

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, 2000	August 31, 2001
	<u> </u>	<u> </u>
A. Goal: EXPAND AEROSPACE INDUSTRY		
Maintain and expand aerospace industry resources, investment and jobs while enhancing business and public awareness and recognition of the space and aviation industries and their benefit to the people and economy of Texas.		
Outcome (Results/Impact):		
Number of New Jobs Announced in the Aerospace Industry in Texas Attributed to the Activities of the Texas Aerospace Commission	1,100	1,200
Number of Newly Created or Expanded Aerospace Facilities Announced in Texas Attributed to the Activities of the Texas Aerospace Commission	12	13
 A.1.1. Strategy: ATTRACT AEROSPACE INDUSTRY	\$ 211,880	\$ 211,880
Work with industry, government and academe to attract aspects of space and aviation industry to Texas and to implement a plan to enhance the recognition of the industry in Texas.		
Output (Volume):		
Number of Business Opportunities Pursued	4	5
Number of Joint Projects with Other Entities	4	5
Number of Information Projects Completed	4	5
Efficiencies:		
Average Cost Per New Job Announced in the Aerospace Industry in Texas Attributed to the Activities of the Texas Aerospace Commission	190	175
Average Cost per \$1,000 in Value of Newly Created or Expanded Aerospace Facilities Announced in Texas Attributed to the Activities of the Texas Aerospace Commission	249	219
Explanatory:		
Number of Contacts with Industry and Government Entities to Affect Decisions to Base Aerospace Business Activity in Texas	220	250
 Grand Total, TEXAS AEROSPACE COMMISSION	<u>\$ 211,880</u>	<u>\$ 211,880</u>
 Method of Financing:		
General Revenue Fund	\$ 201,880	\$ 201,880
Appropriated Receipts	<u>10,000</u>	<u>10,000</u>
 Total, Method of Financing	<u>\$ 211,880</u>	<u>\$ 211,880</u>

TEXAS AEROSPACE COMMISSION
(Continued)

Number of Full-time Equivalent Positions (FTE)	3.0	3.0
Schedule of Exempt Positions		
Executive Director, Group 3	\$75,000	\$75,000

1. **Unexpended Balances.** Any balances on hand as of August 31, 1999 are hereby reappropriated to the Aerospace Commission for the fiscal year beginning September 1, 1999, for the purpose specified. In addition, any balances on hand as of August 31, 2000 are hereby reappropriated to the Aerospace Commission for the fiscal year beginning September 1, 2000, for the purpose specified.
2. **Appropriation of Aerospace Commission License Plate Fees.** The General Revenue Fund amounts appropriated above include an estimated \$10,000 each year of the biennium from the sale of Aerospace Commission license plates and are appropriated contingent on receipt from these sales. All fees deposited in the General Revenue Fund as authorized by V.T.C.A., Transportation Code Section 502.271 in excess of \$10,000 per year are hereby appropriated for the 2000-01 biennium for the economic development of the aerospace industry consistent with the provisions of V.T.C.A., Government Code, Section 482.003.

TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT

	For the Years Ending	
	August 31, 2000	August 31, 2001
A. Goal: BUSINESS DEVELOPMENT		
To improve the state's economy by assisting businesses and communities to be globally competitive while strengthening the state as an economic region in a worldwide marketplace.		
Outcome (Results/Impact):		
Number of Job Opportunities Announced by Businesses That Receive TDED Assistance	32,870	35,457
Number of Actual Jobs Created by Businesses That Receive TDED Assistance	16,435	17,729
Percent of Available Empowerment Zone and Enterprise Community (EZ/EC) Grant Funds Drawn	82%	92%
Percent of Rural Communities Assisted by TDED and/or TDA	26%	27%
Percent Increase in Completed Information Assists to Customers	10%	9%
 A.1.1. Strategy: ASSIST BUSINESSES	 \$ 43,641,723	 \$ 6,724,820
Assist businesses to create and retain jobs by increasing productivity, developing worker skills, diversifying their customer bases and accessing financing.		
Output (Volume):		
Number of Smart Jobs Participants Trained for New Jobs	15,000	17,000
Efficiencies:		
Average Cost per Smart Jobs Trainee Served	1,265	1,265
 A.1.2. Strategy: INTERNATIONAL BUSINESS	 \$ 990,267	 \$ 990,267
Assist Texas businesses in developing international markets and partners.		

TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT
(Continued)

Output (Volume):

Number of International Trade Leads Generated Through TDED-Sponsored Activities	6,000	6,500
A.1.3. Strategy: MARKET TEXAS BUSINESSES Market Texas to expand opportunities for Texas businesses in the U.S. or recruit U.S. businesses to Texas.	\$ 522,974	\$ 522,974
Output (Volume): Number of Businesses Developed as Expansion/Recruitment Prospects	420	430
A.2.1. Strategy: COMMUNITY ASSISTANCE Provide economic development assistance to small businesses and communities to enhance their ability to compete globally for jobs and investment.	\$ 399,783	\$ 399,783
Output (Volume): Number of Rural Communities Assisted by TDED and/or TDA	494	513
Rural Development Activities and Events Held by TDA and/or TDED	20	22
Small Business Development Activities and Events	110	120
A.2.2. Strategy: DEFENSE DEPENDENT COMMUNITIES Provide economic development assistance to defense dependent communities.	\$ 1,000,000	\$ U.B.
A.3.1. Strategy: COLLECT DATA To collect economic and demographic data and to develop useful research, data, and information products that drive economic development and investment decisions in the state.	<u>\$ 815,352</u>	<u>\$ 815,352</u>
Output (Volume): Number of User Sessions Where Procurement Information is Sought or Posted Through the Texas Marketplace System	484,000	530,000
Total, Goal A: BUSINESS DEVELOPMENT	<u>\$ 47,370,099</u>	<u>\$ 9,453,196</u>

B. Goal: TOURISM

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

Outcome (Results/Impact):

Expenditures by Travelers in Texas Resulting From TDED Advertising (billions)	4.7	4.8
Number of Domestic Leisure Travelers to Texas (millions)	104.7	105.4
B.1.1. Strategy: TEXAS TRAVEL PROMOTION Advertise and promote Texas as a travel destination in selected national and international markets.	\$ 18,069,155	\$ 19,052,909
Output (Volume): Number of Consumer Inquiries in Response to Advertising	1,200,000	1,210,000
B.1.2. Strategy: TRAVEL INFO & SERVICES Provide travel information and services that enhance tourism development in Texas.	<u>\$ 669,469</u>	<u>\$ 702,713</u>
Total, Goal B: TOURISM	<u>\$ 18,738,624</u>	<u>\$ 19,755,622</u>

TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT
(Continued)

C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 1,871,655	\$ 1,573,154
C.1.2. Strategy: INFORMATION RESOURCE TECHNOLOGIES	\$ 391,887	\$ 329,661
C.1.3. Strategy: OPERATING/SUPPORT	<u>\$ 375,279</u>	<u>\$ 274,634</u>
Total, Goal C: INDIRECT ADMINISTRATION	<u>\$ 2,638,821</u>	<u>\$ 2,177,449</u>
Grand Total, TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT	<u><u>\$ 68,747,544</u></u>	<u><u>\$ 31,386,267</u></u>

Method of Financing:		
General Revenue Fund	\$ 4,946,879	\$ 3,946,880
Earned Federal Funds	440,850	440,850
General Revenue Fund - Hotel Occupancy Tax Deposits Account No. 5003	<u>19,216,000</u>	<u>20,228,000</u>
Subtotal, General Revenue	<u>\$ 24,603,729</u>	<u>\$ 24,615,730</u>
General Revenue Fund - Dedicated - Capital Access Account No. 5035	5,248,836	349,612
Department of Commerce Federal Fund No. 596	9,141,357	5,579,610
Appropriated Receipts	387,595	392,595
Interagency Contracts	398,720	398,720
Texas Leverage Program Fund No. 851	50,000	50,000
Smart Jobs Fund No. 891	<u>28,917,307</u>	<u> </u>
Total, Method of Financing	<u><u>\$ 68,747,544</u></u>	<u><u>\$ 31,386,267</u></u>

Number of Full-time Equivalent Positions (FTE)	178.5	156.5
Number of FTEs in Riders		22.0

Schedule of Exempt Positions		
Executive Director, Group 4	\$112,352	\$112,352

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

	<u>2000</u>	<u>2001</u>
a. Acquisition of Information Resource Technologies		
(1) Acquisition of computer equipment, electronic presentation equipment, and a macroeconomic forecasting model	<u>\$ 90,593</u>	<u>\$ 74,093</u>

TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT
(Continued)

Method of Financing (Capital Budget):

General Revenue Fund	\$	39,100	\$	34,500
Appropriated Receipts		16,093		16,093
Smart Jobs Fund		11,900		
General Revenue Fund - Hotel Occupancy Tax Deposits Account		23,500		23,500
Total, Method of Financing	\$	90,593	\$	74,093

2. **Appropriation: Texas Leverage Program Fund.** All balances on hand on August 31, 1999, estimated to be \$1,735,000, interest paid, investment earnings, and fees received in the Texas Leverage Program Fund No. 851 during the 2000-01 biennium, are hereby appropriated to the Department of Economic Development for the biennium beginning September 1, 1999, for the purposes of implementation and administration of Chapter 481, Government Code relating to business development (estimated to be \$1,599,000 for 2000 and 2001).

3. **Appropriation: Fees.** All fees that the Texas Department of Economic Development is authorized to collect are hereby appropriated for the specific purpose named in statute for the biennium beginning September 1, 1999.

4. **Appropriation: Texas Small Business Industrial Development Corporation.** The Texas Department of Economic Development 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, 2000 and January 1, 2001. 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 2000-01 biennium to be used to finance activities of Strategy A.1.1., Assist Businesses. Any net earnings in excess of \$150,000 for the 2000-01 biennium shall be deposited into the General Revenue Fund and 25 percent of that amount over \$150,000 is appropriated to Strategy A.1.1., Assist Businesses of the Department of Economic Development for administration of small and minority business finance programs.

5. **Administration: Foreign Offices.**
 - a. It is the intent of the Legislature that the Texas Department of Economic Development 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 Canada, Europe, the Pacific Rim, and Latin America coinciding with market opportunities for Texas business. The offices shall be named the "State of Texas Office" and their services shall be available to other state agencies through interagency contracts. Foreign office trade investment and tourism development efforts, as well as location of the offices, shall be based on analysis of the current world market opportunities. The department shall expend funds for the Mexico offices out of any funds available, but shall not expend any funds appropriated under this Act for any office or staff at any other foreign offices established by the department. The department may seek and use alternative funding sources other than funds appropriated under this Act for offices in locations other than Mexico City.

 - b. The Department of Economic Development shall maintain a tracking system that documents the direct benefits that result from the operation of each 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 each 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, the results of each contact, and expenditures by each office. The report shall also contain the name of

TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT
(Continued)

each Texas community assisted, and information regarding the nature and results of the assistance. Each report shall be submitted within 60 days of the end of each quarter, and must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.

6. **Appropriation: Dedicated Hotel/Motel Tax Revenue.** Any unexpended balances as of August 31, 2000 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 2001 for the same purposes.
7. **Appropriation: Licensing and Merchandising Fees.** All fees that the Texas Department of Economic Development Tourism Division is authorized to collect pursuant to Texas Government Code, Section 481.021 (a) (7), estimated to be \$37,000 per year, are hereby appropriated to the department for the biennium beginning September 1, 1999, to be used for tourism advertising and marketing activities of the department.
8. **Coordination of Tourism and Travel Promotion.** It is the intent of the Legislature that the Texas Commission on the Arts, the Texas Historical Commission, the Texas Department of Economic Development, the Texas Department of Parks and Wildlife, and the Texas Department of Transportation coordinate their efforts and spending related to tourism and travel promotion. These agencies shall develop, maintain, and adhere to a memorandum of understanding that details the specific travel and tourism promotion objectives and responsibilities of each agency and continues to provide interagency coordination and support to achieve the objectives.
9. **Transfer: Promotion of Historical Sites.** From the amounts appropriated above in Strategy B.1.1., Texas Travel Promotion, the Texas Department of Economic Development, pursuant to Texas, Government Code, Chapter 481.172, shall transfer \$300,000 during the biennium beginning September 1, 1999 to the Texas Historical Commission to encourage travel to the state's historical attractions.
10. **Contingency Appropriation: Business Assistance Programs.** The Texas Department of Economic Development is hereby appropriated out of the Rural Economic Development Account 425 an amount not to exceed \$300,000 for the biennium beginning September 1, 1999, for the purpose of honoring guaranties against defaults for the Rural Economic Development Program.

None of the funds appropriated above may be expended by the Department of Economic Development unless the Department of Economic Development 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.
11. **Defense Infrastructure Support.** It is the intent of the Legislature that the Department of Economic Development prepare an annual Master Plan of how the department shall support the defense infrastructure of the Texas economy. The plan shall contain at a minimum, information detailing the department's proactive strategy for providing support to the Texas defense industry, how the strategy will be implemented, what results shall be achieved and how shall the results be measured and evaluated. The plan shall be made available to the Legislature at the beginning of each fiscal year. In addition, the department shall prepare a quarterly statement detailing the economic impact of the defense industry (military and civilian) on the Texas economy.
12. **Unexpended Balances, Smart Jobs Fund.** In addition to the funds appropriated above, any balances up to \$25,000,000 remaining in the Smart Jobs Fund No. 0891 established by Texas, Government Code, Section 481.154 are hereby appropriated for the fiscal year beginning

TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT
(Continued)

September 1, 1999, for the purposes of implementation and administration of the Smart Jobs Fund.

13. **Appropriation: Capital Access Account 5035.** In addition to the funds appropriated above, all interest paid on money in the account, fees received during the 2000-01 biennium and all authorized earning from unexpended balances in the account, as authorized by V.T.C.A., Government Code, Section 481.402, estimated to be \$176,552 during 2000 and 2001, are hereby appropriated to the Department of Economic Development for the purposes of implementation and administration of the Capital Access Program.
14. **Contingency Appropriation: Senate Bill 45/House Bill 3657.** Contingent upon enactment of Senate Bill 45, House Bill 3657, or similar legislation reauthorizing the Smart Jobs Program, the Department of Economic Development is hereby appropriated \$28,917,305 in fiscal year 2001 from the Smart Jobs Fund No. 891. Also contingent upon enactment of Senate Bill 45, House Bill 3657, or similar legislation, any balances up to \$25,000,000 remaining in the Smart Jobs Fund No. 891 are hereby appropriated for the Fiscal Year beginning September 1, 2000, for the purposes of implementation and administration of the Smart Jobs Fund. Also contingent upon enactment of Senate Bill 45, House Bill 3657, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 22.0 for fiscal year 2001.
15. **Contingency Appropriation: Agritech Corridor Partnership.** Contingent upon the award of additional federal funds in the amount of \$250,000 to extend planning or implementation grant activities of the Agritech Corridor Partnership or a similar project, \$25,000 in General Revenue is hereby appropriated to the Department of Economic Development for the purpose of matching additional federal funds in Strategy A.2.1., Community Assistance, for the biennium beginning September 1, 1999.
16. **Dedicated Hotel/Motel Tax Expenditures.** Of the amounts appropriated above out of the dedicated Hotel/Motel tax, the Department of Economic Development shall use no more than \$5,255,016 in 2000 and \$5,276,541 in 2001 for expenditures other than Advertising Services (Object Code 7281).
17. **Office or Rural Affairs Memorandum of Understanding.** Out of the General Revenue Funds appropriated above in Strategy A.2.1., Community Assistance, the amount of \$53,153 in each fiscal year shall not be expended unless a Memorandum of Understanding has been signed by the Department of Agriculture and the Department of Economic Development for the purpose of maintaining a statewide economic development program for rural areas during the 2000-01 biennium. The Memorandum of Understanding, to be effective September 1, 1999, shall specify the duties and responsibilities of each agency, including joint reporting requirements for all program-related performance measures. A copy of the signed Memorandum of Understanding shall be sent to the Legislative Budget Board, the Governor's Office, and the Comptroller of Public Accounts.

The Memorandum of Understanding shall also reflect the cooperative agreement to be reached by the two agencies regarding implementation of the Agritech Corridor Partnership.

Contingent upon the award of additional federal funds in the amount of \$250,000 to extend planning or implementation grant activities of the Agritech Corridor Partnership or a similar project, the following key measures are established and targets shall be set by the Texas Department of Agriculture, Texas Department of Economic Development, the Legislative Budget Board and the Governor's Office:

Outcome: Annual percentage increase in value added processing output in the Agritech Corridor

TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT
(Continued)

- Output: Number of new sources of funding identified by the Texas Department of Agriculture and/or the Texas Department of Economic Development to help rural communities in the Agritech Corridor implement work plans
- Output: Number of non-agricultural economic diversification projects for the corridor initiated with assistance from the Texas Department of Agriculture and/or the Texas Department of Economic Development
- Output: Number of businesses developed as expansion/recruitment prospects in the Agritech Corridor

18. **Texas Capital Fund.** All grants awarded by the Texas Department of Economic Development for infrastructure development and real estate development under the federal Community Development Block Grant Program shall be approved by the governing board of the Texas Department of Economic Development with a priority on assisting manufacturers and value-added processors. To the greatest extent practicable, these funds are to be distributed equitably to all regions of this state.

19. **Contingency Appropriation: Senate Bill 495.** Contingent upon enactment of Senate Bill 495, or similar legislation by the Seventy-sixth Legislature, Regular Session, relating to an expansion of duties of the Office of Defense Affairs, the Department of Economic Development is hereby appropriated out of the general revenue fund \$132,200 in each year of the biennium in Strategy A.2.2., Defense Dependent Communities.

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

	For the Years Ending	
	August 31, 2000	August 31, 2001
A. Goal: AFFORDABLE HOUSING		
To increase and preserve the availability of safe, decent, and affordable housing for very low, low and moderate income persons and families.		
Outcome (Results/Impact):		
Percent of Households/Individuals of Very Low, Low, and Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-Related Assistance	1%	1%
Percent of Households/Individuals of Very Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-Related Assistance	.6%	.6%
Percent of Households/Individuals of Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-Related Assistance	1.7%	1.7%
Percent of Households/Individuals of Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-Related Assistance	.4%	.5%
 A.1.1. Strategy: HOUSING TRUST FUND		
Provide state housing loans and grants through the Housing Trust Fund for very low and low income households.	\$ 6,305,700	\$ 6,306,568
Output (Volume):		
Projected Number of Very Low and Low Income Households Benefitting from Housing Trust Fund Loans and Grants	1,390	1,390

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

A.1.2. Strategy: HOME PROGRAM	\$ 32,031,480	\$ 32,028,002
Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program for very low and low income families, focusing on the construction of single family and multifamily housing units in rural areas of the state through partnerships with the private sector.		
Output (Volume):		
Projected Number of Very Low and Low Income Households Benefiting from HOME Investment Program Loans and Grants	2,106	2,106
A.1.3. Strategy: SECTION 8 RENTAL ASSISTANCE	\$ 6,876,648	\$ 6,880,849
Provide federal rental assistance through Section 8 certificates and vouchers for the very low income.		
Output (Volume):		
Number of Very Low Income Households that Received Section 8 Certificates and Vouchers	2,200	2,200
A.1.4. Strategy: FEDERAL TAX CREDITS	\$ 1,015,452	\$ 1,036,728
Provide federal tax credits to develop rental housing for very low and low income households.		
Output (Volume):		
Number of Rental Units Projected to be Set Aside for Very Low and Low Income Households as a Result of Federal Tax Credits Provided Through TDHCA	5,775	6,005
Explanatory:		
Number of Federal Tax Credit Allocations Made by TDHCA	65	71
A.1.5. Strategy: MRB PROGRAM - SINGLE FAMILY	\$ 1,797,715	\$ 1,815,040
Provide federal mortgage loans, through the Department's Mortgage Revenue Bond (MRB) Program, which are below the conventional market interest rates to very low, low, and moderate income homebuyers.		
Output (Volume):		
Number of Very Low and Low Income Households That Received Loans Through the MRB Program	1,190	1,260
Number of Moderate Income Households That Received Loans Through the MRB Program	510	600
A.1.6. Strategy: MRB PROGRAM-MULTIFAMILY	<u>\$ 300,897</u>	<u>\$ 308,918</u>
Provide federal mortgage loans through the Department's Mortgage Revenue Bond (MRB) program for the acquisition, rehabilitation, construction and preservation of multifamily rental units for very low, low and moderate income families.		
Output (Volume):		
Number of Multifamily Rental Units Acquired, Rehabilitated, Constructed or Preserved Through the MRB Program	1,000	1,000
Total, Goal A: AFFORDABLE HOUSING	<u>\$ 48,327,892</u>	<u>\$ 48,376,105</u>

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

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

Outcome (Results/Impact):

Percent of the Small Communities' Population Benefitting from Public Facility, Economic Development, Housing Assistance, and Planning Projects	30%	30%
Percent of CDBG-eligible Colonia Areas Receiving Technical Assistance from the Field Offices	100%	100%
 B.1.1. Strategy: TRAIN LOCAL OFFICIALS	 \$ 291,037	 \$ 289,850
Administer a state program providing information, advice and training to officials of communities of less than 10,000 people.		
Output (Volume):		
Number of City and County Officials Trained	1,500	1,500
 B.2.1. Strategy: DEVELOPMENT PROJECTS GRANTS	 \$ 83,834,370	 \$ 83,853,448
Maintain a competitive application process to distribute HUD federal funds that gives priority to basic human need projects (water, sewer, and housing), funds economic development projects that create or retain jobs, and provides ongoing technical assistance, monitoring and contract management to ensure that needs of persons to be served are met.		
Output (Volume):		
Number of New Community and Economic Development Contracts Awarded Annually	280	280
Number of Projected Beneficiaries from Community and Economic Development Projects - New Contracts Awarded Annually	350,000	350,000
Number of On-Site Technical Assistance Visits Conducted Annually	350	350
Number of Programmatic Monitoring Visits Conducted Annually	250	250
 B.2.2. Strategy: COLONIA SERVICE CENTERS	 <u>\$ 581,089</u>	 <u>\$ 627,387</u>
To provide technical assistance to colonias through field offices.		
Output (Volume):		
Number of On-Site Technical Assistance Visits Conducted Annually from the Field Offices	400	400
 Total, Goal B: COMMUNITY DEVELOPMENT	 <u>\$ 84,706,496</u>	 <u>\$ 84,770,685</u>

C. Goal: POOR AND HOMELESS PROGRAMS

Improve living conditions for the poor and homeless and reduce the cost of home energy for very low income Texans.

Outcome (Results/Impact):

Percent of Persons in Poverty that Received Homeless and Poverty Related Assistance	9%	9%
Percent of Very Low Income Households Receiving Energy Assistance	3%	3%
 C.1.1. Strategy: POVERTY-RELATED FUNDS	 \$ 27,127,058	 \$ 27,141,198
Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low income persons throughout the state.		

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

Output (Volume):

Number of Persons Assisted Through Homeless and Poverty-Related Funds	341,000	341,000
Number of Persons Assisted that Achieve Incomes Above Poverty Level	412	412
Number of Shelters Assisted	40	40

C.2.1. Strategy: ENERGY ASSISTANCE PROGRAMS \$ 27,375,311 \$ 27,371,115

Administer the state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and for assistance to very low income households for heating and cooling expenses and energy-related emergencies.

Output (Volume):

Number of Households Assisted Through the Comprehensive Energy Assistance Program	38,532	38,532
Number of Dwelling Units Weatherized by the Department	2,776	2,732

Total, Goal C: POOR AND HOMELESS PROGRAMS \$ 54,502,369 \$ 54,512,313

D. Goal: ENSURE COMPLIANCE

Ensure compliance with Texas Department of Housing and Community Affairs federal and state program mandates.

Outcome (Results/Impact):

Percent of Multifamily and/or Single Family Rental Properties Monitored Annually	87%	87%
Percent of Federally-funded Sub-recipients Monitored Annually	100%	100%

D.1.1. Strategy: REVIEW PROPERTY DOCUMENTS \$ 1,608,873 \$ 1,640,810

To review housing property documents to ensure long-term affordability standards.

Output (Volume):

Number of Onsite Reviews Conducted	597	628
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Explanatory:

Total Number of Units Administered	123,915	131,373
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D.1.2. Strategy: REVIEW FINANCIAL DOCUMENTS \$ 431,030 \$ 432,411

Review the financial documents of sub-recipients of federal and state grants/loans for financial accountability and fiscal responsibility.

Output (Volume):

Number of Onsite Financial Reviews Conducted	841	851
Number of Single Audit Reviews Conducted	180	180

Explanatory:

Number of Sub-recipients Funded by TDHCA	1,519	1,522
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Total, Goal D: ENSURE COMPLIANCE \$ 2,039,903 \$ 2,073,221

E. Goal: MANUFACTURED HOUSING

To protect the public by regulating the manufactured housing industry in accordance with state and federal laws.

Outcome (Results/Impact):

Percent of Consumer Complaint Inspections Conducted Within 15 Days of Request	80%	80%
Percent of Complaints Resulting in Disciplinary Action	25%	25%

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

E.1.1. Strategy: TITLING AND LICENSING	\$	711,187	\$	717,653
Provide titling and licensing services in a timely and efficient manner.				
Output (Volume):				
Number of Manufactured Housing Titles Issued		101,000		102,000
Number of Licenses Issued		5,200		5,200
Explanatory:				
Number of Manufactured Homes Titled in Texas		641,000		675,000
 E.1.2. Strategy: INSTALLATION INSPECTIONS	 \$	 1,630,353	 \$	 1,648,776
Conduct installation inspections of manufactured homes in a timely and efficient manner.				
Output (Volume):				
Number of Routine Installation Inspections Conducted		12,300		12,500
Explanatory:				
Number of Installation Reports Received		48,500		49,000
 E.1.3. Strategy: ENFORCEMENT	 \$	 2,508,813	 \$	 2,460,581
To process consumer complaints, conduct investigations, and take administrative actions to protect the general public and consumers.				
Output (Volume):				
Number of Complaints Resolved		2,800		2,700
Efficiencies:				
Average Number of Days for Complaint Resolution		160		160
Explanatory:				
Jurisdictional Complaints Received		2,800		2,700
 Total, Goal E: MANUFACTURED HOUSING	 \$	 4,850,353	 \$	 4,827,010
 F. Goal: INDIRECT ADM & SUPP COSTS				
F.1.1. Strategy: CENTRAL ADMINISTRATION	\$	5,234,885	\$	5,177,988
F.1.2. Strategy: INFORMATION RESOURCE TECHNOLOGIES	\$	1,067,099	\$	1,069,219
F.1.3. Strategy: OPERATING/SUPPORT	\$	539,147	\$	542,123
 Total, Goal F: INDIRECT ADM & SUPP COSTS	 \$	 6,841,131	 \$	 6,789,330
 Grand Total, DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS	 \$	 201,268,144	 \$	 201,348,664

Method of Financing:

<u>General Revenue Fund</u>				
General Revenue Fund	\$	10,677,008	\$	11,126,181
Earned Federal Funds		1,471,219		1,366,823
 Subtotal, General Revenue Fund	 \$	 12,148,227	 \$	 12,493,004
 Community Affairs Federal Fund No. 127		175,539,676		175,602,845
Appropriated Receipts		11,576,841		11,752,815
Interagency Contracts		1,500,000		1,500,000
Manufactured Homeowner's Recovery Fund No. 926		503,400		
 Total, Method of Financing	 \$	 201,268,144	 \$	 201,348,664

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

Number of Full-time Equivalent Positions (FTE)	361.0	361.0
Number of FTEs in Riders	9.0	9.0
 Schedule of Exempt Positions		
Executive Director, Group 4	\$112,352	\$112,352

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

	<u>2000</u>	<u>2001</u>
a. Acquisition of Information Resource Technologies		
(1) Normal Growth/intergrate Systems	\$ 303,500	\$ 307,500
(2) Compliance Monitoring Tracking System	\$ 100,000	\$ 100,000
 Total, Acquisition of Information Resource Technologies	 \$ 403,500	 \$ 407,500
b. Acquisition of Capital Equipment and Items		
(1) Modular Furniture for Acquisitions Made in 1996-97 (MLPP)	\$ 200,000	\$ 64,997
 Total, Capital Budget	 \$ <u>603,500</u>	 \$ <u>472,497</u>

Method of Financing (Capital Budget):

General Revenue Fund	\$ 93,024	\$ 62,664
Community Affairs Federal Fund No. 127	151,826	122,495
Appropriated Receipts	313,956	251,926
Earned Federal Funds	<u>44,694</u>	<u>35,412</u>
 Total, Method of Financing	 \$ <u>603,500</u>	 \$ <u>472,497</u>

2. **Reporting Requirements.** Within 90 days following the conclusion of a contract issued by the Texas Department of Housing and Community Affairs or, at the option of the contracting party, within 90 days following the conclusion of the contracting party's fiscal year during which a contract was in force, the contracting party shall provide to the Executive Director a full accounting of state funds expended under the terms of the contract. This requirement shall be a part of any contract entered into by the department and contracting entities. Failure of a contracting party to provide full accounting of state funds expended under the terms of any contract under the conditions stated above shall be sufficient reason to terminate that contract and for the department to deny any future contracts to that contracting party.
3. **Housing Assistance.** The housing finance division shall adopt an annual goal to apply \$30,000,000 of the division's total housing funds toward housing assistance for individuals and families earning less than 30 percent of median family income. No less than 20 percent of the division's total housing funds shall be spent for individuals and families earning between 31 percent and 60 percent of median family income. In those counties where the median family

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

income is lower than the state average median family income, the department shall use the average state median income in interpreting this rider. The department shall provide a quarterly report to the Legislative Budget Board documenting its expenditures in each income category.

4. **Coordination with Texas Water Development Board.** The Texas Department of Housing and Community Affairs (TDHCA) and the Texas Water Development Board (TWDB) shall continue to coordinate funds as outlined in a Memorandum of Understanding (MOU) so as to assure that none of the funds appropriated above are expended in a manner that aids the proliferation of colonias or are otherwise used in a manner inconsistent with the intent of the Economically Distressed Areas Program (EDAP) operated by the Texas Water Development Board (TWDB); and maximize delivery of the funds and minimize administrative delay in their expenditure. The MOU shall be amended, if necessary, prior to the distribution of the Colonia Fund in fiscal years 2000 and 2001. In distributing funds out of the Colonia Fund, the TDHCA shall provide top funding priority to those projects that are in EDAP-funded areas and which assist colonia residents who cannot afford the cost of service lines, hook-ups, and plumbing improvements associated with being connected to an EDAP-funded system. None of the funds appropriated above for Strategy B.2.1., Development Projects Grants, may be expended in EDAP-eligible counties that have not adopted, or are not enforcing, the Model Subdivision Rules established pursuant to Section 16.343 of the Water Code. No later than September 15, 2000, the TDHCA and the TWDB shall submit a joint report to the Legislative Budget Board that describes and analyzes the effectiveness of projects funded as a result of coordinated Colonia Fund/EDAP efforts.

5. **Reimbursement of Advisory Committee Members.** Pursuant to V.T.C.S., Government Code, Section 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees:

Texas Weatherization Policy Advisory Council
State Interagency Council for the Homeless
Consolidated Plan/State Low Income Housing Plan Committee
State Community Development Review Committee
Colonia Residents Advisory Committee

6. **Local Site Visits.** From monies appropriated above, when the Texas Department of Housing and Community Affairs receives a letter from the mayor or county judge of an affected city or county opposing an application for a federal tax incentive to develop rental housing, a site visit by an employee of the Texas Department of Housing and Community Affairs with the mayor or county judge shall take place within 30 days following notification. The site visit must occur before the incentive can be approved. The Texas Department of Housing and Community Affairs is authorized to obtain reimbursement from the applicant for a federal tax incentive for necessary travel and expenses at a rate not to exceed the federally authorized rate.

7. **Colonia Set-Aside Program Allocation.** The Texas Department of Housing and Community Affairs shall continue the Community Development Block Grant (CDBG) Colonia Set-Aside Program by allocating not less than 10 percent of the yearly allocation of CDBG funds for eligible activities to assist in providing for the housing, planning, and infrastructure needs in colonias. From this 10 percent yearly allocation, \$2,000,000 shall be reserved to provide financial assistance to units of general local government located in economically distressed areas as defined by Section 17.921, Water Code, to pay for residential service lines, hookups, and plumbing improvements associated with being connected to a water supply or sewer service system, any part of which is financed under the economically distressed areas program established under Subchapter J, Chapter 16, Water Code and Subchapter K, Chapter 17, Water Code. The department by rule shall provide that an application for assistance under the program hereby authorized may be submitted after construction of the water supply or sewer service system begins. The department shall approve or disapprove a timely application before construction of the water supply or sewer service is completed in order to eliminate delay in

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

connection once construction is completed. The department shall coordinate the application process with the Texas Water Development Board to avoid duplication of effort and the necessity for applicants to submit dual applications.

In addition, the department shall allocate 2.5 percent of the CDBG monies to support the operation of Self-Help Owner-Builder Housing Programs.

8. **Low/Moderate Income Housing Construction.** Out of the funds appropriated above, not less than \$500,000 each year of the biennium shall be expended on low/moderate income housing construction in enterprise zone areas.
9. **Low Income Assistance: Scoring Criteria.** It is the intent of the Legislature that the department add to its contract award scoring criteria for the construction, acquisition, or rehabilitation of single and multi-family housing, and for the operation of multi-family housing, a system that gives increased points for comprehensive services to low-income citizens, such as case management, home-buyer assistance, and family budgeting. The department is also encouraged to develop a sliding scale fee schedule for the low-income tax credit program and the 501c(3) bond program to encourage increased participation by non-profit entities such as community development housing organizations.
10. **Limitation on Expenditure.** Under Strategy A.1.4., Federal Tax Credits, no funds shall be used for processing or approving applications for allocations unless the department adopts or amends administrative rules containing the following:
 - a. All representations made by an applicant for an allocation are enforceable by the department, including enforcement by administrative penalties for failure to perform as stated in the representations and enforcement by inclusion in deed restrictions to which the department is a party.
 - b. The department shall inspect all construction for quality during the construction process while defects can reasonably be corrected.
 - c. A general contractor hired by an applicant or an applicant, if the applicant serves as general contractor, must demonstrate a history of constructing similar types of housing without the use of federal tax credits.
 - d. The department shall give notice of a proposed project to the state representative and senator representing the area where a project would be located. The state representative or senator may hold a community meeting at which the department shall provide appropriate representation.
 - e. The department shall allocate credits among as many different entities as practicable without diminishing the quality of the housing that is built.
11. **Appropriation: Manufactured Homeowner Consumer Claims.** In addition to appropriations in Goal E, Manufactured Housing, the Department of Housing and Community Affairs is appropriated an amount, not to exceed \$50,000 per year for the biennium, required for the purpose of paying manufactured housing consumer claims according to V.T.C.S., Art. 5221f, from title transaction fees involving manufactured housing collected and deposited in the General Revenue Fund during the 2000-01 biennium.
12. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for the strategy items in Goal E., Manufactured Housing, the cost of the appropriations required for manufactured housing consumer claims payments according to V.T.C.S., Art. 5221f, as well as the "other direct and

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

indirect costs” associated with this goal, appropriated elsewhere in this Act. “Other direct and indirect costs” for Goal E., Manufactured Housing, are estimated to be \$813,032 for fiscal year 2000 and \$842,308 for fiscal year 2001. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

13. **Mortgage Revenue Bond Program.** The Department of Housing and Community Affairs (TDHCA) shall operate the First-Time Homebuyer Mortgage Revenue Bond Program in a manner that maximizes the creation of very low-income single family housing by ensuring that at least thirty percent of the lendable bond proceeds are set aside for a period of one year for individuals and families at sixty percent and below the area median family income (AMFI), while assuring the highest reasonable bond rating. In an effort to facilitate the origination of single family mortgage loans to individuals and families at sixty percent and below the AMFI, the department shall utilize down payment and closing cost assistance or other assistance methods.
14. **Conversions of Executory Contracts.** Out of the funds appropriated above, the department shall spend not less than \$4,000,000 for the biennium for the sole purpose of contract for deed conversions for families that reside in a colonia and earn 60 percent or less of the applicable area median family income. It is the intent of the Legislature that the department complete at least 400 contract for deed conversions by August 31, 2001.
15. **Administrative Allocation: Councils of Governments.** From the federal administrative monies made available to the department under the Community Development Block Grant Program, an amount equal to 19 percent of such monies shall be allocated to councils of government to continue staff support to the 24 Regional Review Committees of local elected officials appointed by the Governor.
16. **Appropriation: Housing Trust Fund Interest Earnings and Loan Repayments.** Interest earnings and loan repayments received from loans made through the Housing Trust Fund program from amounts appropriated out of the General Revenue Fund for Strategy A.1.1., Housing Trust Fund, estimated to be \$250,000 each year, are hereby appropriated to the Housing Trust Fund established under Section 2306.201, Government Code, to be used for the same purpose.
17. **Appropriation: Housing Trust Fund Interest Earnings and Loan Repayment Deposits.** Interest earnings and loan repayments received from loans made through the Housing Trust Fund program from amounts appropriated out of the General Revenue Fund for Strategy A.1.1., Housing Trust Fund, and deposited in the Texas Treasury Safekeeping Trust Company prior to September 1, 1999, estimated to be \$750,000, shall be deposited in the Housing Trust Fund established under Section 2306.201, Government Code, to be used for the same purpose.
18. **Unexpended Balances, Grants, and Contracts.** Any unexpended general revenue balances remaining in Strategy A.1.1., Housing Trust Fund, as of August 31, 1999, are appropriated to the same strategy as of September 1, 1999. Any funds from grants or contracts executed before September 1, 2000, or from prior fiscal years from Strategy A.1.1., Housing Trust Fund, subsequently returned to the Department of Housing and Community Affairs that are not expended for the same purpose as of August 31, 2000, are appropriated to Strategy A.1.1., Housing Trust Fund, as of September 1, 2000, for the same purposes. Beginning September 1, 2000, any funds from grants or contracts executed before September 1, 2001, or from prior fiscal years from Strategy A.1.1., Housing Trust Fund, subsequently returned to the Department of Housing and Community Affairs are appropriated to Strategy A.1.1., Housing Trust Fund, for the same purposes.

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

19. **Contingent Revenue.** Of the amounts appropriated above to the Department of Housing and Community Affairs in Strategy E.1.3., Enforcement, the amount of \$488,088 in fiscal year 2000 and \$416,088 in fiscal year 2001 is contingent on the Department of Housing and Community Affairs assessing fees sufficient to generate, during the 2000-01 biennium, \$1,019,551 in excess of \$12,526,008, (Object Codes 3158, 3159, 3160, 3161, and 3163), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 2000 and 2001. Also contingent on the Department of Housing and Community Affairs meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by nine in fiscal year 2000 and nine in fiscal year 2001. The Department of Housing and Community Affairs, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Department of Housing and Community Affairs' minutes and other information supporting the estimated revenues to be generated for the 2000-01 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

TEXAS LOTTERY COMMISSION

	For the Years Ending	
	August 31, 2000	August 31, 2001
A. Goal: OPERATE LOTTERY		
Efficiently operate a lottery that is self-supporting, revenue producing, and secure.		
Outcome (Results/Impact):		
Percent of Retailers Satisfied With Lottery Commission	80%	80%
State Revenue Received Per Advertising Dollar Expended	32	32
A.1.1. Strategy: LOTTERY OPERATIONS	\$ 140,873,736	\$ 140,730,012
License lottery retailers, maintain and monitor retailer accounts and collections; ensure vendor and retailer compliance with contracts and policies, and operate 24 claim centers; oversee payments on contracts to primary vendors for instant ticket manufacturing, vending machines, warehousing and distribution of instant scratch off tickets and other lottery retailing services.		
Output (Volume):		
Number of Retailer Business Locations Licensed	17,550	17,700
Efficiencies:		
Average Cost per Retailer Location License Issued	88	88
A.1.2. Strategy: MARKETING, RESEARCH AND PROMOTION	\$ 11,585,760	\$ 11,615,527
Determine the interests, opinions, awareness levels and purchase behaviors of adult Texans for the planning, development and implementation of effective games; educate players and provide opportunities to learn about lottery products; broadcast lottery drawings to ensure the integrity of the Lottery's numbers games; communicate game		

TEXAS LOTTERY COMMISSION
(Continued)

information, marketing ideas and operational information to lottery retailers; recruit new retailers; measure retailer satisfaction with lottery operations and service.

Output (Volume):

Number of Surveys Issued to Retailers	74,800	74,800
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Efficiencies:

Average Cost per Survey Issued	6	6
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A.1.3. Strategy: ADVERTISING

Inform adult Texans by mass media (television, radio, newspaper, billboards), point-of-sale materials and merchandising regarding lottery games; provide consumers and retailers with notice of end-of-game dates; provide information regarding procurement opportunities for minority vendors.

Output (Volume):

Dollar Amount of Advertising Budget Spent on Television (Millions)	16,990,480	16,990,480
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Efficiencies:

Percentage of Adult Texans Aware of Lottery Advertising	65%	65%
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A.1.4. Strategy: SECURITY

Protect and maintain the security and integrity of lottery games, systems and drawings; assure the physical security of all Commission operating sites; and investigate possible criminal and regulatory violations.

Output (Volume):

Number of Lottery Complaints Resolved	305	305
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Efficiencies:

Average Cost per Complaint Resolved	130	130
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A.1.5. Strategy: CENTRAL ADMINISTRATION

Execute and support all functions of the Texas Lottery Commission through executive management, accounting, systems administration, information systems support, communications, legal services, purchasing support, budgeting and human resources.

Total, Goal A: OPERATE LOTTERY

	<u>\$ 206,652,636</u>	<u>\$ 206,652,636</u>
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B. Goal: ENFORCE BINGO LAWS

Enforce regulations to ensure the fair conducting of bingo games to maximize distributions to authorized charities.

Outcome (Results/Impact):

Percentage of Complaints Resulting in Disciplinary Action	5%	5%
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B.1.1. Strategy: BINGO LAW ENFORCEMENT

Conduct inspections and compliance audits of bingo licensees, initiate sanctions, and increase employee and licensee understanding of bingo laws through training and public education.

Output (Volume):

Number of Bingo Complaints Resolved	342	342
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Efficiencies:

Average Cost per Complaint Resolved	120	120
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TEXAS LOTTERY COMMISSION
(Continued)

B.2.1. Strategy: BINGO LICENSING	\$ <u>1,862,232</u>	\$ <u>1,119,232</u>
Process bingo applications in a timely manner and ensure eligibility of bingo applicants.		
Output (Volume):		
Number of Licenses Renewed to Individuals and Organizations	2,025	2,025
Efficiencies:		
Average Cost per Original License Issued	490	510
Total, Goal B: ENFORCE BINGO LAWS	\$ <u>3,485,797</u>	\$ <u>2,742,797</u>
Grand Total, TEXAS LOTTERY COMMISSION	\$ <u><u>210,138,433</u></u>	\$ <u><u>209,395,433</u></u>
 Method of Financing:		
General Revenue Fund	\$ 3,485,797	\$ 2,742,797
General Revenue Fund - Dedicated - Lottery Account No. 5025	<u>206,652,636</u>	<u>206,652,636</u>
Total, Method of Financing	\$ <u><u>210,138,433</u></u>	\$ <u><u>209,395,433</u></u>
Number of Full-time Equivalent Positions (FTE)	335.0	335.0
 Schedule of Exempt Positions		
Executive Director, Group 5	\$110,000	\$110,000

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

	<u>2000</u>	<u>2001</u>
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Headquarters and Field Offices	\$ 125,000	\$ 75,000
b. Acquisition of Information Resource Technologies		
(1) Lottery System Hardware & Software	617,100	427,100
(2) Bingo System Hardware and Software	<u>\$ 320,000</u>	<u>\$ 0</u>
 Total, Acquisition of Information Resource Technologies	 \$ <u>937,100</u>	 \$ <u>427,100</u>
c. Transportation Items		
(1) Security Vans and Equipment	75,000	0
d. Acquisition of Capital Equipment and Items		
(1) Other Capitalized Equipment	<u>\$ 90,000</u>	<u>\$ 85,000</u>
 Total, Capital Budget	 \$ <u><u>1,227,100</u></u>	 \$ <u><u>587,100</u></u>

TEXAS LOTTERY COMMISSION
(Continued)

Method of Financing (Capital Budget):

General Revenue Fund	\$	379,100	\$	61,100
General Revenue Fund - Dedicated - Lottery Account No. 5025		<u>848,000</u>		<u>526,000</u>
Total, Method of Financing		<u>\$ 1,227,100</u>		<u>\$ 587,100</u>

2. **Appropriation, Operate Lottery.** Pursuant to Government Code, Chapter 466, appropriations made to Goal A., Operate Lottery, shall not exceed twelve 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

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, Chapter 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. **Appropriation of Increased Revenues.** In addition to the amounts appropriated above, there is hereby appropriated pursuant to Government Code, Chapter 466, out of the State Lottery Account in the General Revenue Fund, an amount equal to 5 percent of the amount by which gross sales exceed \$3.034 billion in fiscal year 2000 and \$3.034 billion in fiscal year 2001 for the purpose of paying retailer commissions; and, there is hereby appropriated an amount equal to 3.98 percent of the amount by which gross sales exceed \$3.034 billion in fiscal year 2000 and an amount equal to 3.72 percent of the amount by which gross sales exceed \$3.034 billion in fiscal year 2001 for the purpose of fulfilling contractual obligations in administration of the Lottery.

5. **Adjustments to Appropriated Amounts.** In the event the Texas Lottery Commission determines that activities which previously have been outsourced to a private contractor or vendor should be operated by the agency in order to ensure greater accountability or improved services, the commission may, upon approval from the Governor and the Legislative Budget Board, exceed: 1) the number of full-time equivalent positions listed above; 2) the transfer restrictions included under Appropriation Transfers, Article IX, General Provisions of this Act; and 3) the capital budget restrictions included under Limitation on Expenditures - Capital Budget, Article IX, General Provisions of this Act. Prior to submitting a written request to the Governor and Legislative Budget Board to exceed the above mentioned limitations, the commission must submit a detailed plan of operation to the State Auditor's Office for review and comment.

6. **Compulsive Gambling Helpline.** Out of funds appropriated above in Strategy A.1.1., Lottery Operations, \$375,000 for each year of the biennium may be expended only for the purpose of offering assistance to compulsive gamblers to be provided by the Texas Commission on Alcohol and Drug Abuse through an interagency contract agreement.

7. **Limitation on Transfer Authority.** Funds appropriated above in item A.1.3., Advertising, may be transferred into other items in the Lottery Commission appropriations, but none of the funds appropriated in other items may be transferred into Strategy A.1.3., Advertising.

8. **Transfer, Unclaimed Lottery Prize Winnings.** Pursuant to Government Code Chapter 466, the Lottery Commission is directed to maintain an unclaimed prize fund. It is the intent of the Legislature that the Lottery Commission: 1) strictly account for the use of any unclaimed prize winnings and any transfers into or out of that account; and 2) notify the Comptroller of Public Accounts quarterly regarding any balances of that account that are used to supplement prize winnings of subsequent games. In the event that balances from the unclaimed prize fund are used to supplement the prize winnings of subsequent games, the Comptroller of Public

TEXAS LOTTERY COMMISSION
(Continued)

Accounts is hereby directed to reduce funds appropriated above in Strategy A.1.1., Lottery Operations, by an amount equal to the amounts used to supplement prize winnings of subsequent games, and at the end of each fiscal year of the biennium transfer that amount to the Foundation School Fund No. 193.

9. **Limitation, Pooled Reserve Fund.** Pursuant to Government Code, Chapter 466, the Executive Director of the Texas Lottery Commission shall maintain balances in a pooled reserve fund to cover the potential loss of state revenue as a result of lottery retailer defaults. The Executive Director of the Texas Lottery Commission shall transfer all pooled reserve fund revenues and balances that exceed \$5 million to the Foundation School Fund No. 193 quarterly.
10. **Limitation: Out-of-Country, Out-of-State and In-State Travel.** Notwithstanding any other provisions included in this Act, it is the intent of the Legislature that the Texas Lottery Commission shall not be allowed to travel out-of-country, with the exception of travel to Mexico or Canada which is reimbursable by a third party. In addition, the Texas Lottery Commission shall not exceed amounts expended on out-of-state or in-state travel, for each fiscal year of the biennium, by an amount equal to 80 percent of travel expenditure amounts for fiscal year 1998.
11. **Appropriation, Contingent Upon Revenue.** Of the amounts appropriated above in Strategy B.2.1., Bingo Licensing, \$743,000 in fiscal year 2000 for replacing the Bingo automation system is contingent on the Lottery Commission covering the additional costs by assessing fees sufficient to generate increased revenues in excess of Bingo revenues estimated in the Comptroller's Biennial Revenue Estimate for 2000 and 2001. Upon completion of the necessary actions to assess or increase such fees, the Commission shall furnish to the Comptroller of Public Accounts documentation of such action and the revised fee structure supporting the estimated revenues to be generated. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purpose.
12. **Appropriation, Local Bingo Prize Fees.** Out of bingo prize fees collected pursuant to Article 179d, Section 19b, V.T.C.S., the commission is hereby appropriated amounts for allocation to counties and municipalities as required by Article 179d, Section 19c.
13. **Appropriation, Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the operation of charity bingo cover, at a minimum, the cost of the appropriations made above for the strategy items in Goal B., Enforce Bingo Laws, as well as the "other direct and indirect costs" associated with this goal, appropriated elsewhere in this Act. "Other direct and indirect costs" for Goal B., Enforce Bingo Laws, are estimated to be \$388,158 for fiscal year 2000 and \$394,319 for fiscal year 2001. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.
14. **Petty Cash Fund Authorized.** The Texas Lottery Commission is authorized to establish a petty cash fund to be used by Commission employees for the purchase of evidence and/or information and other expenses deemed necessary for agency security and enforcement activities. The petty cash fund, not to exceed \$1,000, may be maintained in cash or at a local bank and shall be subject to such rules and regulations as the Executive Director may recommend and the Commission may adopt.
15. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code, Section 2110.004, reimbursement of expenses for Advisory Committee Members, out of funds appropriated above, is limited to the following advisory committee: Bingo Advisory Committee.

TEXAS LOTTERY COMMISSION
(Continued)

16. **Contingency Appropriation for House Bill 1799: Assignment Fee.** Contingent upon enactment of House Bill 1799, or similar legislation relating to the administrative costs for assignment of certain lottery prizes, by the Seventy-sixth Legislature, Regular Session, the Lottery Commission is hereby appropriated all fees collected pursuant to House Bill 1799 out of the General Revenue Dedicated Lottery Fund No. 5025 for expenditures related to implementation of that Act (estimated to be \$100,000 annually). The Lottery Commission is hereby authorized to transfer the appropriation made pursuant to this provision to Strategy A.1.5., Central Administration above.

DEPARTMENT OF TRANSPORTATION

	For the Years Ending	
	August 31, 2000	August 31, 2001
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.		
Outcome (Results/Impact):		
Percent of State Highway System Mainlane Pavement Mileage Rated Good or Better Based on the Pavement Management Information System Condition Score	86%	86%
Percent of General Aviation Airport Needs Funded	35%	37%
Percent Change in the Number of Public Transportation Trips	1.4%	1.4%
Percent of Motor Vehicle Consumer Complaints Resolved	70%	70%
Statewide Traffic Accident Fatality Rate (Deaths per Million Miles Driven)	1.8	1.8
Auto Theft Rate (Vehicles per 100,000 Population)	595	583
A.1.1. Strategy: PLAN / DESIGN / MANAGE	\$ 477,489,144	\$ 475,266,733
Plan, design and manage highway projects.		
Output (Volume):		
Number of Construction Project Preliminary Engineering Plans Completed	1,415	1,383
Dollar Volume of Construction Contracts Awarded in Fiscal Year (in millions)	2,358.7	2,306.7
Number of Highway Construction Projects Contracted	1,278	1,250
A.1.2. Strategy: RIGHT-OF-WAY ACQUISITION	\$ 208,260,813	\$ 213,031,325
Optimize timing of highway right-of-way acquisition and utility adjustment.		
Output (Volume):		
Number of Parcels of Right-of-Way Acquired On Schedule to Meet Contract Letting	1,250	1,250
A.1.3. Strategy: HIGHWAY CONSTRUCTION	\$ 2,388,175,126	\$ 2,346,408,591 & U.B.
Contract for the construction of the highway system and facilities. Estimated.		
Output (Volume):		
Number of New Location Lane Miles Contracted	272	266
Number of Lane Miles Contracted to Increase Capacity	1,659	1,623
Number of Lane Miles Contracted for Rehabilitation	7,076	6,920

DEPARTMENT OF TRANSPORTATION
(Continued)

A.1.4. Strategy: CONTRACTED MAINTENANCE	\$ 425,153,798	\$ 438,993,521 & U.B.
Contract for highway maintenance program.		
Output (Volume):		
Number of Lane Miles Contracted for Asphaltic Seal Coat Surfacing	16,720	17,265
Number of Lane Miles Contracted for Asphaltic Concrete Pavement Overlay	2,573	2,657
A.1.5. Strategy: ROUTINE MAINTENANCE	\$ 418,359,593	\$ 430,437,276 & U.B.
Provide for routine maintenance and operation of the state highway system.		
Output (Volume):		
Number of Highway Lane-Miles Resurfaced With Seal-Coat	4,848	4,979
Number of Lane Miles Resurfaced With Overlays	4,123	4,235
A.1.6. Strategy: AVIATION SERVICES	\$ 45,590,449	\$ 46,161,592 & U.B.
Support and promote general aviation.		
Output (Volume):		
Number of General Aviation Airports Selected for Financial Assistance	65	65
Efficiencies:		
Administrative and Support Costs as a Percent of Facility Grant Funds Expended	5.5%	5.5%
A.1.7. Strategy: PUBLIC TRANSPORTATION	\$ 82,785,570	\$ 8,404,884 & U.B.
Support and promote public transportation.		
Efficiencies:		
Administrative and Support Costs as Percent of State and Federal Grant Funds Expended	3.6%	3.6%
A.1.8. Strategy: GULF WATERWAY	\$ 1,618,562	\$ 276,285 & U.B.
Support the Gulf Intracoastal Waterway.		
A.1.9. Strategy: FERRY SYSTEM	\$ 12,392,764	\$ 11,004,934
Maintain and operate ferry systems in Texas.		
A.1.10. Strategy: REGISTRATION & TITLING	\$ 44,120,947	\$ 44,102,782
Administer the provisions of the motor vehicle registration and titling statutes.		
Output (Volume):		
Number of Registration Renewal Notices Mailed	16,900,000	17,745,000
Number of Titles Issued	5,350,000	5,520,000
A.1.11. Strategy: VEHICLE DEALER REGULATION	\$ 3,208,061	\$ 3,096,867
Administer the provisions of the Texas Motor Vehicle Commission Code.		
Efficiencies:		
Average Number of Weeks for Complaint Resolution	27	27
A.1.12. Strategy: RESEARCH	\$ 18,173,681	\$ 18,193,236
Fund and participate with state-supported colleges and universities in research and development programs that can improve transportation operations.		
Efficiencies:		
Percent of Structure Research Recommendations Implemented	60%	60%

DEPARTMENT OF TRANSPORTATION
(Continued)

Percent of Pavement Design Research Recommendations Implemented	60%	60%
Percent of Traffic Operations Research Recommendations Implemented	80%	80%
Percent of NAFTA-related Research Recommendations Implemented	60%	60%
A.2.1. Strategy: TRAFFIC SAFETY	\$ 16,143,609	\$ 16,229,826 & U.B.
Identify problem areas and implement projects to reduce the number and severity of traffic accidents through the statewide traffic safety program.		
A.2.2. Strategy: TRAVEL INFORMATION	\$ 19,470,847	\$ 19,879,276
Support and promote tourism.		
A.3.1. Strategy: ADVERTISING / JUNKYARDS	\$ 584,423	\$ 598,171
Control the use of outdoor advertising signs, junkyards, and auto graveyards adjacent to transportation system.		
A.4.1. Strategy: AUTO THEFT PREVENTION	\$ 12,009,210	\$ 12,009,210 & U.B.
Reduce the incidence of vehicle theft in Texas through prevention efforts and the support of motor vehicle theft laws.		
Efficiencies:		
Administrative and Support Costs for ATPA as a Percentage of Grant Funds Expended	7.2%	7.2%
Total, Goal A: TRANS. SERVICES & SYSTEMS	<u>\$ 4,173,536,597</u>	<u>\$ 4,084,094,509</u>
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 36,987,572	\$ 37,544,925
B.1.2. Strategy: INFORMATION RESOURCES	\$ 32,415,251	\$ 30,929,069
B.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 40,905,031	\$ 45,682,325
B.1.4. Strategy: REGIONAL ADMINISTRATION	\$ 61,526,370	\$ 62,976,262
Total, Goal B: INDIRECT ADMINISTRATION	<u>\$ 171,834,224</u>	<u>\$ 177,132,581</u>
Grand Total, DEPARTMENT OF TRANSPORTATION	<u>\$ 4,345,370,821</u>	<u>\$ 4,261,227,090</u>
Method of Financing:		
General Revenue Fund	\$ 31,030,879	\$ 13,327,523
State Highway Fund No. 006, estimated	2,374,188,036	2,238,573,914
<u>General Revenue - Dedicated</u>		
Texas Highway Beautification Account No. 071	584,423	598,171
TXDOT Turnpike Authority Account No. 5038	<u>12,325,000</u>	<u> </u>
Subtotal, General Revenue - Dedicated	<u>\$ 12,909,423</u>	<u>\$ 598,171</u>
Federal Funds, estimated	1,920,031,551	2,001,516,549
Appropriated Receipts	310,000	310,000
Interagency Contracts	6,900,932	6,900,933
Total, Method of Financing	<u>\$ 4,345,370,821</u>	<u>\$ 4,261,227,090</u>

DEPARTMENT OF TRANSPORTATION
(Continued)

Number of Full-time Equivalent Positions (FTE)	14,726.0	14,726.0
Schedule of Exempt Positions		
Executive Director, Group 6	\$145,000	\$145,000
Commissioner	(3) 15,914	(3) 15,914

1. **Capital Budget.** Notwithstanding the capital budget provisions in the General Provisions of this act, 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. No additional funds may be transferred to the capital budget items listed below without first obtaining written approval from the Legislative Budget Board and the Governor. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A. Capital budgeted funds appropriated under the "Acquisition of Information Resources Technologies" may be used to lease Information Resources Hardware and/or Software versus the purchase of Information Resources Hardware and/or Software, if determined by agency management to be in the best interest of the State of Texas.

	2000	2001
a. Acquisition of Land and Other Real Property	\$ 2,201,500	\$ 1,938,000 & U.B.
b. Construction of Buildings and Facilities	24,154,020	23,917,000 & U.B.
c. Repair or Rehabilitation of Buildings and Facilities	4,150,000	6,970,000 & U.B.
d. Acquisition of Information Resource Technologies	14,335,969	9,622,476 & U.B.
e. Transportation Items	29,867,929	32,988,213 & U.B.
f. Acquisition of Capital Equipment and Items	19,890,582	17,764,311 & U.B.
	<u>\$ 94,600,000</u>	<u>\$ 93,200,000</u> & U.B.
Total, Capital Budget	<u>\$ 94,600,000</u>	<u>\$ 93,200,000</u> & U.B.

Method of Financing (Capital Budget):

General Revenue Fund	\$ 6,251	\$ 3,400
State Highway Fund No. 006	94,574,349	93,196,600
General Revenue Fund - Dedicated - TXDOT Turnpike Authority Account No . 5038	19,400	0
Total, Method of Financing	<u>\$ 94,600,000</u>	<u>\$ 93,200,000</u>

2. **Use of Previous Fiscal Year Funds.** It is the intent of the Legislature that funds authorized for capitalized equipment in the first year of a biennium may be carried over to the next fiscal year for procurement contracts that were properly encumbered during the fiscal year, but because of extenuating circumstances, the contract was voided before the end of the fiscal year.
3. **Transfer Authority.** The Department of Transportation is hereby authorized to transfer appropriations from any Strategy into Strategy A.1.4., Contracted Maintenance, Strategy A.1.2.,

DEPARTMENT OF TRANSPORTATION
(Continued)

Right-of-Way Acquisition, and Strategy A.1.3., Highway Construction. In addition, funds may be transferred between Strategies, except that no funds may be transferred out of Strategies A.1.4., Contracted Maintenance, or A.1.2., Right-of-Way Purchase, or A.1.3., Highway Construction, except that transfers may be made between those Strategies.

4. **Public Transportation Financing.** Funds appropriated above to Strategy A.1.7., Public Transportation include \$31,608,547 for the biennium from State Highway Fund 006 and \$17,665,000 in general revenue. Of such funds, \$25,243,400 shall be allocated to Section 5311 rural transportation contractors and \$7,592,600 shall be allocated to Section 5307 urban public transportation contractors.
5. **Magazine Appropriations.** The Department of Transportation Commission is directed to set subscription rates and other charges for Texas Highways Magazine at a level that will generate receipts approximately sufficient to cover the costs incurred in the production and distribution of the magazine. In addition to funds appropriated above, the department is hereby appropriated to Strategy A.2.2., Travel Information, any magazine revenues generated above \$6,024,070 for the 2000 fiscal year and \$6,135,607 for the 2001 fiscal year. Funds may be utilized only for the purpose of magazine costs. The Department of Transportation may transfer to Strategy A.2.2., from revenue available from prior years subscription fees, in the event of unforeseen or unusual expenditures associated with the production costs of the Texas Highways Magazine. The Department of Transportation is hereby appropriated all revenue collected from the sale of promotional items as authorized by V.A.C.S., Article 6144e.
6. **Road Utility District Provision.** The Comptroller of Public Accounts is authorized to transfer to State Highway Fund No. 006 all receipts deposited in the General Revenue Fund pursuant to V.T.C.A., Transportation Code, Section 441.011. Such funds are hereby appropriated for the biennium beginning with the effective date of this act for the purpose of defraying the costs of hearing and processing Road Utility District petitions. Any balance remaining after defraying such costs may be used by the department for the maintenance and construction of highways.
7. **Hourly Wage Rates.** The Department of Transportation Commission is expressly authorized to determine the wage rates paid to hourly employees subject to the qualifications provided hereinafter; provided, however, that it is the intent of the Legislature that the commission, in carrying out its employee compensation policy, shall provide for a merit wage increase program for the department's hourly paid employees comparable to that authorized for its classified employees as provided by the General Provisions of this Act. It is provided further that it is the intent of the Legislature that such merit wage increase program for hourly paid employees be administered uniformly throughout the department, statewide, and as between administrative districts, and not be superseded by district administrative policy interpretation. In expending the funds appropriated herein, the department may award merit raises in varying amounts according to the nature of work performed or the job title held, provided such merit raises do not exceed the top step for a particular job as determined by the Department.
8. **Holiday Pay Provision.** Notwithstanding other provisions of this bill, the Department of Transportation is authorized to grant compensatory time off or to pay hourly employees for work performed on official state holidays in addition to any applicable holiday pay.
9. **Compensatory Pay Provision.** In order to operate in the most economical manner, when inclement weather or other circumstances beyond the control of the Department prevent construction or maintenance employees from performing their normal duties, the Department of Transportation is authorized to grant such employees time off with pay with the hours charged to the Compensatory Time Taken Account, provided that such advanced time must be repaid by the employee at a time, and in the most appropriate manner as determined by the Department within the following twelve months or at termination, whichever is sooner.

DEPARTMENT OF TRANSPORTATION
(Continued)

10. **Stand by Pay.** It is expressly provided that the Department of Transportation, to the extent permitted by law, may pay compensation for on-call time at the following rates: credit for 1 hour worked per day on-call during the normal work week, and 2 hours worked per day on-call during weekends and holidays; this credit would be in addition to actual hours worked during normal duty hours or while on-call. Nonexempt employees who work a normal 40 hour work week, and also work on-call duty, will receive FLSA overtime rates for the on-call duty.
11. **Pay for Regular Compensatory Time.** It is expressly provided that the Department of Transportation, to the extent permitted by law, may pay FLSA exempt and FLSA nonexempt employees on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions.
12. **Underwater Bridge Inspections.** To more adequately compensate employees who perform hazardous duties for the state, the Department of Transportation is authorized to compensate employees who perform underwater bridge inspections an additional rate of pay of up to twenty-five dollars per hour for actual time spent performing underwater bridge inspections.
13. **Equal Employment.** To the maximum extent feasible, the Department shall implement its Equal Employment Opportunity Plan to hire and promote qualified minority employees into vacant supervisory and management positions.
14. **Workers' Compensation Insurance.** Any necessary amounts appropriated above may be used to pay all expenses as authorized by V.T.C.A., Transportation Code, Section 201.106. The department is expressly authorized to employ a sufficient number of employees necessary to carry out the terms and provisions of said Act.
15. **Limitation on Residences.** None of the funds appropriated hereinabove may be expended for the purchase, construction, or maintenance of residences for employees of the Department of Transportation except maintenance camps in isolated areas and bridge tenders' buildings.
16. **Court Costs.** Any necessary amounts appropriated above may be used by the Department of Transportation to pay refunds authorized by law, and to pay court costs in suits involving the Department of Transportation. Such costs shall include payments for judgments, settlements, and other costs associated with right-of-way acquisition and inverse condemnation.
17. **License Plate Contracts.** Any necessary amounts appropriated above may be used by the Department of Transportation to reimburse the Department of Criminal Justice for the cost of manufacturing motor vehicle license plates, and the Department of Criminal Justice shall be reimbursed as license plates are delivered and invoices are rendered to the department. At the time manufacture is started, the General Services Commission shall fix a price to be paid per license plate, and shall use as the basis for such price the costs of steel, paints and other material purchased, and the inmate maintenance cost per day, and overhead expense, and miscellaneous charges, and the amount of profit previously approved for such work.
18. **License Plate Appropriation Balances.** Any unobligated balance of the appropriation remaining after the first year of the biennium for Strategy A.1.10., Registration and Titling, above which is intended for the purchase of vehicle license plates and vehicle registration validation stickers, may be used for the same purpose during the second year of the biennium.
19. **Payment of Fuel Taxes.** The Department of Transportation is authorized to pay directly to the Comptroller of Public Accounts, out of funds appropriated for operations and maintenance, any fuel taxes as required by law.
20. **Internal Audit.** The Department of Transportation shall maintain an internal auditing program in compliance with the provisions the Texas Internal Auditing Act, which shall incorporate, at a

DEPARTMENT OF TRANSPORTATION
(Continued)

minimum, the assignment of an internal auditor at each district office and within each division of the Department. Each internal auditor assigned pursuant to this provision shall report either directly to the Commissioners of the Department of Transportation or to the internal auditor appointed pursuant to Section 2102.006, Government Code.

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

21. **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.
22. **Gross Weight and Axle Weight Fees.** Amounts collected from gross weight and axle weight fees are appropriated for distribution to counties as provided in V.T.C.A., Transportation Code, Section 621.353. All unexpended balances as of August 31, 1999 and all revenue received during the 2000-01 biennium are appropriated.
23. **Appropriation of Loan Fund Balances.** Balances, from the General Revenue Fund, and (estimated to be \$272,000) revenues accruing to the department's special aviation loan fund are hereby appropriated for the same purpose for the biennium beginning September 1, 1999.
24. **Appropriation: Grant Funds.** Any balances, from State Highway Fund 006 and estimated to be \$2,000,000 remaining as of August 31, 1999, of appropriations made to the department for airport development grants in House Bill No. 1, Acts of the Seventy-fifth Legislature, Regular Session, 1997, are reappropriated for the same purpose for the biennium beginning September 1, 1999.
25. **Transportation Fee Rates.** The Texas Department of Transportation shall maintain rules providing for the following transportation fees at the rates specified to defray a portion of the state's cost of registering "For Hire" Ground Transportation:

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

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

26. **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. 25 above in a uniform, consistent and equitable manner at all points of entry along the Texas and Mexico border. All fee collections are to be deposited in the General Revenue Fund.

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

27. **Appropriation: Motor Carrier Audit Fees.** The Texas Department of Transportation, under the provisions of Transportation Code, Chapters 643 and 645, 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

DEPARTMENT OF TRANSPORTATION
(Continued)

and may be expended for the associated expenses in conducting audits. Employees performing out of state audits are authorized actual reimbursement of travel expenses.

28. **Appropriation: Tow Truck Registration.** Out of the funds appropriated above in Strategy A.1.10. Registration and Titling and pursuant to Transportation Code, Section 643.053 \$310,000 in fiscal year 2000 and \$310,000 in fiscal year 2001, from appropriated receipts, shall be used for the administration of the tow truck registration program.
29. **Coordination of Tourism and Travel Promotion.** It is the intent of the Legislature that the Texas Commission on the Arts, the Texas Historical Commission, the Texas Department of Economic Development, the Texas Department of Parks and Wildlife, and the Texas Department of Transportation coordinate their efforts and spending related to tourism and travel promotion. These agencies shall develop, maintain and adhere to a memorandum of understanding that details the specific travel and tourism objectives and responsibilities of each agency and continues to provide interagency coordination and support to achieve the objectives.
30. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code, Chapter 2110, reimbursement of expenses for advisory committee members, out of the funds appropriated above, is limited to the following advisory committees:
 - Bicycle Advisory Committee
 - Aviation Advisory Committee
 - Public Transportation Advisory Committee
 - Port Authority Advisory Committee
31. **Interagency Agreements.** Out of funds appropriated in Strategy A.2.2., Travel Information, \$670,000 through interagency contracts with the Commission on the Arts and \$500,000 through interagency contracts with the Texas Historical Commission each fiscal year, shall be used to showcase the arts, culture, and historical diversity in Texas to promote tourism.
32. **Project Status.** The Department of Transportation shall provide to each member of the House and Senate, unless a member requests it not be provided, a status report on all highway construction projects, by legislative district, currently under contract or awaiting funding. The report shall include projects that would be funded fully or in part by state, federal, or toll funds. The report shall be filed prior to January 1, each fiscal year. In addition, 90 (ninety) days prior to any loan being granted by the department for any project, all members of the district shall be notified on the status of the project and how other projects in any district would be affected.
33. **Trust Fund 927.** The Department of Transportation is hereby authorized to receive and hold funds in Trust Fund 927 (county or political subdivision road participation account) from governmental and private entities for purposes of reimbursing Highway Fund 006 for expenses incurred with transportation projects, including highway and aviation.
34. **State Highway Fund Reimbursement.** To the extent that funds are made available from local governments under Transportation Code 22.055(b), the department is hereby appropriated amounts as necessary from State Highway Fund 006 for purposes authorized by Chapter 22 of the Texas Transportation Code. Funds made available to the department under Transportation Code 22.055(b) are to be used only for the purpose of reimbursing State Highway Fund 006.
35. **District Discretionary Funds.** Out of the funds appropriated above in Strategy A.1.3., Highway Construction, the Department of Transportation shall allocate a minimum of \$2 million for each district to the State District Discretionary Category each fiscal year.
36. **Travel Information.** If the department determines that it cannot meet anticipated production and distribution for the Texas State Travel Guide and related travel literature from funds

DEPARTMENT OF TRANSPORTATION
(Continued)

appropriated in Strategy A.2.2., Travel Information, the department shall transfer sufficient funds to meet demand for each year of the biennium.

37. **Local Government Assistance.** The Texas Department of Transportation, pursuant to Texas Transportation Code, Section 201.706, may assist cities with the maintenance of city streets by providing engineering/maintenance expertise on roadway maintenance and when surplus materials are available, the department shall make available the surplus materials to any local government needing such materials.
38. **Full-time Equivalent: Summer Hire Program.** Full-time Equivalent (FTE) positions associated with the Summer Hire Program of the Department of Transportation, not to exceed 300 FTEs, shall be exempt from the Article IX provision establishing a limitation on state agency employment levels.
39. **Clothing Provision.** The department may provide a cleaning allowance for Travel Counselors not to exceed \$500 per year.
40. **Turnpike Authority Funds.** Out of the funds appropriated above in Strategy A.1.1, Plan/Design/Manage, any balances from General Revenue Account 5038-TxDOT Turnpike Authority and estimated to be \$12,325,000 remaining as of August 31, 1999, of appropriations made to the department to study, design, construct, operate, expand, enlarge, or extend a turnpike project as directed in S.B. 370, Acts of the Seventy-Fifth Legislature, Regular Session, 1997, shall be utilized for the same purpose for the biennium beginning September 1, 1999. Any unobligated balance of the appropriation remaining after the first year of the biennium in the General Revenue Account 5038-TxDOT Turnpike Authority shall be used for the same purpose during the second year of the biennium.
41. **Special License Plate Information.** Out of funds appropriated above to the Texas Department of Transportation in Strategy A.1.10 Registration and Titling, the agency shall include in the annual registration information sent to registrants, information on the departments special license plates.
42. **Reporting Requirements.** The Texas Department of Transportation shall provide a report to TxDot border district legislators and to the respective metropolitan planning organizations on department's trade transportation activities in such border districts during the 2000-2001 biennium. The department shall report annually with the initial report provided no later than January 1, 2000. The report shall also be provided to the Governor's Office of Budget and Planning and the Legislative Budget Board.
43. **Special Fund Balances.** Any fund balances from General Revenue Account 029, Traffic Safety, estimated to be \$2,377,053, and General Revenue Account 451, Public Transportation, estimated to be \$4,458,844, remaining as of August 31, 1999, shall be transferred to State Highway Fund No. 006.
44. **Trade Transportation Projects.** From funds appropriated above to the Texas Department of Transportation the department shall:
 - a. Consider significant increases to the department's North American Free Trade Agreement, NAFTA, Discretionary Fund;
 - b. Retain any funds replaced by allocation through section 1119 of the Transportation Equity Act for the 21st Century for use by the department on high priority trade transportation related projects;
 - c. Consider immediate relief from local contribution requirements for TxDot designated border trade transportation projects;

DEPARTMENT OF TRANSPORTATION
(Continued)

- d. Consider allocating additional department resources to the planning, design and construction activities related to high priority border trade transportation projects in the border districts; and
 - e. Consider more aggressive State Infrastructure Bank loan terms for TxDot designated high priority trade transportation projects in the TxDot border districts.
45. **Border Trade Task Force.** The Texas Department of Transportation shall establish and lead a task force to define and develop a short term strategy for addressing the highest priority border trade transportation challenges. In addition, the department shall develop a position of border trade transportation Director and identify and appoint an appropriately qualified person to that position.
46. **Appropriation: Automobile Theft Prevention Funds.** Any balances, from the General Revenue Fund, remaining as of August 31, 1999, of the appropriations made herein to the department for auto theft prevention grants in House Bill No. 1, acts of the Seventy-fifth Legislature, Regular Session, 1997, (estimated to be \$700,000), are reappropriated for the same purposes for the biennium beginning September 1, 1999.
47. **Agency Coordination.** The Texas Department of Transportation and the Texas Natural Resource Conservation Commission shall coordinate their efforts on the acquisition and potential uses of crumb rubber and shredded tire pieces in the various phases of highway construction. The Texas Department of Transportation and the Texas Natural Resource Conservation Commission shall provide to the appropriate Legislative Committees a report on their progress by January 1, of each fiscal year.
48. **Projects for Traffic from International Trade.** The Department annually shall review its proposed road and maintenance projects to determine whether the projects and maintenance are adequate to allow for the projected impact of overweight trucks on state highways, resulting from international trade.
49. **Light Pollution.** None of the funds appropriated to the Texas Department of Transportation may be used to install or replace an outdoor lighting fixture located in Brewster, Jeff Davis, Pecos, Presidio or Reeves county unless:
- a. the new or replacement outdoor lighting fixture is a fully shielded outdoor lighting fixture that allows no direct light to travel upward into the night sky if the rated output of the outdoor lighting fixture is greater than 1,800 lumens; or
 - b. full consideration has been given to conserving energy, reducing glare, preserving the natural night environment, and minimizing night sky glow caused by the scattering of artificial light in the atmosphere.
 - c. Subsections a or b do not apply if:
 - (1) a federal law, rule, or regulation preempts state law;
 - (2) the outdoor lighting fixture is used on a temporary basis because emergency personnel require additional illumination for emergency procedures;
 - (3) the light is necessary for special events or situations, including night-time construction, which require additional illumination; or
 - (4) a compelling safety interest exists that cannot be addressed by another method.

DEPARTMENT OF TRANSPORTATION
(Continued)

50. **Purchase Rail.** Out of non-constitutionally dedicated State Highway Fund 006 dollars transferred from the Texas Department of Criminal Justice (TDCJ) to the Texas Department of Transportation (TxDoT), \$6,000,000 shall be used to purchase the rail located on rail right-of-way currently owned by TxDoT. This rail is part of a rail line on rail right-of-way owned by TxDoT extending from Coleman County and ending on an international border in Presidio, Texas.
51. **Oil Overcharge Funds for Public Transportation.** Out of oil overcharge funds appropriated in Article I, in the Comptroller of Public Accounts - Fiscal Programs, for Public Transportation \$6,634,146 shall be allocated to small urban providers and \$7,167,719 to rural providers to be distributed as provided by V.T.C.A., Transportation Code, Section 456.024.

TEXAS WORKFORCE COMMISSION

	For the Years Ending	
	August 31, 2000	August 31, 2001
A. Goal: COMMUNITIES ASSISTANCE		
To support a statewide service delivery and evaluation system that assists local communities to identify and meet the workforce needs of employers and workers of the state.		
Outcome (Results/Impact):		
Percent of Local Workforce Development Board Members Trained Within 90 Days of Member Beginning Service on the Board	100%	100%
Percent of Businesses Inspected Not In Violation of Child Labor Law	95%	95%
Percent of Unemployment Insurance Claimants Paid Timely	97%	97%
Percent of Unemployment Insurance Dispute Cases Resolved With Lower Appeal	80%	80%
Average Wait Time on Hold for Clients Filing Unemployment Insurance Initial Claims Using Tele-Centers	5	5
Percent of Local Workforce Development Boards With No Level II and III Sanctions During the Previous Fiscal Year	95%	95%
 A.1.1. Strategy: LOCAL PROGRAM ASSISTANCE	 \$ 2,258,081	 \$ 2,258,081
Provide policy development and offer technical assistance and training to local workforce development area officials, boards and staff as they develop and implement local service delivery plans.		
Output (Volume):		
Number of On-Site Technical Assistance Visits	170	170
Number of One-Stop for Service Career Development Centers Operated by TWC or LWDB.	70	93
 A.1.2. Strategy: INTEGRATED INFORMATION SERVICES	 \$ 8,288,257	 \$ 7,993,737
Operate a statewide automated system to collect, research, analyze, disseminate and integrate labor market and workforce information to support service delivery and informed decision making in Texas by individuals, business, labor, local workforce development boards, educational institutions, state and local officials, and other interested groups.		

TEXAS WORKFORCE COMMISSION
(Continued)

Output (Volume):		
Number of Labor Market Information Requests Closed	112,000	112,000
A.2.1. Strategy: UNEMPLOYMENT INSURANCE	\$ 81,400,909	\$ 81,600,909
Provide monetary assistance to eligible Texans during times of unemployment through a system of tax collection, benefits payment, and impartial dispute resolution.		
Output (Volume):		
Number of Initial Unemployment Insurance Claims Filed	792,361	792,361
Efficiencies:		
Average Time to Process Initial Unemployment Insurance Claim	20	20
A.2.2. Strategy: ENFORCEMENT: WAGE, CHILD LABOR	\$ 3,376,927	\$ 3,376,927
Assist workers in obtaining payment of wages due and protect children from exploitation in the workplace.		
Output (Volume):		
Number of On-Site Inspections Completed for Child Labor Law Compliance	2,500	2,500
A.2.3. Strategy: PROGRAM MONITORING AND COMPLIANCE	<u>\$ 3,766,760</u>	<u>\$ 3,710,915</u>
Monitor and evaluate compliance of local area service delivery for fiscal accountability and program effectiveness through on-site visits and audits, and ensure veterans and students of proprietary schools receive appropriate instruction.		
Output (Volume):		
Number of On-Site Monitoring Reviews of Contractors Conducted	74	74
Total, Goal A: COMMUNITIES ASSISTANCE	<u>\$ 99,090,934</u>	<u>\$ 98,940,569</u>

B. Goal: EMPLOYEE ASSISTANCE

To support a system that enables individuals to prepare themselves to obtain and retain employment.

Outcome (Results/Impact):		
Percent of Employment Services Job Openings Filled	55%	55%
Percent of Enrollees (Seniors) Placed in Unsubsidized Employment	24%	24%
Percent of Choices Participants Who Enter Employment	50%	50%
Percent of Choices Participants Entering Employment Whose Salary Is Above Minimum Wage	95%	95%
Percent of Food Stamp Employment and Training Participants Who Enter Employment	35%	35%
Percent of JTPA Title II/III (Adult) Participants Who Entered Employment	78%	79%
Percent of JTPA Title II Participants on TANF	24%	24%
Percent of Reintegration of Offenders (RIO) Clients Who Entered Employment	77%	77%
Percent of Clients Entering Employment After TWC Service	57%	58%
Percent of Clients With Earnings Gains	41%	41%
Percent of Job Placements Employed One Year Later (Choices)	50%	50%
Choices Participation Rate for Two-Parent Families	90%	90%
Choices Participation Rate for All Families	40%	45%
Percent of Child Care Management System (CCMS) Vendors Who Have Met Designated Vendor Criteria	39%	39%

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Percent of Apprenticeship Program Graduates With Jobs for Which They Were Trained	98%	98%
Percent of Case-Managed Communities-In-Schools (CIS) Participants Remaining in School	95%	95%
 B.1.1. Strategy: GENERAL WORKFORCE CLIENTS	 \$ 325,590,344	 \$ 327,323,491
Offer employment and training services and volunteer resources through a locally based network of career development centers that assess needs and offer skills enhancement and employment assistance to individual clients.		
Output (Volume):		
Total Number of Clients Who Participated in General Workforce Programs	1,413,599	1,479,262
Number of JTPA Participants Served	94,400	94,400
Efficiencies:		
Average Cost per Individual Who Participated (All Programs)	258	255
Explanatory:		
Average Non-Agricultural Wage Identified in TWC Job Orders as a Percent of Average Non-Agricultural Wage Paid in Texas	53	53
 B.1.2. Strategy: ADULT PUBLIC ASSISTANCE RECIPIENTS	 \$ 134,524,011	 \$ 134,524,011
Offer employment, training, transition and retention resources that enable adult public assistance recipients to become self-sufficient. Included in this strategy are TANF Choices (formerly JOBS), Food Stamp Employment and Training (E&T), and Local Innovation Grants.		
Output (Volume):		
Number of Clients Served Through Transportation Services: Choices and E&T	8,550	7,800
Number of Clients Served by Job Retention Services	1,459	1,459
Number of Clients Served by Local Innovation Projects	500	500
Number of Federal Choices Participants in Two-Parent Families Per Month	1,841	1,541
Number of Federal Choices Participants in All Families Per Month	11,833	11,157
Number of Clients Served by the Welfare-to-Work Funds	12,773	12,688
Efficiencies:		
Average Cost per Client Served in Component Activities: Choices	785	721
Explanatory:		
Number of Individuals in Two-Parent Families Subject to Work Requirements	2,045	1,712
Number of Individuals in All Families Subject to Work Requirements	29,583	24,794
 B.2.1. Strategy: EARLY CHILD CARE	 \$ 379,937,030	 \$ 366,287,094
Provide access to child care for eligible children in low-income families to enable parents to work or attend school or training.		
Output (Volume):		
Average Number of Children Served per Day, Excluding Choices and E&T Services	78,080	77,959
Number of Children Served Through Child Care Services: Choices and E&T	11,031	10,748
Efficiencies:		
Average Cost per Child per Day for Child Care Services, Excluding Choices and E&T Services	13.05	13.44
Average Cost per Child per Day: Choices and E&T	15.74	16.21

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B.2.2. Strategy: SCHOOL TO CAREERS	\$ 11,679,657	\$ 6,530,457
Offer funding to assist in the development of local school-to-careers initiatives that prepare young people for transition from the school environment to the labor market.		
Output (Volume):		
Number of Students Served Through State-Sponsored Apprenticeship Training Programs	2,762	2,900
Number of Employers Participating in School-To-Careers Network	1,250	2,000
B.2.3. Strategy: COMMUNITIES IN SCHOOL	<u>\$ 17,360,657</u>	<u>\$ 17,360,657</u>
Provide funding, guidance and support, including training, referrals and monitoring, to local Communities-In-School program sites for services for at-risk students.		
Output (Volume):		
Number of Case-Managed Students Participating in Communities-In- Schools (CIS) Program	39,924	40,922
Total, Goal B: EMPLOYEE ASSISTANCE	<u>\$ 869,091,699</u>	<u>\$ 852,025,710</u>

C. Goal: EMPLOYERS

To identify and respond to the workforce needs of Texas employers and industry.

Outcome (Results/Impact):

Percent of Skills Development Fund Trainees Securing Employment With Participating Businesses	95%	95%
Percent of Self-Sufficiency Trainees Securing Employment With Participating Businesses	85%	85%

C.1.1. Strategy: BUSINESS SVCS & SKILLS DEVELOPMENT	\$	\$
In partnership with business, labor unions, community organizations and educational institutions, administer funding to public community and technical schools for equipping individuals with skills identified as needed by business and industry.		
Output (Volume):		
Number of Skills Development Fund Trainees	12,713	12,713
C.1.2. Strategy: SELF-SUFFICIENCY FUND	<u>\$ 11,987,717</u>	<u>\$ 11,987,717</u>
In partnership with business, labor unions, community organizations and educational institutions, administer funding to public community colleges and technical schools for skills needs assessment and for equipping adult TANF recipients with skills needed by business and industry.		
Output (Volume):		
Number of Clients Served by the Self-Sufficiency Fund	3,600	3,600
Total, Goal C: EMPLOYERS	<u>\$ 11,987,717</u>	<u>\$ 11,987,717</u>

D. Goal: INDIRECT ADMINISTRATION

Indirect Administrative and Support Costs.

D.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 9,148,343	\$ 9,128,263
D.1.2. Strategy: INFORMATION RESOURCES	\$ 8,650,313	\$ 8,631,386

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D.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 4,871,868	\$ 4,861,162
D.1.4. Strategy: REGIONAL ADMINISTRATION	<u>\$ 2,896,055</u>	<u>\$ 2,896,055</u>
Total, Goal D: INDIRECT ADMINISTRATION	<u>\$ 25,566,579</u>	<u>\$ 25,516,866</u>
Grand Total, TEXAS WORKFORCE COMMISSION	<u><u>\$ 1,005,736,929</u></u>	<u><u>\$ 988,470,862</u></u>
Method of Financing:		
General Revenue Fund	\$ 17,924,956	\$ 17,869,111
GR MOE for Temporary Assistance for Needy Families	27,745,141	27,745,141
GR for Child Care and Development Fund	33,906,571	33,906,571
GR Match for Welfare-to-Work Grant	8,571,073	8,571,073
Proprietary School Fees	<u>781,644</u>	<u>781,644</u>
Subtotal, General Revenue Fund	<u>\$ 88,929,385</u>	<u>\$ 88,873,540</u>
General Revenue Fund - Dedicated - Unemployment Compensation Special Administration Account No.165	4,905,180	4,905,180
Federal Funds	886,454,860	869,244,638
Appropriated Receipts	3,850,679	3,850,679
Interagency Contracts	<u>21,596,825</u>	<u>21,596,825</u>
Subtotal, Other Funds	<u>\$ 25,447,504</u>	<u>\$ 25,447,504</u>
Total, Method of Financing	<u><u>\$ 1,005,736,929</u></u>	<u><u>\$ 988,470,862</u></u>
Number of Full-time Equivalent Positions (FTE)	3,930.5	3,929.0
Number of FTEs in Riders	3.0	3.0
Schedule of Exempt Positions		
Commissioner, Group 4	\$99,500	\$99,500
Commissioner, Group 4	(2) 97,000	(2) 97,000
Executive Director, Group 5	125,000	125,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of V.T.C.S., Art. 601d, Sec. 9A. Upon approval from the Department of Information Resources, capital budgeted funds listed below under "Acquisition of Information Resources Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

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	2000	2001
Out of Workforce Commission Federal Account No. 5026:		
a. Repair or Rehabilitation of Buildings and Facilities	\$ 908,130	\$ 694,339
b. Acquisition of Information Resource Technologies		
(1) Enterprise Server Upgrade and Replacement	1,745,000	1,605,000
(2) Telecenter Infrastructure Upgrades	50,000	50,000
(3) Mainframe Storage Upgrade & Replacement	750,000	750,000
(4) LAN/WAN Area Upgrade & Replacement	1,100,000	1,100,000
(5) Enterprise Server Storage Replacement	400,000	400,000
(6) PC Infrastructure Refresh	1,000,000	1,000,000
(7) Mainframe System Software	400,000	300,000
(8) Mainframe Printer Replacement	0	450,000
(9) Enterprise Development Projects	104,000	54,000
(10) Enterprise Imaging Solution	318,080	132,920
(11) Special Projects Hardware and Software	400,000	400,000
(12) Hardware and Software Research and Evaluation	100,000	100,000
(13) T.W.I.S.T. Expansion	1,395,000	1,600,000
(14) Voice Response Unit Replacement	\$ 800,000	\$ 700,000
 Total, Acquisition of Information Resource Technologies	 \$ 8,562,080	 \$ 8,641,920
 c. Other Lease Payments to the Master Lease Purchase Program (MLPP Payments for 1996-97)	 \$ 5,829	 \$ 466
 Total, Capital Budget	 \$ 9,476,039	 \$ 9,336,725

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

3. **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 included in the appropriation above \$3,691,414 in each year of the biennium for withdrawal and use by the Texas Workforce Commission for the administration of the Texas Unemployment Compensation Act and its Public Employment Offices and telecenters. Said funds may be used to provide necessary office facilities and automated equipment, to include the purchase of land and construction of buildings, and the construction of improvements on property owned by the Texas Workforce Commission, including the cost of repairs and alterations to such property, and the purchase of computers and related peripheral equipment.

b. Any amounts allocated by the federal government to the commission during fiscal year 2000 or fiscal year 2001 shall be used only to pay expenses incurred for the administration of the Texas Unemployment Compensation Act. These funds shall not be used by the

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commission for the payment of Unemployment Compensation benefits or the administration of its Public Employment Offices.

- c. No part of said amounts specified immediately above, herein appropriated out of amounts credited to this state's account in the Federal Unemployment Trust Fund under Section 903 of the Social Security Act, shall be expended after the close of the period covered by this Appropriation Act and any unused portion of such amounts shall, at such close, revert to this state's said account in the Federal Unemployment Trust Fund. The amount obligated pursuant to this act shall not exceed at any time the amount by which (a) the aggregate of the amounts transferred to the account of this state pursuant to Section 903 of the Social Security Act exceeds (b) the aggregate of the amounts obligated for administration and paid out for benefits and required by law to be charged against the amounts transferred to the account of this State.
4. **Appropriation: Petty Cash Funds.** The Texas Workforce Commission is authorized to establish and maintain petty cash funds in local offices for the purpose of reimbursing transportation costs for job training participants in accordance with the regulations of the agency or agencies granting such funds. Any and all such funds received by the Texas Workforce Commission are hereby appropriated for the purposes authorized and the Texas Workforce Commission is authorized to disburse such funds for the purposes for which they are granted.
5. **Authorization: Sale of Agency-owned Buildings and Land.** In order to ensure effective facility management in coordination with the local workforce development boards, the agency is hereby authorized to sell agency-owned buildings and land. Any such sale must be based on a finding by the commission that no other economically viable alternative exists, and specifically that operation within agency-owned or leased buildings would not be feasible. Furthermore, in order to accommodate sudden and unexpected fluctuations in federal funding, the agency is hereby authorized to sell agency-owned buildings and land as it deems necessary. The authority granted in this provision is contingent upon the filing of a written notice with the Governor's Office of Budget and Planning and the Legislative Budget Board at least 90 days prior to the planned date of sale and is subject to the disapproval of either office within 90 days after notification.
6. **Payment of Unemployment Benefits - State Agencies.** It is the intent of the Legislature that the Texas Workforce Commission charge the Comptroller of Public Accounts only for unemployment benefits paid based on wages earned from agencies appropriated funds under the General Appropriations Act, and that agencies outside the General Appropriations Act be maintained as individual reimbursing employers.
7. **Smart Jobs Assessment.** On August 31 of each year the collection cost for the Smart Jobs assessment shall be transferred out of the Smart Jobs Fund 891 for the purpose of reimbursing the Federal Government for the cost of collecting the Smart Jobs Assessment. The amount of the transfer shall depend on the amount of the assessment transferred from the Smart Jobs Holding Fund 890 to the Smart Jobs Fund 891 and the tax collection cost methodology agreed to by the Texas Workforce Commission and the U.S. Department of Labor.
8. **Apprenticeship Program.** Out of the general revenue funds appropriated in Strategy B.2.2., School to Careers, the Texas Workforce Commission shall allocate \$1,400,000 each year of the biennium for the purpose of funding the Apprenticeship Program.
9. **Appropriation: Proprietary Schools.** Out of funds appropriated above in Strategy A.2.3., Program Monitoring and Compliance, the amount of \$781,644 in each year from fees collected from applications for certification of proprietary schools and registration fees for representatives of proprietary schools shall be allocated for proprietary school regulation. All fees collected for the tuition protection fund are hereby appropriated for the purposes of paying

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expenses and refunds authorized by the commission under the provisions of Chapter 132 of the Education Code estimated to be \$75,000 per year.

10. **Federal Funds Appropriated.** The appropriations herein made may be used to match federal funds granted to the state for the payment of personal services, travel and other necessary expenses in connection with the administration and operation of a state program of public welfare services. The Texas Workforce Commission is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state and retain their character as federal funds for such purposes and all fees authorized by federal law, and to receive, administer, and disburse federal funds for federal programs in accordance with plans agreed upon by the Texas Workforce Commission and the responsible federal agency, and such other activities as come under the authority of the Texas Workforce Commission, and such moneys are appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned federal funds are not considered to be federal funds for the purpose of this section.
11. **Reappropriation of Federal and Local Funds.** All funds received by the commission from counties, cities, federal agencies and from any other local source during the 2000-01 biennium, and all balances from such sources as of August 31, 1999, are hereby appropriated for the biennium ending August 31, 2001, for the purpose of carrying out the provisions of this Act.
12. **Unexpended Balances for Child Care Funds.** It is the intent of the Legislature that any additional federal funds received as a result of current efforts to obtain child care funds, be used for child care. Except as otherwise provided, all unexpended and unobligated balances in the area of child care remaining from appropriations for the first year of the biennium to the Texas Workforce Commission are reappropriated to the commission for the purpose of drawing down all available federal funds for child care.
13. **Donated Purchase Agreements.** In order to maximize the availability of state matching funds for federal child care funds and to encourage local child care planning and match participation, the commission shall use donated purchase agreements and other funding mechanisms, to the extent allowed by federal law and regulations.
14. **Maximization of Personal Responsibility and Work Opportunity Reconciliation Act Funds.** It is the intent of the Legislature that the Texas Workforce Commission cooperate with cities, non-profit organizations, the Texas Education Agency and local school districts to obtain local match necessary to maximize federal funds for child care. Necessary system and accounting system changes to effect this intent are authorized.
15. **Cancellation of Leases.** No funds appropriated under this Act may be expended by the Texas Workforce Commission for leased office or building space where the Texas Workforce Commission determines that the leased office space is no longer needed as a result of the implementation of House Bill 1863 of the Seventy-fourth Legislature, Regular Session, 1995. Prior to the cancellation of any leases under this section, the commission shall:
 - a. Provide written notice to the lessor at least 90 days prior to the date of lease cancellation; and
 - b. Make efforts to identify other state agencies and local workforce development boards as potential lessees.
16. **National Community Service Act Programs.** Out of funds appropriated above in Strategy B.1.1., General Workforce Clients, the Texas Workforce Commission shall allocate \$700,000 in each year of the biennium for the purpose of meeting state matching requirements of federal dollars for National Community Service Act programs.

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17. **Veterans Education Program.** Out of funds appropriated above in Strategy A.2.3., Program Monitoring and Compliance, the Texas Workforce Commission shall allocate \$180,000 in each year of the biennium for the purposes of automation, services, training and other indirect expenses for the Veterans Education Program.
18. **Advance Payments Revolving Fund.** With funds appropriated above, the State Comptroller shall maintain a separate account from which advance payments may be made for programs or projects under which the Texas Workforce Commission has contracted for child care services. From its current appropriation authority, the Texas Workforce Commission is authorized to maintain a revolving fund and to make transfers into and out of separate accounts in accordance with the provisions of Human Resources Code, Section 22.002, Subsection g, as mentioned.
19. **Method of Financing: Wage Assistance and Child Labor Protection.** The appropriations above include \$3,376,927 in 2000 and \$3,376,927 in 2001 from the Unemployment Compensation Special Administration Account 165 for Strategy A.2.2., Enforcement: Wage, Child Labor for the purpose of enforcing the Wage Assistance and Child Labor Protection programs pursuant to Chapters 51, 61, and 63 of the Labor Code. In no event shall this provision be construed as an appropriation in excess of the amount appropriated above to the Texas Workforce Commission.
20. **Project RIO.** It is the intent of the Legislature that the Texas Workforce Commission, the Texas Department of Criminal Justice, and the Texas Youth Commission together enhance the effectiveness of Project RIO by improving cohesive program delivery among the three agencies. The agencies shall together develop and implement a strategic plan for the implementation of a more cohesive and effective Project RIO program which will emphasize necessary skill development, rehabilitation and appropriate assessment of the offender prior to inmate release. Not later than March 1, 2000, the strategic plan, jointly prepared by the three agencies, and including specific strategies, measures, timeframes for program improvement, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor. With regards to appropriations for Project RIO, while total project funds are appropriated to the Texas Workforce Commission, interagency contracts are to be maintained during the 2000-01 biennium with the Texas Department of Criminal Justice and the Texas Youth Commission at no less than the funding and performance levels maintained as of August 31, 1999.
21. **Meeting Federal Work Participation Rates.** Federal Temporary Assistance for Needy Families (TANF) funds appropriated in Strategy B.1.2., Adult Public Assistance Recipients, shall be used for programs described in House Bill 1863, Seventy-fourth Legislature, Regular Session, including life skills or job readiness training, individual or group job search, business internship, on-the-job training, community or volunteer work experience, subsidized employment assistance, parent skills training, employment skills training, education and literacy training. The Texas Workforce Commission shall develop and implement a strategic plan to achieve the federal work participation rate for two-parent families. No later than December 1, 1999 the strategic plan, including specific strategies, measures, time frames for program improvement, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor.
22. **Earned Income Tax Credit Assistance.** Out of funds appropriated above, the Texas Workforce Commission shall assist recipients of Temporary Assistance for Needy Families (TANF) who become employed, and other low-income workers who may qualify for the credit under federal income and other requirements, to apply for the federal Earned Income Tax Credit.
23. **Employment and Child Care Programs in Rural Areas.** It is the intent of the Legislature that the Texas Workforce Commission and Local Workforce Development Boards cost-effectively expand the availability of employment and child care programs into rural areas.

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24. **Adult Education and Literacy Training.** Out of funds appropriated above in Strategy B.1.2., Adult Public Assistance Recipients, the Texas Workforce Commission, or certified Local Workforce Development Boards that have a local plan approved by the Governor, shall use \$2,500,000 each year of the biennium to provide basic education and literacy training for recipients of Temporary Assistance for Needy Families (TANF) which meet the requirements of the Texas Education Code for Adult Education Programs. A portion of these funds shall be used to contract with community-based organizations with a minimum of two years prior experience as a literacy provider.
25. **Investment in Long-term Success for TANF Recipients.** Out of funds appropriated above in Strategy B.1.2, Adult Public Assistance Recipients, \$4,000,000 of Temporary Assistance for Needy Families (TANF) federal funds in each year of the biennium shall be used to invest in long-term success employment strategies for TANF recipients. The funds shall be used for the following purposes:
 - a. \$3,000,000 in each year of the biennium to fund job retention and re-employment services for TANF recipients; and
 - b. \$1,000,000 in each year of the biennium to fund local innovation grants, including a microenterprise development program administered centrally by the Texas Workforce Commission. Local innovation grants could also support proposals that offer training for non-traditional jobs or address particular barriers to work such as transportation.
26. **Communities in Schools Services for TANF Recipients.** Out of funds appropriated above in Strategy B.2.3., Communities in Schools, \$4,000,000 in each year of the biennium shall be used to provide services to recipients of Temporary Assistance for Needy Families.
27. **Continuing Education.** Recipients of child care service benefits who are 17 years of age or older with a high school diploma or G.E.D. and who wish to acquire an Associate Degree shall continue to be eligible for child care service benefits for a period not to exceed four years for an educational program if that program will prepare the recipient for a job in a high demand occupation with an upward career path as determined by a Local Workforce Development Board. The Local Workforce Development Board may determine the duration of child care assistance for a recipient in an educational program based on that individual's progress toward completing the program.
28. **Priority for TANF Recipients.** To the extent allowed under federal law, the Texas Workforce Commission and Local Workforce Development Boards shall give priority to recipients of Temporary Assistance for Needy Families (TANF) for training, employment services and child care funded by the Job Training Partnership Act (JTPA). The commission shall report annually to the Legislative Budget Board and the Governor's Office of Budget and Planning expenditures used for TANF recipients, the number of TANF recipients served with JTPA funds, and their outcomes.
29. **Job Training Courses.** It is the intent of the Legislature that the primary objective of the job training courses provided under Strategy B.1.1., General Workforce Clients, is to teach job skills adequate for employment in the community. While English as a Second Language (ESL) may provide additional benefit to trainees, it may not be substituted for job training classes.
30. **Reallocation of Personnel.** Except for those instances when a Local Workforce Development Board contracts with the Texas Workforce Commission to provide services, it is the intent of the Legislature that the Texas Workforce Commission reduce the number of its employees in proportion to the transfer of funds to be expended by the Local Workforce Development Boards.

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31. **Choices Program.** Any balances on hand may be carried forward from fiscal year 2000 to fiscal year 2001 to accomplish program requirements.
32. **Limitation on Administrative Expenditures for the Communities in Schools Program.** No more than 10 percent of funds appropriated to the Texas Workforce Commission for the Communities in Schools program may be used by the commission to administer the program.
33. **Assistance Registration and Eligibility Determination.** To the extent possible it is the intent of the Legislature that if the Texas Workforce Commission and/or the Department of Human Services require applicants for Temporary Assistance for Needy Families (TANF) assistance to register with the commission before the Department of Human Services can determine their eligibility for benefits, then the registration/orientation for TANF applicants shall be provided at the Department of Human Services offices where the eligibility determination of TANF recipients occurs.
34. **Welfare-to-Work Grant.** Of the General Revenue amounts appropriated above in Strategy B.1.2., Adult Public Assistance Recipients, for the purpose of matching the federal Welfare-to-Work grant, \$9,368,971 in fiscal year 2000 and \$9,368,971 in fiscal year 2001, is contingent on certification by the Chair of the Texas Workforce Commission that the commission has met all accountability and performance measure reporting requirements established by the Comptroller of Public Accounts, the Legislative Budget Board and the Governor. The certification required by this provision shall be submitted quarterly to the Comptroller of Public Accounts, the Legislative Budget Board and the Governor. The Comptroller of Public Accounts, the Legislative Budget Board, and the Governor may establish accountability and performance measure reporting requirements to carry out this provision. During any quarter of the fiscal year, no more than one-fourth of the state matching funds for the federal Welfare-to-Work grant appropriated for use during that fiscal year may be expended by the Texas Workforce Commission without the approval of the Legislative Budget Board and the Governor.
35. **Core Measures Report.** The Texas Workforce Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on agency performance according to the Core Measures adopted on May 27, 1994 by the Texas Council on Workforce and Economic Competitiveness, as modified. Each report shall be submitted with the agency's quarterly performance report and must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.
36. **Expenditure Report.** The Texas Workforce Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on expenditures for each agency program by each Local Workforce Development Board and by the Texas Workforce Commission. Each report shall be submitted with the agency's quarterly ABEST/USAS reconciliation and must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.
37. **Skills Development and Self-Sufficiency Fund Report.** The Texas Workforce Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on contracts executed by the commission, expenditures, program participants, and closed contracts for each Skills Development Fund and Self-Sufficiency Fund contract. Each report shall be submitted with the agency's quarterly ABEST/USAS reconciliation and must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.
38. **Contracts for Purchase of Client Services.** No funds appropriated to the Texas Workforce Commission may be utilized for contracts for the purchase of program-related client services unless:
 - a. such contracts include clearly defined goals, outputs, and measurable outcomes which directly relate to program objectives;

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- b. such contracts include clearly defined sanctions or penalties for noncompliance with contract terms and conditions;
 - c. such contracts specify the accounting, reporting, and auditing requirements applicable to funds received under the contract;
 - d. the agency has implemented a formal program using a risk assessment methodology to monitor compliance with financial and performance requirements under the contract, including a determination of whether performance objectives have been achieved; and
 - e. the agency has implemented a formal program to obtain and evaluate program costs information to ensure that all costs, including administrative costs, are reasonable to achieve program objectives.
39. **Additional Federal Funds.** No appropriation of federal funds in addition to the estimated amounts above may be expended by the Texas Workforce Commission unless:
- a. the Texas Workforce Commission files a finding of fact along with a written plan outlining the use and projected impact of the funds on performance measures with the Legislative Budget Board and the Governor that additional appropriations are required to maintain adequate levels of program performance; and,
 - b. neither the Legislative Budget Board nor the Governor issues a written disapproval within 15 days of the receipt of the finding of fact and the written plan, which should not prohibit the agency from responding in an emergency.
40. **Workforce Commission Expenditure Report.**
- a. In every local workforce development area where the Texas Workforce Commission has an office or field employees that participate in a state or federally funded workforce program, the office or field employee supervisor shall, no later than ninety (90) days after the close of each fiscal year, provide the local workforce development board for that area with an accounting of all expenditures by that office or for those field employees, for the preceding fiscal year, associated with the delivery of services in that area.
 - b. The accounting required by this provision shall include:
 - (1) the salary and benefits of each employee of the commission who works in the area;
 - (2) the indirect cost for regional and state administration, including payroll, supervisory, and other administrative costs;
 - (3) the values or rental cost of any building and all equipment owned or leased by the commission;
 - (4) the number of commission employees assigned to each major function of the delivery of workforce development services and the overall salary expenditure attributable to each major function;
 - (5) the training cost incurred by the commission, including travel costs related to training; and
 - (6) any other costs associated with the delivery of services in the area.
 - c. The information required to be reported by this provision shall be prepared in accordance with rules established by the Council on Workforce and Economic Competitiveness and the Texas Workforce Commission.
41. **Child Care Resource and Referral.** Out of funds appropriated above in Strategy B.2.1, Early Child Care, the Texas Workforce Commission shall use \$1,000,000 in each fiscal year of the biennium to contract with governmental entities, non-profit agencies, or community-based

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organizations to provide a network of child care consumer education services through resource and referral agencies.

42. **Contingency Appropriation: State Regulatory Response.**
- a. Contingent upon a finding of fact by the Texas Workforce Commission that the number of proprietary school inspections required for the proprietary school industry under the jurisdiction of the Texas Workforce Commission, increases to a point where additional appropriations are required to maintain adequate regulation of the industry, the Texas Workforce Commission is hereby appropriated out of fee revenues collected by the department an amount not to exceed \$143,356 for fiscal year 2000 and \$143,356 for fiscal year 2001 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 3 for fiscal year 2000 and 3 for fiscal year 2001.
 - b. None of the funds appropriated in item (a) above may be expended by the Texas Workforce Commission unless the Texas Workforce Commission files a finding of fact with the Governor and the Legislative Budget Board and neither the Governor nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.
 - c. The appropriations in item (a) are also contingent upon the Texas Workforce Commission generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits, and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriation. These increased revenues must exceed \$890,000 (Object Code 3509) in each fiscal year of the biennium contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 2000 and 2001.
43. **Training Our Teachers Program.** Out of funds appropriated above in Strategy B.2.1., Early Child Care, \$2,000,000 for the biennium shall be allocated from the Child Care and Development Fund administered by the Texas Workforce Commission for the purposes of improving the quality of available child care through a child care professional training program. The funds will be designated for a scholarship and wage supplementation program for eligible child care workers who seek nationally recognized Child Care Associate or Child Care Professional credentials, or Level One College Certificates and Associate Degrees approved by the Texas Higher Education Coordinating Board and agree to work for a registered child care facility for at least two years after receiving the credentials.
44. **Contingent Appropriation for House Bill 2915.** Contingent upon the enactment of House Bill 2915, or similar legislation authorizing service level agreements and fees based upon options for information technology services with local workforce development boards or other entities, by the Seventy-sixth Legislature, Regular Session, the Texas Workforce Commission is hereby appropriated all fees collected under the service level agreements for the purpose of defraying costs incurred by the agency.
45. **Welfare-to-Work State Match.** It is the intent of the Legislature that funds be provided to match federal Welfare-to-Work grant funds during the grant period. To the extent allowed under federal law, the commission shall monitor expenditures to insure that the expenditure of matching funds and federal grant funds is reasonably consistent.
46. **Welfare-to-Work Plan.** It is the intent of the Legislature that the Texas Workforce Commission and local workforce development boards together maximize the effectiveness of the Welfare-to-Work grant program by providing cohesive service delivery to hard-to-employ clients. The Texas Workforce Commission and local workforce development boards shall together develop and implement a strategic plan to provide effective Welfare-to-Work program services. No later than December 1, 1999, the strategic plan, including specific service delivery strategies,

TEXAS WORKFORCE COMMISSION
(Continued)

caseload estimates, performance measures, time frames for program implementation, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor.

47. **Transfer Authority and Limitation on TANF Appropriated for Child Care.** Contingent upon the projected achievement of federal work participation rates in each year of the biennium and receipt of General Revenue transferred from the Department of Human Services for matching federal Child Care and Development Funds, the following amounts of Temporary Assistance for Needy Families (TANF) appropriated above in Strategy B.2.1., Early Child Care, in lieu of Child Care and Development Funds, shall not be expended: \$15,064,019 in fiscal year 2000 and \$35,658,805 in fiscal year 2001. Unless otherwise directed by the Legislative Budget Board and the Governor, the commission shall transfer to the Department of Human Services up to \$19,599,299 of federal TANF equal to the amount of General Revenue received.
48. **Contingent Appropriation for House Bill 1689.** Contingent upon the enactment of House Bill 1689, or similar legislation establishing a college loan assistance program for early childhood child care workers, by the Seventy-sixth Legislature, Regular Session, \$747,650 of Temporary Assistance for Needy Families (TANF) transfer to Child Care and Development Fund funds out of funds appropriated above in Strategy B.2.1., Early Child Care, shall be transferred to the Office of the Comptroller's Child-Care Worker Student Loan Assistance Trust Fund for a loan assistance program to be administered by the Texas Higher Education Coordinating Board for the purposes of improving the quality of available child care.
49. **Contingency Appropriation: House Bill 3657.** Contingent upon the enactment of House Bill 3657, or similar legislation by the Seventy-sixth Legislature, Regular Session, transferring employment training investment assessment funds from Holding Account 890 to the Skills Development Fund, the Texas Workforce Commission is hereby appropriated \$12,466,939 in each year of the 2000-01 biennium in Strategy C.1.1., Business Services and Skills Development, and \$33,061 in each year of the 2000-01 biennium in Strategy D.1.1., Central Administration, from the General Revenue - Dedicated Skills Development Fund.

If \$12,500,000 is not available for transfer from Holding Account 890 to the Skills Development Fund in either year of the 2000-01 biennium, then General Revenue funds are appropriated in Strategy C.1.1., Business Services and Skills Development, and D.1.1., Central Administration, equivalent to \$12,500,000 total less the amount of General Revenue - Dedicated Skills Development Fund funding available.

The General Revenue appropriation made above shall be limited to the amount necessary to pay actual expenditures from the Skills Development Fund program less the amounts transferred from Holding Account 890 to the Skills Development Fund in each fiscal year.

**REIMBURSEMENTS TO THE UNEMPLOYMENT
COMPENSATION BENEFIT ACCOUNT**

	For the Years Ending	
	August 31, 2000	August 31, 2001
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	\$ 13,164,160	\$ 13,164,160
Reimburse the Unemployment Compensation Benefit Account No. 937 for unemployment compensation benefits paid to former employees of the State of Texas.		
Grand Total, REIMBURSEMENTS TO THE UNEMPLOYMENT COMPENSATION BENEFIT ACCOUNT	\$ 13,164,160	\$ 13,164,160
Method of Financing:		
General Revenue Fund - Dedicated - Unemployment Compensation Special Administration Account No.165	\$ 9,773,178	\$ 9,773,178
Other Special State Funds	3,390,982	3,390,982
Total, Method of Financing	\$ 13,164,160	\$ 13,164,160

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

2. **Funding Source: Penalty and Interest Receipts.** Funds identified in the method of financing as General Revenue Fund-Dedicated-Unemployment Compensation Special Administration Fund Account No. 165 are appropriated from penalty and interest revenue for the purpose of paying that portion of the unemployment compensation benefits not paid by state agencies or institutions of higher education as prescribed by the section entitled Reimbursements For Unemployment Benefits of the General Provisions of this Act. Such revenue is defined as the penalty and interest receipts collected under Sections 213.021 and 213.022, Texas Labor Code, and authorized for the payment of unemployment compensation benefits to former state employees pursuant to Section 203.202, Texas Labor Code.

Unemployment compensation benefit costs that exceed the General Revenue Fund-Dedicated-Unemployment Compensation Special Administration Fund Account No. 165 amounts for each fiscal year shall be paid only from penalty and interest revenue.

Retirement and Group Insurance

	For the Years Ending	
	August 31, 2000	August 31, 2001
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law. Estimated	\$ 39,266,164	\$ 40,245,907
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees. Estimated	<u>\$ 100,692,944</u>	<u>\$ 106,541,343</u>
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	<u>\$ 139,959,108</u>	<u>\$ 146,787,250</u>
Grand Total, RETIREMENT AND GROUP INSURANCE	<u><u>\$ 139,959,108</u></u>	<u><u>\$ 146,787,250</u></u>
Method of Financing:		
General Revenue Fund, estimated	\$ 2,728,454	\$ 2,860,088
General Revenue Fund - Dedicated, estimated	1,775,195	1,842,740
State Highway Fund No. 006, estimated	108,808,306	114,195,493
Federal Funds, estimated	25,490,640	26,689,580
Other Special State Funds, estimated	<u>1,156,513</u>	<u>1,199,349</u>
Total, Method of Financing	<u><u>\$ 139,959,108</u></u>	<u><u>\$ 146,787,250</u></u>

Social Security and Benefit Replacement Pay

	For the Years Ending	
	August 31, 2000	August 31, 2001
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH -- EMPLOYER Provide an employer match for Social Security contributions. Estimated	\$ 48,458,647	\$ 49,667,727
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees. Estimated	<u>\$ 13,517,370</u>	<u>\$ 12,282,939</u>
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	<u>\$ 61,976,017</u>	<u>\$ 61,950,666</u>
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	<u><u>\$ 61,976,017</u></u>	<u><u>\$ 61,950,666</u></u>

Social Security and Benefit Replacement Pay
(Continued)

Method of Financing:

General Revenue Fund, estimated	\$ 2,042,373	\$ 2,041,062	
General Revenue Fund - Dedicated, estimated	1,167,313	1,170,926	
State Highway Fund No. 006, estimated	46,000,806	45,992,792	
Federal Funds, estimated	12,138,050	12,114,750	
Other Special State Funds, estimated	<u>627,475</u>	<u>631,136</u>	
Total, Method of Financing	<u>\$ 61,976,017</u>	<u>\$ 61,950,666</u>	

Lease Payments

For the Years Ending	
August 31, <u>2000</u>	August 31, <u>2001</u>

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	\$ 208,524	\$ 216,862	
	<u> </u>	<u> </u>	

Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.

Grand Total, LEASE PAYMENTS	<u>\$ 208,524</u>	<u>\$ 216,862</u>	
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**RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(General Revenue)**

	For the Years Ending	
	August 31, 2000	August 31, 2001
	<u> </u>	<u> </u>
Aerospace Commission	\$ 201,880	\$ 201,880
Economic Development, Texas Department of	24,603,729	24,615,730
Rider Appropriations	37,000	37,000
Contingency Appropriations	<u>157,200</u>	<u>132,200</u>
Total	24,797,929	24,784,930
Housing and Community Affairs, Department of	12,148,227	12,493,004
Rider Appropriations	<u>300,000</u>	<u>300,000</u>
Total	12,448,227	12,793,004
Lottery Commission	3,485,797	2,742,797
Transportation, Texas Department of	31,030,879	13,327,523
Rider Appropriations	<u>972,000</u>	<u> </u>
Total	32,002,879	13,327,523
Texas Workforce Commission	88,929,385	88,873,540
Contingency Appropriations	<u>143,356</u>	<u>143,356</u>
Total	89,072,741	89,016,896
Reimbursement to the Unemployment Compensation Benefit Account	<u> </u>	<u> </u>
Subtotal, Business and Economic Development	<u>\$ 162,009,453</u>	<u>\$ 142,867,030</u>
Retirement and Group Insurance	2,728,454	2,860,088
Social Security and Benefit Replacement Pay	<u>2,042,373</u>	<u>2,041,062</u>
Subtotal, Employee Benefits	<u>\$ 4,770,827</u>	<u>\$ 4,901,150</u>
Lease Payments	<u>208,524</u>	<u>216,862</u>
TOTAL, ARTICLE VII - Business and Economic Development	<u><u>\$ 166,988,804</u></u>	<u><u>\$ 147,985,042</u></u>

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

	For the Years Ending	
	August 31, 2000	August 31, 2001
	<u> </u>	<u> </u>
Aerospace Commission	\$	\$
Economic Development, Texas Department of Rider Appropriations	5,248,836	349,612
Total	<u>420,164</u>	<u>56,388</u>
Total	5,669,000	406,000
Housing and Community Affairs, Department of		
Lottery Commission	206,652,636	206,652,636
Contingency Appropriations	<u>100,000</u>	<u>100,000</u>
Total	206,752,636	206,752,636
Transportation, Texas Department of	12,909,423	598,171
Texas Workforce Commission	4,905,180	4,905,180
Rider Appropriations	75,000	75,000
Contingency Appropriations	<u>12,500,000</u>	<u>12,500,000</u>
Total	17,480,180	17,480,180
Reimbursement to the Unemployment Compensation Benefit Account	<u>9,773,178</u>	<u>9,773,178</u>
Subtotal, Business and Economic Development	\$ <u>252,584,417</u>	\$ <u>235,010,165</u>
Retirement and Group Insurance	1,775,195	1,842,740
Social Security and Benefit Replacement Pay	<u>1,167,313</u>	<u>1,170,926</u>
Subtotal, Employee Benefits	\$ <u>2,942,508</u>	\$ <u>3,013,666</u>
Lease Payments	<u> </u>	<u> </u>
TOTAL, ARTICLE VII - Business and Economic Development	<u>\$ 255,526,925</u>	<u>\$ 238,023,831</u>

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

	For the Years Ending August 31, 2000	August 31, 2001
	<u> </u>	<u> </u>
Aerospace Commission	\$	\$
Economic Development, Texas Department of Contingency Appropriations	9,141,357 <u>250,000</u>	5,579,610 <u> </u>
Total	<u>9,391,357</u>	<u>5,579,610</u>
Housing and Community Affairs, Department of Lottery Commission	175,539,676	175,602,845
Transportation, Texas Department of	1,920,031,551	2,001,516,549
Texas Workforce Commission	886,454,860	869,244,638
Reimbursement to the Unemployment Compensation Benefit Account	<u> </u>	<u> </u>
Subtotal, Business and Economic Development	<u>\$ 2,991,417,444</u>	<u>\$ 3,051,943,642</u>
Retirement and Group Insurance	25,490,640	26,689,580
Social Security and Benefit Replacement Pay	<u>12,138,050</u>	<u>12,114,750</u>
Subtotal, Employee Benefits	<u>\$ 37,628,690</u>	<u>\$ 38,804,330</u>
Lease Payments	<u> </u>	<u> </u>
TOTAL, ARTICLE VII - Business and Economic Development	<u><u>\$ 3,029,046,134</u></u>	<u><u>\$ 3,090,747,972</u></u>

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

	For the Years Ending	
	August 31, 2000	August 31, 2001
	<u> </u>	<u> </u>
Aerospace Commission	\$ 10,000	\$ 10,000
Economic Development, Texas Department of Rider Appropriations	29,753,622 27,545,000	841,315 789,000
Contingency Appropriations		<u>53,917,305</u>
Total	<u>57,298,622</u>	<u>55,547,620</u>
Housing and Community Affairs, Department of Lottery Commission	13,580,241	13,252,815
Transportation, Texas Department of Rider Appropriations	2,381,398,968 <u>2,000,000</u>	2,245,784,847 <u> </u>
Total	<u>2,383,398,968</u>	<u>2,245,784,847</u>
Texas Workforce Commission Reimbursement to the Unemployment Compensation Benefit Account	25,447,504 <u>3,390,982</u>	25,447,504 <u>3,390,982</u>
Subtotal, Business and Economic Development	<u>\$ 2,483,126,317</u>	<u>\$ 2,343,433,768</u>
Retirement and Group Insurance Social Security and Benefit Replacement Pay	109,964,819 <u>46,628,281</u>	115,394,842 <u>46,623,928</u>
Subtotal, Employee Benefits	<u>\$ 156,593,100</u>	<u>\$ 162,018,770</u>
Lease Payments	<u> </u>	<u> </u>
Less Interagency Contracts	<u>\$ 30,396,477</u>	<u>\$ 30,396,478</u>
TOTAL, ARTICLE VII - Business and Economic Development	<u><u>\$ 2,609,322,940</u></u>	<u><u>\$ 2,475,056,060</u></u>

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

	For the Years Ending	
	August 31, 2000	August 31, 2001
	<u> </u>	<u> </u>
Aerospace Commission	\$ 211,880	\$ 211,880
Economic Development, Texas Department of Rider Appropriations	68,747,544 28,002,164	31,386,267 882,388
Contingency Appropriations	<u>407,200</u>	<u>54,049,505</u>
Total	97,156,908	86,318,160
Housing and Community Affairs, Department of Rider Appropriations	201,268,144 <u>300,000</u>	201,348,664 <u>300,000</u>
Total	201,568,144	201,648,664
Lottery Commission	210,138,433	209,395,433
Contingency Appropriations	<u>100,000</u>	<u>100,000</u>
Total	210,238,433	209,495,433
Transportation, Texas Department of Rider Appropriations	4,345,370,821 <u>2,972,000</u>	4,261,227,090 <u> </u>
Total	4,348,342,821	4,261,227,090
Texas Workforce Commission	1,005,736,929	988,470,862
Rider Appropriations	75,000	75,000
Contingency Appropriations	<u>12,643,356</u>	<u>12,643,356</u>
Total	1,018,455,285	1,001,189,218
Reimbursement to the Unemployment Compensation Benefit Account	<u>13,164,160</u>	<u>13,164,160</u>
Subtotal, Business and Economic Development	<u>\$ 5,889,137,631</u>	<u>\$ 5,773,254,605</u>
Retirement and Group Insurance	139,959,108	146,787,250
Social Security and Benefit Replacement Pay	<u>61,976,017</u>	<u>61,950,666</u>
Subtotal, Employee Benefits	<u>\$ 201,935,125</u>	<u>\$ 208,737,916</u>
Lease Payments	<u>208,524</u>	<u>216,862</u>
Less Interagency Contracts	<u>\$ 30,396,477</u>	<u>\$ 30,396,478</u>
TOTAL, ARTICLE VII - Business and Economic Development	<u><u>\$ 6,060,884,803</u></u>	<u><u>\$ 5,951,812,905</u></u>
Number of Full-time Equivalent Positions (FTE)	19,546.0	19,544.5