

ARTICLE VII

BUSINESS AND ECONOMIC DEVELOPMENT

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

TEXAS AEROSPACE COMMISSION

	For the Years Ending	
	August 31, 1996	August 31, 1997
A. Goal: AEROSPACE DEVELOPMENT		
To develop an economic strategy which will provide recommendations and alternatives for creating an environment which will attract and retain core aerospace industry resources and investments, and to facilitate the diversification of nontraditional aerospace technologies into the marketplace.		
Outcomes:		
Growth Rate of the Texas Aerospace Industry	5.6	1.0
A.1.1. Strategy: INDUSTRY EXPANSION	<u>\$ 202,813</u>	<u>\$ 202,812</u>
Establish the infrastructure and office environment necessary for the organization to fulfill its charter of expanding the state's economy through future aerospace business development ventures.		
Outputs:		
Number of Aerospace Companies in Texas	308	277
Number of Texas Organizations Dealing in Technology Commercialization	195	195
Number of Aerospace Jobs in Texas	4,600	4,300
Number of Contracts Made with Academia, Industry, Research Institutions, and Governments	750	750
Number of Partnerships Formed	25	25
Grand Total, TEXAS AEROSPACE COMMISSION	<u>\$ 202,813</u>	<u>\$ 202,812</u>
Method of Financing:		
General Revenue Fund	\$ 200,000	\$ 200,000
Appropriated Receipts	<u>2,813</u>	<u>2,812</u>
Total, Method of Financing	<u>\$ 202,813</u>	<u>\$ 202,812</u>
Number of Positions (FTE)	1.5	1.5

DEPARTMENT OF COMMERCE

	For the Years Ending	
	August 31, 1996	August 31, 1997
A. Goal: WORKFORCE/ECONOMIC GROWTH		
To improve economic opportunities in the Texas workforce by increasing the number of high skill/high wage jobs and increasing the skill level of Texas workers.		
Outcomes:		
Percentage of Participants Who Completed Training and are Subsequently Employed in Demand Occupations for Target Industries	79%	80%
Hourly Wage at 13-Week Follow-Up of JTPA Adult Participants	9.4	9.9
JTPA Title IIC (Youth) Entered Employment Rate	43%	44%
JTPA Older Individual Entered Employment Rate	62%	62%
Percentage of JTPA Title II Participants on AFDC	26%	26%
JTPA Title III (Dislocated Workers) Entered Employment Rate	70%	70%
 A.1.1. Strategy: EMPLOYMENT AND TRAINING	 \$ 273,567,988	 \$ 273,741,138
Ensure the delivery of federally-funded employment and training services to eligible populations by administering the JTPA program and contracting federal funds consistent with federal and state law and regulations.		
Outputs:		
Number of JTPA Participants Served Through Contractors	137,000	137,000
Number of JTPA Literacy Program Participants Served Through Contractors	950	950
Efficiencies:		
Average Cost per JTPA Participant Served	2,000	2,000
 B. Goal: BUSINESS DEVELOPMENT		
To improve the state's economy through business creation, retention, and expansion, enhancement of workforce skills, and greater diversification of the state's economic base.		
Outcomes:		
Number of Businesses Assisted by Electronic Information Dissemination	2,000	2,000
Number of Job Opportunities Announced as a Result of Providing Technical Assistance and Export Assistance, Trade Promotional Events and/or Trade Leads	2,600	2,600
Number of Jobs Retained as a Result of Providing Technical Assistance and Export Assistance, Trade Promotional Events and/or Trade Leads	1,967	1,967
Number of Actual Jobs Created as a Result of Providing Technical Assistance and Export Assistance, Trade Promotional Events and/or Trade Leads	1,171	1,171
Number of Job Opportunities Announced as a Result of TDOC Recruitment of Out-of-State Businesses	8,000	8,000
Number of Actual Jobs Created as a Result of TDOC Recruitment of Out-of-State Businesses	3,600	3,600
Number of Actual Jobs Created or Retained After Receiving Loans	1,750	1,491
Number of Job Opportunities Announced as a Result of TDOC Community Assistance	3,000	3,000
Number of Actual Jobs Created as a Result of TDOC Community Assistance	1,000	1,000

DEPARTMENT OF COMMERCE
(Continued)

B.1.1. Strategy: RESEARCH	\$	10,116,990	\$	11,939,530
Assist Texas business, industry, and economic development allies through partnership to meet industry and technology adoption and development needs, research on industry characteristics and opportunities, and dissemination of information.				
Outputs:				
Number of Small Businesses Assisted by Electronic Information Dissemination		3,000		5,000
Number of Historically Underutilized Businesses Assisted by Electronic Information Dissemination		300		500
Number of Businesses Receiving TDOC Assistance in Technology Adoption and Development		100		100
Number of Manufacturing Companies Assisted by TMAC with High Impact Projects		160		300
Explanatory:				
Percentage of Companies Assisted by Electronic Information System That Have Generated New Business as a Direct Result		12%		12%
B.1.2. Strategy: FINANCIAL MANAGEMENT	\$	1,094,489	\$	1,127,464
Manage state and federal financial and other incentive programs to increase business growth and job opportunities.				
Outputs:				
Number of Loans and Loan Guarantees Made		90		90
Dollar Value of Private Capital Leveraged by Loans and Loan Guarantees and Enterprise Zone Projects		356		356
Explanatory:				
Number of Applications for Financial Assistance Received		210		210
B.1.3. Strategy: INTERNATIONAL BUSINESS	\$	767,796	\$	803,183
Assist Texas businesses in developing international markets and partners				
Outputs:				
Number of Companies Given Export Assistance		11,000		11,000
Explanatory:				
Number of Companies Entering Foreign Market After Receiving TDOC Assistance		1,386		1,455
Number of Companies Entering Mexican or Canadian Market After TDOC Assistance		550		580
B.1.4. Strategy: OUT-OF-STATE RECRUITMENT	\$	609,449	\$	626,396
Market Texas to recruit out-of-state businesses.				
Outputs:				
Number of Businesses Developed as Out-of-State Relocation/Expansion Prospects		394		413
Efficiencies:				
Average Agency Cost per Out-of-State Business That Was Recruited by TDOC and Subsequently Located to Texas		10,045		10,045
B.2.1. Strategy: INDUSTRY ASSISTANCE	\$	583,294	\$	603,137
Provide economic development assistance to communities for retention, expansion, and economic transition of businesses, with emphasis on small and historically underutilized businesses and rural communities.				

DEPARTMENT OF COMMERCE
(Continued)

Outputs:

Number of Communities Provided With Business Retention/ Expansion/ Transition Program Support	400	400
Number of Rural Communities Provided With Business Retention/ Expansion/Economic Transition Program Support	100	100
Number of Small and Historically Underutilized Businesses Assisted Through Marketing, Retention, Expansion, and Economic Transition Activities	440	440

B.3.1. Strategy: SMART JOBS PROGRAM \$ 28,915,656 \$ 28,593,511
Administer the Smart Jobs Fund Program

Outputs:

Number of Companies Who Were Served Through Smart Jobs Training	236	236
Number of Smart Jobs Participants Trained for New Jobs	11,370	11,370
Number of Companies Served With 100 or Fewer Employees	120	120
Efficiencies:		
Average Cost per Smart Jobs Trainee Served	1,454	1,454
Average Dollar Value of Smart Jobs Grant Awarded per Company Assisted	123,146	123,146

Total, Goal B: BUSINESS DEVELOPMENT \$ 42,087,674 \$ 43,693,221

C. Goal: TOURISM

Enhance the growth of the Texas economy through tourism development and the marketing of Texas as a travel destination.

Outcomes:

Annual Percent Change in the Number of Domestic Pleasure Travelers to Texas	5%	5%
Tourism-Related Employment Supported by TDOC Tourism Business Location/Expansion Programs	700	700

C.1.1. Strategy: TEXAS TRAVEL PROMOTION \$ 11,559,421 \$ 12,515,458
Advertise and promote Texas a travel destination in selected national and international markets, augmented by a cooperative marketing program for enhanced return on investment.

Outputs:

Number of Consumer Inquiries in Response to Advertising	1,106,000	1,106,000
Efficiencies:		
Advertising Cost per Inquiry	8.5	8.5

C.1.2. Strategy: TRADE SHOWS \$ 820,658 \$ 825,421
Participate in national and international consumer and travel trade shows, missions, tours for prospective wholesalers, and promotional activities.

Outputs:

Number of Travel Industry Sales Contacts Resulting From Travel Trade Activities	6,000	6,000
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C.2.1. Strategy: TRAVEL INDUSTRY EXPANSION \$ 664,735 \$ 669,004
Track and report travel information and provide economic development assistance for marketing, retention, relocation, and expansion of travel-related businesses.

DEPARTMENT OF COMMERCE
(Continued)

Outputs:		
Number of Tourism-Related Businesses Receiving Retention/ Expansion/ Economic Transition Program Support	200	200
Efficiencies:		
Average Cost per Tourism Market Research Inquiry	150	150
Total, Goal C: TOURISM	<u>\$ 13,044,814</u>	<u>\$ 14,009,883</u>
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 3,325,015	\$ 3,325,015
D.1.2. Strategy: INFORMATION RESOURCES	\$ 483,246	\$ 483,246
D.1.3. Strategy: OTHER SUPPORT SERVICES	<u>\$ 460,681</u>	<u>\$ 460,681</u>
Total, Goal D: INDIRECT ADMINISTRATION	<u>\$ 4,268,942</u>	<u>\$ 4,268,942</u>
Grand Total, DEPARTMENT OF COMMERCE	<u>\$ 332,969,418</u>	<u>\$ 335,713,184</u>
Method of Financing:		
General Revenue Fund	\$ 7,001,676	\$ 7,604,070
Hotel/Motel Tax, estimated	<u>13,698,000</u>	<u>14,568,000</u>
Total, General Revenue Fund	<u>\$ 20,699,676</u>	<u>\$ 22,172,070</u>
General Revenue Fund - Consolidated	356,937	356,938
Federal Funds	279,971,639	281,661,320
Appropriated Receipts	219,400	219,400
Interagency Contracts	364,171	364,171
Texas Economic Development Fund	115,000	115,000
Smart Jobs Fund	29,177,732	28,851,790
Earned Federal Funds	<u>2,064,863</u>	<u>1,972,495</u>
Total, Method of Financing	<u>\$ 332,969,418</u>	<u>\$ 335,713,184</u>
Number of Positions (FTE)	340.0	340.0
Schedule of Exempt Positions		
Executive Director, Group 4	\$79,536	\$79,536

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

DEPARTMENT OF COMMERCE
(Continued)

	1996	1997
a. Acquisition of Information Resource Technologies		
(1) Local Area Network	\$ 304,334	\$ 249,334
b. Acquisition of Capital Equipment and Items		
(1) Acquisition of Capital Equipment and Items	\$ 39,250	\$ 24,250
Total, Capital Budget	\$ 343,584	\$ 273,584

Method of Financing (Capital Budget):

General Revenue Fund	\$ 5,084	\$ 5,084
Federal Funds	258,500	228,500
Smart Jobs Fund	80,000	40,000
Total, Method of Financing	\$ 343,584	\$ 273,584

2. **Unexpended Balances/Appropriation of Receipts: Texas Economic Development Fund.** All interest paid on money in the Fund, investment earnings, and fees received during the 1996-97 biennium, and all authorized fees and earnings from unexpended balances in the Texas Economic Development Fund No. 851, as authorized by V.T.C.A., Government Code, Section 481.056 and 481.074 are hereby appropriated to the Department of Commerce for the biennium beginning September 1, 1995, for the purposes of implementation and administration of the Texas Economic Development Program.

3. **Authorization: Appropriation of Fees.** All fees that the Texas Department of Commerce is authorized to collect are hereby appropriated for the specific purpose named in statute for the biennium beginning September 1, 1995.

4. **Disposition of TSBIDC Earnings.** The Texas Department of Commerce shall review the financial statements of the Texas Small Business Industrial Development Corporation to determine the net earnings of the Corporation, and shall make such determination no later than January 1, 1996 and January 1, 1997. The Department shall ensure that the net earnings, of an amount not to exceed \$75,000 shall be transferred to a special fund in the State Treasury during each fiscal year of the 1996-97 biennium to be used to finance activities of Strategy B.1.2., Financial Management. Any net earnings in excess of \$150,000 for the 1996-97 biennium shall be deposited into the General Revenue Fund and 25 percent of that amount over \$150,000 is appropriated to Strategy B.1.2., Financial Management of the Department of Commerce for administration of small and minority business finance programs.

5. **Foreign Offices.**
 - a. It is the intent of the Legislature that the Texas Department of Commerce provide services to develop trade investment and tourism in strategic world markets with specific emphasis to benefit small businesses in the State of Texas. Offices may be operated in Mexico and in other foreign markets including Europe, the Pacific Rim, and Latin America coinciding with market opportunities for Texas business. The offices shall be named the "State of Texas Office" and their services shall be available to other state agencies through interagency contracts. Foreign office trade investment and tourism

DEPARTMENT OF COMMERCE
(Continued)

development efforts, as well as location of the offices, shall be based on analysis of the current world market opportunities. The department shall expend funds for the Mexico offices out of any funds available, but shall not expend any funds appropriated under this Act for any office or staff at any other foreign offices established by the department. The department may seek and use alternative funding sources other than funds appropriated under this Act for offices in locations other than Mexico.

- b. The Department of Commerce shall maintain a tracking system that documents the direct benefits that result from the operation of the foreign office. The department shall utilize the tracking system to file a quarterly report with the Governor and the Legislative Budget Board regarding the activities of the office. The report shall contain, at a minimum, information detailing the number of contacts with foreign and domestic businesses, the name of each business, the nature of the contact, and the results of each contact. The report shall also contain the name of each Texas community assisted, and information regarding the nature and results of the assistance.
6. **Emoluments and Housing Allowances.** From the funds appropriated above in Strategy B.1.3., International Business, the Texas Department of Commerce is authorized to provide emoluments and a housing allowance for the Directors of the foreign offices in Mexico based on U.S. Department of State, "Indexes of Living Costs Abroad, Quarters Allowances, and Hardship Differentials."
7. **Small Business Incubator and Product Development Bonds.** The Department of Commerce is hereby appropriated fee revenue and bond proceeds necessary for administration and payment of debt service for the small business incubator and product development programs as authorized by the Texas Constitution, Article XVI, Section 71 and the Vernon's Texas Code Annotated, Government Code, Chapter 481. In no event, however, shall the department operate the small business incubator and product development programs in such a manner that would require general revenue to be used for the debt service on bonds issued for these programs.
8. **Job Training: AFDC Recipients.** Federal funds available under the Job Training and Partnership Act shall be used, to the extent feasible, to supplement efforts directed toward securing employment for recipients of the Aid to Families with Dependent Children Program.
9. **Appropriation: Dedicated Hotel/Motel Tax Revenue.** Any unexpended balances as of August 31, 1996 in the appropriations of the amounts specified above in the method of financing out of the dedicated Hotel/Motel tax are hereby reappropriated for fiscal year 1997 for the same purposes. All amounts collected during the 1996-97 biennium over and above those shown in the method of financing for Hotel/Motel Tax revenue are hereby appropriated for purposes identified above and elsewhere in this Act.
10. **Unexpended Balances/Appropriation of Receipts: Smart Jobs Fund.** All transfers, gifts, grants, donations, fees and any other money received during the fiscal year 1996, and all unexpended balances as of August 31, 1996, in the Smart Jobs Fund No. 891 as established by V.T.C.A. Government Code, Section 481.154 are hereby appropriated for fiscal year 1997.
11. **Licensing and Merchandising Fees.** All fees that the Texas Department of Commerce Tourism Division is authorized to collect pursuant to Texas Government Code, Section 481.021 (a) (7) are hereby appropriated to the department for the biennium beginning September 1, 1995, to be used for tourism advertising and marketing activities of the department.

DEPARTMENT OF COMMERCE
(Continued)

12. **Coordination of Tourism and Travel Promotion.** It is the intent of the Legislature that state spending for travel and tourism promotion be coordinated. Prior to December 1, 1995, the Texas Department of Commerce, the Texas Parks and Wildlife Department, and the Texas Department of Transportation shall enter into a memorandum of understanding which details the travel and tourism promotion objectives of each agency and which provides for interagency coordination and support in the achievement of the objectives.
13. **Requirements: Rural Economic Development Fund.** In the development of rules governing the allocation of funds provided above for the rural loans, the Department shall ensure that these rules encourage applications from minority businesses. The Department shall develop procedures to assist and encourage minority businesses located in the State of Texas to apply for and become eligible for funds provided through the Rural Economic Development Fund.
14. **Tourism: Promotion of Historical Sites.** From the amounts appropriated above in Strategy C.1.1., Texas Travel Promotion, the Texas Department of Commerce, pursuant to V.T.C.A., Government Code, Chapter 481.172, shall transfer \$150,000 each year of the biennium beginning September 1, 1995 to the Texas Historical Commission to encourage travel to the state's historical attractions.
15. **Contingency Appropriation: Business Assistance Programs.** The Texas Department of Commerce is hereby appropriated out of the General Revenue Fund - Consolidated an amount not to exceed \$440,000 for the biennium beginning September 1, 1995, for the purpose of honoring guaranties against defaults for the Rural Economic Development Program as established by V.T.C.A. Government Code, Section 481.084, the Product Commercialization Assistance Program as established by V.T.C.A. Government Code, Section 481.293 and the Texas Exporters Loan Assistance Program as established by V.T.C.A. Government Code, Section 481.059.

None of the funds appropriated above may be expended by the Department of Commerce unless the Department of Commerce Board files a finding of fact with the Governor's Office of Budget and Planning and the Legislative Budget Board, and neither office issues a written disapproval within 45 days of receipt of the finding of fact.
16. **Contingency Allocation for Senate Bill 1677.** Contingent on the enactment of Senate Bill 1677, out of the funds appropriated above an amount not to exceed \$100,000 for the biennium beginning September 1, 1995 shall be allocated by the Department of Commerce for the purpose of conducting a feasibility study for the construction of a motion picture soundstage.
17. **Reimbursement of the Advance Interest Trust Fund No. 935.** Pursuant to the provision of House Bill 1335, 73rd Legislature, Regular Session, 1993, the Comptroller of Public Accounts is hereby directed to transfer the lesser of \$9,575,937 appropriated or actual expenditures, from the Smart Jobs Fund 891 to the Advance Interest Trust Fund 935 by September 30, 1995 to repay the Advance Interest Trust Fund No. 935 for money used to fund start-up expenses, to award grants, and for such other purposes authorized under Senate Bill 130, 73rd Legislature, Regular Session, 1993.

EMPLOYMENT COMMISSION

	For the Years Ending	
	August 31, 1996	August 31, 1997
A. Goal: AID JOB SEEKERS/EMPLOYERS		
To help people who are or will be seeking employment, support economically and educationally disadvantaged and dislocated workers, assist employers in locating and selecting the best qualified job applicants and assist communities in economic development efforts.		
Outcomes:		
Number of Applicants Securing Employment	346,269	346,269
Number of Individuals Participating in Workforce Development Programs	152,880	161,950
A.1.1. Strategy: LABOR EXCHANGE	\$ 46,399,853	\$ 47,103,860
Operate a basic labor exchange program for job seekers and employers		
Outputs:		
Number of Job Openings Received From Employers	552,914	563,973
Number of Applicants Receiving Service	1,069,627	1,080,323
A.1.2. Strategy: JOB SEARCH SEMINARS	\$ 1,574,770	\$ 1,580,174
Maintain and increase the number of job search seminar sites in Texas.		
Outputs:		
Number of Individuals Participating in Job Search Seminars	7,929	7,929
A.1.3. Strategy: SELF-DIRECTED JOBS	\$ 644,817	\$ 662,738
Support self-directed job seeker activity in Texas		
Efficiencies:		
Applicants Served per Staff Position	8,755	9,850
A.1.4. Strategy: VETERAN EMPLOYMENT	\$ 9,378,552	\$ 9,529,197
Operate an employment program emphasizing service to veterans		
Outputs:		
Number of Veterans Receiving Service	184,894	188,165
A.2.1. Strategy: WORKFORCE DEVELOPMENT	\$ 56,792,647	\$ 58,331,350
Operate a workforce development program for selected applicant groups.		
Outputs:		
Number in RIO Program Securing Employment	11,000	11,000
Number of Campuses Participating in CIS Program	322	409
Number of Students Participating in CIS Program	35,420	44,990
Number of Food Stamp Clients Entering Employment	31,500	31,500
Number of Individuals in JOBS Program Entering Employment	6,313	6,313
Efficiencies:		
Administrative Cost per CIS Participant	36	33
Total, Goal A: AID JOB SEEKERS/EMPLOYERS	\$ 114,790,639	\$ 117,207,319

EMPLOYMENT COMMISSION
(Continued)

B. Goal: PROVIDE MONETARY ASSIST

To provide monetary assistance to eligible workers during times of unemployment, assist workers in obtaining payment of wages due, and protect children from exploitation in the workplace.

Outcomes:

Number of Documented Violations	280		300
B.1.1. Strategy: UNEMPLOYMENT BENEFITS	\$ 61,714,409	\$	59,066,762
Operate a delivery system for the payment of unemployment benefits in accordance with state and federal laws.			
Outputs:			
Number of Initial Claims	963,434		934,809
Efficiencies:			
Percent of Claimants Paid Timely	97%		97%
Explanatory:			
Unemployment Rate	6.6%		6.6%
B.1.2. Strategy: QUALITY CONTROL PROGRAM	\$ 979,508	\$	993,978
Operate a quality control program to measure propriety of unemployment benefit payments.			
Outputs:			
Number of Quality Control Audits Completed	1,200		1,200
B.1.3. Strategy: LOWER APPEALS PROGRAM	\$ 8,036,953	\$	8,176,818
Operate a lower appeals program to adjudicate disputed claims for unemployment benefits.			
Outputs:			
Number of Lower Authority Appeals Decisions	72,140		69,894
Efficiencies:			
Percent of Lower Appeals Decisions Issued Within 45 Days of the Date of Filing	80%		80%
B.1.4. Strategy: HIGHER APPEALS PROGRAM	\$ 2,634,824	\$	2,662,155
Operate a higher appeals review program of the adjudicative function.			
Outputs:			
Number of Higher Authority Appeals Decisions	15,883		14,989
Efficiencies:			
Percent of Higher Appeals Decisions Issued Within 75 Days of the Date of Filing	80%		80%
B.2.1. Strategy: TAX ENFORCEMENT PROGRAM	\$ 26,929,060	\$	27,281,619
Operate an effective tax enforcement program in accordance with state and federal regulations.			
Outputs:			
Number of Employer Accounts Established	63,579		64,583
Number of Delinquent Employer Wage and Tax Reports Secured	148,123		148,478
Explanatory:			
Number of Subject Employers	356,078		356,751
B.2.2. Strategy: LIABILITY HEARINGS	\$ 141,050	\$	142,932
Operate an administrative hearings program for issues involving employer liability.			

EMPLOYMENT COMMISSION
(Continued)

Outputs:			
Number of Employer Liability Decisions	200		200
Efficiencies:			
Number of Hearings per Staff Attorney	100		120
B.3.1. Strategy: PAYDAY LAW EDUCATION	\$ 86,933	\$	87,026
Educate employers and workers with regard to the requirements of the Payday Law.			
Outputs:			
Number of Knowing Violations Adjudicated	1,312		1,312
B.3.2. Strategy: WAGE CLAIM ADJUDICATION	\$ 2,960,848	\$	2,960,602
Operate a wage claim adjudication process in accordance with the Texas Payday Law and the concepts of due process.			
Outputs:			
Number of Determination Orders Issued	23,000		25,000
Efficiencies:			
Number of Claims for Wages With Order Issued Within 30 Days	17,000		18,750
Number of Appealed Claims for Wages With Decision Issued Within 85 Days	3,984		4,541
B.4.1. Strategy: CHILD LABOR ENFORCEMENT	\$ 747,603	\$	747,603
Operate a child labor enforcement program in cooperation with the Wage and Hour Division of the U.S. Department of Labor and as authorized by the Texas Child Labor Law.			
Outputs:			
Number of Work Site Inspections Conducted	3,700		3,800
Total, Goal B: PROVIDE MONETARY ASSIST	\$ 104,231,188	\$	102,119,495

C. Goal: LABOR MKT INFO/ANALYSIS

To support informed decision-making in Texas by providing the best possible labor market information and analysis to business, labor, educational institutions, legislators, and other interested parties.

C.1.1. Strategy: LABOR INFORMATION	\$ 3,097,596	\$	3,130,880
Operate a statewide statistical program to collect, estimate, and transmit labor market information to the Bureau of Labor Statistics.			
Outputs:			
Number of Data Elements Transmitted to the BLS	95,074,000		96,703,000
Efficiencies:			
Cost per Data Item Transmitted	.04		.04
C.2.1. Strategy: OTHER LABOR INFORMATION	\$ 1,886,310	\$	1,917,870
Operate a statewide program to research, analyze, and disseminate: labor market information including information about dependent care programs and providers to employers and job applicants; and career information to students.			
Outputs:			
Number of Information Products Provided	471,495		476,210

EMPLOYMENT COMMISSION
(Continued)

Explanatory:		
Number of Information Requests Received	71,350	72,720
Total, Goal C: LABOR MKT INFO/ANALYSIS	<u>\$ 4,983,906</u>	<u>\$ 5,048,750</u>
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 8,160,584	\$ 8,269,728
D.1.2. Strategy: INFORMATION RESOURCES	\$ 3,852,854	\$ 3,896,666
D.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 6,520,125	\$ 6,649,433
D.1.4. Strategy: REGIONAL ADMINISTRATION	<u>\$ 2,748,414</u>	<u>\$ 2,788,735</u>
Total, Goal D: INDIRECT ADMINISTRATION	<u>\$ 21,281,977</u>	<u>\$ 21,604,562</u>
Grand Total, EMPLOYMENT COMMISSION	<u>\$ 245,287,710</u>	<u>\$ 245,980,126</u>
Method of Financing:		
General Revenue Fund - Consolidated	\$ 4,126,500	\$ 3,469,496
Unemployment Compensation Administration Fund No. 026	185,080,498	183,921,643
Interagency Contracts	51,387,391	52,440,666
Section 903, Social Security Act (Reed Act)		1,455,000
Earned Federal Funds	360,000	360,000
Advance Interest Trust Fund No. 935	<u>4,333,321</u>	<u>4,333,321</u>
Total, Method of Financing	<u>\$ 245,287,710</u>	<u>\$ 245,980,126</u>
Number of Positions (FTE)	4,724.0	4,724.0
Schedule of Exempt Positions		
Commissioners (3), Group 4	\$84,660	\$84,660
Administrator, Group 4	82,432	82,432

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

	<u>1996</u>	<u>1997</u>
a. Construction of Buildings and Facilities	\$	\$ 1,455,000
b. Repairs or Rehabilitation of Buildings and Facilities	1,092,000	435,000
c. Acquisition of Information Resource Technologies	<u>\$ 10,195,085</u>	<u>\$ 6,165,852</u>
Total, Capital Budget	<u>\$ 11,287,085</u>	<u>\$ 8,055,852</u>

EMPLOYMENT COMMISSION
(Continued)

Method of Financing (Capital Budget):

General Revenue Fund - Consolidated	\$ 1,092,000	\$ 435,000
Unemployment Compensation Administration Fund No. 026	9,782,625	5,753,392
Interagency Contracts	412,460	412,460
Section 903, Social Security Act (Reed Act)	<u> </u>	<u>1,455,000</u>
 Total, Method of Financing	 <u>\$ 11,287,085</u>	 <u>\$ 8,055,852</u>

2. **Appropriation: Federal Funds.** All moneys granted to this state by the federal government for the administration of the Unemployment Compensation Act or which are now on deposit to the credit of any funds maintained by the State Treasurer for the Texas Employment Commission, and any moneys received for the credit of such funds are hereby appropriated for the purposes authorized by the provisions of the Texas Unemployment Compensation Act and/or for the purposes for which such moneys were granted.

3. **Appropriation: Section 903, Social Security Act Funds.**
 - a. Out of amounts credited to this state's account in the Federal Unemployment Trust Fund under Section 903 of the Social Security Act, there is hereby appropriated for withdrawal and use by the Texas Employment Commission in the payment of expense to be incurred by it for the administration of the Texas Unemployment Compensation Act and its Public Employment Offices.

 - b. No part of said amounts specified immediately above, herein appropriated out of amounts credited to this state's account in the Federal Unemployment Trust Fund under Section 903 of the Social Security Act, shall be expended after the close of the period covered by this Appropriation Act and any unused portion of such amounts shall, at such close, revert to this state's said account in the Federal Unemployment Trust Fund. Only that portion of the total of said amounts shall be used during a federal fiscal year which does not exceed the amount by which the aggregate of the amounts credited to the account of this state pursuant to Subsection (a) of Section 903 of the Social Security Act, as amended.

 - c. Out of funds appropriated above, the Texas Employment Commission may provide \$1,048,559 in fiscal year 1996 and \$387,051 in fiscal year 1997 in Line Items A.1.1., A.1.2., A.1.3., A.1.4., A.2.1., B.1.1., B.1.2., B.1.3., and B.2.1. to accomplish program goals and objectives. Such authorization may be used to provide necessary office facilities and automated equipment, to include the purchase of land and construction of buildings, and the construction of improvements on property owned by the Texas Employment Commission, including the cost of repairs and alterations to such property, and the purchase of computers and related peripheral equipment.

4. **Unexpended Balances.** Any unexpended balances and appropriations to the Texas Employment Commission that are not General Revenue-Consolidated as of August 31, 1996, are respectively reappropriated for the same purpose for the fiscal year beginning September 1, 1996.

5. **Appropriation: Petty Cash Funds.** The Texas Employment Commission is authorized to establish and maintain adequate petty cash funds in local offices to carry out program requirements in accordance with the regulations of the agency or agencies granting such funds. Any and all such funds received by the Texas Employment Commission are hereby

EMPLOYMENT COMMISSION
(Continued)

appropriated for the purposes authorized and the Texas Employment Commission is authorized to disburse such funds for the purposes for which they are granted.

6. **Authorization: Sale of Agency-owned Buildings.** In order to accommodate sudden and unexpected fluctuations in federal funding, the agency is hereby authorized to sell agency-owned buildings as it deems necessary, provided they have obtained prior written approval from the Governor, Lieutenant Governor and Speaker of the House.
7. **Payment of Unemployment Benefits - State Agencies.** It is the intent of the Legislature that the Texas Employment Commission charge the Comptroller of Public Accounts only for unemployment benefits paid based on wages earned from agencies appropriated funds under the General Appropriations Act, and that agencies outside the General Appropriations Act be set up as individual reimbursing employers.
8. **Reimbursement of the Advance Interest Trust Fund 935.** Pursuant to the provision of H.B. 1335, 73rd Legislature, Regular Session, 1993, the Comptroller of Public Accounts is hereby directed to transfer the lesser of \$9,575,937 appropriated or actual expenditures, from the Smart Jobs Holding Fund 890 to the Advance Interest Trust Fund 935 by September 30, 1995 to repay the Advance Interest Trust Fund 935 for money used to fund start-up expenses, to award grants, and for such other purposes authorized under S.B. 130, 73rd Legislature, Regular Session, 1993. This transfer shall occur prior to the transfer of any funds into the Smart Jobs Fund 891.
9. **Transfer: School Child Care Services Fund.** Pursuant to the provisions of Section 21.929, Subchapter z, Chapter 21, Education Code, V.T.C.A., transfers of monies to the School Child Care Services Fund attributable to Federal Insurance Contributions Act savings by the Commission shall be made from the General Revenue Fund - Consolidated.
10. **Transfer: State Employee Incentive Program.** Pursuant to the provisions of Article 2, Sec. 2.022, Subsection (f), of Article 6252-29a, V.T.C.S., transfers of monies required of the Commission shall be made from the General Revenue Fund - Consolidated.
11. **Appropriation: Smart Jobs Assessment.** On August 31 of each year collection cost for the Smart Jobs assessment shall be transferred out of the Smart Jobs Fund 891 for the purpose of reimbursing the Federal Government for the cost of collecting the Smart Jobs Assessment. The amount of the transfer shall depend on the amount of the assessment transferred from the Smart Jobs Holding Fund 890 to the Smart Jobs Fund 891 and the tax collection cost methodology agreed to by the Texas Employment Commission and the U.S. Department of Labor.
12. **Bilingual Employees.** The commission shall establish a multilingual pilot program in ten to fifteen offices throughout the state which will include the following:
 - a. A salary differential, not to exceed 2.5 percent of the monthly pay rate for employees who are multilingual to the extent that multilingual skills are required and are directly related to the employment duties of the employee;
 - b. A multilingual objective examination shall be administered to certify employees who are multilingual. The examination must cover oral, writing, and comprehension skills of employees. All employees in the pilot area must be eligible for certification; and,
 - c. The commission shall designate the number of positions within the pilot area where multilingual skills are required according to rules and standards adopted by the commission. Job postings for designated positions during the biennium shall include

EMPLOYMENT COMMISSION
(Continued)

multilingual requirements. Employees shall be selected for these positions on a competitive basis.

By January 1, 1997, the commission shall submit to the Seventy-fifth Legislature, the Legislative Budget Board, and the Office of the Governor a Cost Benefit Analysis identifying the costs and savings incurred and the effects of the pilot program on staff, clients and caseloads.

13. **Contingency Appropriation: Labor Law Programs.** The amounts appropriated above for the following strategies, B.3.1., Payday Law Education, B.3.2., Wage Claim Adjudication, and B.4.1., Child Labor Enforcement, are contingent upon the enactment of Senate Bill 867, or similar legislation. In the event Senate Bill 867, or similar legislation is not enacted, total funding for the three strategies during the 1996-97 biennium shall not exceed \$4,820,581 in interest income from the Advance Interest Trust Fund No. 935.
14. **Contingency Appropriation for House Bill 1341.** Contingent upon the enactment of House Bill 1341, or similar legislation by the 74th Legislature, Regular Session, the Texas Employment Commission is hereby appropriated \$540,000 for fiscal year 1996 and \$540,000 for fiscal year 1997 from additional revenues collected pursuant to House Bill 1341 for the purpose of implementing that Act. The Texas Employment Commission is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

**REIMBURSEMENTS TO THE UNEMPLOYMENT COMPENSATION
BENEFIT ACCOUNT**

	For the Years Ending	
	August 31,	August 31,
	1996	1997
	<u> </u>	<u> </u>
A. Goal: STATE'S UC REIMBURSEMENT		
To comply with statutory requirements concerning the reimbursement of the Unemployment Compensation Benefits Account No. 937 for unemployment compensation benefits paid to former employees of the State of Texas.		
A.1.1. Strategy: STATE'S UC REIMBURSEMENT	\$ 4,500,000	\$ 4,500,000
Reimburse the Unemployment Compensation Benefit Account No. 937 for unemployment compensation benefits paid to former employees of the State of Texas. Estimated		
Grand Total, REIMBURSEMENTS TO THE UNEMPLOYMENT COMPENSATION BENEFIT ACCOUNT	<u>\$ 4,500,000</u>	<u>\$ 4,500,000</u>

**REIMBURSEMENTS TO THE UNEMPLOYMENT COMPENSATION
BENEFIT ACCOUNT
(Continued)**

Method of Financing:

General Revenue Fund - Consolidated, estimated	\$ 2,475,000		\$ 2,475,000
Other Special Funds, estimated	<u>2,025,000</u>		<u>2,025,000</u>
Total, Method of Financing	\$ 4,500,000		\$ 4,500,000

1. **Reimbursement to Fund No. 937.** Reimbursements to the Unemployment Compensation Benefit Account shall be made from funds appropriated above to the full extent of the amounts identified in the Method of Finance, plus amounts reimbursed in accordance with other provisions of this Act.

2. **Funding Source: Penalty and Interest Receipts.** Funds identified in the method of financing as General Revenue Fund-Consolidated are appropriated from penalty and interest revenue for the purpose of paying that portion of the unemployment compensation benefits not paid by state agencies or institutions of higher education as prescribed by Section 74, of the General Provisions of this Act. Such revenue is defined as the penalty and interest receipts collected under Sections 213.021 and 213.022, Texas Labor Code, and authorized for the payment of unemployment compensation benefits to former state employees pursuant to Section 203.201, Texas Labor Code.

Unemployment compensation benefit costs that exceed the General Revenue Fund-Consolidated amounts for each fiscal year shall be paid only from penalty and interest revenue.

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

For the Years Ending	
August 31, 1996	August 31, 1997

A. Goal: AFFORDABLE HOUSING

The department will increase the availability of safe, decent, and affordable housing for very low, low, and moderate income personas and families.

Outcomes:

Percent of the Households/Individuals of Low, Very Low, and Moderate Income Needing Affordable Housing That Subsequently Receive Such Housing or Housing Related Assistance	3.57%		3.55%
Percent of Loans, Grants, Incentives, and Housing Preservation Activities Benefiting Very Low Income Texans	85%		85%

A.1.1. Strategy: GEOGRAPHICAL ANALYSIS	\$ 20,000		\$ 20,000
Complete an annual statewide analysis of housing needs by geographic area for individuals and families of very low, low, and moderate income persons.			

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

A.2.1. Strategy: HOUSING TRUST FUND	\$	1,760,153	\$	1,031,453
Provide housing loans and grants through the Housing Trust Fund for the very low and low income households.				
Outputs:				
Number of Very Low and Low Income Households that Received Loans and Grants Through the Housing Trust Fund		250		280
Efficiencies:				
Average Loan Amount Provided Through the Housing Trust Fund		250,000		250,000
 A.2.2. Strategy: HOME/HOPE PROGRAMS	 \$	 32,398,956	 \$	 32,377,350
Provide housing loans and grants through the HOME Investment and HOPE III Programs for the very low and low income.				
Outputs:				
Number of Very Low and Low Income Households that Received Loans and Grants Through the HOME Investment Program		1,838		1,838
Number of Very Low and Low Income Households that Received Loans and Grants Through the HOPE III Program		29		29
 A.2.3. Strategy: SECTION 8 RENTAL PROGRAM	 \$	 5,660,476	 \$	 5,642,871
Provide rental assistance through Section 8 certificates and vouchers for the very low income.				
Outputs:				
Number of Very Low Income Households that Received Section 8 Certificates and Vouchers		2,185		2,185
Efficiencies:				
Average Processing/Administrative Cost per Household Served Under the Section 8 Program		50		50
 A.2.4. Strategy: FEDERAL TAX INCENTIVES	 \$	 423,965	 \$	 406,662
Provide federal tax incentives to develop rental housing for the very low income.				
Outputs:				
Number of Rental Units Developed as a Result of Federal Tax Incentives Provided Through TDHCA		15,000		15,000
Efficiencies:				
Average Cost in Federal Tax Incentives per Rental Unit Developed		2,200		2,200
 A.2.5. Strategy: MORTGAGE LOANS	 \$	 1,474,932	 \$	 1,306,375
Provide below-market interest rate mortgage loans to very low, low, and moderate income first time homebuyers.				
Outputs:				
Number of Very Low, Low, and Moderate Income Households that Received Loans Through First-Time Homebuyer Programs at TDHCA		1,800		2,100
Number of Zero Percent Loans Issued to Very Low and Low Income Households		320		275
Efficiencies:				
Average Processing/Administrative Cost per Loan Issued to Very Low, Low, and Moderate Income Households		1,600		1,600

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

A.2.6. Strategy: MULTI-FAMILY RENTAL UNITS Provide loans for the development of multi-family rental units for the very low, low, and moderate income. Outputs: Number of Multi-Family Rental Units Developed as a Result of Loans Provided Through TDHCA	\$ 185,415	\$ 179,592
	1,000	1,000
A.2.7. Strategy: MULTI-FAMILY HOUSING To acquire multi-family housing units for very low, low, and moderate income individuals and families. Outputs: Number of Units Created and/or Preserved for the Benefit of Very Low, Low, and Moderate Income Individuals and Families	\$ 213,748	\$ 208,685
	900	1,200
A.2.8. Strategy: RESOLUTION TRUST Monitor occupancy requirements of Texas properties sold under the Resolution Trust Corporation's Affordable Housing Disposition Program. Outputs: Number of Audits Performed	\$ 327,368	\$ 303,618
	250	250
A.2.9. Strategy: HOUSING RESOURCE CENTER Provide technical assistance, information, and training to nonprofit organizations on affordable housing development through a Housing Resource Center. Efficiencies: Average Agency Cost per Non-Profit Trained Through the Housing Resource Center	<u>\$ 279,675</u>	<u>\$ 274,132</u>
	231	231
Total, Goal A: AFFORDABLE HOUSING	<u>\$ 42,744,688</u>	<u>\$ 41,750,738</u>

B. Goal: COMMUNITY/ECONOMIC DEVLPMT
To better Texas communities by supporting community and economic development and by helping local governments to become more effective.

Outcomes: Percent of Persons in Small Communities Funded Annually Benefiting from Public Facility, Economic Development, Housing, and Planning Projects	30%	30%
Percent of CDBG-eligible Colonia Areas Receiving Technical Assistance from Service Centers	100%	
B.1.1. Strategy: LOCAL TRAINING Administer a program providing information, advice, and training to officials of communities of less than 10,000 people. Outputs: Number of Officials Trained	\$ 255,918	\$ 251,849
	1,400	1,400
Efficiencies: Average Agency Cost per Local Government Official Trained	97.62	97.62
B.2.1. Strategy: DEVELOPMENT GRANTS Make grants for community and economic development projects.	\$ 90,357,681	\$ 90,345,631

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 3,747,211	\$ 3,747,211
D.1.2. Strategy: INFORMATION RESOURCES	\$ 769,733	\$ 769,733
D.1.3. Strategy: OTHER SUPPORT SERVICES	<u>\$ 330,264</u>	<u>\$ 330,264</u>
Total, Goal D: INDIRECT ADMINISTRATION	<u>\$ 4,847,208</u>	<u>\$ 4,847,208</u>
Grand Total, DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS	<u>\$ 186,833,326</u>	<u>\$ 183,005,017</u>

Method of Financing:		
General Revenue Fund	\$ 4,354,293	\$ 3,559,130
Community Affairs Federal Fund No. 127	175,139,720	172,379,624
Appropriated Receipts	5,844,881	5,618,842
Interagency Contracts	130,686	114,319
Earned Federal Funds	<u>1,363,746</u>	<u>1,333,102</u>
Total, Method of Financing	<u>\$ 186,833,326</u>	<u>\$ 183,005,017</u>

Number of Positions (FTE)	283.5	283.5
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Schedule of Exempt Positions		
Executive Director, Group 4	\$90,177	\$90,177

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

	<u>1996</u>	<u>1997</u>
a. Acquisition of Information Resource Technologies		
(1) Normal Growth/Integrate Systems	\$ 359,201	\$ 121,763
(2) Open System/Local Area Network	<u>\$ 152,204</u>	<u>\$ 48,706</u>
Total, Capital Budget	<u>\$ 511,405</u>	<u>\$ 170,469</u>

Method of Financing (Capital Budget):

General Revenue Fund	\$ 64,062	\$ 21,354
Community Affairs Federal Fund No. 127	85,171	28,391
Appropriated Receipts	346,351	115,451
Earned Federal Funds	<u>15,821</u>	<u>5,273</u>
Total, Method of Financing	<u>\$ 511,405</u>	<u>\$ 170,469</u>

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

2. **General Provisions Compliance.** It is the intent of the Legislature that the Housing Division of the Department of Housing and Community Affairs comply with the General Provisions of this Act.
3. **Reporting Requirements.** Within 90 days following the conclusion of a contract issued by the Texas Department of Housing and Community Affairs or, at the option of the contracting party, within 90 days following the conclusion of the contracting party's fiscal year during which a contract was in force, the contracting party shall provide to the Executive Director a full accounting of state funds expended under the terms of the contract. This requirement shall be a part of any contract entered into by the department and contracting entities. Failure of a contracting party to provide full accounting of state funds expended under the terms of any contract under the conditions stated above shall be sufficient reason to terminate that contract and for the department to deny any future contracts to that contracting party.
4. **Administrative Allocation: Councils of Governments.** From federal administrative monies made available to the Department under the Community Development Block Grant Program, an amount equal to 19 percent of such monies shall be allocated to councils of governments to continue staff support to the 24 Regional Review Committees of local elected officials appointed by the Governor.
5. **HOME/HOPE Match Requirements.** Pursuant to federal regulations (24 CFR Part 92.220), the Texas Department of Housing and Community Affairs shall meet state-match requirements for the HOME Investment Partnerships Program through the use of the fair market value discounts on the disposition of multi-family real estate assets, such as properties purchased from the Resolution Trust Corporation.
6. **Coordination with Texas Water Development Board.** The Texas Department of Housing and Community Affairs (TDHCA) and the Texas Water Development Board (TWDB) shall develop a Memorandum of Understanding (MOU) that: 1) assures that none of the funds appropriated above are expended in a manner that aids the proliferation of colonias or are otherwise used in a manner inconsistent with the intent of the Economically Distressed Areas Program (EDAP) operated by the Texas Water Development Board (TWDB); and 2) details the responsibilities of each agency regarding the coordination of funds out of the Colonia Fund administered by the TDHCA and the EDAP administered by the TWDB so as to maximize delivery of the funds and minimize administrative delay in their expenditure. The MOU shall be completed prior to the distribution of the Colonia Fund in fiscal year 1996, and amended, if necessary, prior to the distribution of the Colonia Fund in fiscal year 1997. In distributing funds out of the Colonia Fund, the TDHCA shall provide top funding priority to those projects that are in EDAP-funded areas and which assist colonia residents who cannot afford the cost of service lines, hook-ups, and plumbing improvements associated with being connected to an EDAP-funded system. None of the funds appropriated above for Strategy B.2.1., Development Grants, may be expended in EDAP-eligible counties that have not adopted, or are not enforcing, the Model Subdivision Rules established pursuant to Section 16.343 of the Water Code. No later than November 15, 1996, the TDHCA and the TWDB shall submit a joint report to the Legislative Budget Board that describes and analyzes the effectiveness of projects funded as a result of coordinated Colonia Fund/EDAP efforts.

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

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

Weatherization Policy Advisory Committee
Texas Interagency Council for the Homeless
Consolidated Plan/CHAS Committee
State Community Development Review Committee
Colonia Advisory Committee

8. **Efficient Contract Management Systems.** It is the intent of the Legislature that the Department of Housing and Community Affairs work with the State Auditor's Office to develop an efficient system of contract management. The system should assure that contractors are providing quality services, are complying with applicable regulations, and have adequate controls in place to protect taxpayer dollars.
9. **Local Site Visits.** From monies appropriated, when the Texas Department of Housing and Community Affairs receives a letter from the mayor or county judge of an affected city or county opposing an application for a federal tax incentive to develop rental housing, a site visit by an employee of the Texas Department of Housing and Community Affairs with the mayor or county judge shall take place within 30 days following notification. The site visit must occur before the incentive can be approved. The Texas Department of Housing and Community Affairs is authorized to obtain reimbursement from the applicant for a federal tax incentive for necessary travel and expenses at a rate not to exceed the federally authorized rate.
10. **Contingency: Community Development Block Grant.** Out of funds appropriated above in Strategy B.2.1., Development Grants, \$142,901 in general revenue for each year of the 1996-97 biennium shall be contingent upon an increase in federal Community Development Block Grant (CDBG) funds. In the event that federal CDBG funding is less than \$89,381,743 in fiscal year 1996, and \$89,431,920 in fiscal year 1997, the \$142,901 in general revenue appropriated above each year, which is based on an increase in federal funds of \$8,400,000 per year above the 1995 level, shall be reduced by an amount proportionate to the reduction in the annual federal increase.
11. **Colonia Set-Aside Program Allocation.** The Texas Department of Housing and Community Affairs shall continue the Community Development Block Grant (CDBG) Colonia Set-Aside Program by allocating not less than 10 percent of the yearly allocation of CDBG funds for eligible activities to assist in providing for the housing, planning, and infrastructure needs in colonias. In addition, the Department shall allocate 2.5 percent of the CDBG monies to support the operation of Self-Help Owner-Builder Housing Programs.
12. **Low Income Housing Construction.** Out of the funds appropriated above, not less than \$500,000 each year of the biennium shall be expended on low income housing construction in enterprise zone areas.
13. **Transfer for Federal Homeless Funds.** In the event that additional Federal Funds become available under a federal Homeless Block Grant program or similar federal program, and if the Texas Department of Housing and Community Affairs certifies that it has been unable to identify resources that may be used for state match, the Legislative Budget Board may identify funds appropriated elsewhere in this Act and transfer, with the approval of the Governor, an amount not to exceed \$2,500,000 in General Revenue Fund appropriations to the Texas Department of Housing and Community Affairs for the purpose of providing a state match for additional federal funds.

TEXAS LOTTERY COMMISSION

	For the Years Ending	
	August 31, 1996	August 31, 1997
A. Goal: OPERATE LOTTERY		
Efficiently operate a lottery that is self-supporting, revenue producing, and free of criminal activity.		
Outcomes:		
Net Gain to the State's General Revenue Fund as Estimated By the Comptroller of Public Accounts (In Millions)		
Per Capita Lottery Sales	145	145
Percentage of Lottery Proceeds Spent on Agency Administration, Which Includes Marketing/Promotion	10%	10%
Percentage of Bad Debt to Lottery Sales	.03%	.03%
A.1.1. Strategy: LOTTERY ADMINISTRATION	\$ 270,000,000	\$ 270,000,000
Ensure player satisfaction through player awareness and interest. Provide retailers with on-going training and assistance with materials necessary to maximize sales. Maintain public confidence in the Lottery through game design, security and customer service. Provide a secure physical environment, ensure eligibility of Lottery licensees and respond to breaches of security or allegations of criminal activity. Estimated.		
Outputs:		
Number of Retailer Business Locations Licensed	15,000	15,000
Number of Investigations Conducted	1,575	1,575
Number of Lottery Complaints Resolved	118	118
Efficiencies:		
Average Cost per Retailer Location License Issued	100	100
Average Cost per Complaint Resolved	125	125
B. Goal: ENFORCE BINGO LAWS		
Enforce regulations to ensure the fair conducting of bingo games to maximize distributions to authorized charities.		
Outcomes:		
Recidivism Rate for Those Receiving Disciplinary Action	5	5
B.1.1. Strategy: BINGO LAW ENFORCEMENT	\$ 1,705,307	\$ 1,705,307
Conduct inspections and compliance audits of bingo licensees, initiate sanctions, and increase employee and licensee understanding of bingo laws through training and public education.		
Outputs:		
Number of Bingo Complaints Resolved	900	900
Efficiencies:		
Average Cost per Complaint Resolved	250	250
B.2.1. Strategy: BINGO LICENSING	<u>\$ 1,021,116</u>	<u>\$ 1,021,116</u>
Process bingo applications in a timely manner and ensure eligibility of bingo applicants.		
Outputs:		
Number of Original Licenses Issued to Individuals and Organizations	200	200
Number of Licenses Renewed to Individuals and Organizations	2,500	2,500

TEXAS LOTTERY COMMISSION
(Continued)

Number of Temporary Licenses Issued to Organizations	600	600
Efficiencies:		
Average Cost per Original License Issued	56	56
Average Cost per Temporary License Issued	50	50
Total, Goal B: ENFORCE BINGO LAWS	<u>\$ 2,726,423</u>	<u>\$ 2,726,423</u>
Grand Total, TEXAS LOTTERY COMMISSION	<u>\$ 272,726,423</u>	<u>\$ 272,726,423</u>
 Method of Financing:		
General Revenue Fund	\$ 2,726,423	\$ 2,726,423
General Revenue Fund - Dedicated	<u>270,000,000</u>	<u>270,000,000</u>
Total, Method of Financing	<u>\$ 272,726,423</u>	<u>\$ 272,726,423</u>
 Number of Positions (FTE)		
	335.0	335.0
 Schedule of Exempt Positions		
Executive Director, Group 5	\$110,000	\$110,000
 1. Appropriation, Lottery Administration. Pursuant to Government Code 466, appropriations made to Strategy A.1.1., Lottery Administration, shall not exceed fifteen percent of the gross revenue from the sale of lottery tickets. This appropriation shall be used for the administration of the lottery and for retailer commissions. Out of funds appropriated, the Comptroller of Public Accounts is hereby directed to transfer a total of \$171 million during the biennium to the unobligated portion of the General Revenue Fund.		
2. Unexpended Balances, Lottery Administration. All unexpended balances remaining as of August 31, 1995, in funds appropriated for the administration of the lottery are hereby reappropriated to the Lottery Commission for the sole purpose of transferring to the unobligated portion of the General Revenue Fund pursuant to Rider #1 above.		
3. Appropriation, Payment of Prizes. In addition to the amounts appropriated above for the administration of the Lottery and retailer commissions, there is hereby appropriated pursuant to Government Code 466, out of the State Lottery Account in the General Revenue Fund, sufficient funds for the payment of prizes to the holders of winning tickets.		
4. Sale of Advertising. The Commission shall implement during the biennium a pilot program that will yield a minimum of \$100,000 in additional net revenue from the sale of advertising to be placed on either scratch-off or on-line tickets. The first \$100,000 in net revenue from this source shall be deposited to the credit of the General Revenue Fund. One-half of any additional revenue from this source shall be deposited to the credit of the State Lottery Account in the General Revenue Fund and is appropriated to Strategy A.1.1., Lottery Administration. The remaining one-half of generated revenue shall be deposited to the credit of the unobligated portion of the General Revenue Fund.		
5. Appropriations Limited to Revenue Collections. It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the operation of charity bingo cover, at a minimum, the cost of the appropriations made to Goal 2 of the Lottery Commission, including employee matching costs and any other direct operating costs. In the event that actual and/or projected fee revenue collections are insufficient to offset		

TEXAS LOTTERY COMMISSION
(Continued)

program costs, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided herein to be within the amount of fee revenue expected to be available.

6. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6252-23, reimbursement of expenses for Advisory Committee Members, out of funds appropriated above, is limited to the following advisory committee: Bingo Advisory Committee.
7. **Unclaimed Lottery Prize Winnings.** At the beginning of fiscal year 1996, the Comptroller shall transfer to the unobligated portion of the General Revenue Fund all unclaimed lottery prize winnings on hand at the end of fiscal year 1995. At the end of fiscal year 1996 and fiscal year 1997, respectively, the Comptroller shall transfer to the unobligated portion of the General Revenue Fund all unclaimed lottery prize winnings on hand for that fiscal year.

DEPARTMENT OF TRANSPORTATION

	For the Years Ending	
	August 31, 1996	August 31, 1997
A. Goal: TRANS. SERVICES & SYSTEMS		
To provide the State of Texas with transportation services and systems that: - work together; - are safe, comfortable, durable, and affordable; - are environmentally sensitive; and - support economic and social prosperity.		
Outcomes:		
Percent of Highway System Attaining an "Acceptable" Level of Service in Accordance With Published TxDOT Maintenance Level of Service Guidelines	87.8%	85.9%
Percent Change in Highway Emission Levels Within Areas not Attaining Air Quality Standards	-2.7%	-.8%
Percent Change in Urban Principal Arterial Highway Level of Service Based on Highway Performance Monitoring System (HPMS) Ratings	3.1%	3.7%
Percent of Routine and Preventive Highway System Maintenance Contracted	50%	50%
Percent Change in the Number of Public Transportation Trips	1.6%	1.6%
Percent Counties Connected to Automated Registration and Titling System	95%	95%
Percent of Motor Vehicle Consumer Complaints Resolved	95%	95%
Percent of Change in Statewide Traffic Accident Fatality Rates	-.1%	-.1%
Percent Change in Number of Public Information Requests Filled	7.8%	7.7%
 A.1.1. Strategy: HIGHWAY DESIGN	 \$ 286,874,779	 \$ 291,198,710
Plan, design and manage highway projects.		
Outputs:		
Number of Construction Project Preliminary Engineering Plans Completed	895	895
Number of Highway Construction Projects Contracted	800	800
Number of Highway Construction Projects Completed	876	800

DEPARTMENT OF TRANSPORTATION
(Continued)

A.1.2. Strategy: RIGHT-OF-WAY ACQUISITION	\$ 225,000,000	\$ 225,000,000
Optimize timing of highway right-of-way acquisition and utility adjustment.		
Outputs:		
Number of Parcels of Right-of-Way Acquired On Schedule to Meet Contract Letting	1,510	1,450
A.1.3. Strategy: HIGHWAY CONSTRUCTION	\$ 1,671,036,604	\$ 1,676,960,408 & U.B.
Provide for construction of the highway system and facilities. Estimated		
Outputs:		
Number of New Location Lane Miles Contracted	150	150
Number of Lane Miles Contracted to Increase Capacity	350	400
Number of Lane Miles Contracted for Rehabilitation	3,300	3,100
Number of Bridge Inspections On State System	17,000	17,000
A.1.4. Strategy: PREVENTIVE MAINTENANCE	\$ 149,537,610	\$ 145,000,000 & U.B.
Provide a preventive maintenance program to prevent major deterioration of state highways.		
Outputs:		
Number of Lane Miles Contracted for Asphaltic Seal Coat Surfacing	14,270	13,300
Number of Lane Miles Contracted for Asphaltic Concrete Pavement Overlay	1,425	1,330
Efficiencies:		
Average Cost per Lane Mile Contracted for Asphaltic Seal Coat Surfacing	6,600	6,800
A.1.5. Strategy: ROUTINE MAINTENANCE	\$ 495,388,462	\$ 495,030,822 & U.B.
Provide for routine maintenance and operation of the state highway system.		
Outputs:		
Number of Highway Lane-Miles Resurfaced With Seal-Coat	20,545	20,295
Number of Lane Miles Resurfaced With Overlays	5,592	5,524
Efficiencies:		
Average Cost to Issue State Highway System Oversize/Overweight Permit	6.18	6.19
A.1.6. Strategy: AVIATION SERVICES	\$ 24,949,859	\$ 29,924,255 & U.B.
Support and promote general aviation.		
Outputs:		
Number of General Aviation Airports Selected for Financial Assistance	37	41
A.1.7. Strategy: PUBLIC TRANSPORTATION	\$ 77,045,409	\$ 1,354,591 & U.B.
Support and promote public Transportation.		
Outputs:		
Number of Transit Projects Funded With Both State and Federal Dollars	42	42

DEPARTMENT OF TRANSPORTATION
(Continued)

A.1.8. Strategy: GULF WATERWAY	\$ 1,654,838	\$ 250,445 & U.B.
Support the Gulf Intracoastal Waterway.		
Outputs:		
Number of Acres Made Available for the Placement and/or Disposal of Dredge Material	450	450
A.1.9. Strategy: FERRY SYSTEM	\$ 9,967,895	\$ 17,119,650
Maintain and operate ferry systems in Texas.		
Outputs:		
Number of Vehicles Carried on Ferryboats at Galveston	2,015,000	2,025,000
Number of Vehicles Carried on Ferryboats at Port Aransas	1,795,000	1,805,000
A.1.10. Strategy: REGISTRATION & TITLING	\$ 38,316,971	\$ 38,033,635
Administer the provisions of the motor vehicle registration, titling, and dealer statutes.		
Outputs:		
Number of Registration Renewal Notices Mailed	13,750,000	13,950,000
Number of Titles Issued	4,250,000	4,300,000
A.1.11. Strategy: VEHICLE DEALER REGULATION	\$ 982,265	\$ 995,688
Administer the provisions of the Texas Motor Vehicle Commission Code.		
Outputs:		
Number of Motor Vehicle Consumer Complaints Resolved	950	975
Explanatory:		
Number of Motor Vehicle Consumer Complaints Filed	1,200	1,200
A.1.12. Strategy: RESEARCH	\$ 19,912,407	\$ 19,956,625
Fund and participate with state-supported colleges and universities in research and development programs that can improve transportation operations.		
Outputs:		
Number of Research Projects Completed	80	80
A.2.1. Strategy: TRAFFIC SAFETY	\$ 13,590,115	\$ 13,589,712 & U.B.
Identify problem areas and implement projects to reduce the number and severity of traffic accidents through the statewide traffic safety program.		
Outputs:		
Number of Traffic Safety Grants and/or Projects With Agencies, Cities, Counties, and Schools	600	600
A.3.1. Strategy: TRAVEL INFORMATION	\$ 15,855,705	\$ 15,781,180
Support and promote tourism.		
Outputs:		
Number of Travel Literature Requests Fulfilled	1,115,000	1,115,000
A.4.1. Strategy: ADVERTISING & JUNKYARD ENFORCEMENT	<u>\$ 501,317</u>	<u>\$ 489,022</u>
Control the use of outdoor advertising signs, junkyards, and auto graveyards adjacent to transportation system.		

DEPARTMENT OF TRANSPORTATION
(Continued)

Outputs:		
Number of Sign Permits and Licenses Issued	13,300	13,300
Total, Goal A: TRANS. SERVICES & SYSTEMS	\$ 3,030,614,236	\$ 2,970,684,743
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 29,511,176	\$ 32,961,080
B.1.2. Strategy: INFORMATION RESOURCES	\$ 32,493,949	\$ 30,026,438
B.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 41,165,965	\$ 40,846,216
B.1.4. Strategy: REGIONAL ADMINISTRATION	\$ 53,940,045	\$ 51,906,811
Total, Goal B: INDIRECT ADMINISTRATION	\$ 157,111,135	\$ 155,740,545
Grand Total, DEPARTMENT OF TRANSPORTATION	\$ 3,187,725,371	\$ 3,126,425,288
Method of Financing:		
General Revenue Fund	\$ 17,865,000	\$ 200,000
General Revenue Fund - Consolidated	25,624,032	2,374,932
State Highway Fund No. 006, estimated	1,828,704,933	1,827,714,875
Federal Funds, estimated	1,315,221,406	1,295,825,481
Appropriated Receipts	<u>310,000</u>	<u>310,000</u>
Total, Method of Financing	\$ 3,187,725,371	\$ 3,126,425,288
Number of Positions (FTE)	15,091.0	14,641.0
Schedule of Exempt Positions		
Executive Director, Group 5	\$105,000	\$105,000
Commissioner	(3) 15,914	(3) 15,914

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

	1996	1997
Out of the State Highway Fund No. 006:		
a. Acquisition of Land and Other Real Property	\$ 2,352,000	\$ 341,750 & U.B.
b. Construction of Buildings and Facilities	23,998,000	24,658,250 & U.B.
c. Acquisition of Information Resource Technologies	23,812,779	15,476,095 & U.B.
d. Transportation Items	11,189,595	10,486,400

DEPARTMENT OF TRANSPORTATION
(Continued)

e. Acquisition of Capital Equipment and Items	12,432,185	& U.B. 12,611,890
		& U.B.
Total, Capital Budget	\$ 73,784,559	\$ 63,574,385 & U.B.
		& U.B.

2. **Use of Previous Fiscal Year Funds.** It is the intent of the Legislature that funds authorized for capitalized equipment in the first year of a biennium may be carried over to the next fiscal year for procurement contracts that were properly encumbered during the fiscal year, but because of extenuating circumstances, the contract was voided before the end of the fiscal year.

3. **Transfer Authority.** The Department of Transportation is hereby authorized to transfer appropriations from any Strategy into Strategy A.1.4., Preventive Maintenance, Strategy A.1.2., Right-of-Way Acquisition, and Strategy A.1.3., Highway Construction. In addition, funds may be transferred between Strategies, except that no funds may be transferred out of Strategies A.1.4., Preventive Maintenance, or A.1.2., Right-of-Way Purchase, or A.1.3., Highway Construction, except that transfers may be made between those Strategies.

Provided, however, the Transportation Commission may transfer such amounts between Strategies as necessary to fund emergency expenditures which includes periods of cash flow shortages as certified by the Governor and after filing a copy of this certification with the Legislative Budget Board.

4. **Public Transportation Financing.** Funds appropriated above to Strategy A.1.7., Public Transportation include \$24,535,000 for the biennium from General Revenue Consolidated Funds and \$17,665,000 in General Revenue. Of such funds, \$20,800,000 shall be allocated to Section 18 rural transportation contractors and \$5,200,000 shall be allocated to Section 09 urban public transportation contractors, and shall be exempt from the formula and matching provisions provided by V.A.C.S., 6663c, Seventy-first Legislature or similar legislation.

If the sum of federal appropriations allocable to Texas in state fiscal years 1996 and 1997 exceed \$16,180,000 for Section 18 Transportation Systems or \$36,000,000 for Section 09 Transportation Systems, appropriations from the General Revenue or General Revenue-Consolidated funds to Strategy A.1.7., Public Transportation shall be reduced by the Comptroller by the amount of the excess federal appropriations.

None of the General Revenue or General Revenue-Consolidated funds appropriated to Strategy A.1.7. may be applied for new starts or expansions after September 1, 1996.

5. **Federal Public Transportation Funds.** It is the intent of the legislature that no federal funds appropriated to the state for public transportation, for areas with populations under 200,000, shall be eligible for transfer for the purposes of highways and highway construction related activities.

6. **Magazine Appropriations.** The Department of Transportation Commission is directed to set subscription rates and other charges for Texas Highways Magazine at a level that will generate receipts approximately sufficient to cover the costs incurred in the production and distribution of the magazine. In addition to funds appropriated above, the department is hereby appropriated to Strategy A.3.1., Travel Information, any magazine revenues generated above \$5,462,595 for the 1996 fiscal year and \$5,531,301 for the 1997 fiscal year. Funds may be utilized only for the purpose of magazine costs. The Department of Transportation

DEPARTMENT OF TRANSPORTATION
(Continued)

may transfer to Strategy A.3.1., from revenue available from prior years subscription fees, in the event of unforeseen or unusual expenditures associated with the production costs of the Texas Highways Magazine. The Department of Transportation is hereby appropriated all revenue collected from the sale of promotional items as authorized by V.A.C.S., Article 6144e.

7. **Road Utility District Provision.** The Comptroller of Public Accounts is authorized to transfer to State Highway Fund No. 006 all receipts deposited in the General Revenue Fund pursuant to V.T.C.S., Art. 6674r-1. Such funds are hereby appropriated for the biennium beginning with the effective date of this act for the purpose of defraying the costs of hearing and processing Road Utility District petitions. Any balance remaining after defraying such costs may be used by the department for the maintenance and construction of highways.
8. **Hourly Wage Rates.** The Department of Transportation Commission is expressly authorized to determine the wage rates paid to hourly employees subject to the qualifications provided hereinafter; provided, however, that it is the intent of the Legislature that the commission, in carrying out its employee compensation policy, shall provide for a merit wage increase program for the department's hourly paid employees comparable to that authorized for its classified employees as provided by the General Provisions of this Act. It is provided further that it is the intent of the Legislature that such merit wage increase program for hourly paid employees be administered uniformly throughout the department, statewide, and as between administrative districts, and not be superseded by district administrative policy interpretation. In expending the funds appropriated herein, the department may award merit raises in varying amounts according to the nature of work performed or the job title held, provided such merit raises do not exceed the top step for a particular job as determined by the Department.
9. **Holiday Pay Provision.** Notwithstanding other provisions of this bill, the Department of Transportation is authorized to grant compensatory time off or to pay hourly employees for work performed on official state holidays in addition to any applicable holiday pay.
10. **Compensatory Pay Provision.** In order to operate in the most economical manner, when inclement weather or other circumstances beyond the control of the Department prevent construction or maintenance employees from performing their normal duties, the Department of Transportation is authorized to grant such employees time off with pay with the hours charged to the Compensatory Time Taken Account, provided that such advanced time must be repaid by the employee at a time, and in the most appropriate manner as determined by the Department within the following twelve months or at termination, whichever is sooner.
11. **Stand by Pay.** It is expressly provided that the Department of Transportation, to the extent permitted by law, may pay compensation for on-call time at the following rates: credit for 1 hour worked per day on-call during the normal work week, and 2 hours worked per day on-call during weekends and holidays; this credit would be in addition to actual hours worked during normal duty hours or while on-call. Nonexempt employees who work a normal 40 hour work week, and also work on-call duty, will receive FLSA overtime rates for the on-call duty.
12. **Pay for Regular Compensatory Time.** It is expressly provided that the Department of Transportation, to the extent permitted by law, may pay FLSA exempt and FLSA nonexempt employees on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions.
13. **Underwater Bridge Inspections.** To more adequately compensate employees who perform hazardous duties for the state, the Department of Transportation is authorized to compensate

DEPARTMENT OF TRANSPORTATION
(Continued)

employees who perform underwater bridge inspections an additional rate of pay of up to seven dollars and fifty cents per hour for actual time spent performing underwater bridge inspections.

14. **Equal Employment.** To the maximum extent feasible, the Department shall implement its Equal Employment Opportunity Plan to hire and promote qualified minority employees into vacant supervisory and management positions.
15. **Clothing Allowance.** From the funds appropriated above the Department of Transportation is hereby authorized to pay a clothing allowance of \$500 per person per year for required uniforms to travel counselors and tourist bureau supervisors employed by the department.
16. **Workers' Compensation Insurance.** Any necessary amounts appropriated above may be used to pay all expenses as authorized by V.T.C.S., Art. 6674s. The department is expressly authorized to employ a sufficient number of employees necessary to carry out the terms and provisions of said Act.
17. **Limitation on Residences.** None of the funds appropriated hereinabove may be expended for the purchase, construction, or maintenance of residences for employees of the Department of Transportation except maintenance camps in isolated areas and bridge tenders' buildings.
18. **Court Costs.** Any necessary amounts appropriated above may be used by the Department of Transportation to pay refunds authorized by law, and to pay court costs in suits involving the Department of Transportation. Such costs shall include payments for judgments, settlements, and other costs associated with right-of-way acquisition and inverse condemnation.
19. **License Plate Contracts.** Any necessary amounts appropriated above may be used by the Department of Transportation to reimburse the Department of Criminal Justice for the cost of manufacturing motor vehicle license plates, and the Department of Criminal Justice shall be reimbursed as license plates are delivered and invoices are rendered to the department. At the time manufacture is started, the General Services Commission shall fix a price to be paid per license plate, and shall use as the basis for such price the costs of steel, paints and other material purchased, and the inmate maintenance cost per day, and overhead expense, and miscellaneous charges, and the amount of profit previously approved for such work.
20. **License Plate Appropriation Balances.** Any unobligated balance of the appropriation remaining after the first year of the biennium for Strategy A.1.10., Registration and Titling, above which is intended for the purchase of vehicle license plates and vehicle registration validation stickers, may be used for the same purpose during the second year of the biennium.
21. **Payment of Fuel Taxes.** The Department of Transportation is authorized to pay directly to the Comptroller of Public Accounts, out of funds appropriated for operations and maintenance, any fuel taxes as required by law.
22. **Internal Audit.** The Department of Transportation shall maintain an internal auditing program in compliance with the provisions the Texas Internal Auditing Act, which shall incorporate, at a minimum, the assignment of an internal auditor at each district office and within each division of the Department. Each internal auditor assigned pursuant to this provision shall report either directly to the Commissioners of the Department of Transportation or to the internal auditor appointed pursuant to Section 2102.006, Government Code.

DEPARTMENT OF TRANSPORTATION
(Continued)

An internal auditor whose duty station is assigned pursuant to this provision may consider suggestions from a District Engineer in developing proposals for the Department's annual audit plan.

23. **Non-dedicated Revenues.** The Legislature hereby determines that all programs statutorily under the jurisdiction of the Department of Transportation result in the improvement of the state highway system as specified in Article 6674e, V.A.C.S. Therefore, it is the intent of the Legislature that non-constitutionally dedicated revenues to State Highway Fund No. 006 may be utilized to finance any program statutorily under the jurisdiction of the Department of Transportation. Non-constitutionally dedicated revenues may be expended for departmental purposes which are not authorized for constitutionally dedicated revenues.
24. **Minimum Wage Contracts.** In contracting for maintenance and construction contract work with the private sector, the Department of Transportation shall require that contractors and subcontractors are paying all employees and contract labor at a rate at least equal to the federal minimum wage. The department shall withhold payments to contractors until their contractual obligations for paying employees and the contract labor have been fulfilled.
25. **Gross Weight and Axle Weight Fees.** Amounts collected from gross weight and axle weight fees are appropriated for distribution to counties as provided in Article 6701d-11, Section 5B, Vernon's Texas Civil Statutes. All unexpended balances as of August 31, 1995 and all revenue received during the 1996-97 biennium are appropriated.
26. **Free Trade Agreement and International Trade.** The Department of Transportation shall review its proposed highway projects annually to determine whether an adequate number of highways are planned to meet the projected volume of highway traffic resulting from a free trade agreement with Mexico and increased international trade. The department shall reassign priorities to its projects in accordance with the review. In accordance with V.T.C.S., Article 6673j-1, the department shall report to the legislature on the ability of the state highway system to handle the projected volume of highway traffic resulting from a free trade agreement with Mexico and increased international trade.
27. **Appropriation of Loan Fund Balances.** Balances in and revenues accruing to the department's special aviation loan fund are hereby appropriated for the same purpose for the biennium beginning September 1, 1995.
28. **Appropriation: Grant Funds.** Any balances remaining as of August 31, 1995, of appropriations made to the department for airport development grants in Senate Bill No. 5, Acts of the Seventy-third Legislature, Regular Session, 1993, are reappropriated for the same purpose for the biennium beginning September 1, 1995.
29. **Transportation Fee Rates.** The Texas Department of Transportation shall adopt rules providing for the following transportation fees at the rates specified to defray a portion of the state's cost of registering "For Hire" Ground Transportation:

Vehicle Registration Fee	\$ 10.00
Specialized Motor Carrier	\$100.00
Insurance Filing Fee, per carrier	\$100.00
International Stamps, per trip/per vehicle	\$ 10.00

All fee collections are to be deposited into the General Revenue Fund-Consolidated.

30. **International Stamp Fees.** It is the intent of the Legislature that the Texas Department of Transportation shall collect the International Stamp Fees specified in Rider No. 29 above in a

DEPARTMENT OF TRANSPORTATION
(Continued)

uniform, consistent and equitable manner at all points of entry along the Texas and Mexico border. All fee collections are to be deposited in the General Revenue Fund-Consolidated.

Only if an insurance agent elects to file evidence of a master liability policy under which temporary insurance policies are issued, or to issue temporary insurance, may the Department require an insurance agent to obtain international registration stamps as provided by Department rules.

31. **Appropriation: Motor Carrier Audit Fees.** The Texas Department of Transportation, under the provisions of V.T.C.A., Article 911b, Sec. 19 (as amended), may bill out-of-state trucking firms for all expenses relative to conducting motor carrier registration and insurance compliance audits. All audit proceeds are hereby appropriated to the Texas Department of Transportation and may be expended for the associated expenses in conducting audits. Employees performing out of state audits are authorized actual reimbursement of travel expenses.
32. **Appropriation: Tow Truck Registration.** Out of the funds appropriated above in Strategy A.1.10. Registration and Titling and pursuant to V.T.C.A., 6687-9b (as amended), \$310,000 in fiscal year 1996 and \$310,000 in fiscal year 1997, from appropriated receipts, shall be used for the administration of the tow truck registration program. These appropriations are in addition to appropriations made above and shall be out of additional fee receipts collected and deposited into the General Revenue Fund-Consolidated.
33. **Coordination of Tourism and Travel Promotion.** It is the intent of the Legislature that state spending for travel and tourism promotion be coordinated. Prior to December 1, 1995, the Texas Department of Commerce, The Texas Parks and Wildlife Department and the Texas Department of Transportation shall enter into a memorandum of understanding which details the travel and tourism promotion objectives of each agency and which provides for interagency coordination and support in the achievement of the objectives.
34. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Article 6552-33, reimbursement of expenses for advisory committee members, out of the funds appropriated above, is limited to the following advisory committees:
 - Environmental Rules Advisory Committee
 - Bicycle Advisory Committee
 - Aviation Advisory Committee
 - Public Transportation Advisory Committee
35. **Aviation Airport Development Funding Study.** The Department of Transportation, in coordination with the Legislative Budget Board, shall study, including a scrutiny of existing appropriations, and develop a funding mechanism which will provide sufficient revenue to offset the decline in federal funds for aviation airport development. The study findings, along with a proposed schedule of reasonable and equitable funding, shall be submitted to the Seventy-fifth Legislature no later than January 10, 1997.
36. **Automobile Theft Prevention Reimbursement.** The Department of Transportation shall be reimbursed by the Automobile Theft Prevention Authority for providing staffing assistance and related administrative services as necessary for the effective operation of the Automobile Theft Prevention Authority. Staff for this program shall not exceed five full-time equivalent positions above and beyond the Department of Transportation allocation.
37. **Special Funds Balance.** In addition to funds appropriated above, any funds remaining as of August 31, 1995 in the department's special fund Aviation Trust Fund No. 525, are hereby

DEPARTMENT OF TRANSPORTATION
(Continued)

appropriated for the same purpose for the biennium beginning with the effective date of this act.

38. **Contingency Appropriation, Senate Bill 3.** Contingent upon passage of Senate Bill 3, Seventy-fourth Legislature, Regular Session, or other similar legislation, \$2.3 million in fiscal year 1996 and 1.2 million in fiscal year 1997 is hereby appropriated from the General Revenue Fund-Consolidated. In addition, the Department is authorized to employ up to 40 additional employees to carry out the added responsibilities of the Act. It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized in Senate Bill 3 and generated by the agency cover, at a minimum, the cost of the appropriations made including employee matching costs and any other direct operating costs. In the event that actual and/or projected revenue collections are insufficient to offset agency costs, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.
39. **Tourist Bureau.** The Department of Transportation shall conduct a feasibility study, to be completed by September 1996, on the need for a tourist bureau on State Highway 21 across from the Louisiana state line in the immediate vicinity of Toledo Bend.
40. **Contingency Appropriation, Leasing Industry Licensing and Enforcement.** Contingent upon the enactment of H.B. 1571 of the Seventy-fourth Legislature, or similar legislation, the Department of Transportation is hereby appropriated in addition to funds appropriated above in Strategy A.1.11, Vehicle Dealer Regulation, the license fees and penalties collected from lessors and lease facilitators. The collected funds will be deposited in the State Highway Fund No. 006 and the number of positions (FTEs) appropriated above is increased by five.
41. **Contingency Appropriation, General Distinguishing Number Licensing and Enforcement.** Contingent upon the enactment of H.B. 2586 or S.B. 1139 of the Seventy-fourth Legislature, or similar legislation, the Department of Transportation is hereby appropriated in addition to funds appropriated above in Strategy A.1.11, Vehicle Dealer Regulation, the license fees and penalties collected under the terms of Articles 6686 and 4413 (36), V.T.C.S., (as amended). The collected funds will be deposited in the State Highway Fund No. 006 and the number of positions (FTEs) appropriated above is increased by thirty.
42. **County Roads.** From monies appropriated, the Texas Department of Transportation shall assist counties with materials on hand to repair county roads that are damaged as a result of legally permitted overweight truck traffic (2060 permits):
 - (1) The total cost of assistance including administrative costs shall not exceed 12 million dollars.
 - (2) Maximum usage will be made of surplus materials on hand.
 - (3) The Texas Department of Transportation shall develop the rules and procedures in order to implement this rider and to ensure equitable distribution of these funds.
 - (4) The Texas Department of Transportation shall report to the Legislative Budget Board prior to December 1, 1996 concerning the outcomes of this rider.
 - (5) The department will undertake cooperative and joint procurement of road materials with the counties under General Services Commission procedures.

DEPARTMENT OF TRANSPORTATION
(Continued)

43. **Transfer of Land.** It is the intent of the Legislature that the Texas Department of Transportation transfer the beneficial use of their parcel of land, in Del Rio at the intersection of Highway 90 and Cantu Road, to the Texas Department of Public Safety. The Department of Public Safety may utilize the parcel of land to build its area office.
44. **Contingency Appropriation for Senate Bill 832.** Contingent upon final passage of Senate Bill 832, or similar legislation, Seventy-fourth Legislature, Regular Session, there is hereby appropriated from the General Revenue Fund, any amounts received into general revenue from the sale of Olympic license plates, to be paid to the Texas Department of Transportation, and to be dispersed by the department according to the provisions laid out in Senate Bill 832.

Retirement and Group Insurance

	For the Years Ending	
	August 31, 1996	August 31, 1997
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS	\$ 34,754,645	\$ 35,796,928
Provide an actuarially sound level of funding as defined by state law; estimated		
A.1.2. Strategy: GROUP INSURANCE	\$ 89,125,687	\$ 90,046,969
Provide a basic health care and life insurance program for general state employees; estimated		
 Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	 \$ 123,880,332	 \$ 125,843,897
 Grand Total, RETIREMENT AND GROUP INSURANCE	 \$ 123,880,332	 \$ 125,843,897
 Method of Financing:		
General Revenue Fund, estimated	\$ 1,152,453	\$ 1,170,080
General Revenue Fund - Consolidated, estimated	1,686,184	1,710,336
General Revenue Fund - Dedicated, estimated	1,139,545	1,154,301
State Highway Fund No. 006, estimated	93,649,383	95,160,060
Federal Funds, estimated	26,249,507	26,645,817
Other Special State Funds, estimated	3,260	3,303
 Total, Method of Financing	 \$ 123,880,332	 \$ 125,843,897

Social Security

	For the Years Ending	
	August 31, 1996	August 31, 1997
A. Goal: COMPTRROLLER - SOCIAL SECURITY		
A.1.1. Strategy: STATE MATCH -- EMPLOYER Provide an employer match for Social Security contributions; estimated	\$ 45,875,734	\$ 47,251,552
A.1.2. Strategy: STATE MATCH -- EMPLOYEE Provide the state's contribution for the employee's share for Social Security; estimated	\$ 20,402,158	\$ 20,402,158
 Total, Goal A: COMPTRROLLER - SOCIAL SECURITY	 \$ 66,277,892	 \$ 67,653,710
 Grand Total, SOCIAL SECURITY	 \$ 66,277,892	 \$ 67,653,710
 Method of Financing:		
General Revenue Fund, estimated	\$ 828,123	\$ 845,958
General Revenue Fund - Consolidated, estimated	1,024,217	1,045,096
General Revenue Fund - Dedicated, estimated	866,197	884,489
State Highway Fund No. 006, estimated	47,561,524	48,547,252
Federal Funds, estimated	15,995,102	16,328,124
Other Special State Funds, estimated	2,729	2,791
 Total, Method of Financing	 \$ 66,277,892	 \$ 67,653,710

Lease Payments

	For the Years Ending	
	August 31, 1996	August 31, 1997
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.	\$ 194,374	\$ 194,423
 Grand Total, LEASE PAYMENTS	 \$ 194,374	 \$ 194,423

**RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(General Revenue)**

	For the Years Ending	
	August 31, 1996	August 31, 1997
Aerospace Commission, Texas	\$ 200,000	\$ 200,000
Commerce, Texas Department of	20,699,676	22,172,070
Employment Commission, Texas		
Reimbursement to the Unemployment Compensation Benefit Account		
Housing and Community Affairs, Department of	4,354,293	3,559,130
Lottery Commission	2,726,423	2,726,423
Transportation, Texas Department of	17,865,000	200,000
Rider Appropriations	<u>70,000</u>	
Total	<u>17,935,000</u>	<u>200,000</u>
Subtotal, Business and Economic Development	<u>\$ 45,915,392</u>	<u>\$ 28,857,623</u>
Retirement and Group Insurance	1,152,453	1,170,080
Social Security	<u>828,123</u>	<u>845,958</u>
Subtotal, Employee Benefits	<u>\$ 1,980,576</u>	<u>\$ 2,016,038</u>
Lease Payments	<u>194,374</u>	<u>194,423</u>
TOTAL, ARTICLE VII - Business and Economic Development	<u>\$ 48,090,342</u>	<u>\$ 31,068,084</u>

**RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(General Revenue - Consolidated)**

	For the Years Ending	
	August 31, 1996	August 31, 1997
Aerospace Commission, Texas	\$	\$
Commerce, Texas Department of Contingency Appropriations	2,421,800 <u>440,000</u>	2,329,433 <u>2,329,433</u>
Total	<u>2,861,800</u>	<u>2,329,433</u>
Employment Commission, Texas Contingency Appropriations	4,486,500 <u>540,000</u>	3,829,496 <u>540,000</u>
Total	<u>5,026,500</u>	<u>4,369,496</u>
Reimbursement to the Unemployment Compensation Benefit Account	2,475,000	2,475,000
Housing and Community Affairs, Department of Lottery Commission	1,363,746	1,333,102
Transportation, Texas Department of Rider Appropriations	25,624,032 125,000	2,374,932
Contingency Appropriations	<u>2,300,000</u>	<u>1,200,000</u>
Total	<u>28,049,032</u>	<u>3,574,932</u>
Subtotal, Business and Economic Development	<u>\$ 39,776,078</u>	<u>\$ 14,081,963</u>
Retirement and Group Insurance Social Security	1,686,184 <u>1,024,217</u>	1,710,336 <u>1,045,096</u>
Subtotal, Employee Benefits	<u>\$ 2,710,401</u>	<u>\$ 2,755,432</u>
Lease Payments	<u> </u>	<u> </u>
TOTAL, ARTICLE VII - Business and Economic Development	<u>\$ 42,486,479</u>	<u>\$ 16,837,395</u>

**RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(Federal Funds)**

	For the Years Ending	
	August 31, 1996	August 31, 1997
	<u> </u>	<u> </u>
Aerospace Commission, Texas	\$	\$
Commerce, Texas Department of	279,971,639	281,661,320
Employment Commission, Texas	185,080,498	185,376,643
Reimbursement to the Unemployment Compensation Benefit Account		
Housing and Community Affairs, Department of	175,139,720	172,379,624
Lottery Commission		
Transportation, Texas Department of	<u>1,315,221,406</u>	<u>1,295,825,481</u>
Subtotal, Business and Economic Development	<u>\$ 1,955,413,263</u>	<u>\$ 1,935,243,068</u>
Retirement and Group Insurance	26,249,507	26,645,817
Social Security	<u>15,995,102</u>	<u>16,328,124</u>
Subtotal, Employee Benefits	<u>\$ 42,244,609</u>	<u>\$ 42,973,941</u>
Lease Payments	<u> </u>	<u> </u>
TOTAL, ARTICLE VII - Business and Economic Development	<u>\$ 1,997,657,872</u>	<u>\$ 1,978,217,009</u>

**RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(Other Funds)**

	For the Years Ending	
	August 31, 1996	August 31, 1997
	<u> </u>	<u> </u>
Aerospace Commission, Texas	\$ 2,813	\$ 2,812
Commerce, Texas Department of	29,876,303	29,550,361
Employment Commission, Texas	55,720,712	56,773,987
Reimbursement to the Unemployment Compensation Benefit Account	2,025,000	2,025,000
Housing and Community Affairs, Department of	5,975,567	5,733,161
Lottery Commission	270,000,000	270,000,000
Transportation, Texas Department of	1,829,014,933	1,828,024,875
Contingency Appropriations	2,528,825	2,483,392
Total	<u>1,831,543,758</u>	<u>1,830,508,267</u>
Subtotal, Business and Economic Development	<u>\$ 2,195,144,153</u>	<u>\$ 2,194,593,588</u>
Retirement and Group Insurance	94,792,188	96,317,664
Social Security	<u>48,430,450</u>	<u>49,434,532</u>
Subtotal, Employee Benefits	<u>\$ 143,222,638</u>	<u>\$ 145,752,196</u>
Lease Payments	<u> </u>	<u> </u>
TOTAL, ARTICLE VII - Business and Economic Development	<u>\$ 2,338,366,791</u>	<u>\$ 2,340,345,784</u>

**RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(All Funds)**

	For the Years Ending	
	August 31, 1996	August 31, 1997
Aerospace Commission, Texas	\$ 202,813	\$ 202,812
Commerce, Texas Department of Contingency Appropriations	332,969,418	335,713,184
Total	333,409,418	335,713,184
Employment Commission, Texas Contingency Appropriations	245,287,710	245,980,126
Total	245,827,710	246,520,126
Reimbursement to the Unemployment Compensation Benefit Account	4,500,000	4,500,000
Housing and Community Affairs, Department of Lottery Commission	186,833,326	183,005,017
	272,726,423	272,726,423
Transportation, Texas Department of Rider Appropriations	3,187,725,371	3,126,425,288
Contingency Appropriations	195,000	
Total	4,828,825	3,683,392
	3,192,749,196	3,130,108,680
Subtotal, Business and Economic Development	\$ 4,236,248,886	\$ 4,172,776,242
Retirement and Group Insurance Social Security	123,880,332	125,843,897
	66,277,892	67,653,710
Subtotal, Employee Benefits	\$ 190,158,224	\$ 193,497,607
Lease Payments	194,374	194,423
TOTAL, ARTICLE VII - Business and Economic Development	\$ 4,426,601,484	\$ 4,366,468,272
Number of Positions (FTE)	20,775.0	20,325.0