PROCLAMATION

BY THE
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

House Bill 1, the General Appropriations Bill, has reached my desk for action, having been duly certified by the Comptroller of Public Accounts pursuant to Article III, Section 49a of the Texas Constitution. It authorizes an expenditure of $59.1 billion in total funds for 1992-93.

We would have liked to provide sufficient savings through our vetoes to allow the Comptroller to certify a state employee pay raise. Unfortunately, the budget bill granted 160 agencies the special protection of a lump-sum appropriation. This effectively prevents the Governor from exercising the authority granted in Article IV, section 14 of the Texas Constitution to veto individual items of appropriation within the following agency budgets:

State Office of Administrative Hearings
Department of Agriculture
Office of the Attorney General
Comptroller’s Office
Texas Ethics Commission
Finance Commission of Texas
Fire Fighters’ Pension Commissioner
Funeral Service Commission
Board of Examiners in the Fitting and Dispensing of Hearing Aids
Texas Incentive and Productivity Commission
Office of Public Insurance Counsel
Board of Irrigators
General Land Office & Veterans’ Land Board
Board of Licensure for Nursing Home Administrators
Optometry Board
Podiatry Examiners
Polygraph Examiners
Railroad Commission
Space Commission
Office of State-Federal Relations
Surplus Property Agency
Tax Professional Examiners
Treasury Department
Office of Public Utility Counsel
Veterinary Medical Examiners
River Compact Commissions
Water Well Drillers Board
Children’s Trust Fund of Texas Council
Health and Human Services Commission
Alamo Community College
Alvin Community College
Amarillo College
American Educational Complex College
Angelina College
Austin Community College
Bee County Junior College
Blinn College
Brazosport Junior College
Cisco Junior College
Clarendon College
College of the Mainland
Collin County Community College
Cooke County College
Dallas County Community College
Del Mar College
El Paso Community College
Frank Phillips College
Galveston County College
Grayson County College
Hill College
Houston Community College
Howard College
Kilgore College
Laredo Junior College
Lee College
McLennan Community College
Midland College
Navarro College
North Harris County College
Northeast Texas Community College
Odessa College
Panola College
Paris Junior College
Ranger Junior College
San Jacinto College
South Plains College
Southwest Texas Junior College
Tarrant County Junior College
Temple Junior College
Texarkana College
Texas Southmost College
Trinity Valley Community College
Tyler Junior College
Vernon Regional Junior College
Weatherford College
Western Texas College
Wharton County Junior College
University of Texas at Arlington
University of Texas at Austin
University of Texas at Dallas
University of Texas at El Paso
University of Texas - Pan American
University of Texas at Brownsville
University of Texas of the Permian Basin
University of Texas at San Antonio
University of Texas at Tyler
University of Texas Southwestern
University of Texas Medical Branch at Galveston
University of Texas Health Science Center at Houston
University of Texas Health Science Center at San Antonio
University of Texas Health Science Center at Tyler
We have made significant strides in reforming state government in 1991, thanks in large part to the efforts of State Comptroller John Sharp and the Texas Performance Review. We still have much more to accomplish.

Our priority will be to bring the people of this state "TRUTH IN BUDGETING." The people have a right to know where the money comes from and how it is spent.

The 1992-93 budget for the State of Texas, while a tremendous cooperative achievement of the Legislature, the Performance Review, and the Office of the Governor, is still a complicated mass of bureaucratic mumbo-jumbo. If the average Texan wanted to see how much money Texas spends, they would need a lawyer, an economist, and a computer programmer to find the true bottom line in House Bill 1. Our budget is a maze of special funds and transfers, and spending that does not show up in line-items, but is instead hidden in special riders.

We believe the budget of the State of Texas should be written in a manner that the people of the State of Texas can understand. In January of 1993, we will work with the Legislature in crafting a budget that clearly shows, agency by agency, where the money comes from and specifically to which programs that money goes.

Building on the Sharp-inspired recommendations to cut, consolidate and reorganize, this appropriations bill is more than a billion dollars less than the amount initially identified to maintain "current services." Along with meeting current services — and meeting them more efficiently — the budget provides for high-priority "investments" in the State of Texas and its people. These investments include:
• the reorganization of state agencies focusing on key public priorities – health and human services, transportation and environmental protection;
• full funding for the historic effort to reform and equalize public education;
• more than 25,000 new prison beds, with many for the first time focusing on substance-abuse treatment facilities;
• an increase in benefits for retired teachers to help reduce the impact of inflation;
• a fair resolution to the crisis of county jail overcrowding;
• protection against the growing costs of health insurance for state employees;
• new initiatives in South Texas for public health and additional funds for improving South Texas colleges and universities;
• additional funds to build and maintain a public highway system second to none; and
• new efforts to bring Texas’ fair share of federal dollars. In 1992-93, Texas will garner a record $15.6 billion in federal aid.

To meet the state’s budget needs, lawmakers took decisive steps to bring the state’s archaic corporate franchise tax in line with a modern Texas economy, restoring more than $800 million in revenues the state lost in court. Still, additional taxes and fees were needed to balance the budget. But while many in January were predicting that Texans would soon be paying horrendous income tax bills, their predictions fell far from the mark. The new taxes and fees will cost the average Texan $1.66 a month. That figure is a far easier burden to bear than the $4.8 billion tax bill passed in 1984 and the $5.6 billion tax package passed in 1987.

Despite the accomplishments of this Legislature, there are disappointments. State funding should have been made available to pay for health insurance for our public school teachers. We will work to include teacher health insurance in future budgets. State government employees deserved a pay raise, and we will work with the comptroller to find sufficient money to provide one.

Crafting a budget for an enterprise as large and complex as the State of Texas is a daunting task; mistakes are inevitable. The vetoes that follow are not darts directed at the Legislature. In many instances these vetoes are corrective – adjusting appropriations to reflect legislation that failed to pass and become law. In several instances these vetoes are regrettable since the legislation was important. Other items reflect a careful reappraisal – allowing us to fine-tune the priorities of state government in the New Texas.

These vetoes total $66.8 million. Some of these funds can be made available for unforeseen opportunities or unexpected crises.

Summary of Items Vetoed

ARTICLE I -- EXECUTIVE AND ADMINISTRATIVE DEPARTMENTS AND AGENCIES

Department of Agriculture  Page I-12

17. APPROPRIATION OF BRAKE FLUID REGISTRATION FEES. The department is hereby appropriated all fees collected for the establishment of minimum standards and specifications for brake fluid consistent with standards adopted by the United States Department of Transportation. The fees collected may not exceed the amount necessary to defray the costs of the administration of the program.

During the 1990-91 biennium, the Department of Public Safety effectively administered the brake fluid registration program without charging or collecting fees. The Department of Agriculture should be able to manage this responsibility without fee appropriations.

Department of Agriculture  Page I-14

24. APPROPRIATION OF FUEL MIXTURE REGULATION REVENUES. The department is hereby appropriated any revenues received from fees charged for the regulation of certain fuel mixtures contingent upon the passage of Article 4, House Bill 4, Seventy-second Legislature, First Called Session.

House Bill 4, considered by the legislature during the first special session, would have delegated responsibility for regulating certain fuel mixtures to the Department of Agriculture. Since that bill did not become law, this rider is vetoed.
25. APPROPRIATION OF PRODUCE INSPECTION REVENUES. The department is hereby appropriated any revenues received from fees charged for the inspection of fresh fruit and vegetables under Chapters 91, excluding sections 91.003 and 91.143; 92; 93; 94, excluding section 94.035, and 95, excluding section 95.034 of V.T.C.A., Agriculture Code.

By law, fees collected from Texas producers for the inspection of fresh fruits and vegetables may be used only to offset the cost of operating an inspection service. Currently, the United States Department of Agriculture contracts with a private association in Texas for inspection services. Since the Department of Agriculture itself does not inspect produce at this time, fees for the inspection of tomatoes and citrus should not be appropriated to the Department by this rider. Furthermore, since the passage of H.B. 1, the United States Department of Agriculture has indicated they will not enter into a cooperative agreement with the Department of Agriculture for inspection services as long as Rider 25 is in effect. Therefore, it is in the best interests of the state that Rider 25 be vetoed.

Air Control Board Page 1–18

11. CONTINGENCY RIDER FOR SENATE BILL 2. Contingent on the passage of Senate Bill No. 2, Seventy-second Legislature, First Called Session, or similar legislation providing for transferring the responsibilities and programs of the Texas Air Control Board to the Texas Water Commission, or its successor, there is hereby appropriated to the Texas Water Commission, or its successor, on the date the transfer occurs all appropriations to the Texas Air Control Board.

Senate Bill 2 created the Texas Natural Resource Conservation Commission which will consist of the Air Control Board, the Texas Water Commission, and two other agencies with environmental oversight. The consolidation of these agencies will bring about stronger, more coordinated environmental protection in this state, as well as save costs on administrative overhead. Unfortunately, Senate Bill 2 does not bring full consolidation until the 1994 fiscal year. Consequently, this rider transferring the Air Control Board’s budget to the Water Commission is unnecessary. During the upcoming budget period, my office will work closely with the Air Control Board and its staff to see that the agency is organized in a manner to ensure a smooth consolidation into the Texas Natural Resource Conservation Commission.

Alcoholic Beverage Commission Page 1–25

12. FORFEITED PROPERTY AND MONEY. Notwithstanding the appropriations above, property and money, and all proceeds from forfeited contraband directed to the commission by a federal agency, or by effect of state or federal law, shall be deposited to the account of the Alcoholic Beverage Commission and are hereby appropriated to the commission solely for law enforcement purposes. Any funds unexpended at the close of each fiscal year are reappropriated for the same purpose the following fiscal year.

This rider would give the Commission new authority to utilize proceeds related to controlled substances arrests without limit, or without statutory guidelines. This rider also represents a substantial change in the mission of the agency, a change that could divert it from its chief statutory assignment of regulating the manufacture and sale of alcohol in the state. This is of particular concern since, while many law enforcement entities at all levels are engaged in the enforcement of criminal statutes, the TABC is the only agency devoted solely to enforcement of the Alcoholic Beverage Code. Funds that would have otherwise been directed to the agency could be directed to other state or local law enforcement entities which have a more direct and continuing mission with respect to controlled substances.

Department of Justice Planning & Assistance Page 1–92

8. CONTINGENT APPROPRIATION - SENATE BILL 24. Contingent upon passage of Senate Bill 24, out of Criminal Justice Planning Fund No. 421, an amount not to exceed one million dollars ($1,000,000) shall be used to fund and implement the Texas Sentencing and Corrections Commission.

We strongly support the creation of a commission to review current sentencing standards in use across the state; however, Senate Bill 24 failed to pass, and this rider has no effect. We are strongly committed to this effort, and are pleased that House Bill 93, Second Called Session of the 72nd Legislature, provided funding for the Texas Punishment Standards Commission to study sentencing practices in the state.
9. APPROPRIATION OF RECEIPTS. There is hereby appropriated to the Department of Banking all monies received as incidental or necessary to the implementation of authorized supervision and conservatorship proceedings authorized by Chapter 8 of the Texas Savings and Loan Act (V.T.C.S. Article 852a). Such monies may be expended by the department to pay costs incidental to such proceedings, including, but not limited to, salary and per diem expenses of the appointed supervisory agent.

This rider was inadvertently included under the Department of Banking although it applies to activities of the Savings and Loan Department. Both agencies already have other riders which provide sufficient authority to carry out their statutory functions with respect to the placement and compensation of supervisory agents and conservators in impaired financial institutions.

Office of the Governor Page I-134

21. CONTINGENT APPROPRIATION FOR FILM AND MUSIC OFFICES. If House Bill No. 4, Seventy-second Legislature, First Called Session, 1991, or similar legislation enacted by the Seventy-second Legislature, First Called Session, becomes law and creates the Texas Film Office and the Texas Music Office in the Office of the Governor, and contingent upon enactment of legislation which imposes a video/audio sales and rental tax, in addition to other amounts appropriated by this Act, the sum of $2 million is appropriated from the General Revenue Fund to the Office of the Governor for the fiscal biennium ending August 31, 1993, for the purpose of operating the Texas Film Office and the Texas Music Office. The Governor may divide the appropriation between the offices as the Governor determines appropriate. If only one of the offices is created in the Office of the Governor, the appropriation made by this provision is reduced to $1 million. If legislation described by this provision does not become law, this provision has no effect. If legislation does not provide revenue equal to or greater than the amounts appropriated above, the appropriations shall be reduced accordingly.

Film and music are industries that can generate thousands of new jobs in Texas. The two million dollars invested in this rider would have paid economic dividends many times over. Unfortunately, this rider was contingent on proposed legislation that failed to win legislative approval. A veto removes any potential liability to the General Revenue Fund.

Historical Commission Page I-140

11. CONTINGENCY APPROPRIATION, PRESERVATION TRUST FUND. Contingent upon the enactment of legislation dedicating to the Preservation Trust Fund funding sources that would generate not less than $1,000,000 over the 1992-93 biennium, as estimated by the Comptroller of Public Accounts, there is hereby appropriated from the general revenue fund to the Preservation Trust Fund No. 664, the sum of $1,000,000 in fiscal year 1992. Any balances remaining as of August 31, 1992 are hereby transferred to the fiscal year beginning September 1, 1992. The Historical Commission shall reimburse the general revenue fund for an amount equal to $1,000,000 from tax revenues deposited into the Preservation Trust Fund No. 664 during the 1992-93 biennium.

Legislation was introduced during the session to generate additional funds for financing the preservation of our state's historical landmarks. We strongly support the efforts and work of the Historical Commission, but unfortunately, the legislation failed to pass. Therefore, this appropriation has no effect and is vetoed.

Department of Information Resources Page I-153

7. DIR OVERSIGHT FUNDING. Notwithstanding any other appropriations in this Act, two percent of every information resource project and amounts for any contract deemed necessary for the successful implementation of such projects shall be transferred from the agency undertaking the project and appropriated to the Department of Information Resources for the purpose of providing assistance with planning, analyses and management functions relating to the procurement, use and implementation of information resource projects.

Services provided by the Department of Information Resources to state agencies should be reimbursed through interagency contracts—an authority the Department already has under current law. Instead, this rider establishes a fee charged to state agencies for services whether they are provided or not. It is estimated that this rider could add as much as $16 million dollars to the Department of Information Resources—which has already received a budget increase of nearly 100%. Agencies should retain these funds and set aside any excess for employee raises.
11. IMPLEMENTATION OF SENATE BILL 25. Contingent upon the enactment of Senate Bill 25, Seventy-second Legislature, First Called Session, or other similar legislation, relating to the Texas Performance Review, there is hereby appropriated from the General Revenue Fund to the Department of Information Resources, $2,400,000 to purchase the Original Texas Land Survey, $2,200,000 to implement Phase I of the Open Systems Pilot Project, and $600,000 to perform competitive cost reviews.

The appropriation in this rider was contingent on proposed legislation that failed to win legislative approval. We veto this rider to remove any potential liability to the state.

Board of Insurance  Page 1–158

11. APPROPRIATION - TEXAS GENERAL BASIS SCHEDULE. There is hereby appropriated from the Insurance Operating Fund an amount not to exceed $200,000 for the biennium for reprinting the Texas General Basis Schedule.

This rider would provide funds to the agency for a total reprinting of the Schedule, an informational manual for insurance companies, which is a statutory responsibility. We veto this rider since the agency also has been granted new authority under Rider 19, which allows it to charge a fee for all printed matter, including the Schedule. Rider 19 also reappropriates such fees to the agency. Given the existence of this new rider, Rider 11 is no longer necessary and would, in fact, provide the agency with a double appropriation. Given the system in place for financing the Board of Insurance, the $200,000 in savings from this veto will automatically result in a reduction in insurance taxes.

Commission on Jail Standards  Page 1–165

3. CONTINGENCY APPROPRIATION - REGIONAL DETENTION FACILITIES. Contingent upon enactment of Senate Bill No. 24, Acts of the Seventy-Second Legislature, First Called Session, or other similar legislation, $123,215 for fiscal year 1992 and $114,390 for fiscal year 1993, is hereby appropriated for the purpose of establishing standards for, determining compliance of, and issuing payments to Regional Detention Authorities.

This rider was contingent on proposed legislation which failed to win legislative approval. A veto eliminates this provision from the budget bill.

Commission on Jail Standards  Page 1–166

4. CONTINGENCY APPROPRIATION - FELONY BACKLOG RELIEF. Contingent upon enactment of Senate Bill No. 71, Acts of the Seventy-Second Legislature, First Called Session, or other similar legislation, $106,379 for fiscal year 1992 and $95,772 for fiscal year 1993, is hereby appropriated for the purpose of monitoring and analyzing county jail populations and issuing relief payments to qualified counties.

This rider was contingent on proposed legislation which failed to win legislative approval. A veto eliminates this provision from the budget bill.

Parks & Wildlife Department  Page 1–201

38. CONTINGENCY FOR HOUSE BILL NO. 111. Contingent upon the passage of House Bill No. 111, Seventy-second Legislature, First Called Session, or similar legislation that would provide additional revenue to the Parks and Wildlife Department there is hereby appropriated out of the State Park Fund No. 64 an amount not to exceed $13,271,400 in fiscal year 1992 and $13,006,000 in fiscal year 1993 for the purpose of acquisition, development, maintenance and operation of state parks.

Texas' natural beauty is an asset of which we can all be proud. This rider anticipated additional revenues for state and local parks, but was contingent on legislation which did not pass. We are pleased, however, that the Parks and Wildlife Department received sufficient funding to maintain its commitment to preserving our invaluable resources. In the interest of eliminating unnecessary law, we veto this rider.

This rider would have provided the Department of Public Safety with adequate funds to enforce proposed legislation establishing new procedures to keep intoxicated drivers off Texas roads. In support of this legislation, we placed this item on the Legislature’s agenda in both the First Called Session and the Second Called Session. Unfortunately, it failed to win approval, and this appropriation has no effect. We will work with the Department of Public Safety during the interim to ensure that funds remain available to pay for the program in the event it wins legislative approval.

11. RURAL TRANSPORTATION FUNDING. It is the intent of the legislature that the total level of federal funding provided to each rural public transportation (RPT) contractor during each year of the 1992-93 biennium remain at the same level as provided during the 1991 fiscal year. If total federal formula funding for the 1992-93 biennium exceeds the level provided during the 1991 fiscal year, that funding shall be distributed to each RPT in service at the beginning of each state fiscal year in an amount equal to the percentage of the total amount of financial assistance to each contractor that each contractor was allocated in the previous fiscal year. If federal formula funds, excepting Section 9 unobligated balances, are insufficient to achieve the compliance referenced above, sufficient additional funds from the non-constitutionally dedicated portion of State Highway Fund No. 006 are hereby appropriated to maintain this minimal level of funding for each contractor. Such funds shall be exempt from the matching provisions provided by House Bill 1263, Seventy-first Legislature or similar legislation. Nothing in this rider is intended to prohibit the Department of Transportation from transferring Federal Section 9 Governor’s apportionment funds to RPT contractors in annual amounts not to exceed the annual amounts transferred in the 1991 fiscal year. The non-constitutionally dedicated revenues appropriated above shall be transferred to Public Transportation Fund No. 451 for expenditure from Fund No. 451.

We are strong advocates of rural transportation funding in Texas, but it is not good public policy to give contractors blanket approval in advance with no guarantee as to the quality of the service to be provided. This rider could cost the state as much as $3.6 million in 1992-93. It provides that state funds will be used to maintain each current rural public transportation contractor with the same amount of funds received in the 1991 fiscal year, regardless of how well the contractor performs. Funding for these projects should be based on an area’s need and the quality of work performed.

I. Administration:
   a. Commissioner’s Offices

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The budget for the Commissioner’s Offices is twice the amount provided in the 1990-91 budget. No state agency can justify a doubling of its office budget during a time when most other agencies are experiencing cutbacks. We veto the second year of their appropriation and instruct the agency to reduce administrative costs accordingly. Under the agency’s current authority to carry forward unexpended balances, it can reduce the 1992 administrative budget and carry the savings forward to pay for 1993 costs.
ARTICLE III – AGENCIES OF PUBLIC EDUCATION

Texas Agricultural Experiment Station  Page III-85

10. APPROPRIATION TRANSFER. In order to maintain the essential services of the Texas State Data [sic] Center, including dissemination of demographic, redistricting, economic, housing, and related data, $190,000 in annual appropriations is transferred from the Texas Department of Commerce to the Department of Rural Sociology in the Texas Agricultural Experiment Station in the Texas A&M University System.

Fiscal support of the Texas State Data Center in the Texas Agricultural Experiment Station is provided by the Texas Department of Commerce through an interagency contract for services negotiated annually by the two state agencies. Therefore, this rider is unnecessary.

ARTICLE V - GENERAL PROVISIONS

General Provisions  Page V-56

Sec. 29. REIMBURSEMENTS AND PAYMENTS.
2. Forfeited money, proceeds from the sale of forfeited property or similar monetary awards related to the agency’s participation in the seizure of controlled substances or other contraband are appropriated to the receiving agency, unless distribution is otherwise provided by statute.

This rider would provide the Alcoholic Beverage Commission the same authority granted in Rider 12 of their budget, which was vetoed.

House Bill 1 was received by the Governor's Office less than ten days prior to adjournment of the First Called Session of the Seventy-second Legislature. I have signed House Bill 1, which shall be filed with the Secretary of State, together with this Proclamation stating my objections to individual items of appropriation therein. In accordance with Article IV, Section 14 of the Texas Constitution, individual items of appropriation objected to shall be of no force or effect. The remaining portion of the bill shall be effective according to its terms.

The Secretary of State shall take notice of this action and notify the Legislature.

IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused the seal of the State to be affixed hereto at Austin, this 30th day of August, 1991.

Ann W. Richards
Governor of Texas

John Hannah, Jr.
Secretary of State

Filed in the Office of the Secretary of State
5:07 p.m. 0'clock
Aug 30 1991
Secretary of State