PROCLAMATION
BY THE
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

House Bill 1, the General Appropriations Bill, having been duly certified by the Comptroller of Public Accounts pursuant to Article III, Section 49a of the Texas Constitution, has been presented to me for action. This bill appropriates an estimated $98.1 billion from all fund sources which includes $55.1 billion from the General Revenue Fund for the fiscal biennium beginning September 1, 1999.

Total appropriations, when adjusted for inflation, population growth and property tax relief, reflect an increase of 1.9 percent over the current budget. Since 1994-95, real per capita spending has grown only 3.6 percent and has also grown less than the overall growth in the state economy. Spending as a percent of personal income has declined steadily from 9.5 percent in 1994-95 to 8.5 percent for 2000-01, a level last achieved 10 years ago.

Conservative budgetary policies and a growing state economy have resulted in the strongest fiscal condition for the state in recent history. When the Seventy-sixth Legislature convened in regular session, it was presented with the opportunity and the challenge to allocate some $5.6 billion of additional state revenue above the current general revenue spending level. Even though the available revenue amount was subsequently increased to $6.4 billion, the total cost of various proposals and requests far exceeded this record amount of “new money.” Crafting the final state budget involved careful review and consideration of competing proposals ultimately determined by setting priorities.

The proposed state budget that I submitted to the Legislature presented my key fiscal priorities and the criteria against which I would evaluate fiscal proposals:

<table>
<thead>
<tr>
<th>Key Fiscal Priorities</th>
<th>Fiscal Criteria</th>
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<tr>
<td>• Meet Basic Needs</td>
<td>• Whether the benefits are broadly shared</td>
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<td>• Cut State Taxes</td>
<td>• Whether the economic health of the state is</td>
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<td>• Lower School Property Taxes</td>
<td>strengthened</td>
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<td>• Improve Funding for Public Schools</td>
<td>• Whether the achievement of key objectives is</td>
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<td>• Achieve Longer-term Benefits</td>
<td>promoted</td>
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<td>• Whether the philosophy of limited and efficient</td>
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<td>government, local control, personal</td>
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<td>responsibility, and strong families is supported</td>
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I am pleased that through the passage of House Bill 1, along with Senate Bill 4, Senate Bill 441 and other measures, these priorities are accomplished. Over the next two years, tax relief measures will save Texans $2.1 billion, including $1.35 billion in property tax relief; school teachers will receive a $3,000 pay raise; public education will receive 60 percent of all new general revenue spending; and endowments created with tobacco settlement proceeds will benefit health-related services for years to come.

This responsible budget supports the largest tax cut in our state’s history, funds the basic needs and priorities of our growing state, and is good for Texas. Accordingly, I apply my veto authority sparingly. My item vetoes, totaling approximately $51.1 million, would eliminate funding included for proposed legislation that did not pass and for legislation that I vetoed. I hereby veto the following items from House Bill 1, Seventy-sixth Legislature, Regular Session, 1999, and include a statement of my objections to each of those items.
2. Contingency Appropriation for Senate Bill 1590. Contingent upon the enactment of Senate Bill 1590, or similar legislation relating to the detection, investigation and prosecution of fraud in the workers' compensation program for state employees, by the Seventy-sixth Legislature, Regular Session, the State Office of Risk Management is hereby appropriated $430,411 for fiscal year 2000 and $346,781 for fiscal year 2001 out of the General Revenue Fund for the purpose of implementing that Act. The State Office of Risk Management is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. Also contingent on the enactment of Senate Bill 1590, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 6.0 for fiscal year 2000 and by 6.0 for fiscal year 2001.

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

11. Contingency Appropriation for House Bill 1699. Contingent upon the enactment of House Bill 1699, or similar legislation relating to voter registration information, processes and procedures, by the Seventy-sixth Legislature, Regular Session, the Office of the Secretary of State is hereby appropriated $183,072 to Strategy B.1.1., Elections Administration, for fiscal year 2000 out of the General Revenue Fund for the purpose of implementing that Act.

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

ARTICLE II – HEALTH AND HUMAN SERVICES

73. Contingency Appropriation for Senate Bill 1533. Contingent upon the enactment of Senate Bill 1533, or similar legislation relating to the hazardous substances law, by the Seventy-sixth Legislature, Regular Session, the Texas Department of Health is hereby appropriated $56,153 for fiscal year 2000 and $60,230 for fiscal year 2001 out of additional revenues collected pursuant to Senate Bill 1533 for the purpose of implementing that Act. In no event shall be amount expended out of, or transferred from, this appropriation exceed the amount of additional revenues generated pursuant to Senate Bill 1533. The additional revenues generated must be sufficient to cover the costs of the appropriation as well as any indirect costs associated with the implementation of the provisions of the bill.

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

ARTICLE III - EDUCATION

5. Contingency Appropriation for House Bill 2107. Contingent upon the enactment of House Bill 2107, or similar legislation relating to assistance to certain volunteer fire departments and to the imposition of a tax to finance that assistance, by the 76th Legislature, Regular Session, Texas Forest Service is hereby appropriated $375,000 for fiscal year 2000 and $394,000 for fiscal year 2001 out of additional revenues collected pursuant to House Bill 2107 for the purpose of implementing that Act. In no event shall the amount expended out of appropriations identified by this provision exceed the amount of additional revenues generated pursuant to House Bill 2107.

House Bill 2107 was vetoed by the Governor; consequently, this veto action eliminates funding proposed for the implementation of that bill.
52. Contingency Appropriation for House Bill 2794. Contingent upon the enactment of House Bill 2794, or similar legislation relating to the automation of the compulsory motor vehicle inspection system, by the Seventy-sixth Legislature, Regular Session, the Department of Public Safety is hereby appropriated $22,466,004 for fiscal year 2000 and $22,645,479 for fiscal year 2001 out of the General Revenue Fund for the purpose of implementing that Act. The Department of Public Safety is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. In no event shall the amount expended out of, or transferred from, appropriations identified by this provision exceed the amount of additional revenues generated pursuant to House Bill 2794 or similar legislation. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

House Bill 2794 was vetoed by the Governor; consequently, this veto action eliminates funding proposed for the implementation of that bill.

ARTICLE VI – NATURAL RESOURCES

Low-Level Radioactive Waste Disposal Authority

For the Years Ending August 31, August 31,
2000 2001

A.1.1. Strategy: ADMINISTRATIVE OVERSIGHT $ 3,812,044

Grand Total, LOW-LEVEL RADIOACTIVE WASTE DISPOSAL AUTHORITY $ 3,812,044

Other Direct and Indirect Costs Appropriated Elsewhere in this Act $ 152,865

This veto action eliminates funding for the second year of the biennium. The agency functions are being transferred to the Texas Natural Resource Conservation Commission. Therefore, the fiscal year 2000 appropriation is adequate to meet agency needs.

ARTICLE IX – GENERAL PROVISIONS

Sec. 9-11.12. Contingency Appropriation for House Bill 2155. Contingent upon enactment of House Bill 2155, or similar legislation by the Seventy-sixth Legislature relating to the creation of the Texas State Board of Mechanical Industries, all appropriations and FTEs appropriated to the Texas State Board of Plumbing Examiners shall be transferred to the new Texas State Board of Mechanical Industries. In addition, the Texas Department of Licensing and Regulation shall transfer $1,115,379 and 20 FTEs in fiscal year 2000 and $1,115,379 and 20 FTEs in fiscal year 2001 to the Texas State Board of Mechanical Industries. The Texas Natural Resource Conservation Commission shall also transfer $161,599 and 3 FTEs in fiscal year 2000 and $161,599 and 3 FTEs in fiscal year 2001 to the Texas State Board of Mechanical Industries. Other direct and indirect costs appropriated elsewhere in this Act are estimated to be $621,641 in fiscal year 2000 and $642,750 in fiscal year 2001. It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the Board of Mechanical Industries cover, at a minimum, the cost of appropriations made above as well as other direct and indirect costs listed above. In addition, the Texas State Board of Mechanical Industries is hereby appropriated $195,251 in fiscal year 2000 and $173,171 in fiscal year 2001 out of general revenue, for the purpose of moving and rent expenses, contingent upon the Texas State Board of Mechanical Industries assessing fees sufficient to generate a like amount above the amounts attributable to the transferred industries' revenue collection in the Comptroller’s Biennial Revenue Estimate, as determined by the Comptroller. 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 by this provision to be within the amount of fee revenue expected to be available.

House Bill 2155 was vetoed by the Governor; consequently, this veto action eliminates funding proposed for the implementation of that bill.
House Bill 1 was received by the Governor's Office less than ten days prior to adjournment of the Regular Session of the Seventy-sixth 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 20th day of June, 1999.

George W. Bush
Governor of Texas

Elton Bomer
Secretary of State