average (actual) FTE levels.

TEXAS BOND REVIEW BOARD

Agency Overview

- (1) Review and approve state debt issuances of more than \$250,000 or a term of longer than five years and University issuances rated lower than AA-. (The Board does not approve Permanent University Fund Debt, State Highway Fund Revenue Anticipation Notes, or the TRAN issuances);
- (2) To support and enhance the debt issuance and management functions by gathering, analyzing and reporting state and local debt information; and
- (3) Administer the state's Private Activity Bond Allocation Program and other federal bond allocation programs.

Fiscal Aspects

Agency appropriations for fiscal years 2022 and 2023 totaled \$898,912 and \$898,911, respectively. Its Capital Budget for fiscal years 2022 and 2023 totaled \$21,000 each fiscal year for database maintenance.

Although the agency is funded solely from the state's general revenue fund, it generates revenue through the receipt of application fees associated with the Private Activity Bond Allocation (PAB) Program. During fiscal years 2021 and 2022 the state received general revenue deposits of \$1,977,285 and \$2,069,485, respectively, in application fees associated with the PAB Program. As of February 6, 2023, the program had provided a total of \$1,219,849 in general revenue deposits and application fees.

The agency must continue to maintain its own information resources network without the benefit of a dedicated IT position. Budget permitting, an interagency contract allows the agency to access a Systems Analyst employed by another agency on an as-needed basis. The Executive Director is the designated information resources manager, and a financial analyst assists in the day-to-day management of the network system in addition to other duties.

In September 2016, staff started using a new SQL state and local debt databases with ad -hoc reporting capabilities. The new system has facilitated real-time access to multiple years of current and historical debt data allowing Board staff to produce reports in a timelier manner. The BRB created a new data center website that went live in December 2020. This

upgrade further increased transparency for Texas state and local debt information and consolidated the reporting of this information into one centralized location on the agency's website, allowing the user to search for debt data via a dossier-style display. In September 2022, staff started using a new SQL PAB Program database that has increased real-time access to multiple years of current and historical PAB data. In fiscal year 2023, staff plans to release a new, modernized agency website to improve the look and feel and better organize the information.

Exceptional Items

1) Competitive Funding for Critical Classified Staff Positions

This exceptional item request is for \$33,000 for fiscal year 2024 and \$67,000 for fiscal year 2025 to attract and retain critical classified positions. The agency performs highly technical financial analysis, which requires specialized knowledge and experience in public finance. Due to the nature of the agency's work, small staff size and limited budget, the agency faces unique resource challenges and makes experienced BRB staff extremely difficult to replace. For some positions, years of training and on-the-job experience are required. While for others, specific educational background and industry experience is required. The demographics of the staff of the BRB have changed drastically in 2 years. Per the SAO "*Texas State Agencies and Higher Education Institutions Workforce Summaries*," the percentage of employees under the age of 30 grew from 18.4% to 3 times the state average constituting 46.3% of the BRB staff.

4) Website Upgrade for Data Entry Portal

This exceptional item request is for \$385,000 for fiscal year 2024 and \$220,000 for fiscal year 2025. The BRB seeks funding to build an online portal for data entry to add efficiency and improve the collection and reporting of state, local, and PAB debt information by eliminating much of the manual data entry processing of BRB staff currently in place. This online portal will allow bond counsel firms and financial advisor firms to provide debt issuance information, via web-based forms, to the BRB for purposes of satisfying its responsibilities pursuant to Chapter 1231, Texas Government Code. BRB staff is manually inputting the contents of each Excel form into the agency's databases. This manual data entry processing can amount to 30% of staff's time.

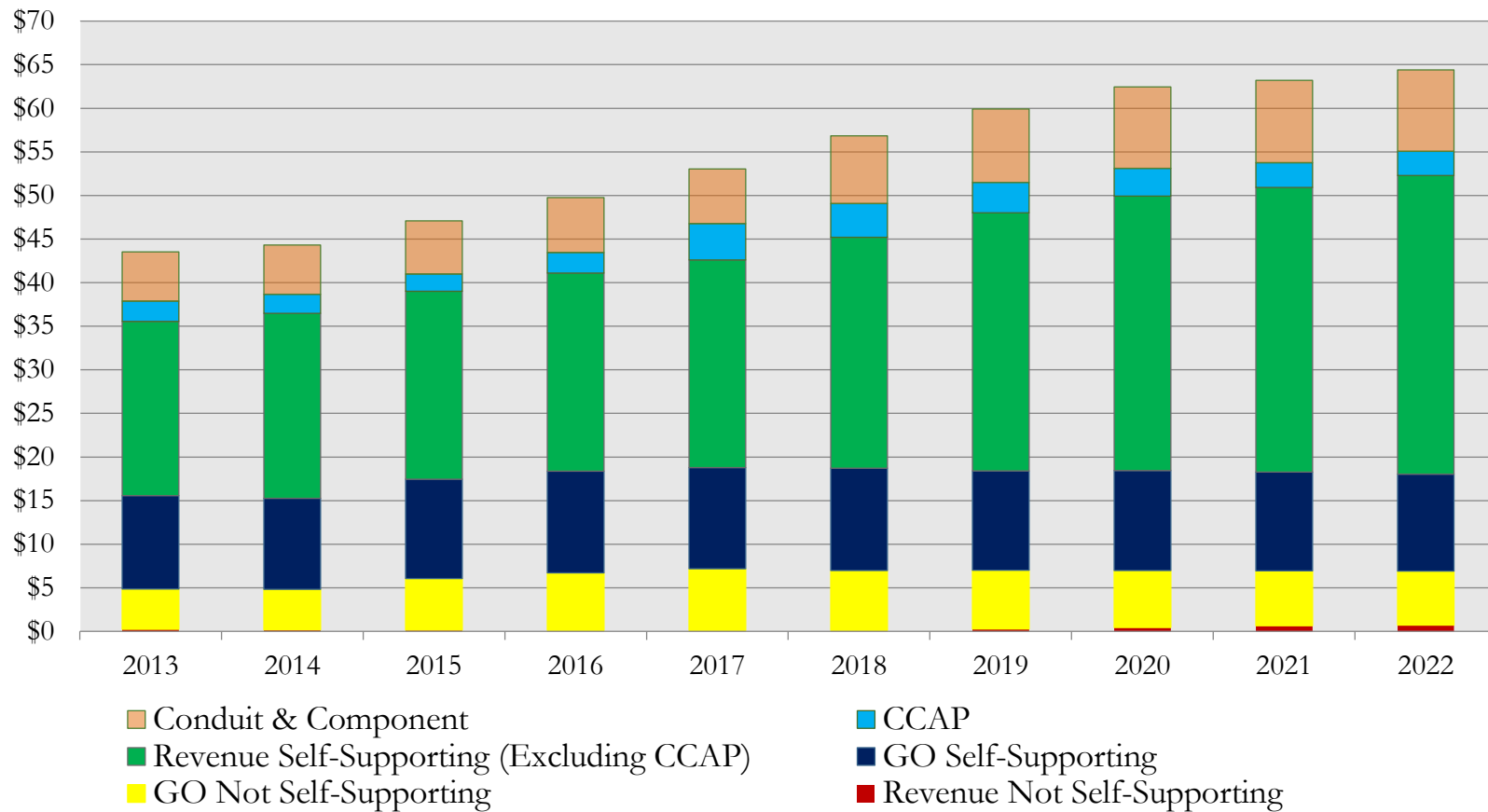
Internal Agency Concern: Turnover

Because of the years of experience necessary to gain an understanding of the agency's work and become a contributing staff member, turnover is particularly problematic for the BRB. Finding and retaining experienced personnel is a continual challenge. As staff members gain experience and knowledge, they become more marketable and often obtain employment elsewhere to advance their careers.

According to the State Auditor's Office, the turnover rate for Article I Texas state employees is 14.5% in 2022. By comparison, the BRB experienced an average turnover of 20% over the past three fiscal years. The BRB experienced a 40% turnover rate during fiscal year 2020 alone. Strategic merit initiatives were implemented to slow turnover, but salary limitations and the lack of opportunities for career growth through internal advancement, inherent in a small agency, are expected to continue to limit the agency's ability to attract and retain the most qualified employees, particularly at program administration and executive staff levels.

State Debt Outstanding (\$ in billions)

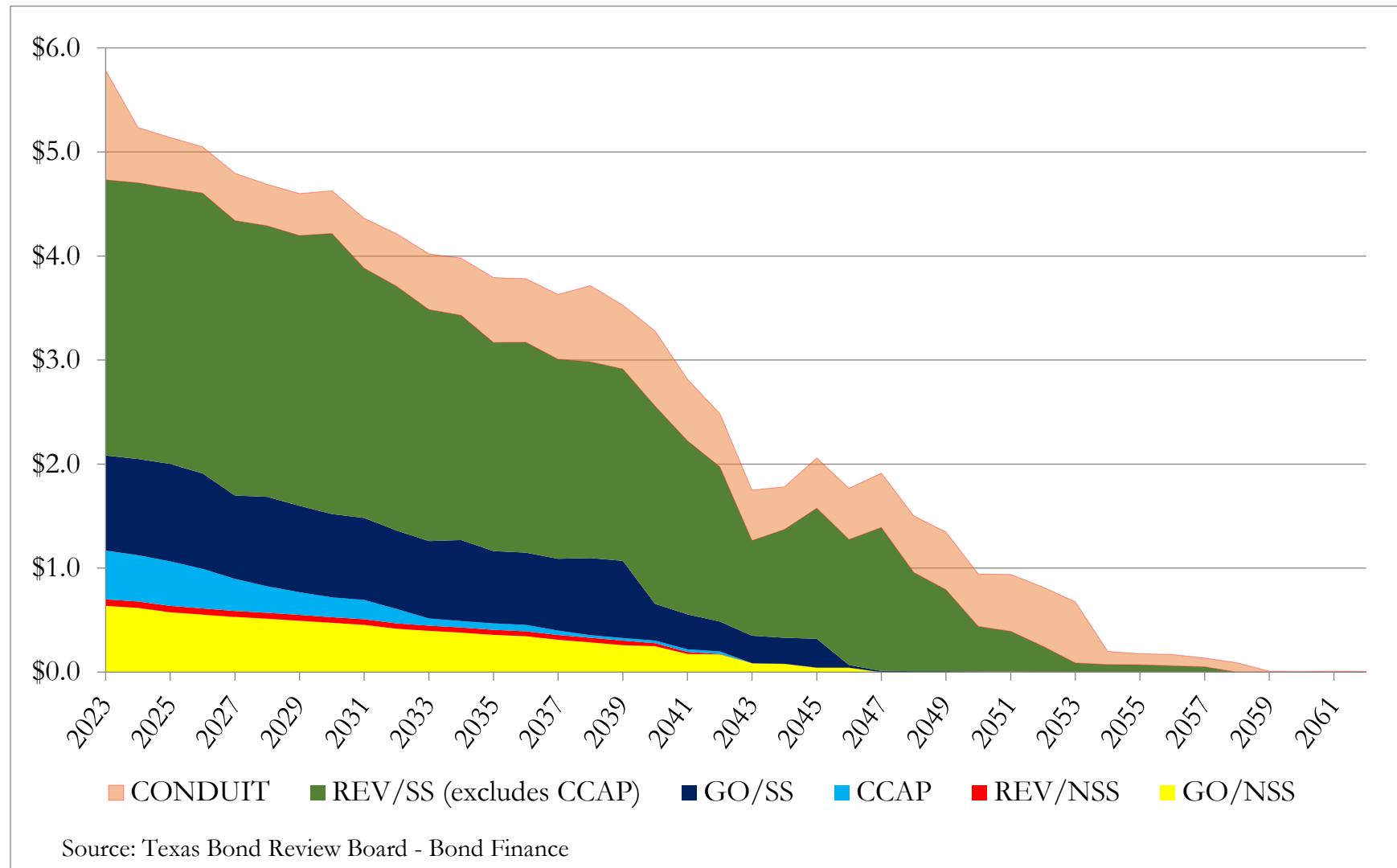
Total state debt outstanding has grown 47.9% over the past 10 years from \$43.54 billion in fiscal year 2013 to \$64.40 billion in 2022, a compound annual growth rate of 4.4%. Excluding conduit debt, the total state debt outstanding at fiscal year-end 2022 was \$55.04 billion.



Source: Texas Bond Review Board - Bond Finance Office.

Debt Service on Outstanding State Debt as of 8/31/2022 (\$ in billions)

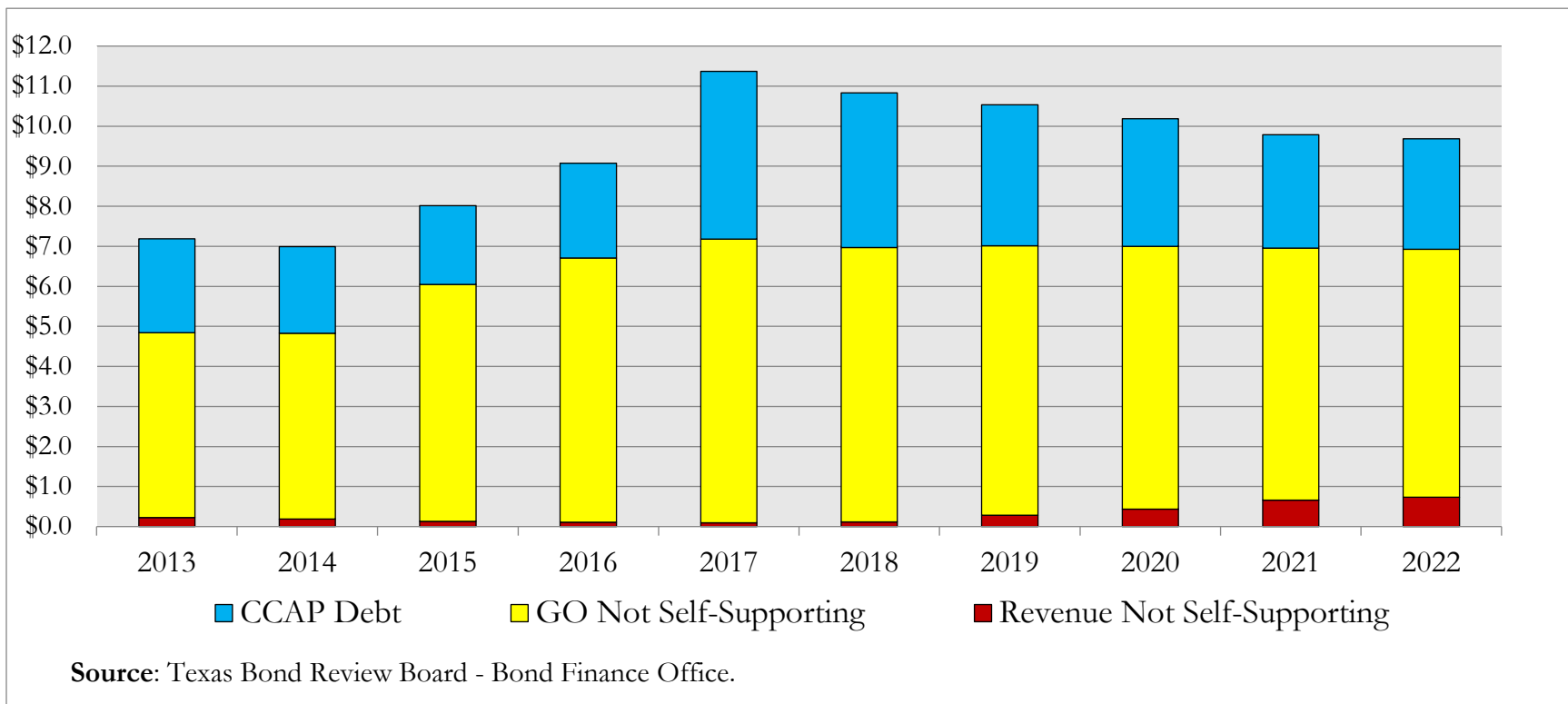
The below chart illustrates the projected annual debt service for Not Self-Supporting (NSS) and Self-Supporting (SS) debt outstanding as of August 31, 2022. All debt is scheduled to be repaid by fiscal year 2062.



Not Self-Supporting State Debt Outstanding Plus CCAPs (\$ in billions)

Total not self-supporting (NSS) state debt outstanding has grown 42.9% over the past 10 years from \$4.84 billion in fiscal year 2013 to \$6.92 billion in 2022, a compound annual growth rate of 4.0%. NSS debt is 10.8% of total state debt outstanding. Total Capital Construction Assistance Projects (CCAPs) debt (historically known as Tuition Revenue Bonds or TRBs) outstanding has grown 17.7% over the past 10 years from \$2.34 billion in fiscal year 2013 to \$2.76 billion in 2022, a compound annual growth rate of 1.8%. As of fiscal year 2022, total CCAP debt is 4.3% of total state debt outstanding including conduit debt and 39.9% of NSS state debt paid from the general revenue fund.

Although debt service for CCAPs is technically not a legal obligation of the state, all or a portion of debt service for CCAPs has historically been appropriated from the state's general revenue. The BRB classifies CCAPs as self-supporting debt. CCAPs are not included in the state's constitutional debt limit.



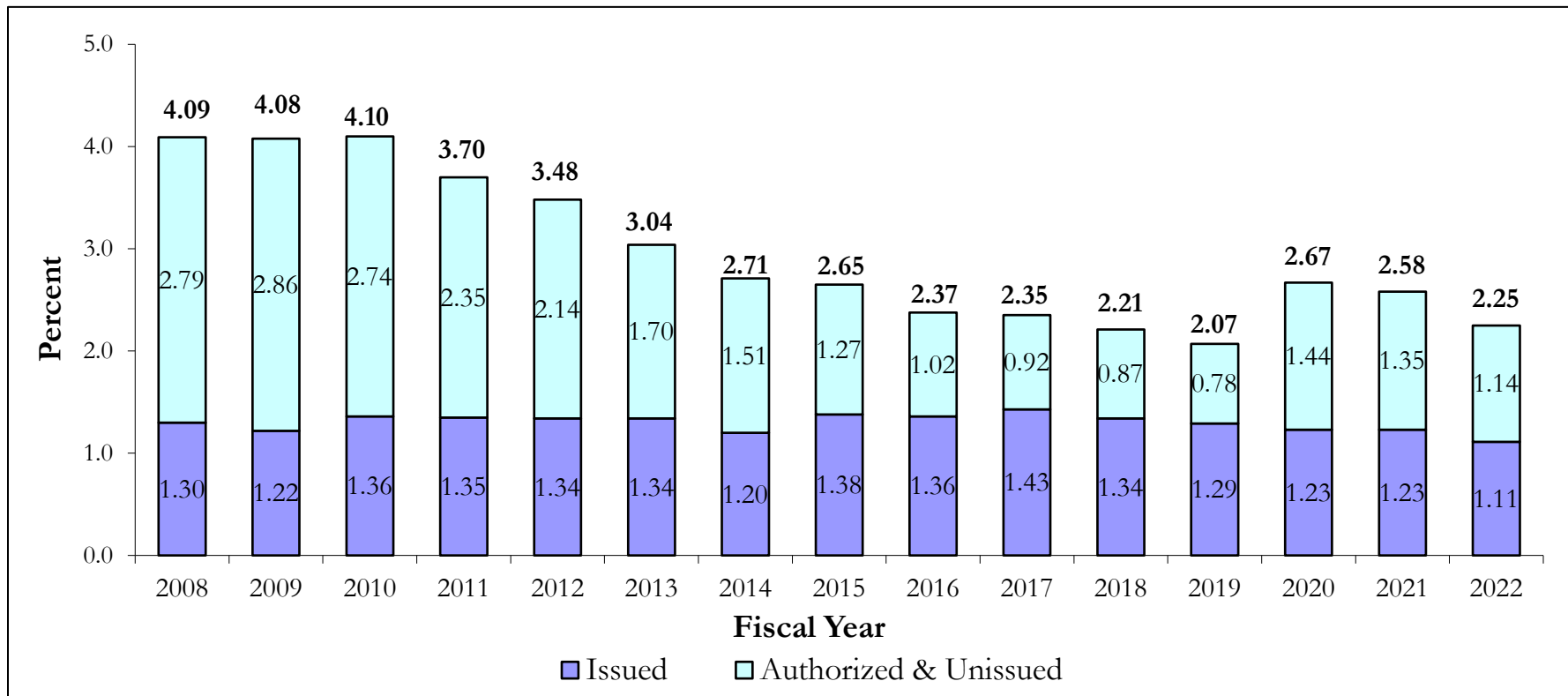
Debt Measures for Texas and States Rated AAA

Compared to the 10 other states also rated AAA by all three major rating agencies, Texas ranked third to lowest for net tax-supported debt per capita equaling \$682 with the mean and median for all AAA-rated states at \$1,367 and \$899, respectively.

State	Rating*	Net Tax-Supported Debt as a % of 2021		Net Tax-Supported Debt Per Capita		2021 Personal Income Per Capita
		Personal Income	Rank	Debt Per Capita	Rank	Per Capita
Delaware	AAA	7.0%	1	\$4,143	1	\$59,931
Maryland	AAA	4.1%	2	\$2,818	2	\$69,817
Virginia	AAA	2.8%	3	\$1,823	3	\$66,305
Minnesota	AAA	2.2%	4	\$1,462	4	\$66,280
Georgia	AAA	2.0%	5	\$1,087	5	\$55,786
Utah	AAA	1.6%	6	\$899	6	\$56,019
Florida	AAA	1.2%	7	\$756	7	\$62,270
North Carolina	AAA	1.2%	8	\$686	8	\$56,173
TEXAS	AAA	1.1%	9	\$682	9	\$59,865
Missouri	AAA	0.7%	10	\$398	10	\$55,325
Tennessee	AAA	0.5%	11	\$285	11	\$56,560
Mean of AAA States		2.2%		\$1,367		\$60,394
Median of AAA States		1.6%		\$899		\$59,865
<p>* Rated Aaa by Moody's and AAA by Standard & Poor's and Fitch Ratings as of September 2022.</p> <p>Analysis based on calendar year 2021 data.</p> <p>Sources: Moody's Investors Service Report, States - US, Debt, Pension and OPEB liabilities all up in fiscal 2021 released September 7, 2022; Bureau of Economic Analysis, State BEAR Facts, personal income last published on September 30, 2022.</p>						

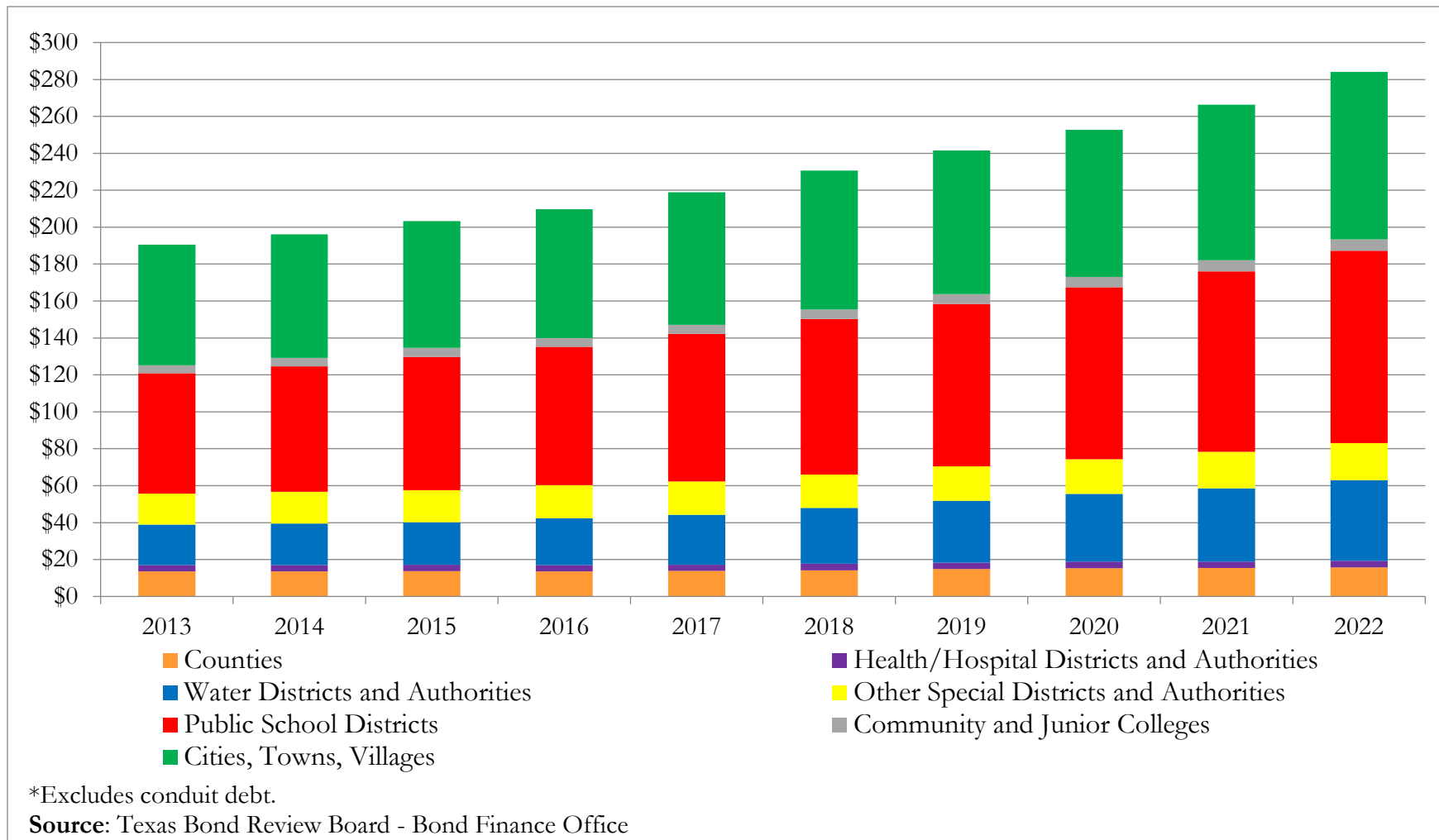
Constitutional Debt Limit

As of August 31, 2022, Texas' constitutional debt limit (CDL) remained below the maximum of 5% with 1.11% calculated for debt outstanding and 1.14% calculated for authorized but unissued debt for a total of 2.25% calculated including both outstanding and authorized but unissued debt. The CDL decreased 12.8% from the 2.58% calculated for outstanding and authorized but unissued debt calculated for fiscal year 2021. BRB staff estimates that approximately \$18.60 billion in additional debt capacity is available before reaching the CDL of 5%.



Local Government Debt Outstanding (\$ in billions)

Over the past 10 years total local debt (tax-supported plus revenue) has increased by 49.2% (\$93.67 billion) from \$190.49 billion in fiscal year 2013 to \$284.15 billion in 2022, a compound annual growth rate of 4.5%. Total debt issuances processed by staff grew 10.2% from 1,598 in fiscal year 2013 to 1,761 in fiscal year 2022.



State and Local Debt Outstanding Per Capita: Ten Most Populous States

The most recent U.S. Census Bureau data for state and local debt outstanding show that for census year 2020, Texas was the nation's second most populous state and ranked third among the ten most populous states in terms of Local Debt Per Capita, seventh in State Debt Per Capita and fourth in Total State and Local Debt Per Capita with 82.1% of the state's total debt burden at the local level.

	Total State and Local Debt				State Debt				Local Debt			
State	Population (thousands)	Amount (millions)	Capita Amount	Per Capita Rank	Amount (millions)	% of Total Debt	Capita Amount	Capita Rank	Amount (millions)	% of Total Debt	Per Capita Amount	Per Capita Rank
New York	19,677	\$368,276	\$18,716	1	\$156,004	42.4%	\$7,928	1	\$212,272	57.6%	\$10,788	1
California	39,029	519,537	13,311	2	144,041	27.7%	3,691	4	375,496	72.3%	9,621	2
Illinois	12,582	159,311	12,662	3	64,854	40.7%	5,155	2	94,457	59.3%	7,507	4
Texas	30,030	324,213	10,796	4	57,887	17.9%	1,928	7	266,326	82.1%	8,869	3
Pennsylvania	12,972	128,442	9,901	5	51,735	40.3%	3,988	3	76,707	59.7%	5,913	5
Michigan	10,034	81,886	8,161	6	34,403	42.0%	3,429	5	47,483	58.0%	4,732	8
Ohio	11,756	93,306	7,937	7	30,412	32.6%	2,587	6	62,894	67.4%	5,350	6
Florida	22,245	130,745	5,878	8	25,013	19.1%	1,124	10	105,732	80.9%	4,753	7
Georgia	10,913	62,963	5,770	9	14,116	22.4%	1,293	9	48,847	77.6%	4,476	9
North Carolina	10,699	47,759	4,464	10	15,099	31.6%	1,411	8	32,660	68.4%	3,053	10
MEAN		\$191,644	\$9,760		\$59,356	31.7%	\$3,253		\$132,287	68.3%	\$6,506	

Note: Detail may not add to total due to rounding.

Source: U.S. Census Bureau, State and Local Government Finances by Level of Government and by State: 2020, the most recent data available. U.S. Census Bureau, Population Division - July 2022 data, released December 2022.

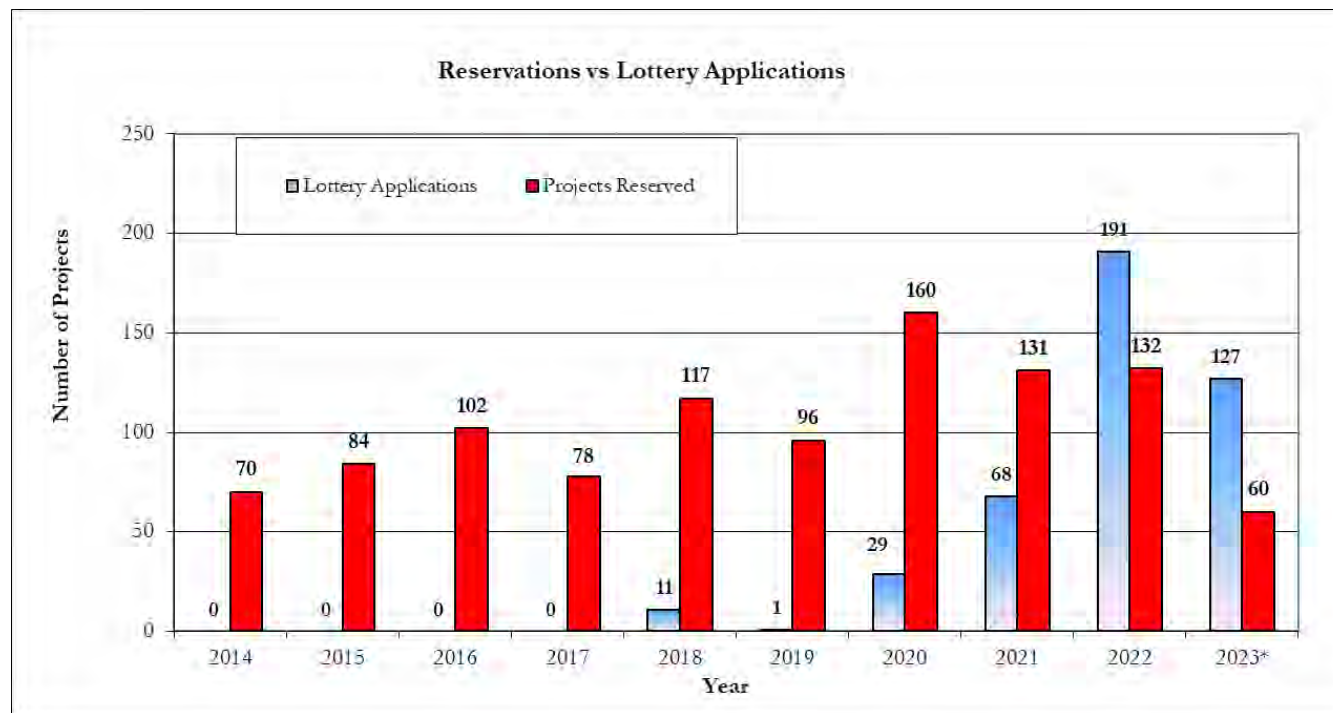
Private Activity Bond Program Update

During calendar 2022 staff administered \$5.93 billion in total PAB authority of which \$2.69 billion (45.3%) is carryforward from the prior three years. This compares to the total administered in 2014, \$5.28 billion of which \$2.63 billion was carryforward (49.9%).

For calendar year 2022, all PAB authority (\$3.25 billion) was allocated or converted to carryforward.

For calendar year 2023, \$2.01 billion of PAB authority (\$3.60 billion) is anticipated to be reserved for allocation through the end of January 2023.

Effects of SB 1474 (86th Session, 2019)



*2023 anticipated PAB reservations through January 2023.

Rob Latsha
Executive Director

AGENDA ITEM VII:

**CANCER PREVENTION AND
RESEARCH INSTITUTE OF TEXAS**

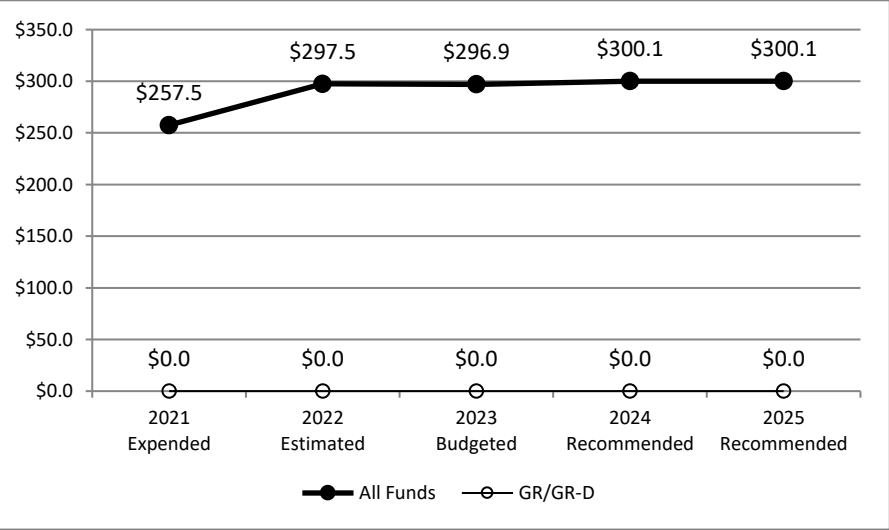
Cancer Prevention and Research Institute of Texas
Summary of Budget Recommendations - House

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Wayne Roberts, Chief Executive Officer
KJ Curtiss, LBB Analyst

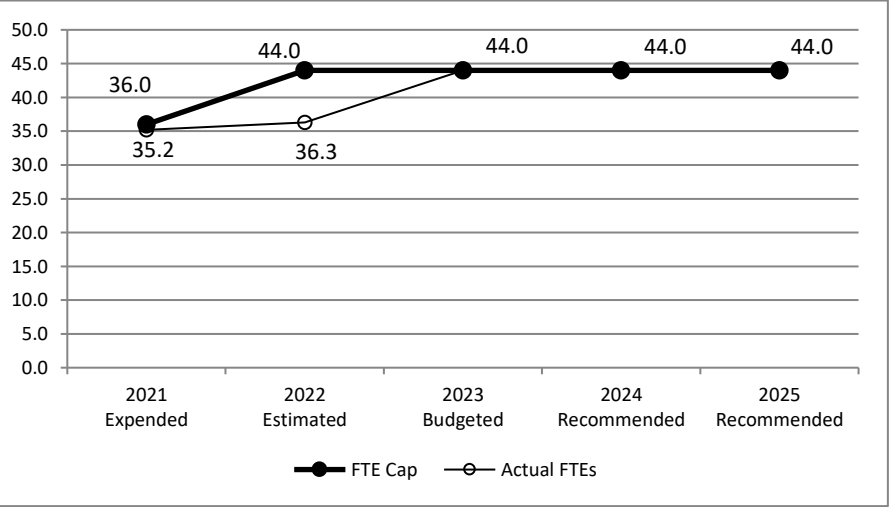
Method of Financing	2022-23	2024-25	Biennial	Biennial
	Base	Recommended	Change (\$)	Change (%)
General Revenue Funds	\$0	\$0	\$0	0.0%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
Total GR-Related Funds	\$0	\$0	\$0	0.0%
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$594,405,894	\$600,102,000	\$5,696,106	1.0%
All Funds	\$594,405,894	\$600,102,000	\$5,696,106	1.0%

	FY 2023	FY 2025	Biennial	Percent
	Budgeted	Recommended	Change	Change
FTEs	44.0	44.0	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

Cancer Prevention and Research Institute of Texas
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Technical adjustment of \$3,118,032 per fiscal year in General Obligation (GO) Bond Proceeds to reinstate the funding transfer to the Department of State Health Services for the Cancer Registry.	\$0.0	\$0.0	\$0.0	\$6.2	\$6.2	A.1.1
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
B)	Decrease of \$39,765 in License Plate Trust Fund due to balances carried forward from the 2020-21 biennium to the 2022-23 biennium.	\$0.0	\$0.0	\$0.0	(\$0.0)	(\$0.0)	A.1.2
C)	Decrease of \$488,946 in GO Bond Proceeds due to service contract balances carried forward from the 2020-21 biennium to the 2022-23 biennium.	\$0.0	\$0.0	\$0.0	(\$0.5)	(\$0.5)	A.1.3; B.1.1
D)	Decrease of \$11,247 in Appropriated Receipts due to product development research application fee balances carried forward from the 2020-21 biennium to the 2022-23 biennium.	\$0.0	\$0.0	\$0.0	(\$0.0)	(\$0.0)	A.1.3
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$0.0	\$0.0	\$0.0	\$5.7	\$5.7	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.0	\$0.0	\$0.0	\$6.2	\$6.2	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0.0	\$0.0	\$0.0	(\$0.5)	(\$0.5)	As Listed

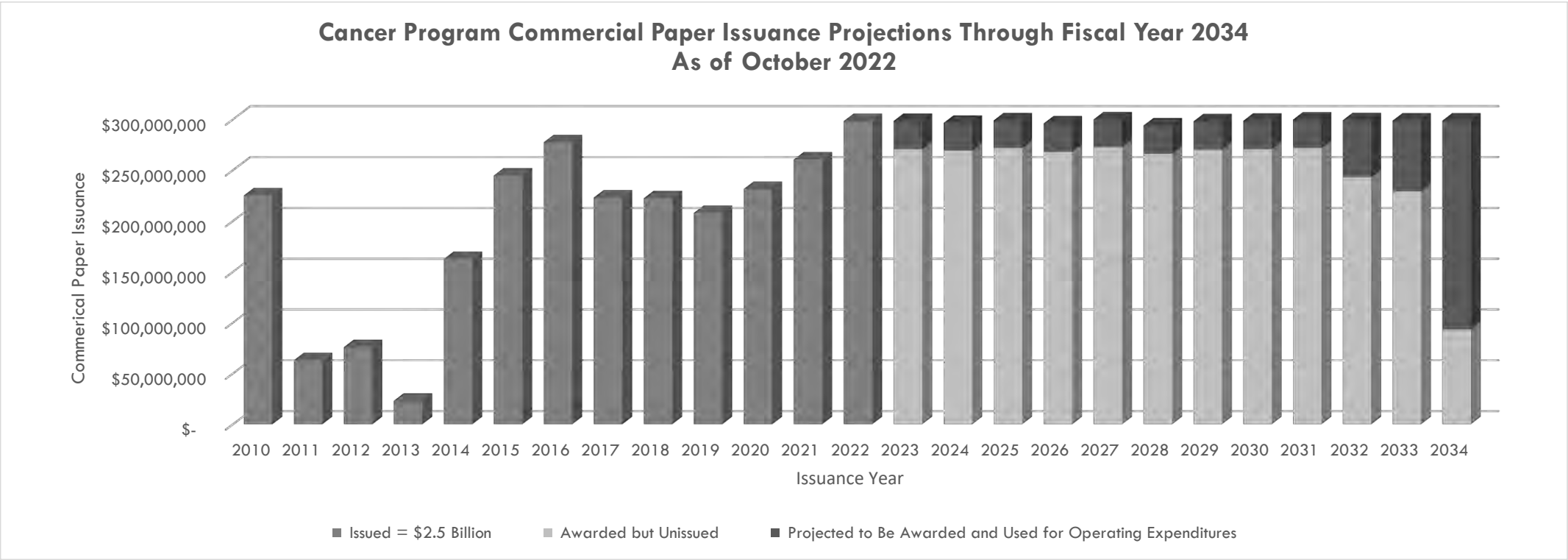
NOTE: Totals may not sum due to rounding.

Cancer Prevention and Research Institute of Texas
Selected Fiscal and Policy Issues - House

- 1. **Rider 4, Transfer to Department of State Health Services for the Cancer Registry.** The Cancer Prevention and Research Institute of Texas (CPRIT) is required to transfer General Obligation (GO) bond proceeds to the Department of State Health Services (DSHS) for the Cancer Registry Program each fiscal year. This requirement is included in CPRIT Rider 4 and DSHS Rider 23. CPRIT’s base request reflected the transfer of \$3,118,032 per fiscal year, thus lowering the agency’s overall request from \$300 million in GO bond proceeds to \$296,881,968 per fiscal year. Recommendations include a technical adjustment to modify the total GO bond proceeds to continue funding for the registry transfer.
- 2. **Update on Bond Proceeds and Bond Issuances.** Each fiscal year, CPRIT is authorized \$300 million in GO bond proceeds to issue and review new grants and monitor compliance for existing grants. CPRIT requests \$600 million in GO bond proceeds for the 2024-25 biennium, the maximum amount authorized by the Texas Constitution, Article III, Section 67.

Grant award reimbursements can be spread over two- to seven-year spans, depending on the type of grant. As a result, CPRIT has the authority to transfer unexpended balances across biennia. The Texas Public Finance Authority (TPFA) issues bonds as needed for award expenditures and operating costs. Each May, the CPRIT Oversight Committee approves bond resolutions based on projected estimates. This includes operating expenses, the transfer to DSHS for the cancer registry, and estimated grant reimbursements.

The agency estimates that after issuing bonds for the last grant awards using bond funds in fiscal year 2034, the final issuance would occur in quarter four of fiscal year 2034.



3. **Update on CPRIT Returns on Investment.** Pursuant to the Health and Safety Code, Sec. 102.256, the CPRIT Oversight Committee is required to establish standards to make all grant awards subject to an intellectual property agreement that allows the state to collect royalties and other benefits generated from projects funded by CPRIT grants. CPRIT is also authorized to transfer the management and authority of the state’s interest in projects selected by the CPRIT Oversight Committee to the Texas Treasury Safekeeping Trust Company to maximize returns.

Prior to fiscal year 2014, all revenues generated from these agreements were deposited into General Revenue-Dedicated Account No. 5136 Cancer Prevention and Research Institute of Texas Fund. Statute allows the fund to be used to pay debt service on CPRIT bonds, as well as provide CPRIT grants and fund agency operations. Senate Bill 149, Eighty-third Legislature, Regular Session, 2013, amended Health and Safety Code to establish a cancer prevention and interest and sinking fund to receive any income received under a grant contract. This limited the use of the fund to pay only debt service on CPRIT bonds. However, the fund did not survive funds consolidation in the Eighty-third Legislature and beginning September 1, 2013 all grant revenues are were deposited into General Revenue until the fund was recreated by House Bill 3849, Eighty-fifth Legislature, Regular Session, 2017 as General Revenue-Dedicated Account No. 5168.

The table below provides an overview of revenues received from grant contracts over the past 10 years. The revenue sharing in 2022 is higher than previous years due to a milestone payment by Peloton Therapeutic. Revenues are expected to increase as CPRIT continues to invest in companies through product development awards.

2013-2022 Revenue Sharing Received by CPRIT											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
GR-D Account 5136	\$ 145,436	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,436
General Revenue	\$ 101,324	\$ 1,768,790	\$ 46,774	\$ 921,686	\$ 60,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,898,892
GR-D Account 5168	\$ -	\$ -	\$ -	\$ -	\$ 38,695	\$ 187,337	\$ 295,740	\$ 947,206	\$ 275,119	\$ 2,808,167	\$ 4,552,263
2013-2022 Revenue Sharing as of October 2022											\$ 7,596,591

Source: Comptroller of Public Accounts and CPRIT

Cancer Prevention and Research Institute of Texas
Appendices - House

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B	Summary of Federal Funds	*
C	FTE Highlights	8

* Appendix is not included - no significant information to report

Cancer Prevention and Research Institute of Texas
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
AWARD CANCER RESEARCH GRANTS A.1.1	\$496,487,061	\$502,738,864	\$6,251,803	1.3%	Recommendations include: 1) Technical adjustment increase of \$6,236,064 in General Obligation (GO) Bond Proceeds for the reinstatement of Cancer Registry transfer to the Department of State Health Services reflected in the agency's base request. 2) Increase of \$15,739 in GO Bond Proceeds for operational expenses.
AWARD CANCER PREVENTION GRANTS A.1.2	\$55,381,576	\$54,787,390	(\$594,186)	(1.1%)	Recommendations include: 1) Decrease of \$39,765 in License Plate Trust Fund related to balances carried forward from the 2020-21 biennium to the 2022-23 biennium. 2) Overall decrease of \$554,421 in GO Bond Proceeds comprised of an increase of \$1,749 for operational expenses offset by a reallocation of \$556,170 for the statewide salary adjustments.
GRANT REVIEW AND AWARD OPERATIONS A.1.3	\$32,558,517	\$32,197,790	(\$360,727)	(1.1%)	Recommendations include: 1) Decrease of \$349,480 in GO Bond Proceeds related to service contract balances carried forward from the 2020-21 biennium to the 2022-23 biennium. 2) Decrease of \$11,247 in Appropriated Receipts related to product development research application fee balances carried forward from the 2020-21 biennium into the 2022-23 biennium.
Total, Goal A, CANCER RESEARCH AND PREVENTION SVCS	\$584,427,154	\$589,724,044	\$5,296,890	0.9%	
INDIRECT ADMINISTRATION B.1.1	\$9,978,740	\$9,821,786	(\$156,954)	(1.6%)	Recommendations include: 1) Decrease of \$139,466 in GO Bond Proceeds related to service contract balances carried forward from the 2020-21 biennium to the 2022-23 biennium. 2) Decrease of \$17,488 in GO Bond Proceeds for operational expenses.
Total, Goal B, INDIRECT ADMINISTRATION	\$9,978,740	\$9,821,786	(\$156,954)	(1.6%)	
SALARY ADJUSTMENTS C.1.1	\$0	\$556,170	\$556,170	100.0%	Recommendations include a reallocation from Strategy A.1.2, Award Cancer Prevention Grants, of \$556,170 in GO Bond Proceeds for the statewide salary adjustments.
Total, Goal C, SALARY ADJUSTMENTS	\$0	\$556,170	\$556,170	100.0%	

Cancer Prevention and Research Institute of Texas
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
Grand Total, All Strategies	\$594,405,894	\$600,102,000	\$5,696,106	1.0%	

Cancer Prevention and Research Institute of Texas
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2021	Actual 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	36.0	44.0	44.0	44.0	44.0
Actual/Budgeted	35.2	36.3	44.0	NA	NA

Schedule of Exempt Positions (Cap)					
Chief Executive Officer, Group 9	\$281,875	\$281,875	\$281,875	\$282,277	\$282,277
Chief Scientific Officer, No Group	\$533,500	\$608,850	\$608,850	\$608,850	\$608,850

Notes:

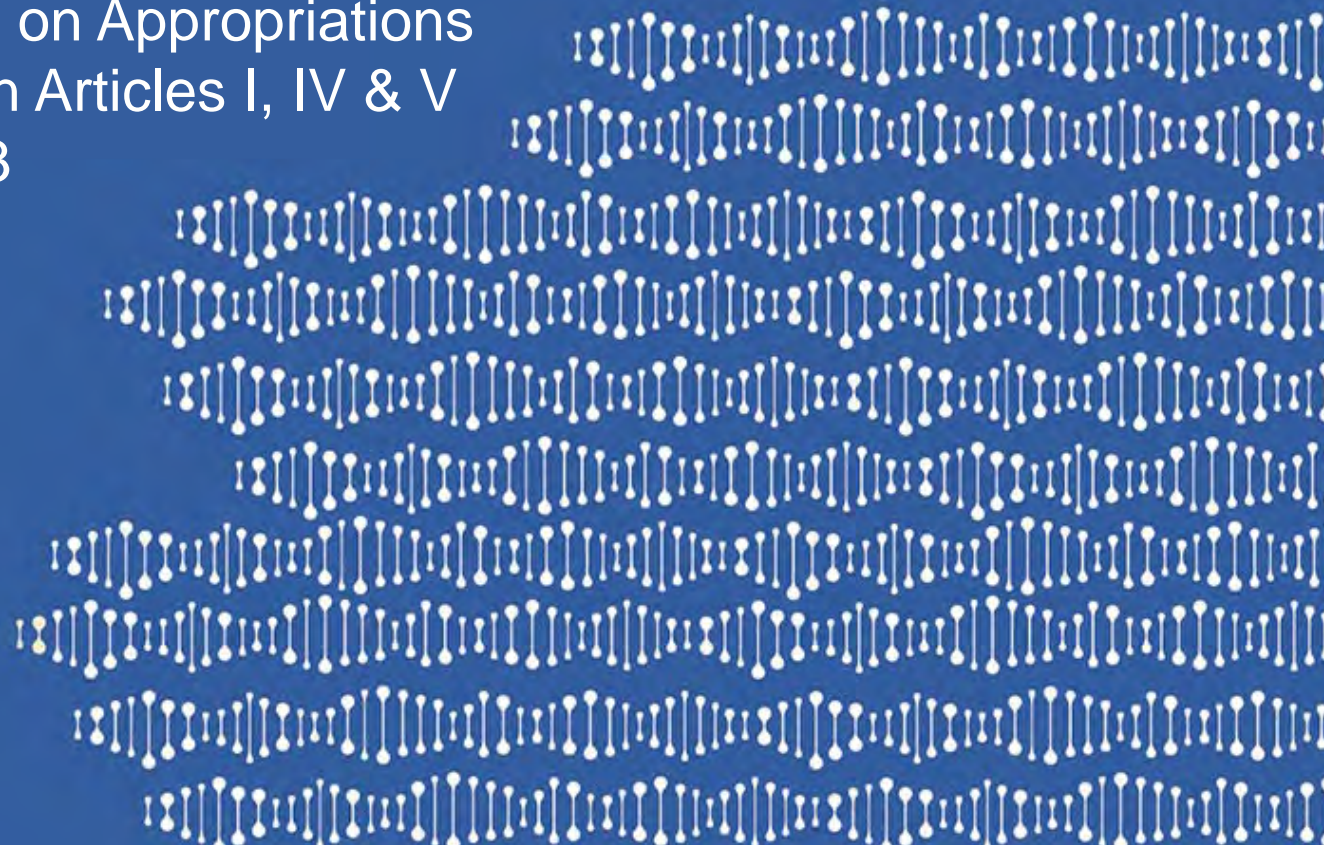
- a) The State Auditor's Office Report, Executive Director Compensation at State Agencies (Report 22-706, August 2022), indicates a market average salary of \$282,277 for the Chief Executive Officer position at the Cancer Prevention and Research Institute of Texas.
- b) The State Auditor's Office Report, Executive Director Compensation at State Agencies (Report 22-706, August 2022), does not indicate a market average salary based on similar professional positions for Chief Scientific Officer.
- c) The State Auditor's Office is the source for the FY 2021 and FY 2022 annual average (actual) FTE levels.



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

CPRIT Legislative Appropriations Request for the 2024-25 Biennium

House Committee on Appropriations
Subcommittee on Articles I, IV & V
February 21, 2023



2024-25 LAR: Requested Items

1. Base request of \$300 million in bond proceeds for each year of the biennium as provided in House Bill 1. Thank you!
2. 5% COLA per year for Exempt Salaries, especially for the Chief Scientific Officer



2024-25 LAR: CSO Exempt Salary Increase

Chief Scientific Officer position requires skill set of high-level health science center MD/PhD research administrator (medical school dean, comprehensive cancer center director, cancer research division head)

- Request 5% COLA from \$608,850 to \$639,300 in FY 2024
- Request 5% COLA from \$639,300 to \$671,300 in FY 2025
- Comparable positions now average \$964,173



Questions?

www.cprit.texas.gov

PO Box 12097 ■ Austin Texas 78711 ■ (512) 463-3190

Wayne R. Roberts
Chief Executive Officer

Academic Research Program

Michelle Le Beau, Ph. D.
Chief Scientific Officer

Product Development Research Program

Ken Smith, Ph. D.
Chief Product Development Officer

Prevention Program

Ramona Magid
Chief Prevention Officer

Strategic Initiatives

Tracey Davies
Chief Strategic Initiatives & Intellectual Property Officer

Legal

Kristen Doyle
Deputy Executive Officer & General Counsel

Operations

Heidi McConnell
Chief Operating Officer

Compliance

Vince Burgess
Chief Compliance Officer

Communications

Mark Dallas Loeffler
Communications Director



2024-25 LAR: Appendix

CPRIT Background



In 2007,

Texans voted overwhelmingly in favor of a constitutional amendment creating the Cancer Prevention and Research Institute of Texas (CPRIT).

On November 5, 2019, Texas voters approved a constitutional amendment providing an additional \$3 billion to CPRIT, for a total \$6 billion investment in cancer research and prevention efforts across Texas, the second largest public source of funding for cancer research in the world.



Invest in the research prowess of Texas institutions.



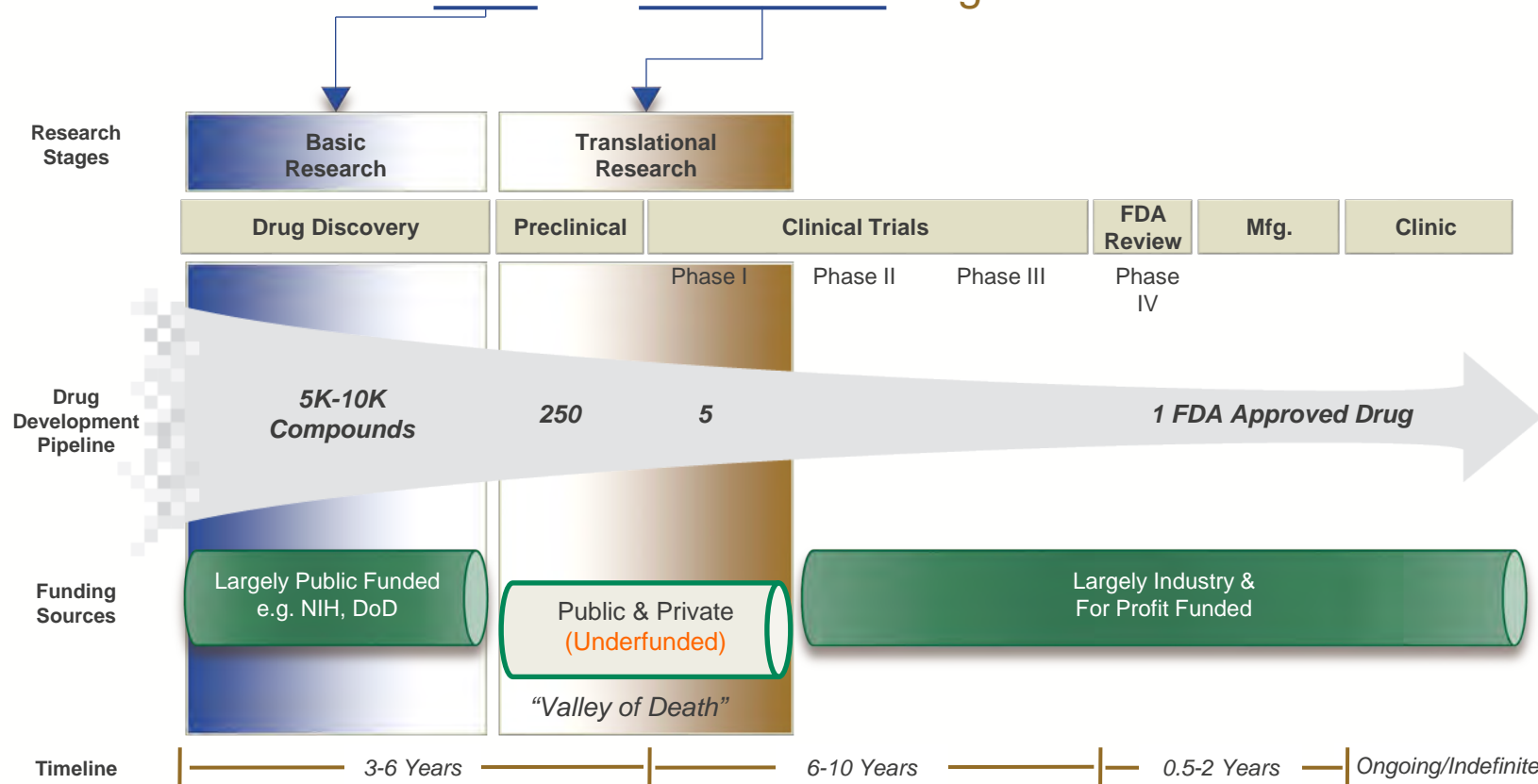
Create and expand the life science infrastructure in Texas and add high-quality jobs.



Expedite innovation in research and breakthroughs in prevention and cures.

CPRIT's Unique Role in Fighting Cancer

CPRIT focuses on the basic and translational stages of cancer research.



Average R&D cost for approved drug: **\$2 Billion**

General timeframe to approved drug: **10-15 years**



▶ Investing in Research Prowess in Texas Research Entities

- **285 stellar researchers and their labs** recruited to Texas institutions
- Texas achieves **3 NCI comprehensive cancer centers** – previously only MD Anderson
- **\$2.27 billion** in 1,483 grants awarded to Texas research entities
- **\$3.25 billion** in direct follow-on funding raised by CPRIT academic research grantees
- **73 core facilities** at Texas institutions to provide access to cutting-edge shared technology

James Allison
2018 Nobel Prize in
Physiology or Medicine



36 Research Entities Have Received CPRIT Research Grants

- Baylor College of Medicine
- Baylor Research Institute
- Baylor University
- Rice University
- Scott & White Healthcare
- Southern Methodist University
- Texas A&M Engineering Experiment Station
- Texas A&M University
- Texas A&M University - Corpus Christi
- Texas A&M University System Health Science Center
- Texas A&M University
- Health Science Center Institute of Biosciences and Technology
- Texas AgriLife Research
- Texas Medical Center Foundation
- Texas Southern University
- Texas State University - San Marcos
- Texas Tech University
- Texas Tech University Health Sciences Center
- Texas Tech University Health Sciences Center at El Paso
- The Methodist Hospital Research Institute
- 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 at San Antonio
- The University of Texas Health Science Center at Houston
- The University of Texas Health Science Center at San Antonio
- The University of Texas Health Science Center at Tyler
- The University of Texas M.D. Anderson Cancer Center
- The University of Texas Medical Branch at Galveston
- The University of Texas Southwestern Medical Center
- The University of Texas Rio Grande Valley
- The University of Texas System
- University of Houston
- University of Houston - Downtown
- University of North Texas
- University of North Texas Health Science Center at Fort Worth



► Accelerating Innovation in Research

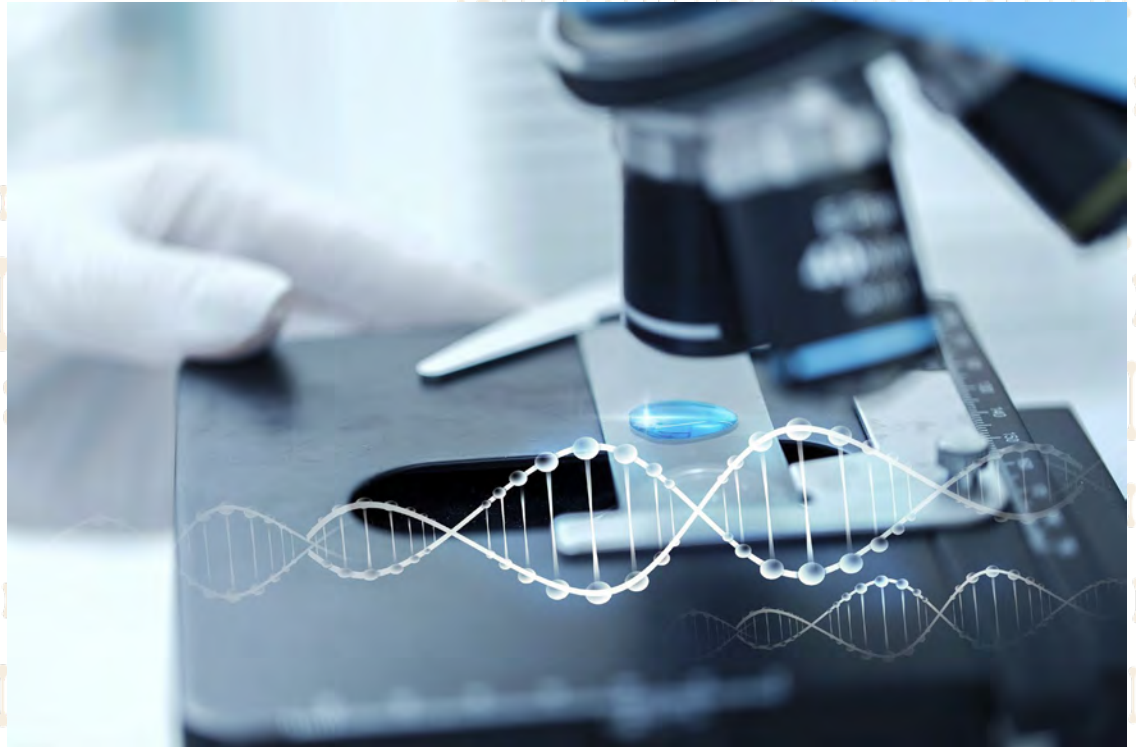
251 CPRIT-funded Clinical Studies: 41,371 Patients

➤ **Interventional**

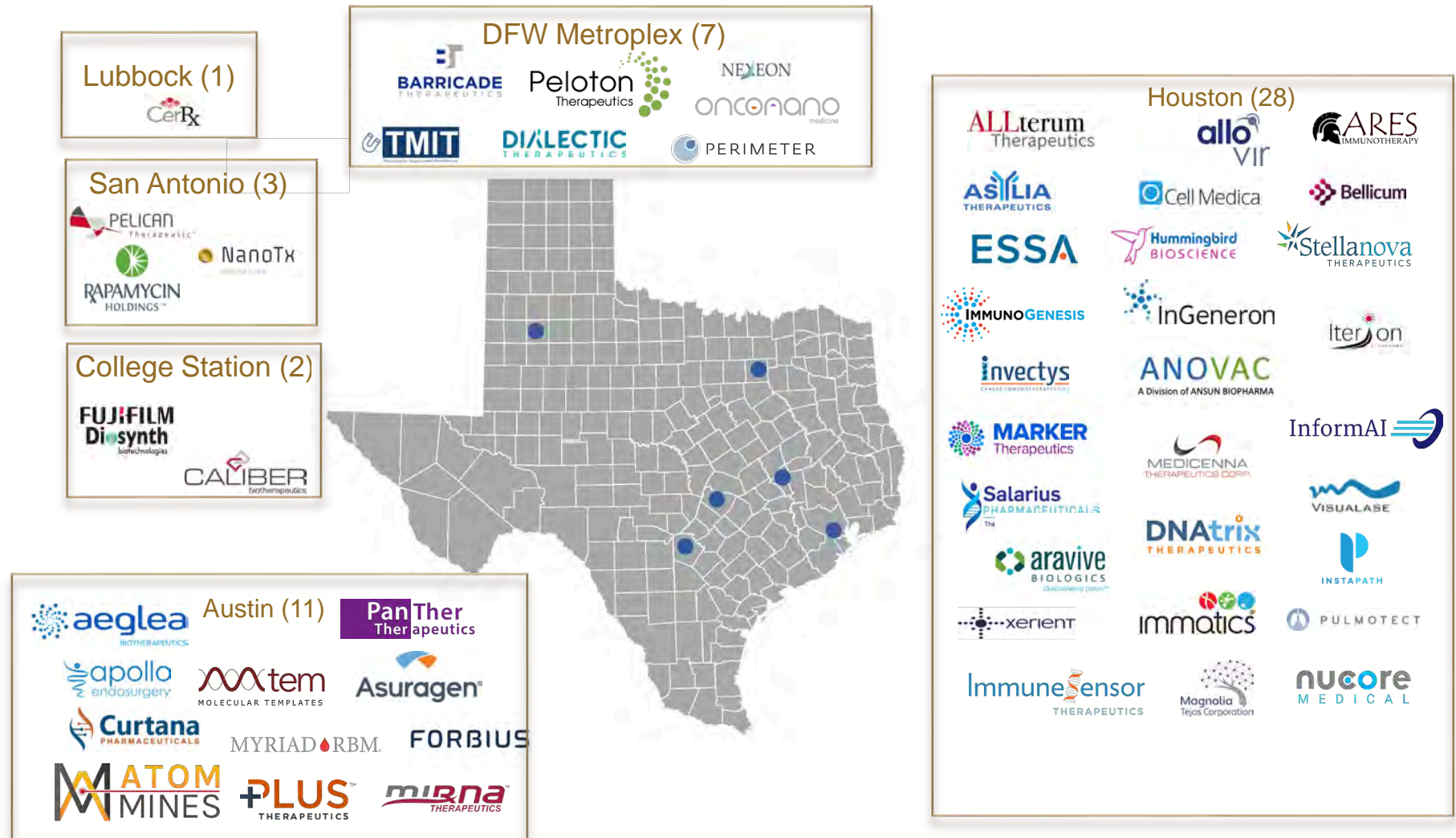
- **148 studies**
- **10,853 patients**

➤ **Observational**

- **81 studies**
- **30,518 patients**



Product Development Companies by City



► Create and Expand Life Science Infrastructure

Follow-on funds raised by academic research grantees and CPRIT-funded companies exceed contracted awards by \$ 5.55 Billion



\$2.85 Billion

CPRIT Contracts to
Academic Research and
CPRIT-funded Companies

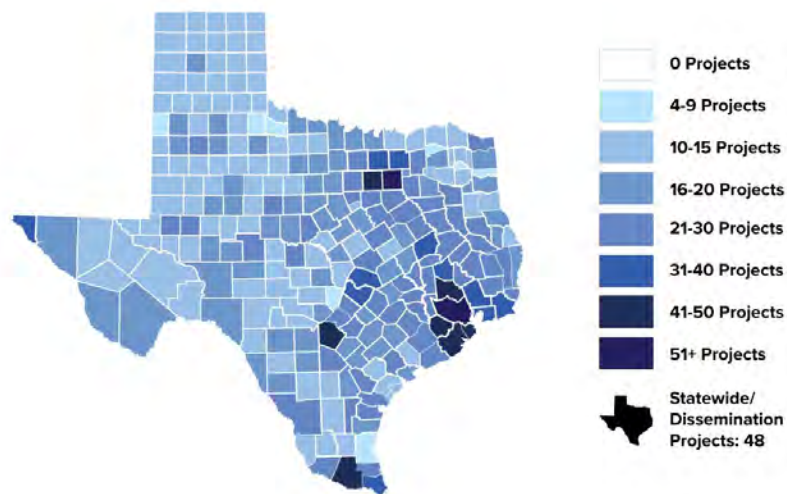
\$8.40 Billion

Total Non-State Follow-
on Funding



Prevention Program Services & Geographic Coverage

COUNTIES OF RESIDENCE OF PEOPLE SERVED BY CPRIT PREVENTION PROJECTS



CPRIT has funded \$328 million for
274 prevention projects at 56
Texas organizations

Over 8.2 Million Education and Clinical Services

- 4.7 M Education & Training Services
- 3.5 M Clinical Services
 - ✓ Vaccinations
 - ✓ Tobacco Cessation
 - ✓ Screening: breast, cervical, colorectal
 - ✓ Genetic testing and counseling
 - ✓ Survivor care



CPRIT: Investing in a Cancer-Fighting Ecosystem

\$3.18 Billion Invested as of November 2022

Investment	Direct Return in FY 2022	Value
All Program Investments	<ul style="list-style-type: none">➤ 7,840 jobs in annual employment➤ \$436.8 million in personal income➤ \$1.2 billion in total expenditures➤ \$165.8 million in retail sales➤ \$49.4 million in state and local tax receipts➤ \$630.1 million in gross product	<ul style="list-style-type: none">• CPRIT is catalyzing the Texas life sciences ecosystem directly and thru the entire cancer healthcare continuum.• If Texas achieves a concentration in the biomedical industry by 2050 equivalent to that of the US, incremental gains will include \$22.4 billion in annual gross product and 166,503 jobs.



AGENDA ITEM VIII:

**COMMISSION ON STATE
EMERGENCY COMMUNICATIONS**

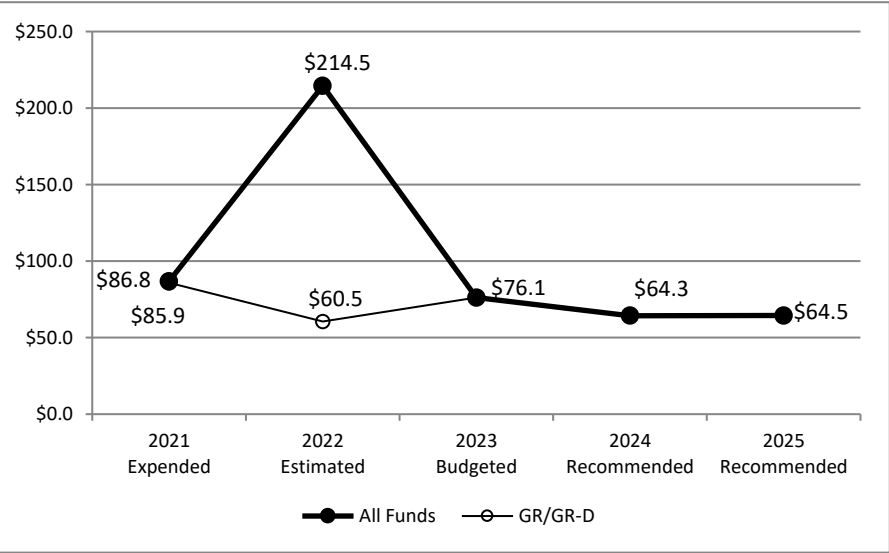
Commission on State Emergency Communications
Summary of Budget Recommendations - House

Page I-33
Kelli Merriweather, Executive Director
George Purcell Jr, LBB Analyst

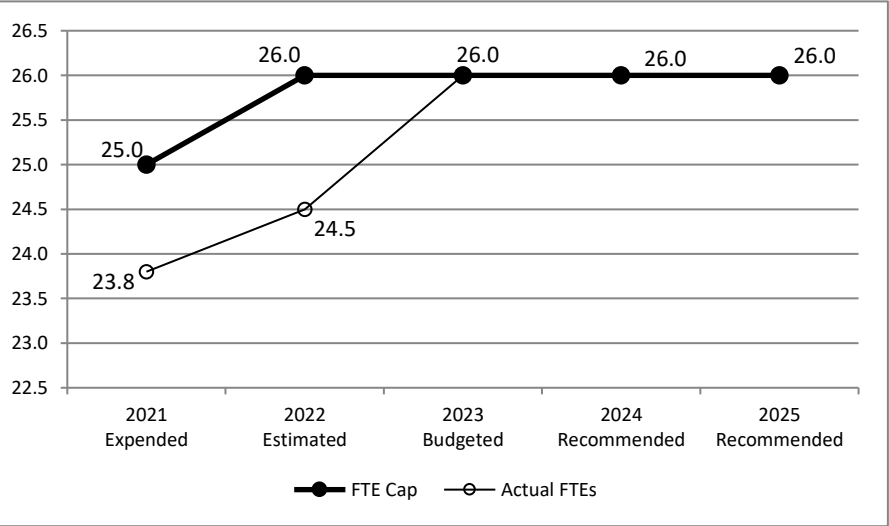
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$0	\$21,304,120	\$21,304,120	100.0%
GR Dedicated Funds	\$136,677,238	\$107,440,895	(\$29,236,343)	(21.4%)
Total GR-Related Funds	\$136,677,238	\$128,745,015	(\$7,932,223)	(5.8%)
Federal Funds	\$153,965,478	\$0	(\$153,965,478)	(100.0%)
Other	\$0	\$0	\$0	0.0%
All Funds	\$290,642,716	\$128,745,015	(\$161,897,701)	(55.7%)

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	26.0	26.0	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

**Commission on State Emergency Communications
Summary of Funding Changes and Recommendations - House**

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Reduction of one-time appropriation of the Coronavirus State Fiscal Recovery Funds (CSFRF) from the American Rescue Plan Act for the expansion of digital 9-1-1 services.	\$0.0	\$0.0	(\$150.0)	\$0.0	(\$150.0)	A.1.2
B)	Reduction to regional planning commissions for 9-1-1 services to preserve balances in Fund 5050 offset by the addition of General Revenue as a method of finance to address funding need in the Statewide 9-1-1 Program (see page 3).	\$21.3	(\$15.4)	\$0.0	\$0.0	\$5.9	A.1.1
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
C)	Increase in funding for grants to poison control centers to fund salary increases for service providers.	\$0.0	\$7.1	\$0.0	\$0.0	\$7.1	B.1.1
D)	Removal of funding for the completed transition to Next Generation 9-1-1 services as well as reductions in utility costs due to the transition.	\$0.0	(\$19.9)	\$0.0	\$0.0	(\$19.9)	A.1.2
E)	Reduction in grants to local entities and CSEC grant administration costs due to completion of Federal E911 grant.	\$0.0	(\$0.6)	(\$4.0)	\$0.0	(\$4.6)	A.1.1
F)	Reduction in Data Center Services costs due to removal of costs for managed security and multi-sourcing integration services.	\$0.0	(\$0.5)	\$0.0	\$0.0	(\$0.5)	A.1.1
G)	Reduction of costs at poison control centers from savings due to efficiency upgrades of call-taking and recording systems.	\$0.0	(\$0.4)	\$0.0	\$0.0	(\$0.4)	B.1.2
H)	Increase to reflect statewide salary adjustments and increase in compensation for the Executive Director.	\$0.0	\$0.2	\$0.0	\$0.0	\$0.2	C.1.1, D.1.1
I)	Increase of approximately three percent in four strategies to address expected increases in costs due to inflation.	\$0.0	\$0.2	\$0.0	\$0.0	\$0.2	A.1.3, B.1.2, B.1.3, C.1.1
J)	Removal of one-time funding related to agency move to the George HW Bush Building.	\$0.0	(\$0.1)	\$0.0	\$0.0	(\$0.1)	C.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$21.3	(\$29.2)	(\$154.0)	\$0.0	(\$161.9)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$21.3	\$7.6	\$0.0	\$0.0	\$28.9	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0.0	(\$36.8)	(\$154.0)	\$0.0	(\$190.8)	As Listed

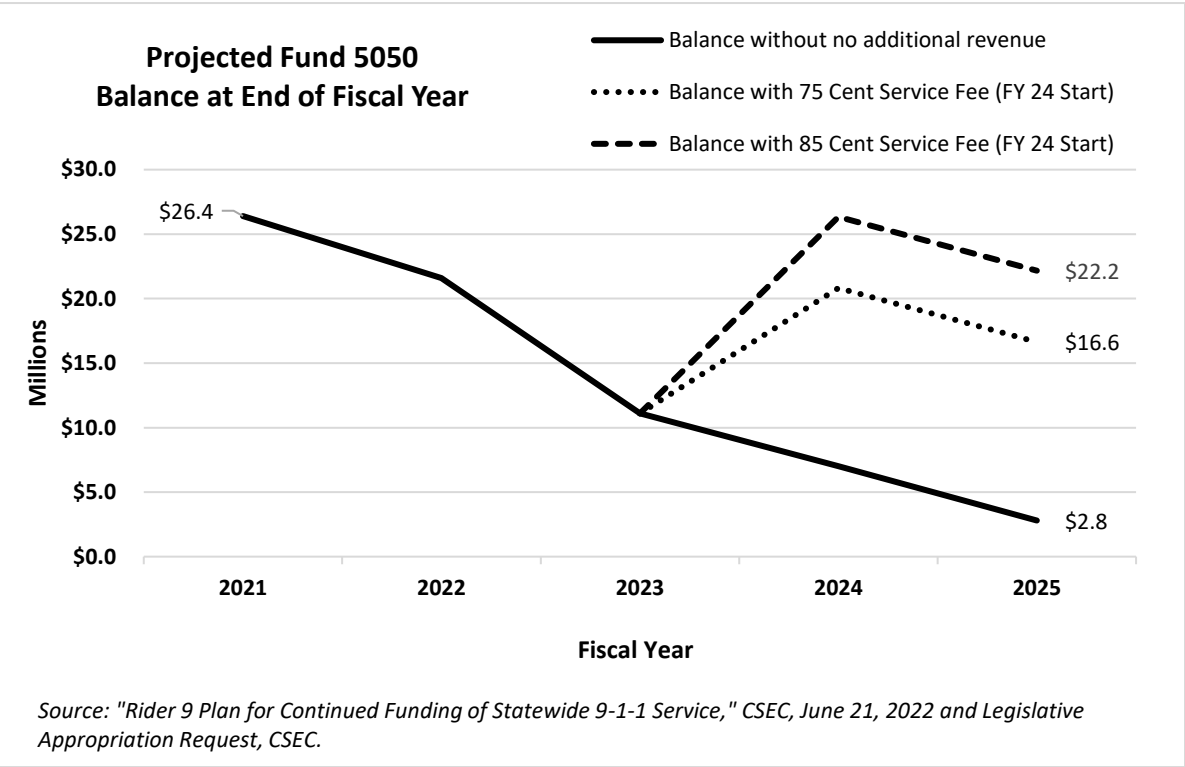
NOTE: Totals may not sum due to rounding.

Commission on State Emergency Communications
Selected Fiscal and Policy Issues - House

1. Projections of 9-1-1 Service Fee Fund 5050 Fund Balances

General Revenue-Dedicated Fund 9-1-1 Service Fees Account No. 5050 has historically provided most funds for the CSEC 9-1-1 program. Fund 5050 receives revenue from three sources: statutory Emergency Service Fees of 50 cents on wireless and wired connections and a two percent Prepaid Wireless Service fee. Since 2014, appropriations from Fund 5050 have outpaced declining revenues. These revenue declines reflect the departure of regional planning commissions (RPCs), which take their revenue with them when they exit the statewide program, as well as reduced revenue from landline service.

In fiscal year 2022, the agency reduced grants to RPCs, used to replace and modernize 9-1-1 equipment, by \$15.4 million to preserve the balance of Fund 5050. In the General Appropriations Act (2022-23 biennium), Rider 9, “Plan for Continued Funding of Statewide 9-1-1 Services”, the agency was directed to develop a plan for the sustainable funding of the statewide 9-1-1 program. In that report, the agency determined that, at existing rates of appropriation, the balance of Fund 5050 would be exhausted in fiscal year 2024. The agency has since revised their estimates in the 2024-25 Legislative Appropriations Request (LAR) indicating balances of \$2.8 million available at the end of fiscal year 2025 under its base request.



The Commission’s report in response to Rider 9 examined three revenue scenarios: baseline with no fee increase and fee increases of 25 and 35 cents per wireless and wired line. The included chart shows the agency projection of additional Fund 5050 revenues at the 75-cent and 85-cent total fee levels added to agency-estimated fund balances from the Legislative Appropriations Request. To address this funding need, recommendations include \$21,304,120 in General Revenue. This increase is based on estimated appropriation needs identified in the Rider 9 report compared to the agency’s funding request in the 2024-25 LAR. Note that as the balance of Fund 5050 continues to decline, the relative share of the Statewide 9-1-1 program needing to be funded by General Revenue is expected to increase in future biennia.

2. Lower Rio Grande Development Council Departs the CSEC Program

On September 2, 2021, the Lower Rio Grande Development Council (LRGDC) opted to exit the CSEC program and establish the independent Rio Grande Valley Development Council, Regional 9-1-1 Program. The annual contribution of LRGDC to Fund 5050 during the last three years the district was in the program averaged \$5.2 million per year. Due to the departure of LRGDC, this revenue will no longer be deposited to Fund 5050 but instead is remitted to the district. In fiscal year 2021, the last full year LRGDC was in the CSEC program, the district accounted for 494,419 9-1-1 calls. This represents 15 percent of annual 9-1-1 call volume in the CSEC program.

3. ARPA Funding for Expansion of Next Gen 9-1-1

The agency was appropriated \$150 million in Federal Funds in the Coronavirus State Fiscal Recovery Fund (CSFR) from the American Rescue Plan Act by Senate Bill 8, Eighty-Seventh Legislature, Third Called Session. These funds were deposited into the Next Generation 9-1-1 Service Fund No. 195 for the purpose of the expansion of these services to 9-1-1 local service providers in Texas by September 1, 2025. The Commission, as the recipient of federal funds through the Grants Division of the Office of the Governor, is responsible for ensuring 9-1-1 entity subrecipient grantees comply with federal grant requirements. The agency, assisted by 9-1-1 entities, determined eligible costs under Federal Communications Commission guidelines, including up to one year of monthly recurring costs to verify the reliable operation of the system. The distribution schedule below represents how Federal Funds were allocated to independent emergency service districts, regional planning commissions in the statewide 9-1-1 program, and to the agency for the administration of the grant.

Emergency Service Districts	\$116,139,342
Regional Planning Commission (Statewide 9-1-1 Program)	\$25,844,475
Commission on State Emergency Communications	\$8,016,183
Statewide Cybersecurity Risk Assessment	\$4,719,888
Personnel (for period of grant)	\$1,044,590
Grant Administration (3 contract positions for period of grant)	\$2,059,205
Indirect Costs as allowed under Federal guidelines	\$192,500

**Commission on State Emergency Communications
Rider Highlights - House**

Modification of Existing Riders

1. **Capital Budget.** The recommendations revise the Capital Budget rider to remove capital authority for the Emergency Services IP Network (ESINet) Project which is estimated to be completed in July 2023.

Deleted Riders

8. **Unexpended Balances: ESINet Project.** Unexpended balance authority is no longer required as the project is scheduled for completion in July 2023.
9. **Plan for Continued Funding of Statewide 9-1-1 Services.** The agency delivered the required one-time report on June 21, 2022.

Commission on State Emergency Communications
Items Not Included in Recommendations - House

		2024-25 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
Agency Exceptional Items Not Included (in agency priority order)							
1)	Authority for Executive Director Salary Increase. The agency is requesting an increase in authority and funding for the Executive Director exempt position from \$143,999 in fiscal years 2024 and 2025 in the introduced bill to \$171,688 per year.	\$55,378	\$55,378	0.0	No	No	\$55,378
TOTAL Items Not Included in Recommendations		\$55,378	\$55,378	0.0			\$55,378

Commission on State Emergency Communications
Appendices - House

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* Appendix is not included - no significant information to report

Commission on State Emergency Communications					
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
9-1-1 NTWK OPER & EQUIP REPLACEMENT A.1.1	\$95,588,374	\$96,439,166	\$850,792	0.9%	Increase of \$21,304,120 in General Revenue to address Statewide 9-1-1 Program funding needs and offsets a decrease of \$15,404,996 in GR-D Fund 5050 in grants to 9-1-1 service districts to conserve fund balance. Decrease of \$3,965,478 in Federal Funds due to expiration of the E911 grant. Decrease of \$576,819 for professional fees related to the completion of the E911 Federal grant in fiscal year 2022. Decrease of \$451,355 in DCS costs. Decrease of \$54,680 for utility cost savings due to more efficient Next Generation 9-1-1 equipment.
NEXT GEN 9-1-1 IMPLEMENTATION A.1.2	\$169,980,574	\$0	(\$169,980,574)	(100.0%)	Decrease of \$150 million in Federal Funds to reflect the removal of one-time ARPA funding provided for statewide expansion of digital 9-1-1 services in SB8. Decrease of \$19,851,575 in GR-D Fund 5050 and 5007 to reflect the completion of the Next Generation 9-1-1 project by the agency, anticipated in July 2023. Transfer of \$128,999 in GR-D Fund 5050 to Strategy A.1.3, Program Administration, to shift geographic information system (GIS) costs between strategies.
CSEC 9-1-1 PROGRAM ADMINISTRATION A.1.3	\$3,498,526	\$3,707,304	\$208,778	6.0%	Transfer of \$128,999 in GR-D Fund 5050 to Strategy A.1.3, Program Administration to shift GIS costs between strategies. Transfer of \$18,787 to B.1.2, Statewide Poison Center Operations, due to reallocation of cost of software licenses. Increase of \$98,566 in GR-D Fund 5050 for anticipated cost increases due to inflation.
Total, Goal A, STATEWIDE 9-1-1 SERVICES	\$269,067,474	\$100,146,470	(\$168,921,004)	(62.8%)	
POISON CALL CENTER OPERATIONS B.1.1	\$15,634,214	\$22,775,748	\$7,141,534	45.7%	Increase of \$7,141,534 in GR-D Fund 5007 to increase grants to poison control centers primarily for the purpose of salary increases.
STATEWIDE POISON NETWORK OPERATIONS B.1.2	\$2,811,466	\$2,471,318	(\$340,148)	(12.1%)	Decrease of \$430,915 in GR-D Fund 5007 to reflect savings from the implementation of new technology. Transfer of \$18,787 from A.1.3, CSEC 9-1-1 Program Administration, due to reallocation of cost of software licenses. Increase of \$71,980 in GR-D Fund 5007 for anticipated cost increases due to inflation.
CSEC POISON PROGRAM MANAGEMENT B.1.3	\$559,380	\$576,162	\$16,782	3.0%	Increase of \$16,782 in GR-D Fund 5007 for anticipated cost increases due to inflation.
Total, Goal B, POISON CONTROL SERVICES	\$19,005,060	\$25,823,228	\$6,818,168	35.9%	

Commission on State Emergency Communications					
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
INDIRECT ADMINISTRATION C.1.1	\$2,570,182	\$2,538,098	(\$32,084)	(1.2%)	Increase of \$55,114 in GR-D Funds 5050 and 5007 for anticipated cost increases due to inflation. Decrease of \$85,500 in GR-D Fund 5050 for the removal of one-time funding for the agency move to the George HW Bush Building. Decrease of \$8,300 for the removal of rent costs due to this move. Increase of \$6,602 in GR-D Funds 5050 and 5007 for increase in salary of Executive Director.
Total, Goal C, INDIRECT ADMINISTRATION	\$2,570,182	\$2,538,098	(\$32,084)	(1.2%)	
SALARY ADJUSTMENTS D.1.1	\$0	\$237,219	\$237,219	100.0%	Increase in GR-D Funds 5050 and 5007 for statewide salary adjustments.
Total, Goal D, SALARY ADJUSTMENTS	\$0	\$237,219	\$237,219	100.0%	
Grand Total, All Strategies	\$290,642,716	\$128,745,015	(\$161,897,701)	(55.7%)	

**Commission on State Emergency Communications
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2021	Actual 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	25.0	26.0	26.0	26.0	26.0
Actual/Budgeted	23.8	24.5	26.0	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 4	\$132,835	\$140,698	\$140,698	\$143,999	\$143,999

Notes:

- a) The State Auditor's Office is the source of the FY 2021 and FY 2022 actual FTEs annual average (actual) FTE levels.
- b) The State Auditor's Office Report *Executive Compensation at State Agencies* (Report 22-706, August 2022) indicates a market average salary of \$143,999 for the Executive Director position at the Commission on State Emergency Communications and recommends that the position be reclassified as Group 4.



COMMISSION ON STATE EMERGENCY COMMUNICATIONS

Testimony on House Bill 1
General Appropriations Act
Fiscal Years 2024 – 2025

Presented to
Texas House of Representatives
Committee on Appropriations
Subcommittee on Articles I, IV, and V

Presented by
Kelli Merriweather
CSEC Executive Director

February 21, 2023





About the Commission

Board of Commissioners

- 12 members representing a cross section of Texans
- 9 are appointed by Governor, Lieutenant Governor & Speaker of the House
- 3 Ex Officio per statute: DSHS, DIR & PUC

Agency

- 26 FTEs
- Fund & oversee administration of emergency communication services:
 - 9-1-1 Program
 - Poison Control Program





COMMISSION ON STATE EMERGENCY COMMUNICATIONS

Mission: To preserve and enhance public safety and health in Texas through reliable access to emergency communications service.

CSEC 9-1-1 Program

- Health & Safety Code (H&SC), Chapter 771
- Serves over 4 Million Texans
 - 2.8 million calls in FY 2022
- Primarily rural & non-urban areas
- 75% of counties & 15% of population
- Contract with 20 participating Regional Planning Commissions to provide:
 - 9-1-1 service in 190 counties with 237 Public Safety Answering Points (PSAPs)
 - 9-1-1 & NG911 Network Operations
 - GIS/Database - Location Information
 - 9-1-1 Equipment Replacement & Maintenance

Statewide Poison Control

- H&SC, Chapter 777
- Serves 100% of the State
 - 470,884 calls in FY 2022
- Six (6) Regional Centers at Host Hospitals
 - Connected by statewide communications network
- Staffed by Host Hospital Employees
 - Registered Nurses, Pharmacists & MDs
- Provide free, confidential, expert advice to:
 - Public
 - Health Professionals & Emergency Rooms
 - First Responders
- Reimbursement Grant Contracts





COMMISSION ON STATE EMERGENCY COMMUNICATIONS

9-1-1 in Texas

- 9-1-1 Service is defined by Health & Safety Code (H&SC) 771.001 as
“a communications service that connects users to a public safety answering point (PSAP) through a 9-1-1 system. The term includes next generation 9-1-1 service.”
- 9-1-1 Service is provided by either a Regional Planning Commission (RPC) in the state 9-1-1 program administered by CSEC or by an Emergency Communication District (Districts) as defined in H&SC Section 771.001(3) and H&SC 772.
 - CSEC & the independent Districts work collaboratively to identify and address issues impacting 9-1-1 service across the state.
 - The RPCs and Districts are commonly referred to as 9-1-1 Entities.
 - There are 77 9-1-1 Entities in Texas.
 - 57 are Districts independent of CSEC oversight and funding.
 - 20 are RPC 9-1-1 Programs overseen by CSEC and funded by State appropriations.
 - Funds used for network operations, location databases and GIS mapping, and 9-1-1 call handling equipment.





COMMISSION ON STATE EMERGENCY COMMUNICATIONS

Emergency Communication Districts

- 1 Abilene-Taylor Co. 9-1-1 District
- 2 Austin Co. Emergency Communications District
- 3 Bexar Metro 911 Network District
- 4 Brazos Co. Emergency Communications District
- 5 Calhoun Co. 911 Emergency Communications District
- 6 Cameron Co. Emergency Communications District
- 7 Capital Area Emergency Communications District
- 8 Denoo Area 911 District
- 9 El Paso Co. 911 District
- 10 Emergency Communications District of Ector Co.
- 11 Galveston Co. Emergency Communications District
- 12 Greater Harris Co. 911 Emergency Network
- 13 Gulf Coast Regional 9-1-1 Communications District
- 14 Henderson Co. 911 Communications District
- 15 Howard Co. 911 Communications District
- 16 Kerr Co. Emergency 911 Network
- 17 Lubbock Co. Emergency Communications District
- 18 McLennan Co. Emergency Assistance District
- 19 Medina Co. 911 District
- 20 Midland Emergency Communications District
- 21 Montgomery Co. Emergency Communications District
- 22 North Central Texas Emergency Communications District
- 23 Potter-Randall Co. Emergency Communications District
- 24 Rio Grande Valley Emergency Communication District
- 25 Smith Co. 911 Communications District
- 26 Tarrant Co. 911 District
- 27 Texas Eastern 911 Network
- 28 Wichita/Wilbarger 9-1-1 Communications District

Municipal Emergency Communication Districts

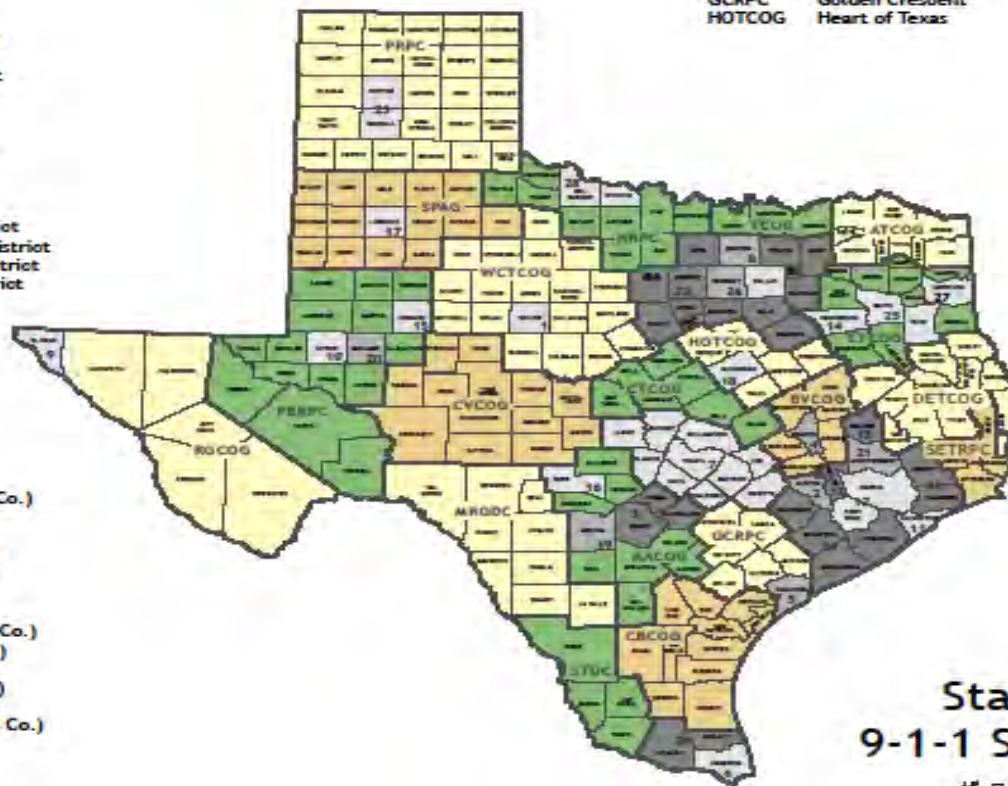
- | | |
|---------------------------------|------------------------------|
| Addison (Dallas Co.) | Highland Park (Dallas Co.) |
| Aransas Pass (Aransas Co.) | Hutchins (Dallas Co.) |
| City of Carrollton (Denton Co.) | Kilgore (Gregg Co.) |
| Cedar Hill (Dallas Co.) | Lancaster (Dallas Co.) |
| Coppell (Dallas Co.) | Longview (Gregg Co.) |
| Corpus Christi (Nueces Co.) | Mesquite (Dallas Co.) |
| Dallas (Dallas Co.) | Plano (Collin Co.) |
| Dallas County* | Portland (San Patricio Co.) |
| De Soto (Dallas Co.) | Richardson (Dallas Co.) |
| Denison (Grayson Co.) | Roylett (Dallas Co.) |
| Duncanville (Dallas Co.) | Sherman (Grayson Co.) |
| Ennis (Ellis Co.) | Sunnyvale (Dallas Co.) |
| Farmers Branch (Dallas Co.) | University Park (Dallas Co.) |
| Garland (Dallas Co.) | Wylie (Collin Co.) |
| Glenn Heights (Dallas Co.) | |

Note: 9-1-1 service in the incorporated portion of Dallas County is provided by Municipal Emergency Communications Districts, including the City of Dallas, or pursuant to the North Central Texas Emergency Communications District's Regional 9-1-1 Plan for four municipalities. *9-1-1 service in the unincorporated portion of Dallas County is provided by the Dallas County Sheriff's Department under Texas Health and Safety Code Chapter 772, Subchapter E.

Contact: Kelli Merriweather, Executive Director at (512) 305-6938 or kelli.merriweather@cseo.texas.gov

Regional Planning Commissions

- | | | | |
|--------|-----------------|--------|--------------------|
| AACOG | Alamo Area | MRGDC | Middle Rio |
| ATCOG | Ark-Tex | NRPC | Nortex |
| BVCOG | Brazos Valley | PBRPC | Permian Basin |
| CBCOG | Coastal Bend | PRPC | Panhandle |
| CTCOG | Central Texas | RGCOG | Rio Grande |
| CVCOG | Concho Valley | SETRPC | South East |
| DETCOG | Deep East | SPAG | South Plains |
| ETCOG | East Texas | STDC | South Texas/Laredo |
| GCRPC | Golden Crescent | TCOG | Texoma |
| HOTCOG | Heart of Texas | WCTCOG | West Central |



State of Texas 9-1-1 Service Entities



Commission on
State Emergency
Communications

Effective: 9/1/2021



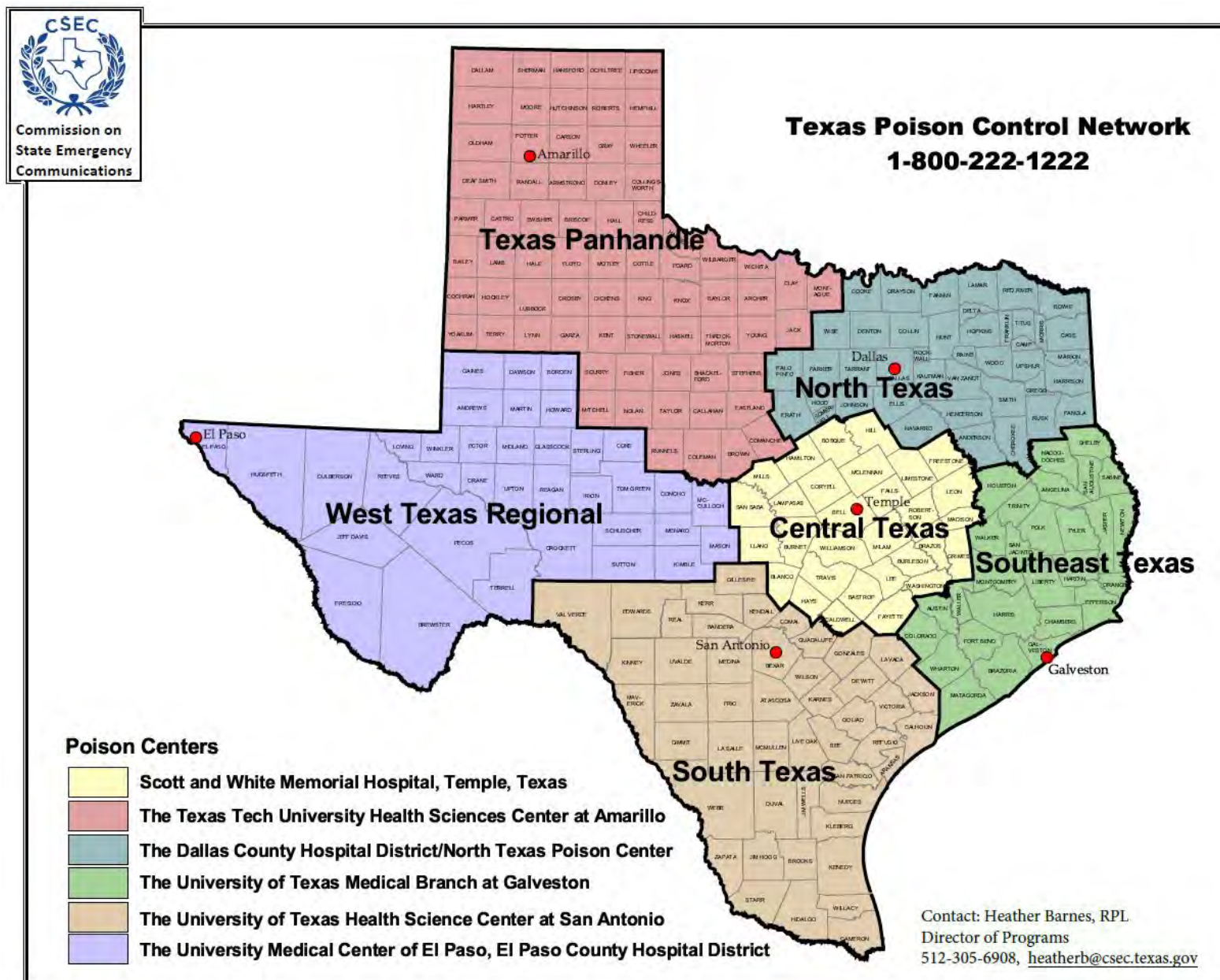
Texas Poison Control Network

- The mission of the Texas Poison Control Program is to reduce the morbidity, mortality, and costs associated with poisonings. This goal is accomplished by:
 - Providing around the clock telephone access to poison control specialists.
 - Educating Texas residents and children on how to prevent poisonings.
- Appropriated funds are utilized by CSEC to fund reimbursement grant contracts with host hospitals providing the Poison Control services.
- Provide direct medical services, data collection and monitoring, and healthcare provider education.
 - 87% of calls from the public are treated at home, avoided costly ER visits
 - 32% of all calls are from physicians, nurses, EMS providers, pharmacists & physician assistants.





COMMISSION ON STATE EMERGENCY COMMUNICATIONS





COMMISSION ON STATE EMERGENCY COMMUNICATIONS

House Bill 1 (Introduced)

Provides for continued long-term funding of the State 9-1-1 Service Program, Poison Control and agency operations, and preserves dedicated fund balances

- Includes General Revenue (GR) in the MOF in addition to the statutory GR – Dedicated funds for 9-1-1 Service Fees and Equalization Surcharge
- Meets the needs of all Strategies, Goals & Objectives in FY 2023 – 2027 Agency Strategic Plan
- Reflects the reclassification of the Executive Director Salary Group and Salary recommended in recent State Auditor Office Report No. 22-706 – an increase of 2.3% in annual salary amount
- Includes funding for 5% salary adjustment for classified positions
- Removes previous strategy for Next Generation 9-1-1 Implementation reflecting the completion of this project by the RPCs in the CSEC program. Ongoing operations of the new system is now included in the overarching strategy for 9-1-1 Network Operations and Equipment Replacement.





Exceptional Item Request

Increase the Not to Exceed (NTE) amount of the Executive Director Salary

- Commission requests this increase to provide the latitude necessary to offer a market-competitive salary and award compensation commensurate with performance and the critical nature of the responsibilities of the position. (Letter from Commission provided.)
- CSEC Executive Director is responsible for carrying out the mission to preserve and enhance public safety and health in Texas through reliable access to emergency communication service. Responsibilities are increasing in complexity to ensure reliable on-going operations and interoperability of Next Generation 9-1-1 systems across the state.
 - HB 1 as introduced: \$143,999 per fiscal year
 - Requested: \$171,688 per fiscal year
 - Increase in the annual NTE amount: \$27,689 per fiscal year
 - Increase in funding over amount provided in HB 1: \$24,388 per fiscal year





COMMISSION ON STATE EMERGENCY COMMUNICATIONS

Thank You!

Kelli Merriweather

Executive Director

512 305 6938

kellim@csec.texas.gov





COMMISSION ON STATE EMERGENCY COMMUNICATIONS

February 15, 2023

Chairman Greg Bonnen
House Committee on Appropriations
Members of the Committee
1400 Congress Avenue
Room E1.038; Austin, TX 78701

Mr. Chairman and Members of the Committee:

The Commission on State Emergency Communications is very appreciative of the funding that is included in House Bill 1 (HB 1) as introduced. The bill provides for continued long-term funding of the State 9-1-1 Service program, Poison Control, agency operations, and preserves dedicated fund balances.

We respectfully request your consideration of our Exceptional Item Request to Increase the Executive Director Salary Not to Exceed amount and salary to the maximum allowed in Salary Group 4 of \$171,688 per fiscal year.

HB 1 as introduced reflects the reclassification of the Executive Director Salary Group and Salary recommended in recent State Auditor Office Report No. 22-706 - a one-time increase of 2.3% in the annual salary amount. The CSEC Executive Director is responsible for carrying out the Commission's mission to preserve and enhance public safety and health in Texas through reliable access to emergency communication service. Responsibilities are increasing in complexities for ensuring the reliable on-going operations and interoperability of Next Generation 9-1-1 systems across the state and planning for future features to advance emergency communications capabilities supported by the new technology platform.

The Commission respectfully requests your consideration of this increase to provide us with the latitude necessary to offer a market-competitive salary and award compensation commensurate with performance and the critical nature of the responsibilities of this position.

Very respectfully,

James Beauchamp
Presiding Officer

cc: Members of the Committee
Members of the Commission

AGENDA ITEM IX:

**TEXAS EMERGENCY SERVICES
RETIREMENT SYSTEM**

Texas Emergency Services Retirement System
Summary of Budget Recommendations - House

Page I-37
Tiffany White, Executive Director
John Posey, LBB Analyst

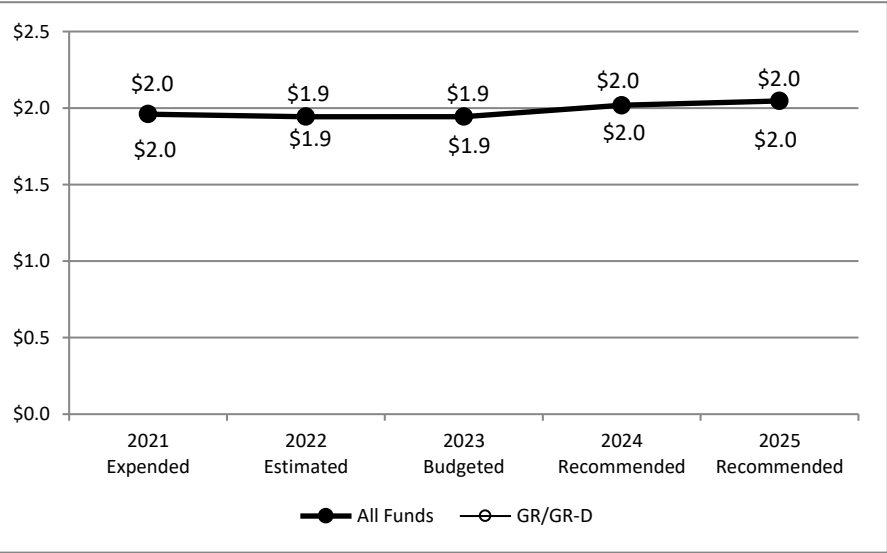
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$1,361,323	\$1,479,053	\$117,730	8.6%
GR Dedicated Funds	\$2,525,526	\$2,585,526	\$60,000	2.4%
Total GR-Related Funds	\$3,886,849	\$4,064,579	\$177,730	4.6%
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
All Funds	\$3,886,849	\$4,064,579	\$177,730	4.6%

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	9.0	10.0	1.0	11.1%

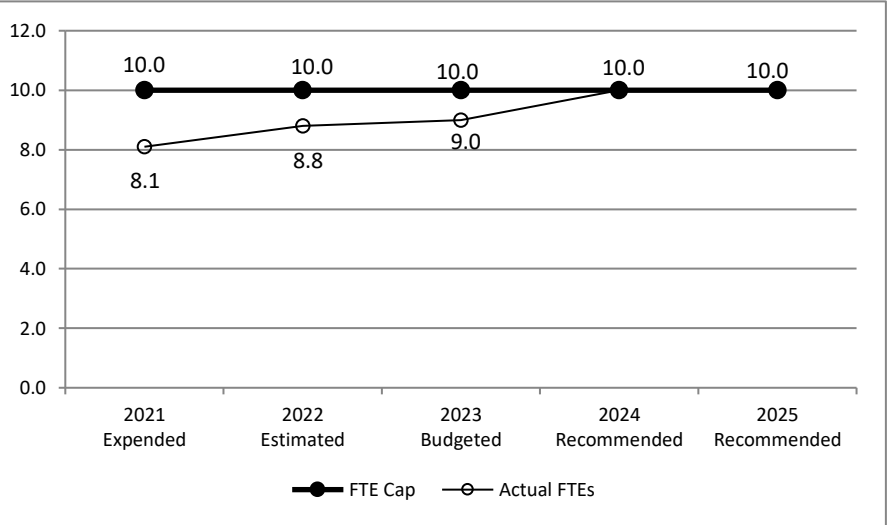
The Texas Emergency Services Retirement System provides retirement, survivor, and disability benefits for volunteer firefighters and EMS personnel in participating departments across the state. The state's contribution to the system is from General Revenue-Dedicated Volunteer Fire Department Assistance Account No. 5064.

The bill pattern for this agency (2024-25 Recommended) represents an estimated 2.9% of the agency's estimated total available funds for the 2024-25 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Texas Emergency Services Retirement System
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Increase of \$60,000 from GR-Dedicated Volunteer Fire Department Assistance Account 5064 to increase the state contribution to the pension fund.	\$0.0	\$0.1	\$0.0	\$0.0	\$0.1	A.1.1
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
B)	Increase of \$83,730 in General Revenue due to exempt and non-exempt salary adjustments.	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1	A.1.1, B.1.1
C)	Increase of \$34,000 to fully fund a benefits specialist position left vacant in fiscal years 2022 and 2023.	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	A.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$0.1	\$0.1	\$0.0	\$0.0	\$0.2	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.1	\$0.1	\$0.0	\$0.0	\$0.2	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed

NOTE: Totals may not sum due to rounding.

**Texas Emergency Services Retirement System
Selected Fiscal and Policy Issues - House**

1. **Increase in State Contributions to the Pension System Provided by the Agency.** Recommendations include an increase of \$60,000 from GR-Dedicated Volunteer Fire Department Assistance Account 5064 to increase the state contribution to this pension system, which provides retirement, survivor, and disability benefits for volunteer firefighters and EMS personnel in participating departments across the state. Government Code Sec. 865.015 states that the state's contribution to this pension system may not exceed one-third of the total of all contributions by governing bodies in a particular year, and the additional funds bring the state to this maximum contribution allowed by law.
2. **State Auditor's Office Audit on Selected Financial Transactions and Financial Reporting (Report No. 22-009).** An SAO Audit published December 2021 indicated the agency should strengthen its processes for monitoring, documenting, and recording pension fund transactions, and for following up on late payments. More specifically the audit said the agency:
 - Did not establish adequate segregation of duties within its accounting function, permitting the chief financial officer to perform most activities with minimal oversight.
 - Did not document accounting staff responsibilities.
 - Did not establish adequate monitoring processes over certain pension fund financial activities.
 - Did not consistently maintain supporting documentation for all pension fund transactions processed.

The agency said they are addressing the audit's findings and looking for ways to reduce risk associated with financial transactions. Among other things they have done the following:

- Updated processes for the reconciliation for contributions during the Member Reconciliation Report which is done semiannually.
- Centralized the location of written policy and procedures. They agency indicated they are looking at written procedures as they exist for relevancy, appropriateness, and correctness.
- Eliminated the process of manual entries entered into the accounting system without oversight and approval.

Texas Emergency Services Retirement System
Items Not Included in Recommendations - House

	2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	Salary Adjustment Funding. The agency is requesting General Revenue funding of \$61,915 annually to increase base salaries for all staff other than the executive director to align with similar positions at other public agencies and private enterprises. According to the agency, during the 2022-23 biennium the agency experienced high staff turnover and a position vacancy rate of 40 percent. With current funding constraints, the agency indicates it has had difficulty filling positions and maintaining staff in key, critical positions.	\$123,830	\$123,830	0.0	No	No	\$123,830
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TOTAL Items Not Included in Recommendations		\$123,830	\$123,830	0.0			\$123,830
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Texas Emergency Services Retirement System
Appendices - House

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	6
B	Summary of Federal Funds	*
C	FTE Highlights	7

* Appendix is not included - no significant information to report

Texas Emergency Services Retirement System					
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
ADMINISTER PENSION FUND A.1.1	\$3,654,927	\$3,768,660	\$113,733	3.1%	Recommendations include increases of \$34,000 in General Revenue to fully fund a benefits specialist position left vacant in fiscal years 2022 and 2023 and \$60,000 from GR-Dedicated Volunteer Fire Department Assistance Account 5064 to increase the state contribution to the pension fund. Finally, recommendations reflect an increase of \$19,733 in General Revenue to adjust the salary of the Executive Director from \$118,826 in fiscal year 2023 to \$125,404 in fiscal year 2024 and \$131,981 in fiscal year 2025.
RECRUITING AND TECHNICAL ASSISTANCE A.2.1	\$231,922	\$231,922	\$0	0.0%	
Total, Goal A, SOUND PENSION FUND	\$3,886,849	\$4,000,582	\$113,733	2.9%	
SALARY ADJUSTMENTS B.1.1	\$0	\$63,997	\$63,997	100.0%	Recommendations include an increase of \$63,997 in General Revenue for the statewide salary adjustments.
Total, Goal B, SALARY ADJUSTMENTS	\$0	\$63,997	\$63,997	100.0%	
Grand Total, All Strategies	\$3,886,849	\$4,064,579	\$177,730	4.6%	

Texas Emergency Services Retirement System
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2021	Actual 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	10.0	10.0	10.0	10.0	10.0
Actual/Budgeted	8.1	8.8	9.0	NA	NA

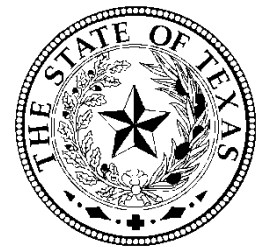
Schedule of Exempt Positions (Cap)					
Executive Director, Group 3	\$118,826	\$118,826	\$118,826	\$125,404	\$131,981

- Notes:
- a) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 22-706, August 2022) indicates a market average salary of \$131,981 for the Executive Director Position at the Texas Emergency Services Retirement System.
 - b) The State Auditor's Office is the source for the FY 2021 and FY 2022 annual average (actual) FTE levels.

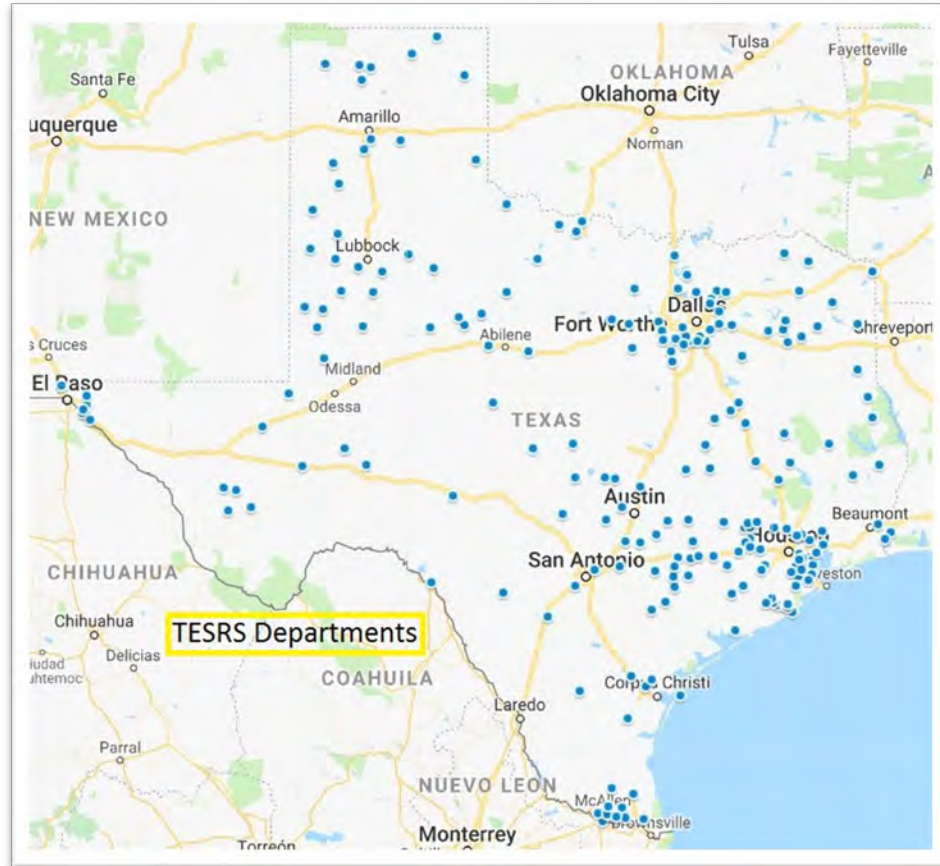
Texas Emergency Services Retirement System Overview

PREPARED FOR HOUSE APPROPRIATIONS COMMITTEE

FEBRUARY 21, 2023



TESRS: 238 Member Departments

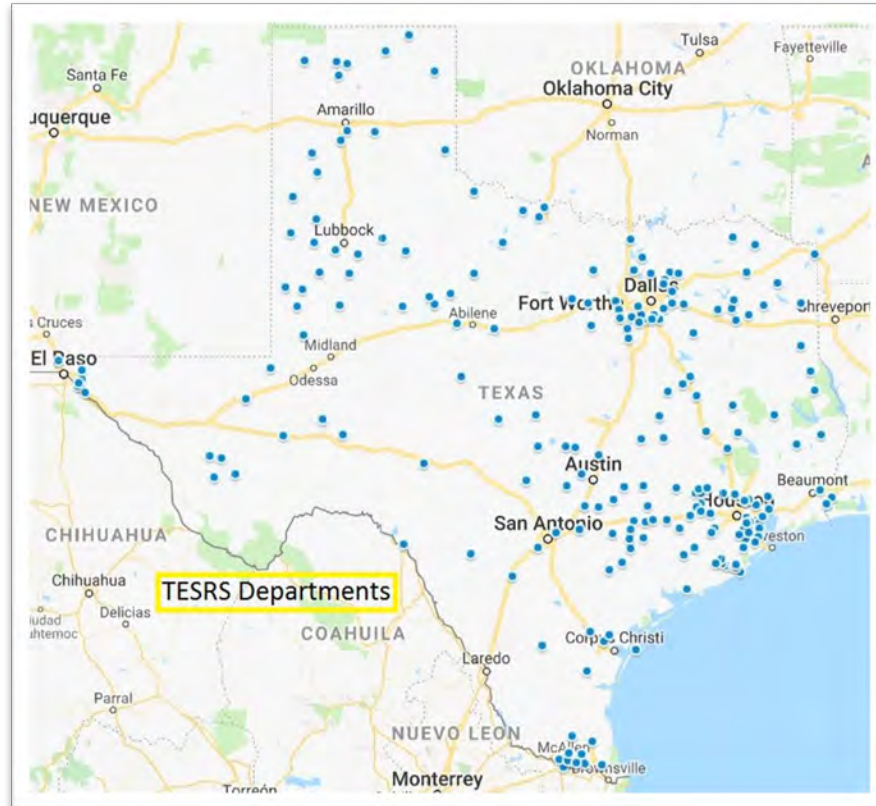


The State of Texas created TESRS in 1977 to finance a pension system for volunteer firefighters and first responders.

TESRS offers volunteer and first responder departments the opportunity to recognize, protect, and financially reward them for their years of dedicated service.

There are currently 238 departments participating in the pension system.

TESRS: Membership



Year	Retirees	Vested Terminated	Actives
2009	2,573	2,249	4,371
2010	2,621	2,105	4,359
2011	2,715	2,176	4,219
2012	2,750	2,260	4,230
2013	2,959	2,181	4,119
2014	3,073	2,161	4,036
2015	2,991	2,211	4,016
2016	3,167	2,200	3,634
2017	3,367	2,208	4,046
2018	3,504	1,875	3,927
2019	3,649	1,842	3,702
2020	3,775	1,737	3,628
2021	3,846	1,705	3,551
2022	3,923	1,687	3,365

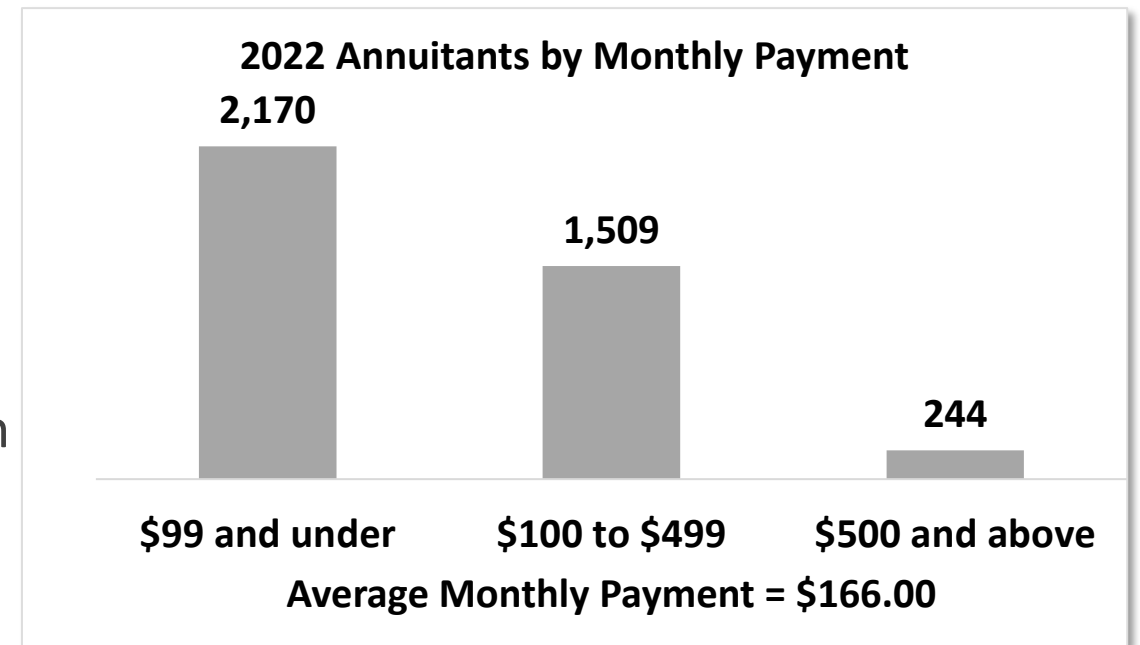
Retirement Benefits

RETIREMENT ELIGIBILITY

- Age 55 with 15 years (100 % vested)
- Age 55 with 10 years (50% vested)

RETIREMENT FORMULA

- 6 times the Average Monthly Contribution
- For each year of service beyond 15 years, a member's retirement increases 6.2 percent compounded annually.



TOTAL Benefits Paid in FY 2022 = \$8.3 million

Survivor Benefits

LINE OF DUTY DEATH BENEFITS

- If a member dies in the line of duty, the member's beneficiary is entitled to a lump sum benefit of \$100,000.
- Additionally, the surviving spouse and minor children share equally in a monthly pension the member would have received had the deceased member reached fully vested status.

OFF DUTY DEATH BENEFITS

- If a member dies while off-duty, the beneficiary is eligible to receive a lump-sum benefit equal to the contributions made on behalf of the member, or the amount that would have been contributed by the end of 15 years of qualified service.

TESRS: 2022 Actuarial Valuation

The TESRS Actuary concluded in the 2022 actuarial valuation that an adequate contribution arrangement for the pension system was dependent on:

- State appropriations for administration; and
- State contributions to the pension system.

Following the Actuary's recommendation, the TESRS State Board will not assess a Part Two contribution rate beginning September 1, 2023.

Based upon these assumptions, the system was able to amortize its unfunded actuarial accrued liabilities within thirty years of August 31, 2022.

August 31	Actuarial Value of Assets (\$ millions)	Actuarial Accrued Liability (\$ millions)	Unfunded Actuarial Accrued Liability (\$ millions)	Funded Ratio
2010	\$64.11	\$81.26	\$17.15	79%
2012	\$67.99	\$101.86	\$33.87	67%
2014	\$83.76	\$109.85	\$26.09	76%
2016	\$98.65	\$123.09	\$24.44	80%
2018	\$114.67	\$137.51	\$22.85	83%
2020	\$125.37	\$150.44	\$25.07	83%
2022	\$139.48	\$165.38	\$25.90	84%

TESRS Funding Policy

Part One Contributions by Local Governing Entities

- Contributions for participating departments are made by local governing entities.
- Minimum monthly contribution rate of \$36 per member.

State Contributions (as needed for actuarial soundness)

The state shall contribute the amount necessary to make the pension system actuarially sound each year, except that the state's contribution may not exceed one-third of the total of all contributions by local governing bodies in a particular year. (Government Code Sec. 865.015).

Part Two Contributions by Governing Entities (as needed for actuarial soundness)

Part Two was established by the TESRS Board to help amortize the unfunded actuarial accrued liability (UAAL) if the expected future annual contributions (Part One and State Contributions) are not sufficient to provide for normal costs and amortize the UAAL in 30 Years. Part Two shall not exceed 15% of the Part One contribution rate.

TESRS: State Governance

BOARD OVERVIEW

- Composed of 9 Trustees appointed by the Governor in staggered 6-year terms.
- Five of the nine members must be active in the pension system and one must represent EMS personnel.
- Three members must have experience in the areas of finance, securities investment, or pension administration.
- The final member must be a retiree of the pension system.

BOARD OF TRUSTEES

Chairman	Pilar Rodriguez, Edinburg
Vice Chair	Jerry Romero, El Paso
Secretary	Ed Keenan, Houston
Trustee	Matthew Glaves, Alvin
Trustee	Jenny Moore, Lake Jackson
Trustee	Nathan Douglas, Seabrook
Trustee	Brian Smith, Austin
Trustee	Rodney Ryalls, Burkburnett
Trustee	Stephanie Wagner, Wimberly

TESRS: Local Governance

Each department has its own local board of trustees that is responsible for:

- Hearing and deciding all claims for benefits;
- Acting as local administrators of the pension system; and
- Complying with Open Meetings Act and TESRS Statutes.

How can we help?

TESRS membership provides a mechanism for communities to support their volunteer firefighters and emergency services personnel. TESRS membership not only retains members, it also serves as an incentive in the recruitment of new members.

Let us know if you would like for us to reach out to a volunteer fire or EMS department in your district.

Texas Emergency Services Retirement System

Tiffany White, Executive Director

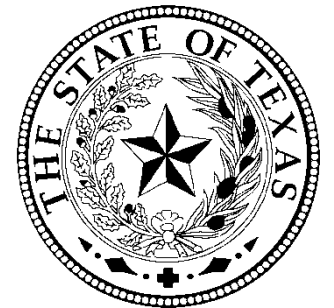
Phone (512) 936-3474

Email Address

tiffany.white@tesrs.texas.gov

P.O. Box 12577, Austin, TX 78711

<http://www.tesrs.org/>





Texas Emergency Services Retirement System (TESRS)

WHAT IS TESRS?

- Public retirement system created in 1977 that provides a comprehensive system of benefits for volunteer firefighters and emergency services personnel
- 9 Member Board of Trustees appointed by the Governor
- Contributions are paid by the local governing body on behalf of the members
- Employs Investment Managers, Consultants, Accountants, Actuaries, and Fund Custodians
 - \$120 Million Pooled Investment Fund
 - 3,642 Active Members
 - 3,865 Retirees And Beneficiaries
 - 17,719 Vested And Non-vested Members

MEMBERS BENEFITS

- On-Duty Death Benefit *\$100,000*
- On-Duty Disability Benefit
- Off-Duty Death Benefit
- Monthly Annuity
- Survivor Benefit

RETIREMENT REQUIREMENTS

- Fully-vested at 15 years of service and age 55
- Partially-vested at 10 years of service and age 55

TUITION BENEFITS

- Eligible to have tuition reimbursed for fire related curriculum

Government Code Title 8 – Public Retirement Systems Subtitle H – TESRS
Providing emergency services departments the opportunity to financially reward members for their years of dedicated service.

For more information:
Office: 800-919-3372. Email: info@tesrs.texas.gov
Visit our website: www.tesrs.org



AGENDA ITEM X:

**EMPLOYEES RETIREMENT
SYSTEM & SOCIAL SECURITY &
BENEFIT REPLACEMENT PAY**

Employees Retirement System
Summary of Budget Recommendations - House

Page I-38
Porter Wilson, Executive Director
John Posey, LBB Analyst

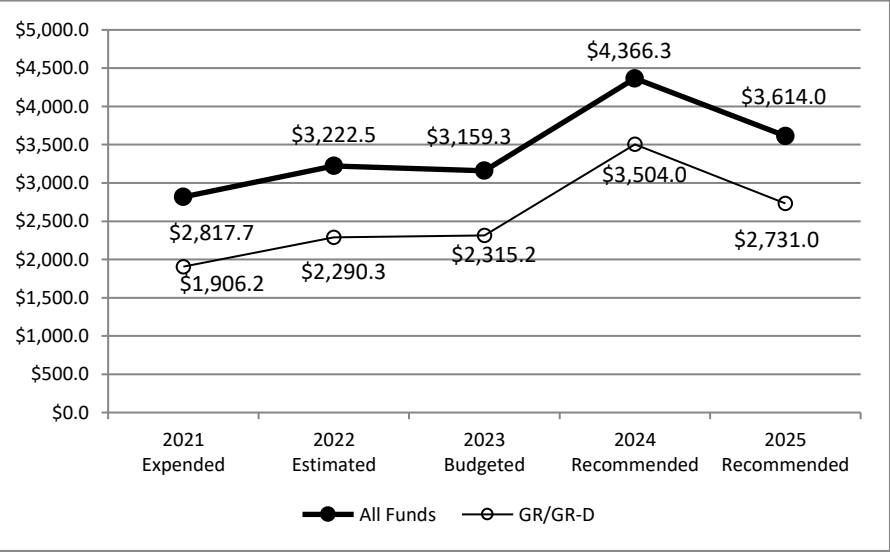
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$4,262,703,536	\$5,931,625,496	\$1,668,921,960	39.2%
GR Dedicated Funds	\$342,790,945	\$303,322,794	(\$39,468,151)	(11.5%)
Total GR-Related Funds	\$4,605,494,481	\$6,234,948,290	\$1,629,453,809	35.4%
Federal Funds	\$1,039,160,089	\$974,431,345	(\$64,728,744)	(6.2%)
Other	\$737,127,282	\$770,974,882	\$33,847,600	4.6%
All Funds	\$6,381,781,852	\$7,980,354,517	\$1,598,572,665	25.0%

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	424.0	436.0	12.0	2.8%

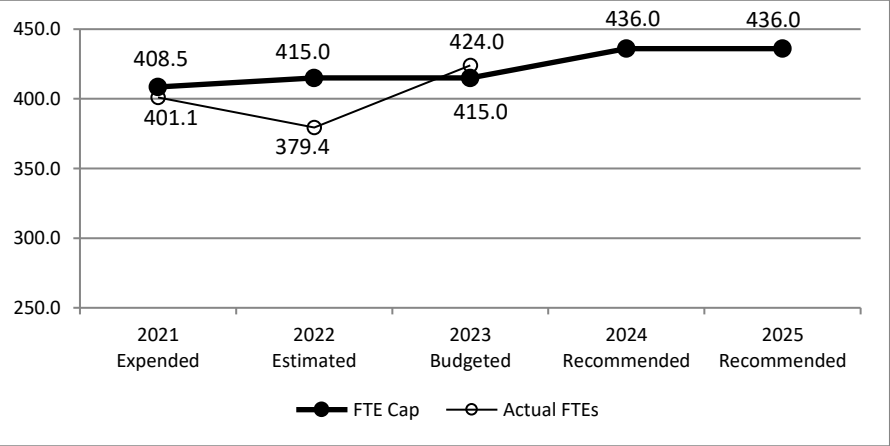
The decline in recommended funding between fiscal year 2024 and fiscal year 2025 is due to recommended one-time funding in fiscal year 2024 to eliminate the unfunded liabilities for the Law Enforcement Custodial Officer Supplemental Retirement Plan (LECOS) and Judicial Retirement System Plan II (JRS II).

The bill pattern for this agency (2024-25 Recommended) represents an estimated 12.7% of the agency's estimated total available funds for the 2024-25 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Employees Retirement System
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Increase for ERS Retirement Program contributions due to state salary adjustments and payroll growth.	\$207.1	\$5.9	(\$3.0)	\$17.1	\$227.1	A.1.1
B)	Increase in Law Enforcement Custodial Officer Supplemental Retirement Plan (LECOS) due to funding to eliminate the unfunded liability and increase the state contribution rate for this plan.	\$788.7	\$0.8	\$0.2	\$0.0	\$789.8	A.1.2
C)	Increase in Judicial Retirement System Plan II (JRS II) due to funding to eliminate the unfunded liability and increase the state contribution rate for this plan.	\$109.5	\$0.0	\$0.0	\$1.9	\$111.4	A.1.3
D)	Increase in All Funds for Public Safety Death Benefits due to an increase in line of duty deaths related to COVID-19. Additionally, a method of finance swap replaces funds from GR-Dedicated Fund 469 (Compensation to Victims of Crime) with General Revenue funds.	\$40.3	(\$24.2)	\$0.0	\$0.0	\$16.2	A.1.5
E)	Increase in Legacy Payments due to an increase General Revenue funds used to cover the shortfall in the 2022-23 biennium from GR-Dedicated, federal, and other funds. The legacy payments are a requirement of SB 321, 87th Legislature, Regular Session.	\$237.7	(\$28.6)	(\$13.7)	(\$12.0)	\$183.4	A.1.7
F)	Increase for Group Benefits Program state contributions due to growth among active and retired members.	\$280.3	\$6.6	(\$48.3)	\$26.8	\$265.5	B.1.1

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

G)	Increase for Retiree Death Benefits due to anticipated increased claims.	\$3.1	\$0.0	\$0.0	\$0.0	\$3.1	A.1.6
H)	Overall increase for Judicial Retirement System Plan I and Probation Health Insurance due to growth among retired members participating in Probation Health Insurance.	\$2.2	\$0.0	\$0.0	\$0.0	\$2.2	A.1.4, B.1.2

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	\$1,668.9	(\$39.5)	(\$64.7)	\$33.8	\$1,598.6	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$1,668.9	\$13.3	\$0.2	\$45.8	\$1,598.6	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	\$0.0	(\$52.8)	(\$65.0)	(\$12.0)	\$0.0	As Listed

NOTE: Totals may not sum due to rounding.

**Employees Retirement System
Selected Fiscal and Policy Issues - House**

1. **Employees Retirement System.** Recommendations for the 2024-25 biennium total \$1.6 billion in All Funds (\$1.1 billion in General Revenue-Related Funds) for the system that provides a defined retirement benefit to state employees and elected officials. This is an All Funds increase of \$227.1 million (16.1 percent) and a General Revenue-Related increase of \$213.0 million (23.0 percent). Recommendations are based on the following assumptions:
 - Continued state and agency contribution rates of 9.5 and 0.5 percent respectively;
 - 0.77 percent payroll growth for state agency employees in fiscal years 2023, 2024, and 2025;
 - 3.2 percent payroll growth for higher education employees in fiscal years 2023, 2024, and 2025;
 - Method of finance swaps in fiscal year 2022 of General Revenue funds with federal COVID-19 funds at the Texas Department of Criminal Justice, the Department of Family and Protective Services, the Department of State Health Services, and the Health and Human Services Commission. This swap is reversed in fiscal year 2023 and subsequent years.
 - FTE growth at the Permanent School Fund Corporation, the Railroad Commission of Texas, and the Texas Water Development Board. The FTE growth at the Railroad Commission and Texas Water Development Board are all federally funded as a result of the Infrastructure Investment and Jobs Act; and
 - Statewide salary adjustments.
2. **Implementation of SB 321, 87th Legislature, Regular Session.** This legislation revised the contribution structure and retirement benefits for members of the Employees Retirement System (ERS) and the Law Enforcement and Custodial Supplemental Retirement Fund (LECOS). It restructured the retirement benefit for members of both plans hired on or after September 1, 2022, from an average salary defined benefit to a cash balance defined benefit. Members hired after this date will contribute 6.0 percent of their compensation into an individual account, which is guaranteed an annual 4.0 percent interest and opportunity for an additional 3.0 percent in gain sharing, depending on trust fund annual investment returns. These employees will be vested after 5.0 years of service and will receive a lifetime annuity equal to the member's accumulated balance plus a state match of 150.0 percent of that account balance at retirement. LECOS members will contribute an additional 2.0 percent to the LECOS cash balance benefit, which receives a 300.0 percent state match benefit.
3. **Legacy Payments for SB 321.** This legislation also required the state to make legacy payments in the amount necessary to amortize ERS' unfunded actuarial liability by the end of fiscal year 2054. House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, made supplemental appropriations to ERS for the 2020-21 biennium of \$1,020.0 million in All Funds for part of these legacy payments. HB 2 stipulated the following method of finance:
 - \$678.3 million General Revenue
 - \$52.0 million General Revenue-Dedicated
 - \$171.4 million Federal Funds
 - \$14.3 million Other Special State Funds
 - \$104.0 million State Highway Fund 6

The estimated shortfall in these legacy payments is \$165.6 million, with most of the shortfall coming in federal funds. As a result, ERS has requested a supplemental appropriation to cover this shortfall and has also requested an exceptional item to replace federal funds with General Revenue funds in future years. The recommendation for the 2024-25 biennium is to fund legacy payments entirely through the use of funds from General Revenue (\$916.0 million) and State Highway Fund 6 (\$104.0 million).

Article IX, Section 17.17, Supplemental Appropriations Bill, Senate Bill 1, as introduced, indicates it is the intent of the Legislature to provide funding in the supplemental appropriations bill for an additional \$1.0 billion for a one-time legacy payment to further amortize ERS' unfunded liability and to reduce long-term costs.

4. **Law Enforcement and Custodial Officers Supplemental (LECOS) Retirement Plan.** LECOS provides a supplemental retirement benefit to law enforcement and custodial officers in addition to their benefit as state employees through the ERS plan. Recommendations for the 2024-25 biennium total \$808.2 million in All Funds including \$807.9 million in General Revenue-Related Funds.

The current state contribution rate is 0.5 percent. The member contribution rate is 0.5 percent for employees who began state service before September 1, 2022 and 2.0 percent for employees who began state service on or after September 1, 2022. In addition to state and member contributions, the fund also receives court fees which are assumed to be \$13 million per year for the 2024-25 biennium.

The 2022 Actuarial Valuation found that the LECOS funding period is infinite with an expected depletion date of 2045. The unfunded liability is \$715 million, and the funded ratio is 58.6 percent. According to ERS, in order to make the fund actuarially sound, changes must be made to cover the normal cost and to pay off the unfunded liability. The normal cost of the program is the cost to provide for employee retirement benefits earned each year.

Recommendations include the addition of \$38.8 million in All Funds to increase the state contribution rate by 1.0 percent, from the current 0.5 percent to 1.5 percent, to address the normal cost of the plan. Recommendations also include a lump sum payment of \$750 million in General Revenue in fiscal year 2024 to address the unfunded liability of the plan.

5. **Judicial Retirement System Plan Two (JRS II).** JRS II provides a defined retirement benefit to state judicial officers who first took office on or after September 1, 1985. Recommendations for the 2024-25 biennium total \$140.0 million in All Funds and \$129.7 million in General Revenue Funds.

The 2022 Actuarial Valuation found that the funding period for this plan is infinite with an expected depletion date of 2069. The unfunded liability is \$89 million, and the funded ratio is 86.2 percent. According to ERS, in order to make the plan actuarially sound, changes must be made to cover the normal cost and to pay off the unfunded liability.

Recommendations include the addition of \$6.5 million in All Funds to address the normal cost of the plan by increasing the state contribution rate by 3.6 percent, from the current 15.66 percent to 19.25 percent. Recommendations also include a lump sum payment of \$105 million in General Revenue in fiscal year 2024 to address the unfunded liability of the plan.

6. **Public Safety Death Benefits.** Chapter 615 of the Government Code provides for a lump sum payment by the state to the survivors of certain public law enforcement and firefighting personnel who are killed in the line of duty. The lump sum payment for a death occurring on or after September 1, 2022 is \$554,000. Recommendations for the 2024-25 biennium total \$103.7 million in All Funds, which is \$51.9 million annually. This is a substantial increase from ERS' annual estimate of \$13.8 million for the 2022-23 biennium. ERS indicates that the increase in the estimate for this program is due to deaths related to COVID-19 during the last two years. Due to the substantial increase in estimated funds in this strategy, and in the event the increase turns out not to be as great as anticipated, recommendations include a new rider to prohibit funds that are not spent from this strategy from being transferred to another strategy in the agency's bill pattern.
7. **Group Benefits Program (GBP).** Recommendations include \$4.1 billion in All Funds (\$2.9 billion in General Revenue-Related Funds) to provide state employees and retirees with health and life insurance. This is an increase over the previous biennium of \$265.5 million All Funds (7.0 percent) and \$286.9 million General Revenue-Related Funds (10.8 percent). Recommendations assume that:

- the state will continue to contribute the full cost of member-only group insurance and fifty percent of family coverage;
- full-time-equivalent employment levels will grow at the Permanent School Fund Corporation, the Railroad Commission of Texas, and the Texas Water Development Board;

- retiree membership will grow 3.5 percent in fiscal years 2023, 2024 and 2025;
- active membership will grow 1.0 percent in fiscal years 2024 and 2025; and
- the state’s per-member contribution to insurance will not increase in fiscal years 2023, 2024 and 2025.

Recommendations align with ERS’s Legislative Appropriations Request which indicates that no additional per-member state contributions above the base level would be necessary.

In fiscal year 2021, approximately 42,000 HealthSelect members filed claims for COVID-19 cases, which resulted in total cost to the GBP of \$126.9 million. The figure below shows that the estimated net cost impact of cases related to COVID-19 to GBP in fiscal year 2021 was \$107.3 million.

Net Cost of COVID-19 to the Group Benefits Plan, Fiscal Year 2021

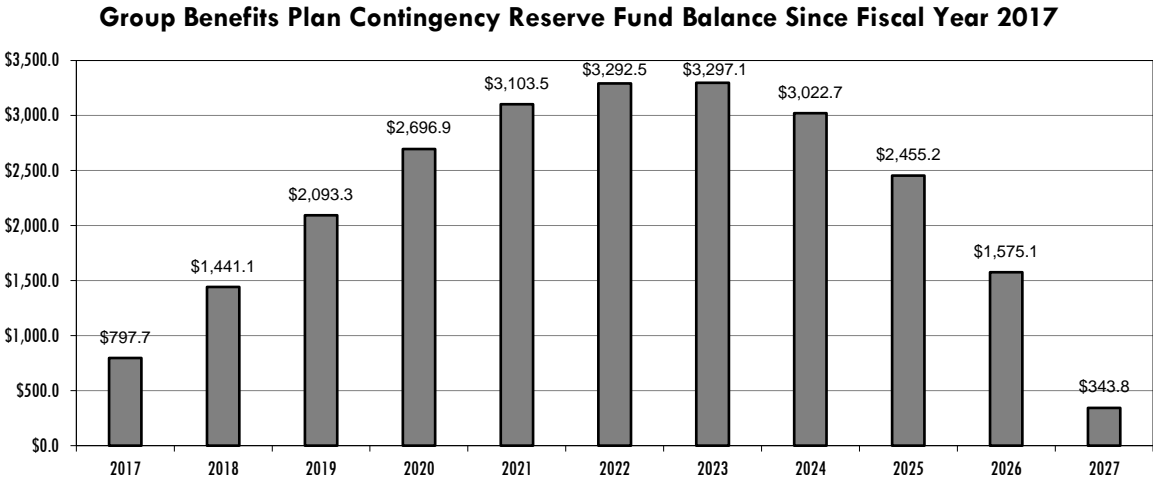
Cost of claims for COVID-19 cases	+	Diagnostic testing	+	Vaccine administration	-	Fewer medical services than expected on services unrelated to COVID-19	=	Net cost impact
\$126.9 million		\$31.7 million		\$6.5 million		\$57.8 million		\$107.3 million

According to ERS, the projected trend for HealthSelect of Texas® combined medical and pharmacy plan costs for plan year 2023 is 5.7 percent, which includes 3.9 percent for medical benefits and 10.0 percent for prescription drug benefits. The table below shows Health Select trends since fiscal year 2015, projected through fiscal year 2025. The largest amounts are for prescription drug benefits.

Health Select Trends Since Fiscal Year 2015

	FY '15	FY '16	FY '17	FY '18	FY '19	FY '20	FY '21	FY '22 est	FY '23 est	FY '24 est	FY '25 est
Medical	5.0%	7.5%	4.9%	-12.7%	3.0%	-0.8%	13.2%	4.9%	3.9%	5.6%	5.6%
Prescription Drug	12.7%	11.0%	-2.9%	4.3%	7.2%	5.6%	8.6%	11.2%	10.0%	10.0%	10.0%
Total	6.8%	8.4%	3.0%	-8.7%	4.1%	0.9%	11.9%	6.7%	5.7%	6.9%	6.9%

8. **Contingency Reserve Fund Balance.** The Contingency Reserve Fund receives all revenues for the Group Benefits Program (GBP) and makes expenditures to cover claims costs. Chapter 1551.211(a) of the Texas Insurance Code requires ERS to maintain funds in the reserve to cover expenditures for an average 60 day period. The GBP Annual Report of February 2022 projected the fund to be \$3.3 billion at the end of fiscal year 2023; \$3.0 billion at the end of fiscal year 2024; and \$2.5 billion at the end of fiscal year 2025. ERS projects the fund would be fully depleted sometime in fiscal year 2027, mostly due to the projected increases in health care expenditures.



Note: Figures are in millions; fiscal years 2022 to 2027 are projected.

9. **Legal Authority and Trust.** The Texas Constitution directed the Legislature to establish the Employees Retirement System and Government Code §815.103 provides that the ERS Board of Trustees 1) shall hold all retirement system assets in trust for the exclusive benefit of the members and annuitants, and 2) administer all operations funded by trust assets for the same purpose. Statute specifies that the Board and executive director may acquire, manage, and sell any of the system’s assets, and exempts ERS from some statutory requirements such as certain contracting and risk management practices.

ERS’s status as a constitutionally-created agency and its trust fund structure are both uncommon among state agencies. In practice, ERS operates from three pension trusts and the Group Benefits Program trust. Legislative appropriations made to ERS are deposited into the appropriate trust and administrative expenses are allocated across respective funds. The balance at the beginning of fiscal year 2024 is estimated to be \$37.3 billion for these four funds.

**Employees Retirement System
Rider Highlights - House**

Modification of Existing Riders

2. **Informational Listing of Appropriated Funds.** Revise rider to reflect benefit recommendations for the 2024-25 biennium.
4. **State Contribution to Employees Retirement Program.** Revise rider to reflect retirement benefit recommendations for the 2024-2025 biennium.

Article IX.

- 17.03 **Payroll Contribution for Group Health Insurance.** Revise rider to reflect estimates for the 2024-25 biennium.
- 17.06 **Additional Payroll Contribution for Retirement Contribution.** Revise rider to reflect estimates for the 2024-25 biennium.

New Rider

18. **Public Safety Death Benefits.** Recommendations add rider to prohibit funds in ERS' bill pattern estimated for Public Safety Death Benefits that are not spent from being transferred to another strategy in the agency's bill pattern.

Employees Retirement System
Items Not Included in Recommendations - House

	2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	Cover Normal Cost and Unfunded Liability for LECOS based on updated Actuarial Valuation. This exceptional item provides additional funding for the Law Enforcement and Custodial Officer Supplemental Retirement Fund (LECOS) in order to eliminate the unfunded liability and cover the normal cost of this plan. This funding is in addition to funding contained in the agency's LAR due to an updated actuarial valuation released in December.	\$24,794,407	\$24,879,299	0.0	No	No	\$16,661,896
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TOTAL Items Not Included in Recommendations		\$24,794,407	\$24,879,299	0.0			\$16,661,896
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**Employees Retirement System
Appendices - House**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	10
B	Summary of Federal Funds	*
C	FTE Highlights	12

* Appendix is not included - no significant information to report

Employees Retirement System
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
ERS RETIREMENT PROGRAM 1.1.1	\$1,414,538,118	\$1,641,627,903	\$227,089,785	16.1%	Recommendations reflect an increase of \$227.1 million in All Funds from the 2022-23 biennium based on the following assumptions: - Continued state and agency contribution rates of 9.5 and 0.5 percent respectively; - 0.77 percent payroll growth for state agency employees in fiscal years 2023, 2024, and 2025; - 3.2 percent payroll growth for higher education employees in fiscal years 2023, 2024, and 2025; - Method of finance swaps in fiscal year 2022 of General Revenue funds with federal COVID-19 funds at the Texas Department of Criminal Justice, the Department of Family and Protect Services, the Department of State Health Services, and the Health and Human Services Commission; - FTE growth at the Permanent School Fund Corporation, the Railroad Commission of Texas, and the Texas Water Development Board; and - Statewide salary adjustments.
LECOS RETIREMENT PROGRAM 1.1.2	\$18,451,099	\$808,207,560	\$789,756,461	4,280.3%	Recommendations reflect an increase of \$789.8 million in All Funds from the 2022-23 biennium due to funding to eliminate the unfunded liability (\$750 million), increase the state contribution rate for this plan (\$38.8 million), and salary increases at affected agencies (\$1 million).
JUDICIAL RETIREMENT PROGRAM-PLAN 2 1.1.3	\$28,569,840	\$140,010,282	\$111,440,442	390.1%	Recommendations reflect an increase of \$111.4 million in All Funds from the 2022-23 biennium due to funding to eliminate the unfunded liability (\$105 million) and increase the state contribution rate for this plan (\$6.5 million). This increase is offset by a slight decrease in estimated membership (\$0.1 million).
JUDICIAL RETIREMENT PROGRAM-PLAN 1 1.1.4	\$33,390,650	\$33,329,520	(\$61,130)	(0.2%)	Recommendations reflect almost no change from the 2022-23 biennium as the number of members is expected to be stable.
PUBLIC SAFETY DEATH BENEFITS 1.1.5	\$87,574,526	\$103,732,200	\$16,157,674	18.5%	Recommendations reflect an increase of \$16.2 million in All Funds from the 2022-23 biennium due to an increase in line of duty deaths related to COVID-19.
RETIREE DEATH BENEFITS 1.1.6	\$24,436,966	\$27,500,000	\$3,063,034	12.5%	Recommendations reflect an increase of \$3.1 million in All Funds from the 2022-23 biennium due to an anticipated increase in claims.

Employees Retirement System
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
LEGACY PAYMENTS 1.1.7	\$836,644,861	\$1,020,000,000	\$183,355,139	21.9%	Recommendations reflect an increase of \$183.4 million in All Funds from the 2022-23 biennium due to an increase in General Revenue funds used to cover the shortfall in other methods of finance.
Total, Goal 1, ADMINISTER RETIREMENT PROGRAM	\$2,443,606,060	\$3,774,407,465	\$1,330,801,405	54.5%	
GROUP BENEFITS PROGRAM 2.1.1	\$3,795,964,624	\$4,061,430,620	\$265,465,996	7.0%	Recommendations reflect an increase of \$265.5 million in All Funds from the 2022-23 biennium based on the following assumptions: - the state will continue to contribute the full cost of member-only group insurance and fifty percent of family coverage; - full-time-equivalent employment levels will grow at the Permanent School Fund Corporation, the Railroad Commission of Texas, and the Texas Water Development Board; - retiree membership will grow 3.5 percent in fiscal years 2023, 2024 and 2025; - active membership will grow 1.0 percent in fiscal years 2023 and 2024; and - the state's per-member contribution to insurance will not increase in fiscal years 2023, 2024 and 2025.
PROBATION HEALTH INSURANCE 2.1.2	\$142,211,168	\$144,516,432	\$2,305,264	1.6%	Recommendations reflect an increase of \$2.3 million in All Funds from the 2022-23 biennium based on retiree growth.
Total, Goal 2, EMPLOYEES RETIREMENT SYSTEM	\$3,938,175,792	\$4,205,947,052	\$267,771,260	6.8%	
Grand Total, All Strategies	\$6,381,781,852	\$7,980,354,517	\$1,598,572,665	25.0%	

Employees Retirement System
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2021	Actual 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	408.5	415.0	415.0	436.0	436.0
Actual/Budgeted	401.1	379.4	424.0	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director	\$357,120	\$357,120	\$357,120	\$420,000	\$420,000
Director of Investments	\$416,401	\$416,401	\$416,401	\$475,000	\$475,000

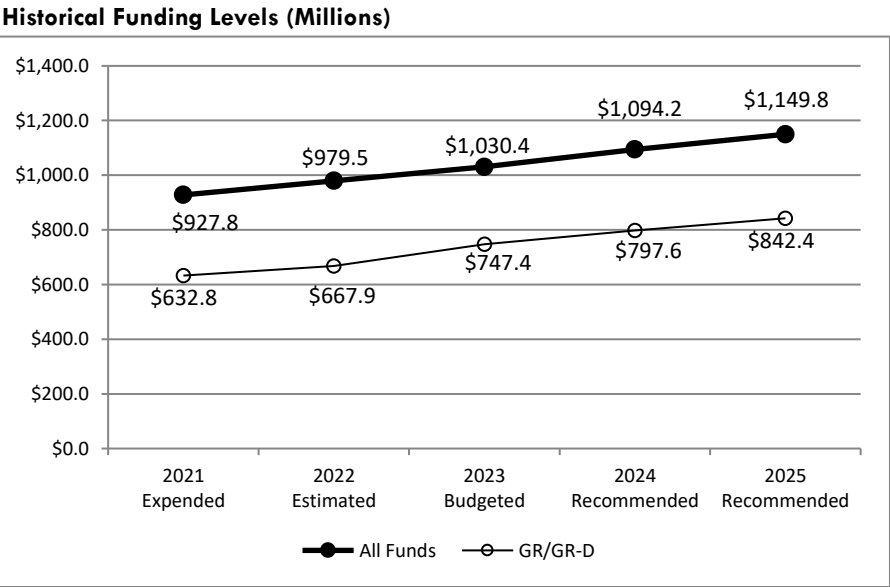
Notes:

- a) Both exempt positions at the agency are paid with funds outside the treasury and are not subject to limitations on exempt positions in Article IX, Section 3.04, Scheduled Exempt Positions. The State Auditor's Office Report, Executive Compensation at State Agencies (Report 22-706, August 2022) does not indicate a market average salary for either of these positions.
- b) The agency is increasing its FTEs mostly in order to address needs in customer benefits and human resources. Other needs addressed by the increase in FTEs include investment management, system modernization and maintenance, and data quality and security.
- c) The State Auditor's office is the source of the FY 2021 and FY 2022 annual average (actual) FTE levels.

Social Security and Benefit Replacement Pay
Summary of Budget Recommendations - House

Page I-32
The Honorable Glenn Hegar, Comptroller of Public Accounts
John Posey, LBB Analyst

Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$1,230,924,299	\$1,443,664,678	\$212,740,379	17.3%
GR Dedicated Funds	\$184,320,749	\$196,301,896	\$11,981,147	6.5%
Total GR-Related Funds	\$1,415,245,048	\$1,639,966,574	\$224,721,526	15.9%
Federal Funds	\$450,643,198	\$442,915,589	(\$7,727,609)	(1.7%)
Other	\$143,978,571	\$161,130,996	\$17,152,425	11.9%
All Funds	\$2,009,866,817	\$2,244,013,159	\$234,146,342	11.6%



The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

Social Security and Benefit Replacement Pay
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Increase in state contributions for Social Security and Medicare due to payroll growth and statewide salary adjustments.	\$214.0	\$12.3	(\$6.5)	\$17.5	\$237.3	A.1.1
B)	Decrease in Benefit Replacement Pay due to attrition of employees hired before September 1, 1995.	(\$1.2)	(\$0.3)	(\$1.3)	(\$0.4)	(\$3.2)	A.1.2

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

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$212.8	\$12.0	(\$7.8)	\$17.1	\$234.1	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$214.0	\$12.3	\$0.0	\$17.5	\$237.3	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$1.2)	(\$0.3)	(\$7.8)	(\$0.4)	(\$3.2)	As Listed

NOTE: Totals may not sum due to rounding.

Social Security and Benefit Replacement Pay
Selected Fiscal and Policy Issues - House

1. **Social Security and Medicare.** The state pays the employer contribution of federal Social Security and Medicare payroll taxes for state agency and higher education employees. Recommendations include a net increase of \$237.3 million in All Funds (\$226.2 million in General Revenue-Related Funds) from the 2022-23 biennium based on the following assumptions:
 - Continued employer contribution rates of 6.2 percent of salary for Social Security and 1.45 percent of salary for Medicare;
 - 0.77 percent payroll growth for state agency employees in fiscal years 2023, 2024, and 2025;
 - 3.2 percent payroll growth for higher education employees in fiscal years 2023, 2024, and 2025;
 - Method of finance swaps with federal COVID-19 funds at the Texas Department of Criminal Justice, the Department of Family and Protective Services, the Department of State Health Services, and the Health and Human Services Commission;
 - FTE growth at the Permanent School Fund Corporation, the Railroad Commission, and the Texas Water Development Board. The FTE growth at the Railroad Commission and Texas Water Development Board are all federally funded as a result of the Infrastructure Investment and Jobs Act; and
 - Statewide salary adjustment.
2. **Benefit Replacement Pay.** The state currently pays certain employees a supplemental benefit to replace the amount that the state previously paid for the employee's social security contribution before September 1, 1995. Recommendations include a decrease of \$3.2 million in All Funds (\$1.5 million in General Revenue-Related Funds) from the 2022-23 biennium because of increasing turnover among these employees. Recommendations assume annual reductions of 20.1 percent in fiscal years 2023, 2024, and 2025 biennium.

**Social Security and Benefit Replacement Pay
Rider Highlights - House**

Modification of Existing Riders

1. **Informational Listing of Appropriated Funds.** Revise rider to reflect benefit recommendations for the 2024-25 biennium.

Social Security and Benefit Replacement Pay
Appendices - House

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B	Summary of Federal Funds	*
C	FTE Highlights	*

* Appendix is not included - no significant information to report

Social Security and Benefit Replacement Pay
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
STATE MATCH -- EMPLOYER 1.1.1	\$2,001,124,908	\$2,238,432,318	\$237,307,410	11.9%	Recommendations reflect a net increase of \$237.3 million in All Funds based on the following assumptions: - Continued employer contribution rates of 6.2 percent of salary for Social Security and 1.45 percent of salary for Medicare; - 0.77 percent payroll growth for state agency employees in fiscal years 2023, 2024 and 2025; - 3.2 percent payroll growth for higher education employees in fiscal years 2023, 2024, and 2025; - FTE growth at the Permanent School Fund Corporation, the Railroad Commission of Texas, and the Texas Water Development Board; and - Statewide salary adjustment.
BENEFIT REPLACEMENT PAY 1.1.2	\$8,741,909	\$5,580,841	(\$3,161,068)	(36.2%)	Recommendations reflect a decrease of \$3.2 million in All Funds and assume annual reductions of 20.1 percent in fiscal years 2023, 2024, and 2025.
Total, Goal 1, SOCIAL SECURITY/BENEFIT REPLACEMENT	\$2,009,866,817	\$2,244,013,159	\$234,146,342	11.6%	
Grand Total, All Strategies	\$2,009,866,817	\$2,244,013,159	\$234,146,342	11.6%	

**House Appropriations Committee
Subcommittee on Articles I, IV & V
House Bill 1
Fiscal Years 2024 - 2025**

Porter Wilson, Executive Director

February 21, 2023





ERS Members Serve Texas in Many Ways

Plan Members



ERS Member Type	2017	2018	2019	2020	2021	2022
State Employee Elected Official District Attorney LECOSRF members						
Contributing Employees	141,629	141,535	141,865	142,490	136,726	133,751
Non-contributing Members	112,192	119,736	125,935	134,909	145,050	155,148
Retirees/Beneficiaries	107,530	111,361	115,155	117,996	120,294	122,720

Average ERS Plan Retiree	Average ERS Plan Member
 <p>69.9 years old currently</p> <hr/> <p>58.4 years old at retirement</p> <hr/> <p>22.1 years of service</p> <hr/> <p>Annuity of \$21,670 per year</p>	 <p>44.1 years old currently</p> <hr/> <p>35.6 years old when hired</p> <hr/> <p>8.5 years of service</p> <hr/> <p>Salary of \$55,856 per year</p>

ERS Members Serve Texas in Many Ways

5 agencies make up ~70% of the total state workforce



Health and Human Services Commission (24%)
~33,000 employees



Texas Department of Criminal Justice (22%)
~30,000 employees



Texas Department of Transportation (10%)
~12,700 employees



Department of Family and Protective Services (9%)
~12,000 employees



Department of Public Safety (7.5%)
~10,000 employees

Retirement

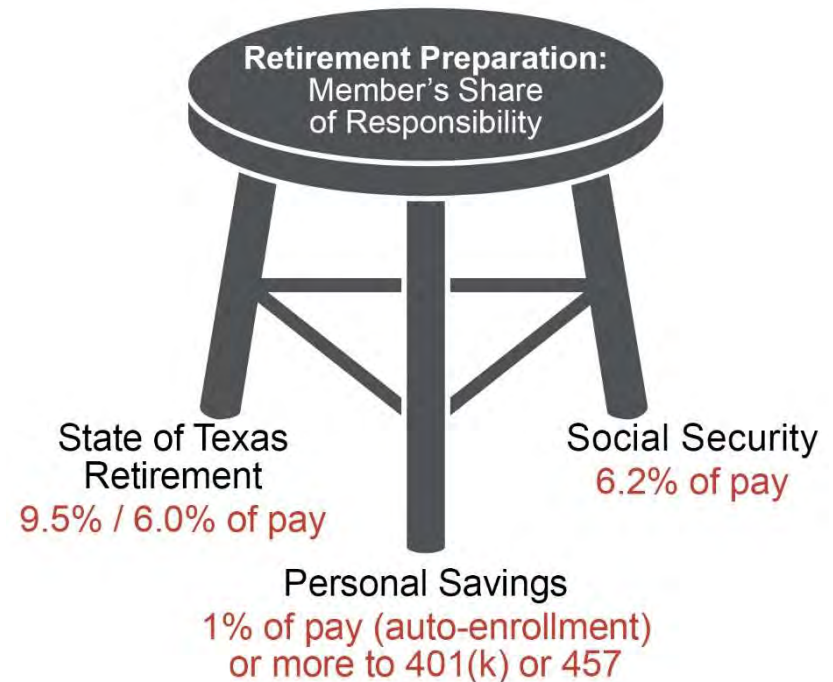
State Employees Have Diversified Retirement

Pension, Social Security and Personal Savings



- Four state plans
 - Three pre-funded, open plans
 - One closed, pay-as-you-go plan (JRS1)
- All state employees participate in both state pension and Social Security
- Texa\$aver 401(k)/457 plans
 - Automatic 401(k) enrollment with opt-out
70% of those auto enrolled remain in plan
 - Among eligible employees:
60% of eligible contribute to 401(k)
7% of eligible contribute to 457

ERS Plan Retirees receive an average monthly benefit of \$1,805

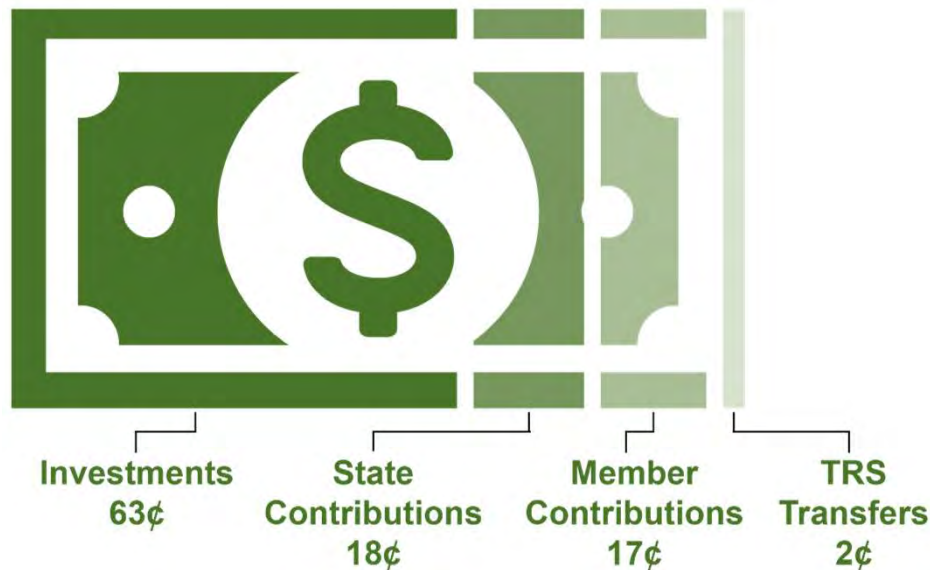


Investments are Essential to Benefits

ERS Trust Fund Assets by Revenue Source - FY 1998-2022



**More than 60 cents of each annuity dollar
paid for ERS retirement benefits has come from investments**



Period	20 year	10 year	5 year	1 year
Net Return	7.6%	8.3%	8.3%	-1.6%

As of August 31, 2022

The actuarial assumed rate of return of 7.0% is based on net return.

Actuarial Valuation Results

as of August 31, 2022



Funded Status	ERS	LECOS	JRS 2
Unfunded Liability	\$14.2 B	\$715 M	\$89 M
Funded Ratio	68.9%	58.6%	86.2%
Projected Depletion Date	None	2045	2069

	Meets Funding Policy Guidelines and Priorities		
Cover Normal Cost	✓	✗	✗
Avoid Trust Fund Depletion	✓	✗	✗
Meet Statutory 31-Year Period	8/31/23	✗	✗
Address Unfunded Liability	Legacy Payment \$510m per year	✗	✗
Meet Additional Funding Standards	Fully Funded by 2054	✗	✗

House Bill 1

based on ERS Legislative Appropriations Request



	Meets Funding Policy Guidelines and Priorities		
	ERS	LECOS	JRS 2
Cover Normal Cost	✓	✓ (+1%)	✓ (+3.587)
Avoid Trust Fund Depletion	✓	✓	✓
Meet Statutory 31-Year Period (projected)	8/31/2023	✓	✓
Address Unfunded Liability	Legacy Payment \$510m per year + \$1b additional one-time payment	Eliminate Liability \$750m one-time payment	Eliminate Liability \$105m one-time payment
Meet Additional Funding Standards	Fully Funded by 2054	✓	✓

As filed, HB 1 costs are projected and will be updated with mid-year (February 2023) valuation to ensure Legislature is able to achieve the intended funding levels

House Bill 1

Impact of Accelerated Funding



Address Unfunded Liability	ERS	LECOS	JRS 2
Legacy Payments	\$510m / year	--	--
One-time Payments	\$1 billion	\$750 million	\$105 million
Projected Savings to the State (interest avoided)	\$5.5 billion	\$1.2 billion	\$175 million

**One-time payments to accelerate or eliminate unfunded liabilities
result in significant interest savings to the state**

House Bill 1

Updated Exceptional Item



- ERS provides estimates for funding based on actuarial valuations
- Estimates are impacted by timing of annual actuarial valuations and our LAR submission, payroll adjustments and annual investment returns
- As of January 2023, based on the August 31, 2022 actuarial valuation, the following estimated adjustments have been identified:

	Meet Normal Cost	Address Unfunded Liability
LECOS	+0.25% of payroll FY24 +\$6.5m FY 25 +\$8.3m	+\$18m
JRS 2	--	(-\$8m)

**ERS conducts a mid-year actuarial valuation (as of 2/28/23)
to help inform final budget decisions.**

Health Care

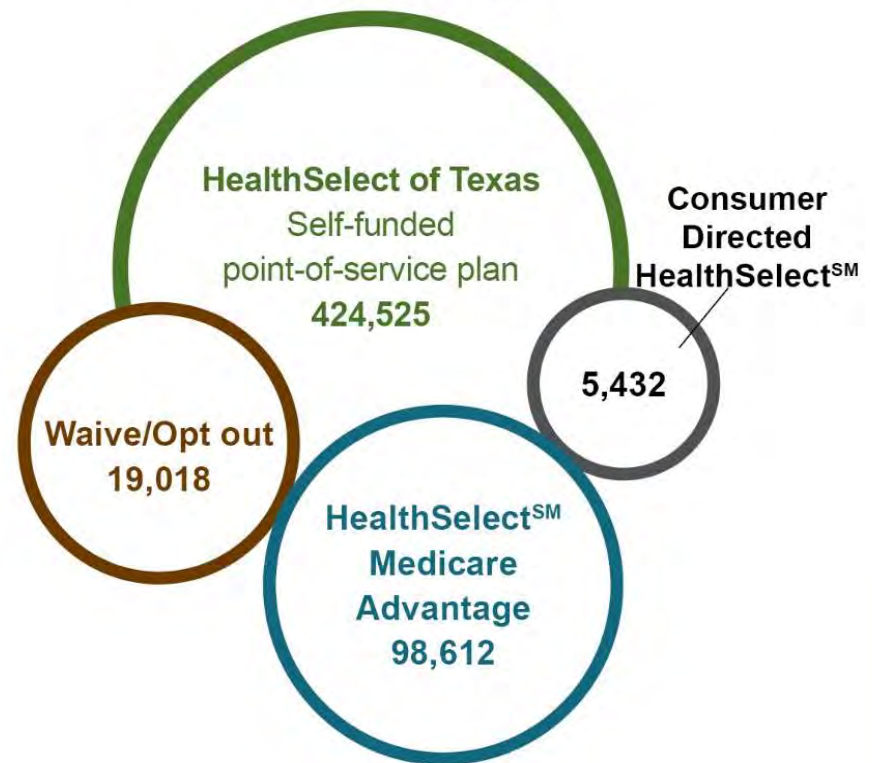
House Bill 1

Health Care



- The ERS health insurance program remains financially strong
- Using cost management initiatives and competitive contracting, ERS does not need appropriations above base funding levels in order to maintain current benefits for employees and retirees in the FY 2024 -2025 biennium.

80% of GBP health plan participants
enrolled in HealthSelect of Texas
August 31, 2022



State Benefits for First Responder Line of Duty Deaths

State First Responder Line of Duty Death Benefits

Chapter 615, Texas Government Code



On behalf of the state, ERS administers a program that provides line of duty death benefits to eligible survivors of:

- Commissioned Peace Officers
- Firefighters
- Volunteer firefighters
- EMS
- TDCJ Custodial Officers
- Certain others defined in Ch. 615

Benefit includes:

- One-time payment of at least \$500,000* from the state

For certain beneficiaries:

- State-paid funeral expenses
- Monthly payment paid by the state to a surviving spouse
- Monthly payment paid by the state to surviving minor children
- Access to state health plan

*Since the 86th Legislative Session, the one-time payment amount has been subject to an annual CPI-U adjustment:

FY 2021	\$511,500
FY 2022	\$518,661
FY 2023	\$554,967

Thank you

AGENDA ITEM XI:

TEXAS ETHICS COMMISSION

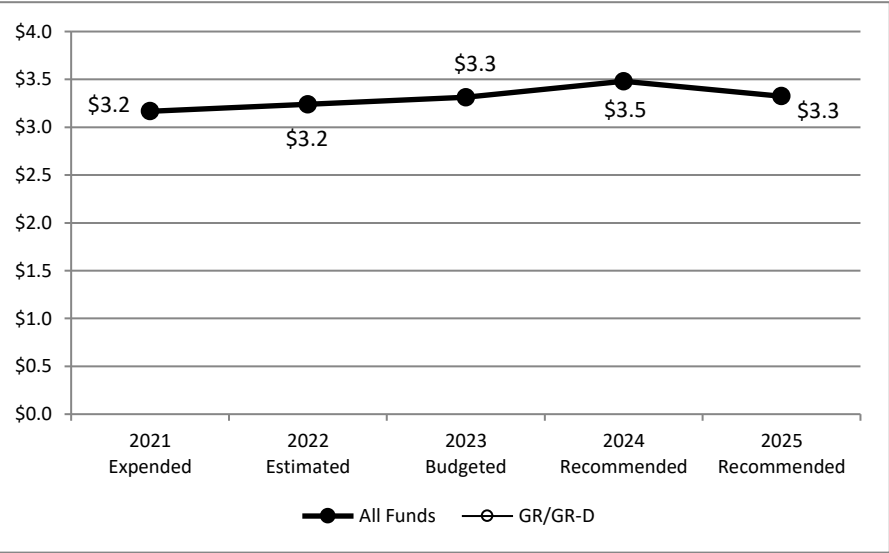
Texas Ethics Commission
Summary of Budget Recommendations - House

Page I-44
J.R. Johnson, Executive Director
George Purcell Jr, LBB Analyst

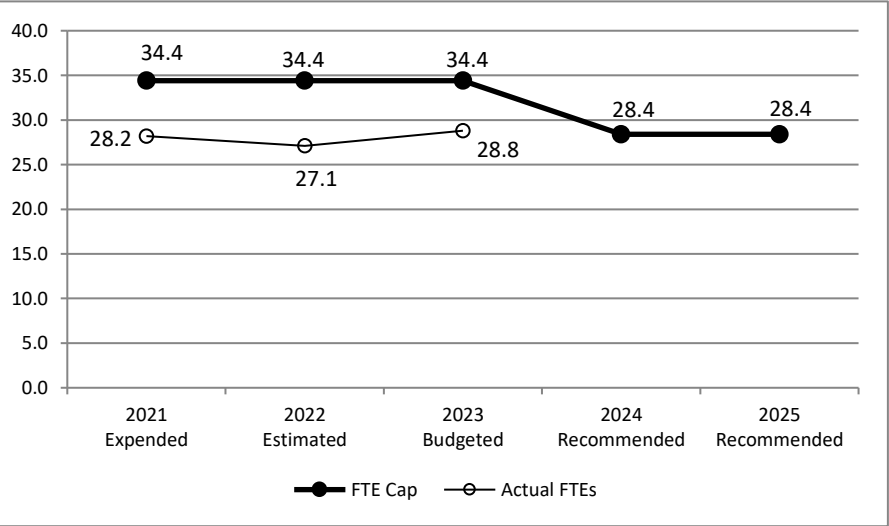
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$6,551,116	\$6,804,660	\$253,544	3.9%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
Total GR-Related Funds	\$6,551,116	\$6,804,660	\$253,544	3.9%
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
All Funds	\$6,551,116	\$6,804,660	\$253,544	3.9%

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	28.8	28.4	(0.4)	(1.4%)

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

Texas Ethics Commission
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Increase in General Revenue for the agency to complete transition of the Electronic Filing System to the cloud.	\$0.2	\$0.0	\$0.0	\$0.0	\$0.2	B.1.2
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
B)	Removal of one-time General Revenue funding for enhancement hours to the Electronic Filing System.	(\$0.3)	\$0.0	\$0.0	\$0.0	(\$0.3)	B.1.2
C)	Increase in General Revenue for the statewide salary adjustment and Executive Director salary increase.	\$0.3	\$0.0	\$0.0	\$0.0	\$0.3	B.1.1, C.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$0.3	\$0.0	\$0.0	\$0.0	\$0.3	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.5	\$0.0	\$0.0	\$0.0	\$0.5	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$0.3)	\$0.0	\$0.0	\$0.0	(\$0.3)	As Listed

NOTE: Totals may not sum due to rounding.

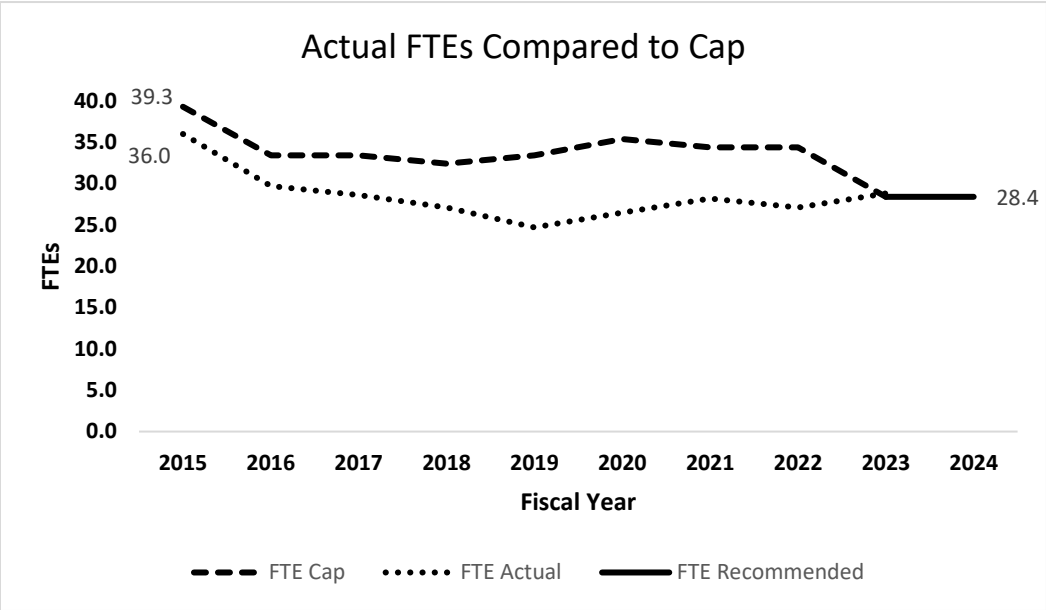
Texas Ethics Commission
Selected Fiscal and Policy Issues - House

1. **Agency Full-Time Equivalent (FTE) Cap Does Not Reflect Historical Staffing Levels.**

Since fiscal year 2015, the Texas Ethics Commission has been substantially below authorized FTE caps. According to the agency, this gap between authorized and actual FTEs has been due to the inability of the agency to offer competitive salaries to the skilled legal and technical professionals who are required for its statutory enforcement and electronic reporting duties.

Because the agency has identified these positions as unfunded, and because the agency has been substantially below its appropriated cap since fiscal year 2015, the recommendation includes a reduction in the agency’s FTE cap by 6.0 FTEs to 28.4. This reduced cap reflects historical staffing levels at the agency and its current level of activity.

Agency Exceptional Item 3, “Fund Unfunded FTE Positions to Allow Agency to Serve Filers and the Public More Effectively,” requests an additional \$1,090,482 and 8.0 FTEs to address existing limitations in information technology management, vendor oversight, budget analysis and agency operations, and statutory legal duties including administrative fine appeals and public information requests.



2. **Electronic Filing System (EFS) Update and Additional Oversight Provisions**

The commission launched an Electronic Filing Software (EFS) system in 2015. The EFS is a management and search tool for statutory ethics filings. The database facilitates filing applications for campaign finance, lobby registrations and activity reports, personal financial statements, and certificate of interested party disclosures. In June 2022, the operation of the EFS failed during a quarterly reporting period when candidates attempted to make an amount of disclosure filings beyond the design limits of the system. Following this failure, the agency requested and received a deficiency grant from the Office of the Governor for \$200,000. According to the agency, this amount, in addition to \$882,313 in pre-purchased services from the existing software vendor, was used to improve the capabilities of the EFS in advance of a candidate filing deadline in October, 2022.

Recommendations include a rider that requires quarterly reports of vendor transactions related to the EFS and mandates that the agency consult with the Department of Information Resources to analyze the costs and benefits of transitioning the EFS to a solution managed by the statewide Data Center Services program (see page 4).

Recommendations also include continuation of base funding of \$895,780 for the biennium for current vendor maintenance and support of the EFS and \$247,000 for completion of its transition to the cloud. The recommendations remove \$275,000 in one-time funding for enhancements to the EFS.

**Texas Ethics Commission
Rider Highlights - House**

Modification of Existing Riders

2. **Capital Budget.** Recommendations revise the rider to include \$247,000 for managed cloud services for the Electronic Filing System.
4. **Appropriations for Retirement Payments.** Recommendations revise this rider to reflect updated costs of \$227,670 for the 2024-25 biennium as identified by the agency in its Legislative Appropriation Request.

New Riders

5. **Electronic Filing System Monitoring and Oversight.** These recommendations include the addition of a rider to provide enhanced monitoring and oversight of the Electronic Filing System (EFS). The rider requires quarterly reports to the Legislative Budget Board on payments and expenditures relating to the EFS and requires the Texas Ethics Commission to deliver a report in consultation with the Department of Information Resources on transitioning the operation of the EFS to the State Data Centers program.

Texas Ethics Commission
Items Not Included in Recommendations - House

Section 5

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
Agency Exceptional Items Not Included (in agency priority order)							
1)	Adjust General Counsel Salary. Agency request for authority and additional appropriations to fund a requested salary increase for the General Counsel from \$121,644 to \$143,594 in fiscal year 2024 and \$150,773 in fiscal year 2025, the SAO midpoint salary for a General Counsel III.	\$51,079	\$51,079	0.0	No	No	\$58,258
2)	Salary Adjustments for Non-exempt Positions. Agency request to increase compensation for agency employees who are currently below the median salary for their positions.	\$692,293	\$692,293	0.0	No	No	\$925,382
3)	Fund Unfunded FTE Positions to Allow Agency to Serve Filers and the Public More Efficiently. Agency request for funding to fill the six unfunded positions removed in these recommendations as well as two additional positions. The request would also raise the agency FTE cap by 8.0 for a net increase of 2.0 over fiscal year 2023.	\$1,090,482	\$1,090,482	8.0	No	No	\$1,118,980
4)	Electronic Filing System Enhancement, Updates & Improvements. Agency request to add a filer dashboard displaying unpaid penalties, an online payment portal, a streamlined process for penalty waivers, and automatic redaction of certain personal information.	\$275,000	\$275,000	0.0	Yes	Yes	\$275,000
5)	Improve Agency Website User Interface. Agency request to improve website usability by hiring an outside vendor to improve existing user interfaces.	\$150,000	\$150,000	0.0	Yes	Yes	\$0
6)	Case Management Software including Public Information Module. Agency request to add a module to the agency's case management system to track public information requests.	\$76,657	\$76,657	0.0	Yes	Yes	\$89,023
7)	Digitize Office Documents for Searchable Records and Shred after Double Verification. Agency request for one-time funding for the outsourced scanning, indexing, and shredding of paper documents and microfiche currently stored on premise and at Texas State Library and Archives Commission.	\$650,592	\$650,592	0.0	Yes	Yes	\$0
8)	Lumpsum and Retirement Payments. Agency request to fund lump sum payments for potential retirees.	\$227,670	\$227,670	0.0	No	No	\$254,020

Texas Ethics Commission
Items Not Included in Recommendations - House

		2024-25 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
Agency Rider Requests Not Included							
1)	Rider 4, Appropriations for Retirement Payments. Agency requests an amendment to this rider that removes language requiring any funds appropriated for this purpose and unused to be lapsed at the end of the biennium.	\$0	\$0	0.0	No	No	\$0
TOTAL Items Not Included in Recommendations		\$3,213,773	\$3,213,773	8.0	\$2,720,663		

Texas Ethics Commission
Appendices - House

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* Appendix is not included - no significant information to report

Texas Ethics Commission					
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
DISCLOSURE FILING A.1.1	\$672,220	\$630,436	(\$41,784)	(6.2%)	Increase of \$9,210 in General Revenue for professional fees, Texas State Library and Archives Commission rental expenses, and telecommunications costs offset by a decrease of \$50,994 for longevity pay, other personnel costs and other operating expenses.
OFFICE OF THE GENERAL COUNSEL A.1.2	\$1,016,550	\$1,015,934	(\$616)	(0.1%)	Increase of \$1,874 in General Revenue for merit and projected longevity raises offset by a \$2,490 reduction in other operating expenses.
ENFORCEMENT A.1.3	\$1,723,408	\$1,727,308	\$3,900	0.2%	Increase of \$16,820 in General Revenue for merit and projected longevity raises, professional fees, and other operating expenses offset by a \$12,920 reduction in travel and consumables.
Total, Goal A, ADMINISTER ETHICS LAWS	\$3,412,178	\$3,373,678	(\$38,500)	(1.1%)	
CENTRAL ADMINISTRATION B.1.1	\$802,074	\$853,534	\$51,460	6.4%	Increase of General Revenue of \$20,260 for Executive Director salary and \$33,616 for merit and projected raises, professional fees, and consumables offset by a \$2,416 decrease in other operating expenses.
INFORMATION RESOURCES B.1.2	\$2,336,864	\$2,316,164	(\$20,700)	(0.9%)	Reduction of \$275,000 in General Revenue for one-time funding for enhancement hours to the Electronic Filing System and \$75,110 in other operating expenses, including software/hardware maintenance renewal budget cuts. General Revenue increase of \$247,000 to complete the transition of the Electronic Filing Sytem to the cloud and \$82,410 for increases in projected merit and longevity raises as well as other office expenses offset these reductions.
Total, Goal B, INDIRECT ADMINISTRATION	\$3,138,938	\$3,169,698	\$30,760	1.0%	
SALARY ADJUSTMENTS C.1.1	\$0	\$261,284	\$261,284	100.0%	Increase in General Revenue for the statewide salary adjustments.
Total, Goal C, SALARY ADJUSTMENTS	\$0	\$261,284	\$261,284	100.0%	
Grand Total, All Strategies	\$6,551,116	\$6,804,660	\$253,544	3.9%	

Texas Ethics Commission
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2021	Actual 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	34.4	34.4	34.4	28.4	28.4
Actual/Budgeted	28.2	27.1	28.8	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 4	\$139,097	\$139,097	\$139,097	\$145,850	\$152,604
General Counsel	\$121,644	\$121,644	\$121,644	\$121,644	\$121,644

Notes:

a) The State Auditor's Office is the source for the fiscal year 2021 and fiscal year 2022 annual average (actual) FTE levels. Fiscal years 2022 and 2023 FTE figures are lower than the FTE cap due to recruitment and retention difficulties in the Disclosure and Information Resources divisions.

b) Fiscal years 2024 and 2025 FTE cap is reduced to reflect historical staffing patterns at the agency (see page 3).

c) The State Auditor's Office Report *Executive Compensation at State Agencies* (Report 22-706, August 2022) indicates a market average salary of \$152,604 for the Executive Director position at the Ethics Commission. The report does not indicate a market average salary for the General Counsel position. The agency is requesting an increase in the General Counsel salary to \$143,594 in fiscal year 2024 and \$150,773 in fiscal year 2025.

TEXAS ETHICS COMMISSION

P.O. Box 12070, Capitol Station
Austin, Texas 78711-2070

Mary K. “Katie” Kennedy
Chair

Randall H. Erben
Vice Chair

J.R. Johnson
Executive Director



Commissioners

Chad M. Craycraft
Chris Flood
Patrick W. Mizell
Richard S. Schmidt
Joseph O. Slovacek
Steven D. Wolens

February 16, 2023

I. INTRODUCTION

The Texas Ethics Commission (“TEC”) administers and enforces laws that govern the political activity of every candidate, officeholder, public servant, and political committee in Texas, from statewide officials to candidates for local school boards to employees of city governments. The TEC’s jurisdiction includes the state’s 254 county governments and thousands of municipalities, school districts and utility districts in Texas. The TEC’s electronic filing system serves over 30,000 filers each year, nearly twice that of the Federal Election Commission.¹

The TEC’s workload has grown substantially in recent years. In 2022, late filings were up 36% from the year before. Requests to waive penalties were up almost 30% from 2017. The number of complaints received was up nearly 50% from the previous five-year annual average. And the Commission received over 160,000 reports, up more than 500% from 2015. Finally, the size and length of reports is growing even faster, putting a tremendous strain on the TEC’s server hardware. For example, the July semiannual reports for the major party candidates for governor averaged fewer than 6,000 pages in 2014. In 2022, the average was over ten times higher.

The TEC is facing this situation with fewer employees than it has had at nearly any point in the past decade, and nearly all of the positions that are filled are undercompensated compared to the State Auditor’s Office (“SAO”) midpoint for their classification. For example, the TEC’s attorneys made an average of \$74,800 in FY22, which is less than the state average and less than what

¹ https://www.fec.gov/resources/cms-content/documents/FEC_FY23_CBJ_March_28_2022.pdf

comparable agencies paid their attorneys, including the Medical Board, the Alcoholic Beverage Commission, the Department of Banking, the Securities Board, and the Commission on Judicial Conduct.

Underpaying leads to higher-than-average turnover. During FY21, the TEC had a turnover rate of 15.1%, approximately 50% higher than the state average. And in FY22, it had a turnover rate of 24%, which included our former Executive Director, who accepted a job at another agency. As another example, one of the TEC's most experienced attorneys—who was classified as an Attorney II because of budget constraints—left for an Attorney IV position at another agency.

II. EXCEPTIONAL ITEMS

For those reasons, the TEC is requesting the following eight exceptional items:

- 1) **General Counsel (\$21,950 in FY24 and \$29,129 in FY25):** Because the position is exempt, the TEC's General Counsel was left out of the across-the-board salary adjustments. The amount requested reflects what is needed to pay the SAO midpoint salary for a non-exempt General Counsel III.
- 2) **Salary Adjustments for Non-Exempt Positions (\$229,601 in FY24 and \$462,691 in FY25):** the TEC is requesting funding to pay existing staff the SAO midpoint salary for their current classifications (**\$229,600 in FY24 and \$252,311 in FY25**). The amounts requested were calculated by comparing the TEC's existing staff's salaries with the SAO midpoints for their classifications in FY24 and FY25, and then subtracting the additional salary appropriations provided for in the proposed baseline budget. The TEC is also asking to fund certain promotions in FY25 that have been earned by existing staff (**\$210,380 in FY25**). More than half the TEC's current employees are responsible for tasks listed at a higher classification than their current position. The amount requested assumes the first half of this request is funded.
- 3) **Eight FTEs (\$530,992 in FY24 and \$559,490 in FY25):** the introduced bill cuts six FTEs, and the TEC is requesting those back plus two more. The requested positions include:
 - a. **Computer Services Division**
 - i. **Programmer II (\$71,569 in FY24 and \$75,376 in FY25):** funding one additional programmer would reduce the TEC's need to outsource work to the private sector.
 - ii. **Project Manager II (\$71,659 in FY24 and \$75,376 in FY25):** a certified project manager would manage the TEC's contact with its software vendor and the enhancement and maintenance of the filing system.

- iii. **System Support Analyst III (\$55,096 in FY24 and \$58,288 in FY25):** this employee's primary responsibility would be to answer requests for technical support, improving the TEC's customer service and resource allocation. These calls are currently answered by the TEC's programmers.

b. Central Administration Division

- i. **Budget Analyst IV (\$81,780 in FY24 and \$85,869 in FY25):** the TEC needs an experienced budget analyst to take primary responsibility for managing the TEC's finances. Because of budget constraints, this work was consolidated with another position in 2016.
- ii. **Executive Assistant II (\$58,826 in FY24 and \$62,136 in FY25):** the TEC requests an executive assistant to assist with the work of the Executive Director and other members of the Central Administration Division.

c. Office of General Counsel

- i. **Legal Assistant II (\$55,096 in FY24 and \$58,288 in FY25):** the TEC's Office of General Counsel plays an outsized role in TEC operations. An additional legal assistant is needed to manage the increased volume of administrative penalty appeals and open records requests.
- ii. **Attorney II (\$81,780 in FY24 and \$85,869 in FY25):** the TEC has two fewer attorneys than it did two years ago. The TEC is requesting an attorney to process administrative fine appeals, respond to public information requests, assist with drafting legal advisory opinions, and perform other duties assigned by the general counsel.

d. Disclosure Filing Division

- i. **Program Specialist II (\$55,096 in FY24 and \$58,288 in FY25):** the Disclosure Filing Division is responsible for tracking filer requirements, sending notices to file and any necessary late letters, and managing the storage of, and access to, all filed documents. As the state has grown, so has the number of TEC filers, which directly affects the workload of this division.

- 4) **Filing System Enhancements (\$137,500 each year):** the TEC requests funds to maintain and enhance the filing system. The TEC is actively working on the following improvements for its filing system: (1) a filer "dashboard" that quickly calculates and displays any unpaid penalties (\$525,000); an online payment portal for filers who owe penalties or fees

(\$52,500); a streamlined process for requesting penalty waivers (\$225,000); and the automatic redaction of certain information on Personal Financial Statements to streamline the TEC's response to open records requests (\$60,000). The sum of these projects (\$862,500) is far more than the amount the TEC is requesting for this exceptional item, but the TEC can cover the shortfall with its existing reserves of pre-paid labor.

- 5) **Website (\$150,000 in FY24):** the TEC's website is the agency's primary method of providing: (1) public disclosure of campaign finance and lobby data, and (2) legal and technical assistance to the regulated community. The TEC receives thousands of calls for legal and technical assistance each year, and often the callers report having difficulty finding the specific forms or documents they need to complete their filings on the TEC's current website. The TEC requests \$150,000 to work with an outside vendor to improve the basic navigation and appearance of our website, thereby promoting both disclosure and voluntary compliance.
- 6) **Case Management System (\$36,857 in FY24 and \$39,800 in FY25):** two biennia ago, the Legislature gave the TEC money to procure case-management software. While the appropriation was structured as a large initial purchase and small ongoing maintenance fees, the winning bidder offered an annual subscription model instead. This payment structure resulted in the TEC lapsing \$55,000 in year one of the appropriation, but having a small annual shortfall of \$2,155.51 in FY24 and \$3,363.28 for FY25. The balance of the request would be used to license similar software to track the TEC's public information requests. The TEC receives an average of 450 requests each year.
- 7) **Digitization (\$325,296 each year):** the TEC stores over 700 boxes of archived filings and other state documents in its offices, many of which were inherited from the Secretary of State. Besides occupying valuable office space, the Facilities Commission has cautioned against adding more weight to the 10th floor of the Sam Houston Building. The TEC requests \$325,296 each year over the biennium to professionally scan and shred these documents.
- 8) **Retirement Payments (\$113,835 each year):** the TEC requests appropriations to cover mandated lump-sum payments to retiring employees. Five of the Commission's current employees are eligible for retirement in FY24 and an additional three will become eligible in FY25. Combined, this represents nearly one-third of the current workforce. The TEC's Rider No. 4 encumbers a portion of the TEC's baseline budget to satisfy these obligations, but there is no corresponding appropriation. Using our baseline to fund these payments may result in further staffing shortages.

III. RIDER ADJUSTMENTS

- 1) **Retirement Payments (Rider No. 4):** the TEC requests a modest change to the rider to provide cross-biennia UB authority in the event that these encumbered appropriations are not needed until the following biennium.

AGENDA ITEM XII:

**TEXAS HISTORICAL
COMMISSION**

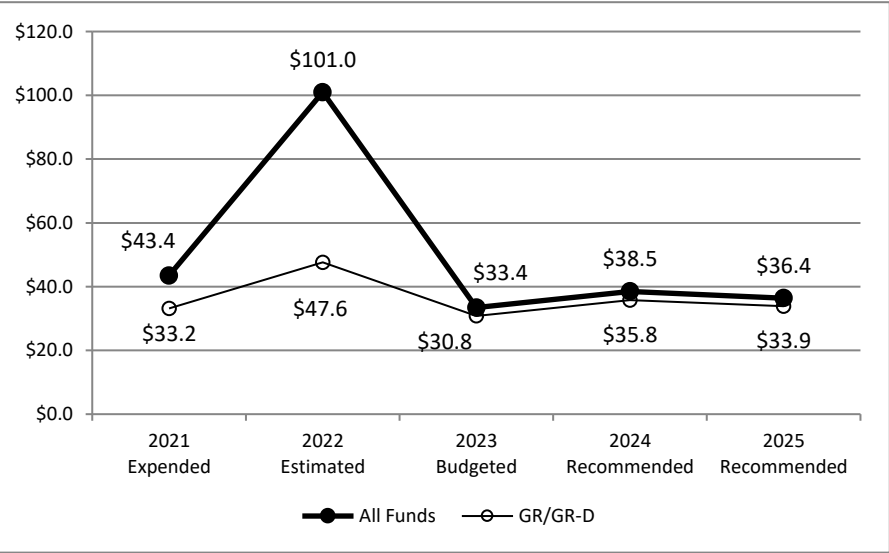
Historical Commission Summary of Budget Recommendations - House

Page I-71
Mark Wolfe, Executive Director
KJ Curtiss, LBB Analyst

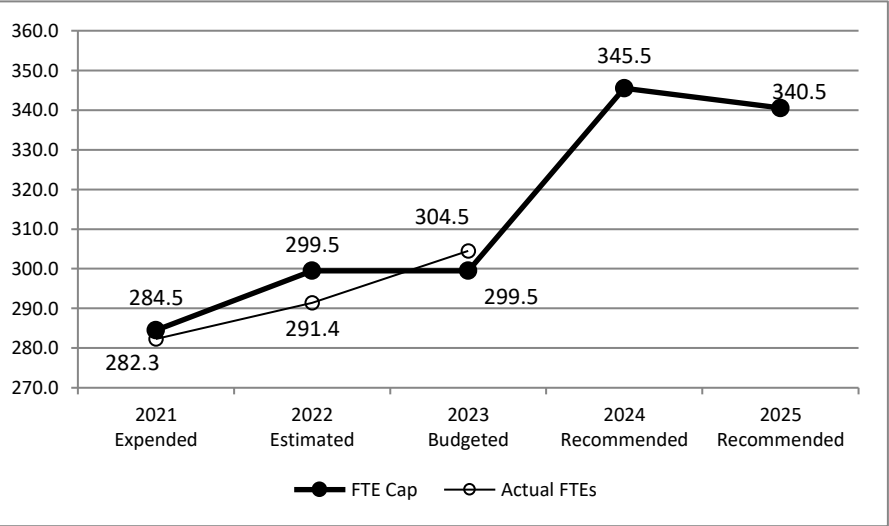
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$75,118,031	\$67,877,735	(\$7,240,296)	(9.6%)
GR Dedicated Funds	\$3,295,132	\$1,793,333	(\$1,501,799)	(45.6%)
Total GR-Related Funds	\$78,413,163	\$69,671,068	(\$8,742,095)	(11.1%)
Federal Funds	\$24,436,043	\$2,903,650	(\$21,532,393)	(88.1%)
Other	\$31,569,001	\$2,314,028	(\$29,254,973)	(92.7%)
All Funds	\$134,418,207	\$74,888,746	(\$59,529,461)	(44.3%)

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	304.5	340.5	36.0	11.8%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 81.1% of the agency's estimated total available funds for the 2024-25 biennium.

Historical Commission
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Decrease in General Revenue, federal Coronavirus State Fiscal Recovery Funds, and Economic Stabilization Funds due to removal of one-time funding appropriations provided by the 87th Legislature for various capital projects and unexpended balances carried forward from fiscal year 2021 to the 2022-23 biennium.	(\$12.4)	\$0.0	(\$20.0)	(\$29.3)	(\$61.6)	A.1.2; A.1.3; A.1.4; A.3.1; B.1.1
B)	Decrease in Sporting Goods Sales Tax due to the agency carrying forward and spending balances from fiscal year 2021 to the 2022-23 biennium. Funding recommendations align with the allocation amounts estimated in the July 2022 Certification Revenue Estimates by the Comptroller of Public Accounts.	(\$0.4)	\$0.0	\$0.0	\$0.0	(\$0.4)	A.1.4

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

C)	Decrease in Federal Funds for Hurricane Harvey recovery at historic sites.	\$0.0	\$0.0	(\$1.9)	\$0.0	(\$1.9)	A.1.1; A.1.2; A.1.4; B.1.1
D)	Decrease in General Revenue - Dedicated funds due to agency spending down estimated balances in the Texas Preservation Trust Fund Acct 664 designated for projects related to historic covenant releases.	\$0.0	(\$1.5)	\$0.0	\$0.0	(\$1.5)	A.1.5
E)	Increase in Historic Preservation Federal Funds for architectural preservation.	\$0.0	\$0.0	\$0.2	\$0.0	\$0.2	A.1.1; A.1.2; A.3.1; B.1.1
F)	Increase in projected Appropriated Receipts.	\$0.0	\$0.0	\$0.0	\$0.2	\$0.2	A.1.4; A.2.1; A.3.1
G)	Decrease in Interagency Contract funds due to renegotiated fees with TxDOT for Section 106 reviews of projects for impact on historical properties.	\$0.0	\$0.0	\$0.0	(\$0.1)	(\$0.1)	A.1.1; A.1.2; A.2.1; A.3.1
H)	Decrease in General Obligation Bonds.	\$0.0	\$0.0	\$0.0	(\$0.1)	(\$0.1)	A.1.4
I)	Decrease in projected License Plate Trust Fund No. 802 revenue compared to the 2022-23 biennium.	\$0.0	\$0.0	\$0.0	(\$0.0)	(\$0.0)	A.1.1; A.3.1

Historical Commission
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
J)	Increase in General Revenue for program support at non-historic sites for the 2024-25 biennium.	\$2.6	\$0.0	\$0.0	\$0.0	\$2.6	A.1.1; A.1.3; A.2.1; A.3.1; B.1.1
K)	Increase in General Revenue and Federal Funds due to exempt and non-exempt salary adjustments.	\$3.0	\$0.0	\$0.2	\$0.0	\$3.1	B.1.1; C.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		(\$7.2)	(\$1.5)	(\$21.5)	(\$29.3)	(\$59.5)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$5.5	\$0.0	\$0.3	\$0.2	\$6.0	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$12.8)	(\$1.5)	(\$21.9)	(\$29.4)	(\$65.5)	As Listed

NOTE: Totals may not sum due to rounding.

**Historical Commission
Selected Fiscal and Policy Issues - House**

1. **One-time Projects.** Recommendations reflect a decrease of \$12,401,502 in General Revenue, \$20,000,000 in Coronavirus State Fiscal Recovery Funds, and \$29,272,187 in Economic Stabilization Funds. These include the following items.
 - **Courthouse Preservation Grants** – Recommendations include decreases of \$8,115,560 in General Revenue and \$23,567,046 in Economic Stabilization Funds provided for courthouse preservation grants. The General Revenue reductions remove \$8,100,000 in funding provided in the 2022-23 GAA for designated county courthouse grants and \$15,560 in balances carried forward from fiscal year 2021 to the 2022-23 biennium. The decrease out of Economic Stabilization Funds is out of appropriations provided by House Bill 2, 87th Legislature, Regular Session.
 - **Star of the Republic Museum** – Recommendations include a decrease of \$99,942 in General Revenue funds carried forward from fiscal year 2021 to the 2022-23 biennium.
 - **Caddo Mounds Visitor Center** – Recommendations include a decrease of \$400,000 in General Revenue funds provided in the 2022-23 GAA.
 - **Mission Socorro Archeological Site** – Recommendations include a decrease of \$500,000 in General Revenue funds provided in the 2022-23 GAA.
 - **Technology Updates** – Recommendations include a decrease of \$286,000 in General Revenue funds carried forward from fiscal year 2021 to the 2022-23 biennium.
 - **Washington-on-the-Brazos** – Recommendations include a decrease of \$3,000,000 in General Revenue provided for the Washington-on-the-Brazos site by Article IX, Section 17.28 of the 2022-23 GAA. The funding was reallocated by the agency for use at historic sites and/or Capitol Complex. Recommendations also include a decrease of \$20,000,000 in Coronavirus State Fiscal Recovery Funds provided for the Washington-on-the-Brazos site by Senate Bill 8 of the Eighty-seventh Legislature, Third Session. The appropriation was provided for the purposes of the commission's capital plan project for the Washington-on-the-Brazos historic site.
 - **National Museum of the Pacific War** – Recommendations include a decrease of \$5,500,000 in Economic Stabilization Funds provided for the National Museum of the Pacific War by House Bill 2 of the Eighty-seventh Legislature, Regular Session. The appropriation was provided for the purposes of providing updates to the electrical, security, and heating, ventilation, and air conditioning systems; projects to address accessibility issues; exterior, roofing, and structural repairs to the Nimitz Barn maintenance area; refurbishment of the Bush Gallery to address wear and tear from visitor volume; and technology upgrades to exhibits in the Bush Gallery.
 - **Deferred Maintenance** – Recommendations include a decrease of \$205,141 in Economic Stabilization Funds provided for deferred maintenance for Strategy A.1.4., Historic Sites. The \$2,586,250 appropriation was initially provided by Senate Bill 500 of the Eighty-sixth Legislature and House Bill 2 of the Eighty-seventh Legislature, Regular Session allowed for unexpended balances to be carried forward into the 2022-23 biennium.

2. **Sporting Goods Sales Tax and Historic Sites Fund No. 5139.**

Pursuant to House Bill 1422 of the Eighty-sixth Legislature, Texas Historical Commission (THC) is statutorily allocated seven percent of Sporting Goods Sales Tax (SGST) receipts. Under Article VIII, Section 7-d, Subsection C of the Texas Constitution, these funds may not be considered available for certification by the Comptroller of Public Accounts. The recommended 2024-25 SGST amount of \$35,067,000 was based on the fiscal years 2022 and 2023 allocation estimate in the July 2022 Certification Revenue Estimates by the Comptroller of Public Accounts. However, Sporting Goods Sales Tax allocations to the agency are estimated to be \$33,233,000 in the January Biennial Revenue Estimates. A reduction of \$1,834,000 would be required to align appropriations with estimates from the Comptroller.

The SGST receipts are authorized to be spent on twenty-eight Historic Sites enumerated in Chapter 442, Subchapter C of the Government Code. However, the agency has indicated SGST receipts have been spent on additional Historic Sites that are not authorized for SGST use in Subchapter C. These include Presidio La Bahia, the Bush Family Home, the Goodnight Ranch, Old Socorro Mission, and Palmito Ranch Battlefield. In the 87th Legislature, House Bill 3706 would have added the Goodnight Ranch, Old Socorro Mission, and Palmito Ranch Battlefield sites to Subchapter C, and therefore eligible for SGST use. However, the bill did not pass.

Historical Commission Rider Highlights - House

Modification of Existing Riders

2. **Capital Budget.** Rider revised as follows:
 - Provide authority to carry forward balances from the 2022-23 biennium to the 2024-25 biennium for the Mission Socorro Land Acquisition, Washington-on-the-Brazos, Star of the Republic Museum, and Courthouse Grants projects.
 - Include continuation of funding for Historic Sites Deferred Maintenance at \$2,200,000, reflecting a decrease of \$300,000 from funding provided in HB 2, 87th Legislature Regular Session.
 - Add project for THC Building Complex Improvements for the agency's capitol complex offices for \$300,000.
 - Continuation of funding for computer and information technology peripheral equipment at \$150,000 and data center services at \$258,309.
3. **Cost Recovery of Historical Markers.** Rider revised to include the citation of the statutory authority for the Historical Markers fees.
5. **Registration of Historic Cemeteries.** Rider revised to include the citation of the statutory authority for the collection of Historic Cemetery fees.
6. **Cultural Diversity Scholarships.** Rider revised to clarify inclusion of nonprofit organizations as recipients of funding for cultural diversity scholarships.
9. **Appropriation Authority: Debt Service for the National Museum of the Pacific War.** Rider revised to update estimated revenue bond debt service payments for the museum.
10. **Texas Holocaust, Genocide, and Antisemitism Advisory Commission: Funding.** Rider revised to reflect the abolishment of the Holocaust and Genocide Commission and its replacement with the Holocaust, Genocide, and Antisemitism Advisory Commission pursuant to HB 3257, 87th Legislature Regular Session. Sunset contingency language is also deleted.
11. **Texas Preservation Trust Fund Account No. 664.** Recommendations revise this rider to align with estimated interest earnings from the corpus of the fund based on information from the Comptroller of Public Accounts. Rider is also revised to remove cap on appropriation of estimated revenue and interest earnings and clarifies that the appropriation of estimated revenues and interest earnings are from distributions or investment returns of assets managed by the Safekeeping Trust Company pursuant to Section 442.015 of the Government Code.
21. **Maximum Appropriation of Sporting Goods Sales Tax (SGST) Revenue.** Rider revised to reflect the 2024-25 amount of \$35,067,000 based on the fiscal year 2022 and 2023 allocation estimate in the July 2022 Certification Revenue Estimates by the Comptroller of Public Accounts.
24. **Unexpended Balances of Sporting Goods Sales Tax Between Biennia.** Rider revised to clarify and standardize language.

Deleted Riders

10. **Unexpended Balances of Bond Proceeds.** Recommendations remove this rider. The remaining balance of bond proceeds for historic sites will be expended in the 2022-23 biennium.
14. **Unexpended Balances: National Museum of the Pacific War.** Recommendations remove this rider. Funding sources for the National Museum of the Pacific Museum for capital projects have been funded through supplemental bills. Authority to carry forward balances for those projects can only be addressed in subsequent supplemental funding bills.
27. **National Museum of the Pacific War.** Recommendations remove this rider. General Revenue funding is included in the base for Strategy A.1.4, Historic Sites.

New Riders

25. **Unexpended Balances: Washington-on-the-Brazos Capital Projects.** Recommendations provide authority for the agency to carry forward to the 2024-25 biennium any remaining unexpended and unobligated balances for the Washington-on-the-Brazos Historic Site.
26. **Unexpended Balances: Mission Socorro Archeological Site.** Recommendations provide authority for the agency to carry forward to the 2024-25 biennium any remaining unexpended and unobligated balances for the Mission Socorro Archeological Site.

**Historical Commission
Items Not Included in Recommendations - House**

Section 5

	2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	San Jacinto Battleground State Historic Site Restoration and Visitor Center Improvements. Agency requests funding for the construction of a new visitor center and complete restoration of the battleground landscape and obelisk monument.	\$102,700,000	\$102,700,000	0.0	No	Yes	\$0
2)	USS Battleship Site Restoration. Agency requests funding for the demolition of the empty battleship slip and accessory structures and restoration to historic appearance.	\$40,000,000	\$40,000,000	0.0	No	Yes	\$0
3)	Vehicle Replacement. Agency requests replacement of 69 vehicles which are primarily used for the state's historic sites.	\$1,966,983	\$1,966,983	0.0	No	Yes	\$0
4)	Acquisition of IR Technologies (Computer & IT Peripheral Replacement). Agency's base request include \$150,000 for computer replacement. This request is for an additional \$275,804 for a total capital budget appropriation of \$425,804 to maintain the refresh schedule and limited IT peripherals.	\$275,804	\$275,804	0.0	Yes	Yes	\$0
5)	Capitol Complex Deferred Maintenance. Agency requests funding for repairs to four of the buildings in the THC complex in central Austin. Maintenance includes lead paint abatement and window repairs.	\$327,000	\$327,000	0.0	No	Yes	\$0
6)	Magoffin Home Structural Integrity Repairs. Agency requests funding for the stabilization and rebuilding of the Magoffin Home in El Paso to prevent collapse of the adobe walls.	\$4,144,000	\$4,144,000	0.0	No	Yes	\$0
7)	Varner-Hogg Plantation House Stabilization. Agency requests funding to remediate damage to the foundation of the plantation structures caused by decades of flood events.	\$825,000	\$825,000	0.0	No	Yes	\$0
8)	Historic Sites Deferred Maintenance. Agency requests funding for maintenance projects at historic sites which include replacing roofs, stabilizing ruins, and replacing HVAC systems.	\$2,875,000	\$2,875,000	0.0	No	Yes	\$0
9)	Courthouse Grant Program. Agency requests funding that could support 6 full restorations at a cost of \$6M per project, or 4-5 full restorations with other emergency and planning projects.	\$45,000,000	\$45,000,000	0.0	No	No	\$0

Historical Commission
Items Not Included in Recommendations - House

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
10)	Levi Jordan Plantation State Historic Site. Agency requests funding to support the land acquisition of plantation boundaries and other buildings and further development of a visitor center and exhibits.	\$5,000,000	\$5,000,000	0.0	No	Yes	\$0
11	Heritage Tourism Publications. Agency requests funding for the reprint of five of the most recent and popular travel guides: the Statewide Heritage Travel Guide, the African American in Texas brochure, Hispanic Texans, the Chisholm Trail guide, and the Texas and the Great War guide.	\$522,240	\$522,240	0.0	No	Yes	\$0
12)	National Museum of the Pacific War. Agency requests funding for updates and modifications to modernize the George HW Bush Gallery and exhibits.	\$7,500,000	\$7,500,000	0.0	No	Yes	\$0
13)	Eisenhower Birthplace Visitor Center. Agency requests funding to allow site upgrades including a new visitor center, landscaping improvements, improved entry to the site, and enhancement to the overall appearance of the Eisenhower statue.	\$3,401,000	\$3,401,000	0.0	No	Yes	\$0
14)	Monument Hill Visitor Center. Agency requests funding to incorporate an open air pavilion and build a new visitor center with a staff office, retail facility, and restrooms.	\$4,300,000	\$4,300,000	0.0	No	Yes	\$0
15)	Texas Holocaust, Genocide, and Antisemitism Advisory Commission. Agency requests 1.0 FTE and funding to support the commission.	\$400,000	\$400,000	1.0	No	Yes	\$400,000

Agency Rider Requests Not Included

1)	Rider 15, Appropriation Authority: Texas Historic Preservation Tax Credit Review Fees. Requested increase of \$148,000 to adjust the appropriated receipts from \$97,000 to \$245,000 in each fiscal year.	\$0	\$296,000	0.0	No	No	\$296,000
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TOTAL Items Not Included in Recommendations		\$219,237,027	\$219,533,027	1.0	\$696,000		
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Historical Commission
Appendices - House

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B	Summary of Federal Funds	*
C	FTE Highlights	14

* Appendix is not included - no significant information to report

Historical Commission
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
ARCHITECTURAL ASSISTANCE A.1.1	\$4,333,516	\$3,161,521	(\$1,171,995)	(27.0%)	Recommendations include: 1) Increase of \$3,082 in Interagency Contracts due to renegotiated fees with TxDOT for Section 106 reviews of projects for impact on historical properties. 2) Decrease of \$1,563,532 in Federal Funds due to the completion of the Emergency Supplemental Historic Preservation Fund Grant. 3) Increase of \$72,702 in Historic Preservation Federal Funds. 4) Decrease of \$4,247 in License Plate Trust Fund No. 802. 5) Increase of \$320,000 in General Revenue due to the increase in agency program FTEs at non-historic sites.
ARCHEOLOGICAL HERITAGE PROTECTION A.1.2	\$3,343,052	\$2,732,512	(\$610,540)	(18.3%)	Recommendations include: 1) Increase of \$2,598 in Interagency Contracts due to renegotiated fees with TxDOT for Section 106 Reviews. 2) Decrease of \$95,738 in Federal Funds due to the completion of the Emergency Supplemental Historic Preservation Fund Grant. 3) Increase of \$32,600 in Historic Preservation Federal Funds. 4) Decrease of \$500,000 in General Revenue due to unexpended balances carried forward in agency base for the Mission Socorro Historical Site. 5) Decrease of \$50,000 in General Revenue funds to reinstate funding to Strategy B.1.1, Central Administration, due to temporary transfer of funds across strategies in fiscal year 2022 for federal grant matching purposes.
COURTHOUSE PRESERVATION A.1.3	\$33,118,229	\$1,435,623	(\$31,682,606)	(95.7%)	Recommendations include: 1) Decrease of \$15,560 in General Revenue carried forward from fiscal year 2021 to the 2022-23 biennium for grants. 2) Decrease of \$8,100,000 in General Revenue from one-time funding of Courthouse Preservation Grants designated for Mason, Tyler, and Newton counties. 3) Decrease of \$23,567,046 in Economic Stabilization Funds from supplemental appropriations in 2021 carried forward and budgeted for the 2022-23 biennium.

Historical Commission
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
HISTORIC SITES A.1.4	\$75,134,005	\$45,233,382	(\$29,900,623)	(39.8%)	<p>Recommendations include:</p> <p>1) Decrease of \$3,000,000 in General Revenue for one-time funding appropriated by Article IX, Section 17.28, of the 2022-23 General Appropriations Act for the Washington-on-the-Brazos historic site and utilized for capital projects at the site.</p> <p>2) Decrease of \$378,278 in Sporting Goods Sales Tax to align with the allocation amounts estimated in the July 2022 Certification Revenue Estimates by the Comptroller of Public Accounts.</p> <p>2) Decrease of \$165,887 in Federal Funds for Hurricane Harvey recovery at historic sites.</p> <p>3) Decrease of \$20,000,000 in Coronavirus State Fiscal Recovery Funds appropriated in SB 8, 87th Legislature, Third Called Session, for capital plan projects at the Washington-on-the-Brazos historic site.</p> <p>4) Decrease of \$5,500,000 in Economic Stabilization Funds from one-time appropriation for capital projects at the National Museum of the Pacific War.</p> <p>5) Decrease of \$205,141 in Economic Stabilization Funds from unexpended balances carried forward for deferred maintenance projects.</p> <p>6) Decrease of \$400,000 in General Revenue appropriated in SB 1, 87th Legislature, Regular Session, for the Caddo Mounds Visitors Center.</p> <p>7) Decrease of \$139,942 in General Revenue from unexpended balances carried forward from fiscal year 2021 to the 2022-23 biennium for the Star of the Republic Museum (\$99,942) and technology upgrades (\$40,000).</p> <p>8) Decrease of \$60,622 in Appropriated Receipts from collections at historic sites.</p> <p>9) Decrease of \$50,753 in General Obligation Bond Proceeds due the agency spending down remaining bond proceeds for historic sites capital projects.</p>
PRESERVATION TRUST FUND A.1.5	\$2,161,799	\$660,000	(\$1,501,799)	(69.5%)	<p>Recommendations include decrease of \$1,501,799 due to the agency spending down balances of funds within the General Revenue-Dedicated Texas Preservation Trust Fund Account 664 for designated grant awards.</p>

Historical Commission					
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
DEVELOPMENT ASSISTANCE A.2.1	\$3,445,011	\$3,738,264	\$293,253	8.5%	Recommendations include: 1) Decrease of \$24,772 in Interagency Contract due to renegotiated fees with TxDOT for Section 106 reviews of projects for impact on historical properties. 2) Decrease of \$1,975 in Appropriated Receipts from Main Street dues. 3) Increase of \$320,000 in General Revenue due to the increase in agency program FTEs at non-historic sites.
TEXAS HERITAGE TRAIL A.2.2	\$2,000,000	\$2,000,000	\$0	0.0%	
EVALUATE/INTERPRET RESOURCES A.3.1	\$4,979,204	\$5,331,107	\$351,903	7.1%	Recommendations include: 1) Decrease of \$46,000 in General Revenue from supplemental appropriations carried forward from fiscal year 2021 and budgeted for the 2022-23 biennium for technology upgrades. 2) Increase of \$84,000 in Historic Preservation Federal Funds. 3) Increase of \$219,171 in Appropriated Receipts from Historical Markers fees. 4) Decrease of \$64,406 in Interagency Contracts due to renegotiated fees with TxDOT for Section 106 reviews of projects for impact on historical properties. 5) Decrease of \$862 in license plate revenues. 6) Increase of \$160,000 in General Revenue due to the increase in agency program FTEs at non-historic sites.
HOLOCAUST GENOCIDE ANTISEM ADV COM A.3.2	\$1,331,425	\$1,331,425	\$0	0.0%	
Total, Goal A, HISTORIC PRESERVATION	\$129,846,241	\$65,623,834	(\$64,222,407)	(49.5%)	

Historical Commission					
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
CENTRAL ADMINISTRATION B.1.1	\$4,571,966	\$6,149,517	\$1,577,551	34.5%	Recommendations include: 1) Decrease of \$200,000 in General Revenue from supplemental appropriations carried forward from fiscal year 2021 and budgeted for the 2022-23 biennium for technology upgrades. 2) Increase of \$1,177 in Historic Preservation Federal Funds. 3) Decrease of \$55,355 in Federal Funds due to the completion of the Emergency Supplemental Historic Preservation Fund Grant. 4) Increase of \$50,000 in General Revenue funds reallocated from Strategy A.1.2, Archeological Heritage Protection. 5) Increase of \$1,760,000 in General Revenue due to the increase in agency program FTEs at non-historic sites. 6) Increase of \$21,729 in General Revenue for the Executive Director exempt position to align with the State Auditor's Officer Report market average salary.
Total, Goal B, INDIRECT ADMINISTRATION	\$4,571,966	\$6,149,517	\$1,577,551	34.5%	
SALARY ADJUSTMENTS C.1.1	\$0	\$3,115,395	\$3,115,395	100.0%	Recommendations include a total increase of \$3,115,395 for the statewide salary adjustments comprised of \$2,957,755 in General Revenue and \$157,640 in Federal Funds.
Total, Goal C, SALARY ADJUSTMENTS	\$0	\$3,115,395	\$3,115,395	100.0%	
Grand Total, All Strategies	\$134,418,207	\$74,888,746	(\$59,529,461)	(44.3%)	

Historical Commission
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2021	Actual 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	284.5	299.5	299.5	345.5	340.5
Actual/Budgeted	282.3	291.4	304.5	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 5	\$161,027	\$161,027	\$161,027	\$168,270	\$175,513

Notes:

- a) The budgeted FTEs for fiscal year 2023 and the recommended cap for fiscal year 2024 includes 5.0 federally funded FTEs through the CFDA 15.957.001 Hurricane Harvey- Emergency Supplemental Historic Preservation Fund Grant. The grant funding is completed in 2024.
- b) The State Auditor's Office Report, Executive Director Compensation at State Agencies (Report 22-706, August 2022), indicates a market average salary of \$175,513 for the Executive Director position at the Texas Historical Commission.
- c) The State Auditor's Office is the source for the FY 2021 and FY 2022 annual average (actual) FTE levels.
- d) Recommendations increase the FY 2024 and FY 2025 cap by 41.0 FTEs for program support at non-historic and historic sites.

House Appropriations Article I, IV & V Subcommittee Hearing Testimony

Chair Gonzalez & Members --

My name is Cathy McKnight, and I am Vice Chair of the Texas Historical Commission. Chairman John Nau is unable to be here today, but he asked me to extend his greetings to each of you. With me today is THC executive director Mark Wolfe and Joy Nathan, Executive Director of the Texas Holocaust, Genocide, and Antisemitism Commission.

Madame Chair and members, Texas history makes Texas. It shapes our culture. Inspires our entrepreneurs and innovators. And drives economic development and revenue.

Texas history is an important tool for Texas teachers. Our state's unique history captures the imagination of Texas school children, encouraging reading, exploration, determination and the poetry and prose that make the Story of Texas. And I would argue that awareness of Texas history: our grit; our independence; hard work and innovation is especially critical to Texas today, especially to our young people and those moving from other states. They need to know what makes Texas so great.

When it comes to jobs and economic development, historic preservation is not an alternative to economic growth but a driving component of it. The total impact of historic preservation in Texas is more than \$4.6 billion dollars annually, and it supports 79,000 jobs.

For example, over the past two years, the THC completed the restoration of the county courthouses in Falls, Lipscomb, Marion and Fannin Counties, and restoration is currently underway on courthouses in Callahan, Hall, Kimble, Polk, Taylor, Upshur and Wise counties. Thanks to your quick action two years ago, we're also restoring the Mason County courthouse. You will recall that on February 4, 2021 an arson set fire to that important landmark, built in 1903. We had already awarded a significant grant toward the restoration of the courthouse, but the fire caused enormous damage, and the amount awarded wasn't enough to complete the project. You provided the additional funds necessary to do the work. In the latest copy of Courthouse Cornerstones you'll see some powerful photographs showing that work is underway and we're looking forward to a rededication ceremony in 2024. The Courthouse Cornerstones publication was distributed to all Capitol offices last week and we have additional copies here today.

A restored county courthouse becomes a seed for economic development and rebirth – attracting small and local business, housing state and local government offices, and building local Texas pride.

Courthouse restorations provide jobs for skilled craftsmen and women and serve as incubators of prosperity for communities across the state. The THC has helped to fund 78 full restorations and about 70 more courthouses qualify for and desperately need restoration. We very much appreciate the funding that would be provided in SB 1 to continue this important program, and possibly even establish an endowment account that might eventually support this program into the future.

The world's interest in Texas plays such an important part in our appeal as a tourist destination. Heritage travelers sustain more than 50,000 jobs across the state and contribute at least \$7.3 billion to the state's economy annually.

THC's core work is historic preservation, and we do this across Texas – but the best example of our work is in our stewardship of 36 State Historic Sites.

We don't just preserve these places – we transform them into landmarks that define and support local economies, draw visitors from around the world, and ensure that Texas history and culture live on and inspire.

Two sessions ago, you entrusted the THC with the stewardship of iconic places such as San Jacinto Battleground, Washington on the Brazos, Monument Hill and the Port Isabel Lighthouse. Even in the face of the pandemic, we stepped up to the challenge. I believe that we have proven that we deserved your confidence.

The best example might be the Port Isabel Lighthouse. Built in the early 1850s, the lighthouse was equipped with a state-of-the-art lens that could be seen for 18 nautical miles. But the light was abandoned shortly after the turn of the century, and the lens was removed. This past year, we had a new lens manufactured using the original design, and on December 9, 2022 the Port Isabel Lighthouse was lit once again, for the first time in more than 100 years. It's not quite as bright as it used to be (we don't want to confuse ships at sea), but visitors can climb to the top of the lighthouse and see the lens up close, and it is lit on special occasions.

With your support since last session our State Historic Sites division celebrated the reopening of the French Legation in Austin, the renovated visitor center at Mission Dolores in San Augustine, and the completion of the Villa de Austin historic townsite at San Felipe de Austin in Sealy. In 2022, we opened the new Levi Jordan

Learning Center in Brazoria County, and restored the ballroom at the Nimitz Hotel in Fredericksburg. And we're getting very close to beginning construction on major improvements at Washington on the Brazos.

In 2022 we negotiated an agreement with the Catholic Archdiocese allowing us to take over management of one of our state's most significant historic sites, Presidio La Bahia in Goliad, where Fannin and 400 of his men were killed during the Texas Revolution. We also took ownership of the Bush Family Home in Midland, home to two presidents, a first lady, a vice president and two governors. I visited the site just a few weeks ago and we have big plans for helping to make it a key destination for Texas visitors.

The new visitors' center at Caddo Mounds State Historic Site in Alto, is under construction and will be done in just a few months. And I want to thank you again on behalf of the THC for where things stand with the appropriations act and all of the projects at state historic sites that might be funded on passage of a supplemental appropriations act including major work at San Jacinto, one of the world's most important battlegrounds, as well as restoration of adobe walls at the Magoffin Home in El Paso, a visitor center at the Levi Jordan Plantation, a new (and badly needed) visitor center at Monument Hill, and continuing work at the National Museum of the Pacific War.

Of course it takes people to run these sites and to carry out all of the other programs we manage across the state. That's why we requested 25 FTE for our state historic sites program, and 16 FTE for other agency programs. These FTE will provide staff for the Bush Family Home and Presidio La Bahia as well as for San Jacinto, Goodnight Ranch, San Felipe de Austin, Sabine Pass Battleground, and at Fort Griffin where we maintain the official state longhorn herd. Other positions will help to support IT operations statewide, to manage the more than 250 covenants we hold on historic buildings, to support our very popular cemetery program and to support our increasing efforts to raise money privately to supplement state appropriations, among other services.

HB 1 leaves us with very little to ask for here today. We need a little less than \$300,000 each biennium to allow us to provide computers and related IT equipment to our growing staff, many of whom work at remote locations keeping our state historic sites operating. Hopefully our request for about \$2 million to replace 69 vehicles that are either more than 10 years old or have been driven more than 110,000 miles is included in Article 9. Nine of those vehicles have more than 150,000 miles on them. We use those vehicles to deliver state services all across Texas. Replacing high mileage vehicles is a safety issue for me, and it's important to the well-being and mission of our dedicated THC staff.

I also want to note that the Texas Holocaust, Genocide, and Antisemitism Advisory Commission, administratively attached to the THC, is requesting \$200,000 annually and 1 additional FTE to allow them to perform the expanded assignment you gave them when you added work against antisemitism to their mission. That request was just added a few weeks ago so it wasn't in our initial LAR, but was added at the request of that Commission's chairman.

Thank you for your continued support for the Texas Historical Commission and our mission to Keep Texas Texas. Our work improves economic development, revenue and job creation. It educates and inspires Texans, young and old, multi-generational and especially the many new Texans moving to our state. Texas is a unique place, and Texas history plays a big part. Preserving Texas history makes us stronger, smarter, more understanding and more prosperous as a state.

At this time, I would be happy to answer any questions.



**88TH LEGISLATIVE SESSION
HOUSE APPROPRIATIONS COMMITTEE
AGENCY BUDGET AND EXCEPTIONAL ITEMS
2024-2025**



February 21st, 2023

TEXAS HISTORICAL COMMISSION
Agency Base Budget MOF Introduced House Bill 1

For the Years Ending
August 31, August 31,
2024 2025

Method of Financing:

General Revenue Fund

General Revenue Fund	\$ 17,345,445	\$ 15,465,290
Sporting Goods Sales Tax: Transfer to Historic Sites Fund No. 5139	<u>17,533,500</u>	<u>17,533,500</u>
Subtotal, General Revenue Fund	\$ 34,878,945	\$ 32,998,790

General Revenue Fund - Dedicated

Texas Preservation Trust Fund Account No. 664	\$ 330,000	\$ 330,000
Historic Sites Fund No. 5139	<u>566,666</u>	<u>566,667</u>
Subtotal, General Revenue Fund - Dedicated	\$ 896,666	\$ 896,667

Federal Funds	\$ 1,575,532	\$ 1,328,118
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Other Funds

Appropriated Receipts	\$ 977,501	\$ 977,501
Interagency Contracts	176,613	176,613
License Plate Trust Fund Account No. 0802, estimated	<u>2,900</u>	<u>2,900</u>
Subtotal, Other Funds	\$ 1,157,014	\$ 1,157,014

Total, Method of Financing	<u>\$ 38,508,157</u>	<u>\$ 36,380,589</u>
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FTEs:	345.5	340.5
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Agency Base Budget Bill Pattern Introduced House Bill 1

	2024	2025
A. Goal: Preserve the State's Historic Landmarks and Artifacts		
A.1. Objective: Encourage Preservation/Protection of Historic/Archeological Resources		
A.1.1. Strategy: Architectural Assistance (w/Rider Funding)	\$ 1,836,813	\$ 1,324,708
A.1.2. Strategy: Archeological Heritage Protection	1,382,605	1,349,907
A.1.3. Strategy: Courthouse Preservation	853,330	582,293
A.1.4. Strategy: Historic Sites	23,534,807	21,698,575
A.1.5. Strategy: Preservation Trust Fund	330,000	330,000
A.2 Objective: Encourage Economic Development/Tourism/Education		
A.2.1. Strategy: Development Assistance	1,869,132	1,869,132
A.2.2. Strategy: Texas Heritage Trails	1,000,000	1,000,000
A.3 Objective: Identify, Evaluate, and Interpret Historic and Archeological Resources		
A.3.1. Strategy: Evaluate/Interpret Resources	2,905,553	2,425,554
A.3.2. Strategy: Holocaust, Genocide, Antisemitism Advisory Commission	<u>665,713</u>	<u>665,712</u>
Total, Goal A: Historic Preservation	\$ 34,377,953	\$ 31,245,881
B. Goal: Indirect Administration		
B.1.1 Strategy: Central Administration	\$ 3,099,087	\$ 3,050,430
C. Goal: Salary Adjustments		
C.1.1. Strategy: Salary Adjustments	<u>\$ 1,031,117</u>	<u>\$ 2,084,278</u>
Grand Total, Historical Commission	<u>\$ 38,508,157</u>	<u>\$ 36,380,589</u>

TEXAS HISTORICAL COMMISSION

Summary of Exceptional Items

EI #	Exceptional Item	2024	2025	2024-2025	FTE
1.	Amended - San Jacinto Restoration	25,675,000	77,025,000	102,700,000	-
2.	Amended - USS Battleship Site Restoration	40,000,000	-	40,000,000	-
3.	Vehicle Replacement	693,521	1,273,462	1,966,983	
4.	Computer Replacement	137,902	137,902	275,804	-
5.	Increase Historic Sites FTEs	-	-	-	25.0
6.	Increase Program & Support FTEs	1,280,000	1,280,000	2,560,000	16.0
7.	Capitol Comp. Deferred Maintenance	327,000	-	327,000	-
8.	Magoffin Home Structural Repairs	500,000	3,644,000	4,144,000	-
9.	Varner-Hogg Stabilization	825,000	-	825,000	-
10.	Historic Sites Deferred Maintenance	1,150,000	1,725,000	2,875,000	-
11.	Courthouse Grant Program	45,000,000	-	45,000,000	-
12.	Levi Jordan Plantation	3,000,000	2,000,000	5,000,000	-
13.	Heritage Tourism Publications	261,120	261,120	522,240	-
14.	National Museum of the Pacific War	2,250,000	5,250,000	7,500,000	-
15.	Eisenhower Visitor Center	-	3,401,000	3,401,000	-
16.	Monument Hill Visitor Center	-	4,300,000	4,300,000	-
17.	THGAAC – Raise awareness and education to reach more Texans*	200,000	200,000	400,000	1.0
Total, Adjusted SB1		<u>\$121,299,543</u>	<u>\$100,497,484</u>	<u>\$221,797,027</u>	<u>42.0</u>

* New requested exceptional item for the 2024-2025 biennium not included in the agency's LAR.

TEXAS HISTORICAL COMMISSION

Complete Listing of All Exceptional Items

EXCEPTIONAL ITEM 1

San Jacinto Battleground State Historic Site Restoration and Visitor Center Improvements

SUMMARY

San Jacinto Battleground State Historic Site is unquestionably the most significant historic place in the Lone Star State. The Texian victory over Mexican oppression at this place has been called one of the most important battles in world history. Yet the visitor center, designed and built-in celebration of the battle's centennial nearly 100 years ago, fails to convey that significance. We envision a complete restoration of the National Historic Landmark-designated battleground and the 1930s monument (the world's tallest obelisk) and the restoration of the battlefield landscape with needed interpretive features. A new visitor center will be constructed adjacent to, and sensitively incorporated into the monument. This will be a world-class museum facility, helping visitors to understand why San Jacinto towers over other landmarks in significance. The goal is to complete this project in advance of the bicentennial of the Texian Revolution.

REQUEST

Provide \$25,675,000 in FY 2024 and \$77,025,000 in FY 2025 for San Jacinto Battleground Site Restoration and Visitor Center Improvements.

Total: **\$102,700,000**

FTEs: **0**

EXCEPTIONAL ITEM 2

USS Battleship Site Restoration

SUMMARY

On April 20, 1948, the newly-retired Battleship Texas arrived at San Jacinto and was turned over to the State of Texas for use as a museum. The ship was kept in a massive slip excavated directly into San Jacinto Battleground just a short distance from key sites associated with that world-famous battle. The ship itself was towed to a floating dry dock in Galveston for a full restoration, and later will be permanently kept at another location. The empty slip at San Jacinto can then be restored to its historic appearance and incorporated into the surrounding battlefield landscape associated with the Texian camp. Demolition of the slip and its accessory structures, filling in the resulting hole, and restoring the land to its appearance c1836 is itself a massive undertaking requiring significant investment. But once completed, along with the visitor center project outlined above, San Jacinto will be a world class historic destination.

REQUEST

Provide \$40,000,000 in FY 2024 and \$0 in FY 2025 for restoration of the empty slip from the removal of the USS Battleship.

Total: \$40,000,000

FTEs: 0

EXCEPTIONAL ITEM 3

Vehicle Replacement

SUMMARY

In 2019, the Texas Legislature transferred administration of several state historic sites from TPWD to THC. Many of the vehicles transferred with the sites were in poor condition, long past the state's recommended replacement cycle in age, mileage, or both. In 2021, THC requested fifty-seven new vehicles to replace this aging fleet and did not receive that funding. By 2025, the average age of THC's 99 vehicle fleet will 12 years, with 70% meeting the replacement criteria greater than 10 years old or 110,000 miles, and 28% of the fleet registering more than 120,000 miles. Nine vehicles currently have over 150,000 miles, the majority of which are close to or over 200,000 miles. The average 2022 replacement costs for a vehicle in THC's fleet is \$28,507 and costs are expected to rise with the new Statewide Fleet contract in October 2022. This request will allow us to replace the 69 vehicles meeting the replacement criteria by 2025. These vehicles are routinely used by THC staff to meet our statewide mission and to meet maintenance and management requirements at the agency's 36 state historic sites. Aging vehicles require additional funding for routine maintenance, as vehicles exceeding age and mileage recommendations can accrue higher annual maintenance to replace and repair aging parts and maintain safe, roadworthy transportation. In the absence of reliable vehicles, staff use personal vehicles or rent cars to carry out this work, resulting in higher costs to the agency.

REQUEST

Provide \$693,521 in FY 2024 and \$1,273,462 in FY 2025 for the replacement of 69 vehicles.

Total: \$ 1,966,983

FTEs: 0

EXCEPTIONAL ITEM 4

Computer Replacement

SUMMARY

Functioning computer equipment for each staff member is a requirement for any organization to perform its basic functions. Unfortunately, THC has seen a decrease of 25% in its per-FTE capital budget for computer replacement from FY18 – FY23. THC's capital budget appropriations to date for the provision of this equipment have not been sufficient to supply each staff member a computer on the DIR-recommended refresh cycle, switch to laptops for continuity of operations, maintain pace with rising technology costs, or cover specialized computers needed for tasks such as GIS administration for the maintenance of archaeological data. This request will allow the agency to refresh aging computers at or over the recommended refresh period and is in alignment with biennial requests from similarly sized agencies. For this purpose, THC received \$150,000 in its base budget for the biennium. This request is for an additional \$275,804 for the biennium, for a total capital budget appropriation of \$425,804. This request is the amount needed per biennium to maintain the refresh schedule for personal computers and will only support a limited number of IT peripherals, such as monitors and docking stations, on a break-fix basis.

REQUEST

Provide \$137,902 in FY 2024 and \$137,902 in FY 2025 for the replacement of computers and related computer equipment.

Total: **\$275,804**

FTEs: **0**

EXCEPTIONAL ITEM 5

Increase Historic Sites FTEs

SUMMARY

For our state historic sites, this request includes increased FTE authority for 25 positions without GR funding and would be funded using THC's constitutionally authorized share of Sporting Goods Sales Tax. Those positions would include the following:

5 positions to support operations of Presidio La Bahia, to be operated by THC under agreement with the Catholic Archdiocese owner of the historic property.

4 positions to support operations of the Bush Family Home in Midland as a state historic site.

7 positions to support operations at the severely under-staffed San Jacinto Battleground and Monument.

3 positions in Austin to support educational programming, exhibit design, and architectural services.

2 positions at Fort Griffin to support management of the official state longhorn herd and public education about the herd .

2 positions for educators at Goodnight Ranch and Caddo Mounds.

1 position for an assistant site manager at Sabine Pass.

1 position for a maintenance specialist at San Felipe de Austin, to assist with maintenance of the recently-constructed interpretive complex, Villa de Austin.

REQUEST

Provide \$0 in FY 2024 and \$0 in FY 2025 for the authority of 25.0 FTEs each year of the biennium that will be funded with THC Sporting Goods Sales Tax appropriations.

Total: **\$0**

FTEs: **25.0**

EXCEPTIONAL ITEM 6

Increase Program & Support FTEs

SUMMARY

Non-historic sites

1.0 for General Counsel. THC is the largest state agency without in-house counsel. We have been notified by the AG's office that they can no longer support our needs.

7.0 for IT. The average percent of IT staff to FTEs at comparable agencies is ~10%. THC is staffed well under this at 2.3%. The positions include help desk support (demand has grown 38.5% and travel to historic sites creates unique challenges); a network specialist and a database administrator (THC has neither); software developer to maintain our current systems and respond to routine audits; a GIS administrator, to ensure archaeological data is accessible to archeologists statewide; and a position dedicated to managing TexasTimeTravel.com, which is the state's heritage tourism website.

1.0 for our affiliated Friends group to raise private funds for agency projects, including \$200M in pending capital projects for historic sites

1.0 for the covenant and easement program, for which there is no dedicated FTE and we hold ~250 properties that must be monitored regularly

1.0 to manage grants in the agency's staff services division. The current grant specialist monitors and reports on 113 grants, covering 5 agency programs.

1.0 to implement required changes to Main Street America's accreditation standards that will be applied in '24

1.0 supporting the agency's historic cemeteries program, with particular attention to African American cemeteries, many of which are threatened across the state.

1.0 for the state tax credit program which has processed billions of dollars in qualified rehabilitation expenses since its creation in 2015, for which workload has grown significantly

1.0 for budget and accounting functions and related clerical needs

REQUEST

Provide \$1,280,000 in FY 2024 and \$1,280,000 in FY 2025 for 16 FTEs in NonHSD programs.

Total: **\$2,560,000**

FTEs: **16.0**

EXCEPTIONAL ITEM 7

Capitol Complex Deferred Maintenance

SUMMARY

THC is directly responsible for the preservation and maintenance of several historic buildings in the Capitol Complex as required by Government Code Sections 442.0072 and 442.0073. Four of these buildings are located on 16th Street between Colorado St. and Congress Ave. and will be directly accessible from the Texas Capitol Mall when it opens to the public. This request will allow us to address health and safety maintenance issues, including lead paint abatement and window repairs in the Christianson-Lieberman Building, Luther Hall, and the Elrose Building.

REQUEST

Provide \$327,000 in FY 2024 and \$1,273,462 in FY 2025 for Capital Complex deferred maintenance.

Total: **\$327,000**

FTEs: **0**

EXCEPTIONAL ITEM 8

Magoffin Home Structural Repairs

SUMMARY

The Magoffin Home in El Paso is a large adobe home that was constructed in 1875 by Joseph Magoffin. It was occupied by members of the Magoffin family until 1986. The house is a strong surviving example of Territorial style architecture, with thick adobe walls punctuated by Victorian window trim and enclosing a highly decorative interior. In 2020, an architecture firm specializing in historic adobe buildings hired to analyze the exterior walls found that immediate action is needed to prevent the eventual collapse of the exterior building walls due to the progressive deterioration of the adobe blocks behind the stucco. This request will fund the stabilization and rebuild of the slumping adobe walls.

REQUEST

Provide \$500,000 in FY 2024 and \$3,644,000 in FY 2025 for Magoffin Home Structural Repairs.

Total: **\$136,800**

FTEs: **0**

EXCEPTIONAL ITEM 9

Varner-Hogg Stabilization

SUMMARY

The plantation house at Varner-Hogg Plantation State Historic Site in Brazoria County was originally constructed in 1835 by Columbus Patton. Using bricks made by hand, enslaved persons constructed the house, smokehouse, sugar mill and their own living quarters. Today, only the house and smokehouse remain intact. Periodic flooding over many decades has taken a toll on the soft bricks and even softer mortar that support the plantation house. In 2019, the THC hired an engineering firm that specializes in historic structures to perform a comprehensive analysis of the building conditions and modes of deterioration. Their report forms the basis of the proposed project for which funding is requested to stop and remediate ongoing damage to the foundation caused by flood waters and rising damp.

REQUEST

Provide \$825,000 in FY 2024 and \$0 in FY 2025 for Varner-Hogg Stabilization.

Total: **\$825,000**

FTEs: **0**

EXCEPTIONAL ITEM 10

Historic Sites Deferred Maintenance

SUMMARY

Funds are needed for several critical health/safety and code-related projects at state historic sites, including replacing roofs, stabilizing ruins, and replacing HVAC systems. Current estimates indicate that these important state-owned assets managed by the THC have needs in excess of \$62 million. Continued delays risk severe degradation of priceless historic structures and additional significant future costs to address progressive deterioration.

REQUEST

Provide \$1,150,000 in FY 2024 and \$1,725,000 in FY 2025 for Historic Sites Deferred Maintenance.

Total: **\$2,875,000**

FTEs: **0**

EXCEPTIONAL ITEM 11

Courthouse Grant Program

SUMMARY

The Texas Historic Courthouse Preservation Program continues to be one of the agency's most popular programs. Since 1999, 74 full historic courthouse restorations have been funded, creating over 13,300 jobs in Texas and generating nearly \$791 million in revenue, with almost \$970 million in gross state product. Although these projects are important to urban communities, their effect is felt even more significantly in rural communities, where restoration of the courthouse might be the biggest construction project since the courthouse itself was originally constructed. Demand for these funds continues to be competitive, with applications typically totaling more than four times the funds available. The state's participation has become even more critical as the rising cost of building materials has put such projects out of reach for many smaller counties. During the period from 2009 to present, the average courthouse grant appropriation per biennium has decreased 61% since the early days of the program from 1999-2007. Today, the average cost per courthouse restoration approaches \$8M and has nearly doubled in the last 20 years. At the current grant maximum of \$6 million per project, the requested amount could fund 6 full restorations, or 4-5 full restorations and several emergency and planning projects. With a total outstanding need of over \$600M, approximately 73 courthouses still need full restoration funding through matching grants to ensure that these communities realize the economic and cultural benefits these buildings can provide. Forty-three participating counties have not received any funding to date.

REQUEST

Provide \$45 million for statewide restoration projects of iconic county courthouses.

Total: **\$45,000,000**

FTEs: **0**

EXCEPTIONAL ITEM 12

Levi Jordan Plantation

SUMMARY

The THC anticipates further development of a visitor center and exhibits through the design development phase, funds for land acquisition to partially restore the plantation's boundaries, and secure other plantation features like the slave quarters, collection acquisition, and capital campaign planning at this site, telling the stories of African American Texans' resilience, strength and ingenuity. Texas' slave-based economy was centered here, providing the wealth that supported the Republic and State, and the stories of enslaved people and their struggle for freedom can inspire visitors to better appreciate the state's history. An archeological lab, education center, and site manager's residence have already been completed using funds previously appropriated by the legislature. An advisory committee with representation from local residents, heritage professionals, educators, and subject matter experts has been established to develop and support the vision for this site.

REQUEST

Provide \$3,000,000 in FY 2024 and \$2,000,000 in FY 2025 for the further development of the Levi Jordan Plantation visitor center.

Total: **\$5,000,000**

FTEs: **0**

EXCEPTIONAL ITEM 13

Heritage Tourism Publications

SUMMARY

This item would allow us to update, reprint, and distribute our most recent and most popular travel guides: the statewide Texas Heritage Travel Guide, the African Americans in Texas guide, Hispanic Texans travel guide (in both English and Spanish), the Chisholm Trail guide, and Texas and the Great War, a guide to sites associated with World War I in Texas. The statewide guide was recently updated in-house and is very much in demand. The THC has distributed more than 10 million travel guides since 1998. Each of these guides are now out of stock or will go out of stock without this funding item. Consumer surveys show that 87% of recipients keep these guides and often use them for travel planning over multiple years and trips. As an example, the African Americans in Texas Travel Guide has undergone four reprints, with about 875,000 copies distributed.

REQUEST

Provide \$261,120 in FY 2024 and \$261,120 in FY 2025 for Heritage Tourism Publications.

Total: **\$522,240**

FTEs: **0**

EXCEPTIONAL ITEM 14

National Museum of the Pacific War

SUMMARY

The award-winning National Museum of the Pacific War continues to attract thousands of visitors annually. Having achieved accreditation with the American Alliance of Museums (AAM) and designation as a Smithsonian Affiliate, the museum is considered one of the top military museums in America. This request will enable updates and modifications to the George HW Bush Gallery facility and exhibits.

REQUEST

Provide \$2,250,000 in FY 2024 and \$5,250,000 in FY 2025 for updates and modifications to the George HW Bush Gallery Facility and Exhibits at the National Museum of the Pacific War.

Total: **\$7,500,000**

FTEs: **0**

EXCEPTIONAL ITEM 15

Eisenhower Visitor Center

SUMMARY

Dwight David "Ike" Eisenhower was born in the bedroom of a two-story house in Denison on Oct. 14, 1890. The Eisenhowers rented the simple frame house near the Missouri, Kansas and Texas Railroad yards where David worked as a wiper, earning less than \$40 a month cleaning the steam engines. In 1946 the community acquired the Eisenhower birthplace and began efforts to showcase the home for visitors. Neighboring residences were removed to give the Eisenhower house more prominence. The adjacent railroad spur was eventually abandoned, and intersecting streets were reconfigured to provide a more park-like setting. The first phase of site upgrades will address the site's greatest need by providing a new visitor center to allow for interpretive displays and improved public amenities to improve the visitor experience. Currently, the visitor center is situated in a small two-bedroom house that remains from the historic neighborhood and has very limited space. The next phase will be landscape improvements restoring a sense of the neighborhood by outlining neighboring houses, improve entry into the site, and conserving as well as enhancing the overall appearance of the Dwight Davis Eisenhower statue.

REQUEST

Provide \$0 in FY 2024 and \$3,401,000 in FY 2025 for the development of an Eisenhower Visitor Center.

Total: **\$3,401,000**

FTEs: **0**

EXCEPTIONAL ITEM 16

Monument Hill Visitor Center

SUMMARY

On a hill overlooking the beautiful Texas landscape, lie the remains of 52 men, members of the Dawson and Mier Expeditions of 1842 and 1843 that died defending Texas. Their resting place is marked by one of Texas' finest monuments from the centennial celebration of the founding of the Republic of Texas. Monument Hill was also the home of German immigrant Heinrich Ludwig Kreische who built a three-story house for his family on the bluff. In the 1860s, he utilized the spring water from the ravine below his house and started one of the first commercial breweries in Texas. Today, visitors can tour the Kreische house and the ruins of the brewery, enjoy the scenic views from the bluff, and spend some time in silence pondering the sacrifice of the men buried on Monument Hill. This site was transferred to THC from Texas Parks and Wildlife and is in need of extensive renovations. The visitor center is in a repurposed A-frame cottage without public restroom facilities and wholly inadequate to tell the stories this site has to offer. Public bathrooms in a nearby shelter are frequently inoperable. This project would provide the funds necessary to build a new visitor center suitable to honor the men who gave their lives for Texas, complete with room for staff office, a retail facility for revenue generation, and modern conveniences. The project will also incorporate an open-air pavilion to provide events and programming to celebrate the site's military commemoration and beer brewing past.

REQUEST

Provide \$0 in FY 2024 and \$4,300,000 in FY 2025 for a visitor center at Monument Hill.

Total:	\$4,300,000
FTEs:	0

EXCEPTIONAL ITEM 17

THGAAC – Raise awareness and education to reach more Texans

SUMMARY

In 2021, the 87th Texas Legislature reconstituted the Texas Holocaust and Genocide Commission to become the Texas Holocaust, Genocide, and Antisemitism Advisory Commission (THGAAC) under the Texas Historical Commission. The mission of this newly formed commission is to combat and confront hatred, prejudice, and indifference by educating all Texans about the Holocaust and other genocides in an effort to dismantle antisemitism and prevent such future atrocities. The THGAAC Commissioners and staff seek to raise the commission's visibility and support these issues through education, commemorations, volunteer opportunities, and speaker engagement.

The addition of antisemitism to the commission's portfolio includes a responsibility to conduct a study on antisemitism in even-numbered years and present this report to all members of the Texas Legislature. The findings of the first report included eight recommendations, five of which directly pertained to the increased responsibilities of the THGAAC.

The current allocation provided to the THGAAC is \$665,000, which was the budget of the previous commission before antisemitism was added. We ask for an exceptional item, a 30% increase of \$200,000 to supplement an existing grants program, assist with travel around the state, add one additional FTE, and provide more resources to support the recommendations from the Antisemitism Study.

REQUEST

Provide \$200,000 in FY 2024 and \$200,000 in FY 2025 for the Texas Holocaust, Genocide, and Antisemitism Advisory Commission to raise awareness and education to reach more Texans.

Total: **\$400,000**
FTEs: **1.0**

TEXAS HISTORICAL COMMISSION

Proposed Rider Revisions and Addition

#	Modify	Rider Name	Justification
2	Amend	Capital Budget	Add UB authority for new listed capital budget projects.
10	Amend 2022-2023 Rider	Unexpended Balances of Bond Proceeds	Change to add UB for Historic Sites Projects since appropriation would be needed for projects that need to be rebid. Estimated at \$113,817
13	Amend	Appropriation Authority: Texas Historic Preservation Tax Credit Review Fees	Change to appropriate up to \$245,00 per year in Appropriated Receipts, the Program has generated an average of \$493,000 per year from 2016 through 2021 in revenue annually.
14	Amend	Unexpended Balances: National Museum of the Pacific War	Add rider to ensure any possible unobligated funds are appropriated for the purposes stated in the rider.
16	Amend	Unexpended Balances: Courthouse Grants	Change rider to include Courthouse Grants funded with Economic Stabilization Funds
25	Amend	Unexpended Balances: Washington-on-the-Brazos Capital Projects	Change to also include COVID funds.
27	Amend	National Museum of the Pacific War	Add rider back to identify funds for this item.
28	New	Unexpended Balances: Caddo Mounds	Add rider to appropriate any unexpended balances from previously authorized General Revenue Funds for capital projects.