PROCLAMATION

BY THE

Governor of the State of Texas

41-2639

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. The bill appropriates an estimated $79.9 billion from all fund sources and $45.1 billion from general revenue-related funds for the fiscal biennium beginning September 1, 1995.

The accomplishments of the Seventy-fourth Legislature, Regular Session, are of historical significance, and one of its notable achievements is the approval of a fiscally sound and responsible state budget. The members of the Legislature are to be commended for their diligence and the quality of their decisions.

From the outset, my budget priorities were clear and uncomplicated. My evaluation of the bill has been based upon those priorities, and I make note of the following:

- House Bill 1 requires no new taxes and eliminates the reliance on spending deferrals to balance the budget;

- House Bill 1 represents the lowest rate of growth from one biennium to the next in half a century by limiting the increase to only 6.2 percent;

- House Bill 1 allocates the lion's share of new spending to public schools, finances the costs of the new education code, and fully funds the projected state cost of the school finance system;

- House Bill 1 provides the financial resources necessary to reform our juvenile justice system;

- House Bill 1 provides authority to the Governor and the Legislative Budget Board to manage key areas of the budget during the interim;

- House Bill 1 maintains the focus of state agencies on achieving results by setting specific performance targets and tying agency budgets to agency accomplishments; and

- House Bill 1 was adopted by unanimous vote in both the House and the Senate.

Texas is a conservative state, with a conservative philosophy, and the Seventy-fourth Legislature has adopted a conservative budget which is consistent with my priorities. Accordingly, I apply my veto authority very sparingly.

My item vetoes, totaling approximately $14 million, would eliminate funding included for proposed legislation which did not pass and for legislation which I have also vetoed. I hereby veto the following items from House Bill 1, Seventy-fourth Legislature, Regular Session, 1995, and am including a statement of my objections to each of those items:
ARTICLE I - GENERAL GOVERNMENT

Office of the Attorney General Page I-15

26. **Contingency Rider for House Bill 1589.** Contingent upon the enactment of House Bill 1589, Seventy-fourth Legislature, Regular Session, or similar legislation relating to the provision of workers' compensation benefits for certain state employees and to the creation of a State Office of Risk Management, and for the purpose of implementing the provisions of that Act:

   a. the Comptroller of Public Accounts shall transfer the general revenue appropriation to the Office of the Attorney General in Strategy item E.1.1., Workers' Compensation, in the amount of $5,063,131 for fiscal year 1996 and $5,055,764 for fiscal year 1997, to the State Office of Risk Management within the Workers' Compensation Commission; and

   b. the Comptroller of Public Accounts shall reduce the general revenue appropriation for the 1996-1997 biennium to the Office of the Attorney General by an amount which is equal to the amount by which the Attorney General Debt Collection Receipts for the 1994-1995 biennium exceed the Attorney General Debt Collection Receipts for the 1996-1997 biennium.

   *This veto action deletes a rider that was contingent upon proposed legislation which did not pass.*

Office of the Attorney General Workers' Compensation Payments Page I-17

4. **Contingency Rider for House Bill 1589.** Contingent upon the enactment of House Bill 1589, Seventy-fourth Legislature, Regular Session, or similar legislation relating to the provision of workers' compensation benefits for certain state employees and to the creation of a State Office of Risk Management, and for the purposes of implementing the provisions of that Act:

   a. The Comptroller of Public Accounts shall reduce the fiscal year 1996 general revenue appropriation to Workers' Compensation Payments by $2,300,000; and

   b. all references in the above riders to the Office of the Attorney General or the Attorney General's Office shall mean the State Office of Risk Management within the Workers' Compensation Commission.

   *This veto action deletes a rider that was contingent upon proposed legislation which did not pass.*

Office of the Governor Page I-55

15. **Oil Overcharge Settlement Funds.**

   a. Unexpended balances from contracts executed in the 1994-95 biennium are reappropriated for the 1996-97 biennium for the purpose of completing existing projects under contract.

   b. It is the intent of the Legislature that the LoanStar Program continue at the current level of financial commitment.

   c. Any new receipts of oil overcharge funds to the State of Texas or any oil overcharge funds available for reallocation by the Governor shall be used to fund eligible programs with priority given to the LoanStar Program, property-poor school districts and low-income persons.
d. Any unexpended balances in oil overcharge funds as of August 31, 1995, for the Alternative Energy Program, Sustainable Energy Development Council, and the City of Dallas Alternative Fuels Tax Program are hereby appropriated for the biennium beginning September 1, 1995 to the General Land Office for the completion of these projects and for the purpose of implementing the plan of the Sustainable Energy Development Council.

*This rider would automatically continue funding for some contracts which will expire and would reassigned responsibility for some projects without affording an opportunity for further review. The Governor, with the concurrence of the Lieutenant Governor and the Speaker of the House, has the authority to contract out these funds. This veto action will allow time to examine any issues with existing contracts and will allow decisions regarding the continuation of these contracts to be based upon the results of that examination.*

**Treasury Department**

**Page I-88**

9. **Contingency Appropriation for House Bill 2460.** Contingent upon the enactment of House Bill 2460, or similar legislation relating to the possession, purchase, sale, distribution, and receipt of cigarette and tobacco products, by the Seventy-fourth Legislature, Regular Session, the Treasury Department is hereby appropriated an amount not to exceed $245,000 for fiscal year 1996 and $85,000 for fiscal year 1997 out of additional revenues collected pursuant to House Bill 2460 for the purpose of implementing that Act. The Treasury Department is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

*House Bill 2460 was vetoed by the Governor; consequently, this veto action eliminates funding proposed for the implementation of that bill.*

**ARTICLE II - HEALTH AND HUMAN SERVICES**

**Commission on Alcohol and Drug Abuse**

**Page II-11**

24. **Contingency Appropriation for House Bill 2460.** Contingent upon the enactment of House Bill 2460, or similar legislation relating to the possession, purchase, sale, distribution, and receipt of cigarettes and tobacco products, by the 74th Legislature, Regular Session, the Commission on Alcohol and Drug Abuse is hereby appropriated $994,920 for fiscal year 1996 and $563,720 for fiscal year 1997 out of additional revenues collected pursuant to House Bill 2460 for the purpose of implementing that Act. The Commission on Alcohol and Drug Abuse is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

*House Bill 2460 was vetoed by the Governor; consequently, this veto action eliminates funding proposed for the implementation of that bill.*

**Department of Health**

**Page II-28**

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

| F.1.1. Strategy: CONTINGENCY APPROPRIATION, HB 682 | $38,316 | $32,652 |

**Page II-39**

54. **Contingency Appropriation for House Bill 682.** The appropriation of funds made above in item F.1.1., Contingency Appropriation, House Bill 682, is hereby made contingent upon the enactment of House Bill 682, or similar legislation relating to the regulation of certain animal control officers, by the 74th Legislature, Regular Session.
Funds appropriated in that item may be transferred to other appropriate strategies for the purpose of implementing House Bill 682. In no event shall the amount expended out of, or transferred from, item F.1.1., Contingency Appropriation, House Bill 682, exceed the amount of additional revenues generated pursuant to House Bill 682.

This veto action deletes an item that was contingent upon proposed legislation which did not pass.

Page II-28

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

F.1.3. Strategy: CONTINGENCY APPROPRIATION,
HB 1193 $ 102,834 $ 97,834

Page II-39

56. Contingency Appropriation for House Bill 1193. The appropriation of funds made above in item F.1.3., Contingency Appropriation, House Bill 1193, is hereby made contingent upon the enactment of House Bill 1193, or similar legislation relating to the regulation of orthotists and prosthetists, by the 74th Legislature, Regular Session. Funds appropriated in that item may be transferred to other appropriate strategies for the purpose of implementing House Bill 1193. In no event shall the amount expended out of, or transferred from, item F.1.3., Contingency Appropriation, House Bill 1193, exceed the amount of additional revenues generated pursuant to House Bill 1193.

This veto action deletes an item that was contingent upon proposed legislation which did not pass.

Health and Human Services Commission Page II-43

10. Contingency Appropriation: Matching Grant Program. Contingent upon enactment of Senate Bill 574, Seventy-fourth Legislature, Regular Session, or similar legislation, $2,500,000 for fiscal year 1996 and $2,500,000 for fiscal year 1997 in general revenue is appropriated and shall be used only for the purposes of funding the matching grant program for local child and family commissions. The Commission is hereby authorized to carry forward any remaining unexpended balances in the $2,500,000 appropriated for fiscal year 1996 and restricted by this provision to fiscal year 1997 to be used for the same purpose.

This veto action deletes a rider that was contingent upon proposed legislation which did not pass. Although this rider is eliminated, a related provision which appropriates this amount to the Department of Criminal Justice is retained.

Department of Human Services Page II-55

31. Contingency Appropriation for Senate Bill 103. Contingent upon the enactment of Senate Bill 103, or similar legislation relating to the creation of the Guardianship Resource Board, by the 74th Legislature, Regular Session, the Texas Department of Human Services is hereby appropriated $300,000 for fiscal year 1996 and $300,000 for fiscal year 1997 out of the General Revenue Fund for the purpose of implementing that Act. The Texas Department of Human Services is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

Senate Bill 103 was vetoed by the Governor; consequently, this veto action eliminates funding proposed for the implementation of that bill.

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ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE

Alcoholic Beverage Commission  Page V-9

15. Contingency Appropriation for House Bill 2732. Contingent upon the enactment of HB 2732, or similar legislation relating to the timely filing of alcoholic beverage permits, activities authorized and storage of certain alcoholic beverages by the 74th Legislature, Regular Session Alcoholic Beverage Commission increasing surcharges in a equal amount, and providing such information as may be deemed necessary by the Comptroller Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriations, the Texas Alcoholic Beverage Commission is hereby appropriated $71,115 for fiscal year 1996 and $54,329 for fiscal year 1997 out of the General Revenue Fund for the purpose of implementing that Act. The Texas Alcoholic Beverage Commission is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

House Bill 2732 was vetoed by the Governor; consequently, this veto action eliminates funding proposed for the implementation of that bill.

Juvenile Probation Commission  Page V-38

17. Contingency Appropriation for Senate Bill 384. Contingent upon the enactment of Senate Bill 384, or similar legislation relating to state aid for counties that provide secure residential care facilities for certain delinquent children, by the 74th Legislature, Regular Session, the Juvenile Probation Commission is hereby appropriated $2,500,000 for fiscal year 1996 and $2,500,000 for fiscal year 1997 out of the General Revenue Fund for the purpose of implementing that Act. The Juvenile Probation Commission is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

This veto action deletes a rider that was contingent upon proposed legislation which did not pass.

Department of Public Safety  Page V-53

36. Contingency Appropriation for Senate Bill 1390. Contingent upon enactment of Senate Bill 1390, Seventy-fourth Legislature, Regular Session, or similar legislation, the Department of Public Safety is hereby appropriated the additional fee revenue collected pursuant to Senate Bill 1390 in an amount not to exceed $116,905 for fiscal year 1996 and $25,100 for fiscal year 1997 for the purpose of implementing the provisions of that Act. The Department of Public Safety is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items listed above.

This veto action deletes a rider that was contingent upon proposed legislation which did not pass.

ARTICLE VI - NATURAL RESOURCES

Natural Resource Conservation Commission  Page VI-31

33. Contingency Appropriation for Senate Bill 1697. Contingent upon the enactment of Senate Bill 1697, or similar legislation relating to the licensing of radioactive waste, low-level waste and mixed waste processing facilities by the 74th Legislature, Regular Session, the Texas Natural Resource Conservation Commission (TORCH) is hereby appropriated an amount not to exceed $202,179 for fiscal year 1996 and $425,013 for fiscal year 1997 out of additional revenues collected pursuant to Senate Bill 1697 for the purpose of
implementing that Act. The TORCH is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

This veto action deletes a rider that was contingent upon proposed legislation which did not pass.

ARTICLE VIII - REGULATORY

Board of Registration for Professional Engineers Page VIII-20

4. Contingency Appropriation for Senate Bill 784. Contingent upon the enactment of Senate Bill 784, or similar legislation relating to administrative penalties for practicing engineers by the Seventy-fourth Legislature, Regular Session, the Board of Registration for Professional Engineers is hereby appropriated $22,000 for fiscal year 1996 and $22,000 for fiscal year 1997 out of General Revenue Fund - Consolidated, Account No. 056, for the purpose of implementing that Act. The Board of Registration for Professional Engineers is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

This veto action deletes a rider that was contingent upon proposed legislation which did not pass.

Department of Licensing and Regulation Page VIII-45

10. Contingency Appropriation for Senate Bill 151. Contingent upon the enactment of Senate Bill 151, or similar legislation relating to certification and licensing of court appointed interpreters by the 74th Legislature, Regular Session, the Department of Licensing and Regulation is hereby appropriated an amount not to exceed $383,583 for fiscal year 1996 and $501,644 for fiscal year 1997 out of additional revenues collected pursuant to Senate Bill 151 for the purpose of implementing that Act. The Department of Licensing and Regulation is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

This veto action deletes a rider that was contingent upon proposed legislation which did not pass.

Racing Commission Page VIII-69

9. Contingency Appropriation for House Bill 1305. Contingent upon the enactment of House Bill 1305, or similar legislation relating to the continuation and functions of the Texas Racing Commission, by the 74th Legislature, Regular Session, the Racing Commission is hereby appropriated $838,458 for fiscal year 1996 and $944,288 for fiscal year 1997 out of additional revenues collected pursuant to House Bill 1305 for the purpose of implementing the Act. The Racing Commission is authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy listed above.

This veto action deletes a rider that was contingent upon proposed legislation which did not pass.

Workers' Compensation Commission Page VIII-90

6. Contingency Appropriation for House Bill 1589. Contingent upon the enactment of House Bill 1589, or similar legislation creating a State Office of Risk Management, by the 74th Legislature, Regular Session, the Workers' Compensation Commission is hereby appropriated $1,363,184 for the fiscal biennium beginning September 1, 1995 out of the General Revenue Fund for the purpose of implementing that Act. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.
This veto action deletes a rider that was contingent upon proposed legislation which did not pass.

ARTICLE IX - GENERAL PROVISIONS

Page IX-102

Sec. 157. Contingency for Senate Bill 984. If Senate Bill 984 is enacted by the Seventy-fourth Legislature at its regular session and becomes law, in addition to the other appropriations made by this Act, all amounts deposited in the community environmental equity fund during the fiscal biennium ending August 31, 1997, are appropriated for that period to the Community Environmental Equity Board for the purposes for which money in the fund may be used. If Senate Bill 984 does not become law, this provision has no effect.

This veto action deletes a rider that was contingent upon proposed legislation which did not pass.

Page IX-106

Sec. 165. Contingency Appropriation for Senate Bill 1214. Contingent upon the enactment of Senate Bill 1214, or similar legislation relating to the registration and reporting by charitable organizations, by the 74th Legislature, Regular Session, the Office of the Attorney General is hereby appropriated $649,030 for fiscal year 1996 and $604,582 for fiscal year 1997 out of additional revenues collected pursuant to Senate Bill 1214 for the purpose of implementing that Act. The Office of the Attorney General is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed in the agency's bill pattern above. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

This veto action deletes a rider that was contingent upon proposed legislation which did not pass.
House Bill 1 was received by the Governor's Office less than ten days prior to adjournment of the Regular Session of the Seventy-fourth 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, the 16th day of June, 1995.

George W. Bush
Governor of Texas

FILED IN THE OFFICE OF THE SECRETARY OF STATE 1:40 p.m. O'CLOCK JUN 1 7 1995

Secretary of State

Antonio O. Garza, Jr.
Secretary of State