TO ALL TO WHOM THESE PRESENTS SHALL COME:

Senate Bill 1, the General Appropriations Act, 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 would appropriate an estimated $113.8 billion from all fund sources including $61.7 billion from the General Revenue Fund for the fiscal biennium beginning September 1, 2001. Appropriations for fiscal years 2002 and 2003 reflect an average annual increase of 3.7% over the 2001 spending level.

The proposed state budget that I submitted to the Legislature contained my key priorities for the 2002-2003 biennium. These were:

Meet Basic Needs, Including
Fully Funding Medicaid Growth Projections

Improve Accessibility to and
Quality of Public and Higher Education

Promote Health and Safety for
Texas Citizens

Optimize Technology Use

Improve Transportation

Address Border Issues.

This budget meets basic needs, including fully funding Medicaid growth projections, while providing funds for some new and necessary programs. We did a better job of maximizing federal dollars. And we accomplished our goals without accessing the state’s Rainy Day Fund and without cutting funds to vital areas.

However, Senate Bill 1 does contain a few items of appropriation with which I do not agree. The budget spends every available dollar and then some. Other than the Rainy Day Fund, no cushion is provided to care for unforeseen issues or problems, such as the recent tragic Southeast Texas floods. The bill also contains provisions intended to obligate expenditure of funds beyond those the Comptroller is currently willing to certify as available. This tactic could limit the ability of the Seventy-eighth Legislature to address the state’s needs in a fiscally responsible manner in 2004-2005.

Like my predecessors, I am also concerned that certain appropriations are made in a way that usurp the authority granted to the Governor in Article IV, Section 14, of the Texas Constitution to veto individual items of appropriation. This is accomplished by combining several distinct items of appropriation into one large item or through an attempt at lump-sum appropriations. As long as this practice continues, the governors of this State will be unable to exercise the fiscal responsibility envisioned in the State Constitution.

My item vetoes total $75.1 million in certified appropriations and another $480.8 million in appropriations contingent on certification of additional revenue. I hereby veto the following items from Senate Bill 1, Seventy-Seventh Legislature, Regular Session, 2001, and include a statement of my objections to each of those items.
Article II – Health and Human Services

Health and Human Services Commission Page I-61

53. Contingent Appropriation to the Health and Human Services Commission. The appropriation to the Health and Human Services Commission under Strategies B.2.1, B.2.2, B.2.3, and B.2.4, has been reduced by $126,840,001 in All Funds, including $107,747,112 in General Revenue Match for Medicaid, and the Health and Human Services Commission is hereby authorized to defer its August 2003 premium payment to the National Heritage Insurance Company until September 2003 and the August 2003 payment will be paid from fiscal year 2004 appropriations. However, after and contingent upon the Comptroller providing notice to the Legislative Budget Board and the Governor regarding a finding of fact by the Comptroller at the time of certification or after certification of this Act that sufficient revenue is estimated to be available, and following approval by the Legislative Budget Board and Governor, there is hereby appropriated to the Health and Human Services Commission such amounts as may be necessary for payment of the August 2003 premium payment (estimated to be $126,840,001 in All Funds, including $107,747,112 in General Revenue Match for Medicaid) by August 31, 2003.

This veto action deletes an appropriation contingent on the certification of additional revenue by the Comptroller. Deleting this appropriation may allow the Contingency Reserve authorized by Article IX, Section 10.06 to be funded instead. Such a reserve could be used to pay for the 25th month of Medicaid, but could also be used for other unforeseen circumstances, offering the state additional flexibility. Projected Medicaid expenses for the 2002-2003 biennium are fully funded in Article II and Article XII of the General Appropriations Act.

Department of Human Services Page II-78

34. Contingent Appropriation to Texas Department of Human Services for Payment of August 2003 Nursing Home Payment. The appropriation shown above to the Texas Department of Human Services in this Act under Strategy A.1.4 has been reduced by $34,760,919 in All Funds, including $53,634,846 in General Revenue Match for Medicaid, and the Texas Department of Human Services is hereby authorized to defer its August 2003 nursing home payment until September 2003, and the August 2003 payment will be paid from fiscal year 2004 appropriations. However, after and contingent upon the Comptroller providing notice to the Legislative Budget Board and the Governor regarding a finding of fact by the Comptroller at the time of certification or after certification of this Act that sufficient revenue is estimated to be available, and following approval by the Legislative Budget Board and Governor, there is hereby appropriated to the Texas Department of Human Services such amounts as may be necessary for payment of the August 2003 nursing home payment (estimated to be $34,760,919 in All Funds, including $53,634,846 in General Revenue Match for Medicaid) by August 31, 2003.

This veto action deletes an appropriation contingent on the certification of additional revenue by the Comptroller. Deleting this appropriation may allow the Contingency Reserve authorized by Article IX, Section 10.06 to be funded instead. Such a reserve could be used to pay for the 25th month of Medicaid, but could also be used for other unforeseen circumstances, offering the state additional flexibility. Projected Medicaid expenses for the 2002-2003 biennium are fully funded in Article II and Article XII of the General Appropriations Act.

Article III – Education

Telecommunications Infrastructure Fund Board Page III-39

7. Contingency Appropriation: Senate Bill 1783. Contingent upon the enactment of Senate Bill 1783. Seventy-seventh Legislature, Regular Session, if available revenue in the Telecommunications Infrastructure Fund (TIF) in the 2002-03 biennium is less than the sum of appropriations from the TIF contained in this Act, the Telecommunications Infrastructure Fund Board’s appropriations for the 2002-03 biennium shall be reduced by the difference.
This veto action deletes a rider that was contingent upon proposed legislation that did not pass.

Special Provisions Relating Only to State Agencies of Higher Education

Sec. 52. Utility Funding Increase for Public Higher Education Institutions. Contingent upon a finding of fact by the Comptroller of Public Accounts at the time of certification of this Act, or after certification of this Act, that sufficient revenue is estimated to be available from the General Revenue Fund, and following approval by the Legislative Budget Board, there is hereby appropriated to the Comptroller of Public Accounts $19,515,970 per fiscal year, or such amounts as may be available for the purpose of funding increased utility costs at public institutions of higher education. Distribution of any amounts authorized shall be based on the Texas Higher Education Coordinating Board’s infrastructure funding formula.

This veto action deletes a rider contingent upon the certification of additional revenue by the Comptroller.

Article VI – Natural Resources

Natural Resource Conservation Commission

40. Contingency Appropriation: Senate Bill 1541. Contingent upon passage of Senate Bill 1541, or similar legislation relating to the permanent management of low-level radioactive waste, by the Seventy-seventh Legislature, Regular Session, the Natural Resource Conservation Commission is hereby appropriated any fee revenues generated to the Low-level Radioactive Waste Account No. 88 as a result of the bill’s enactment (estimated to be $1,245,000 for the 2002-03 biennium). This appropriation shall be used to implement the provisions of the bill.

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

Article IX General Provisions

Sec. 10.16. Contingent Reduction Items. Contingent upon a finding of fact by the Comptroller of Public Accounts at the time of certification of this Act that sufficient revenue is not available from the General Revenue Fund and special funds to certify the General Appropriations Act, the following amounts are hereby reduced, in priority order, from the listed entities:

(a) Ten percent of Special Items for Institutions of Higher Education on a prorated basis.
(b) Twenty-five percent of tuition revenue bond debt service authorized by the Seventy-seventh Legislature under Section 10.19 of this Article for Institutions of Higher Education on a prorated basis, excluding commitments made under the Office of Civil Rights agreement.
(c) Twenty percent of General Revenue and General Revenue related Capital Budget Funding for all agencies, on a prorated basis.

The reduction authorized herein shall be implemented among the listed entities and items by the Comptroller of Public Accounts based on the amounts, timing, or other information to be determined by the Legislative Budget Board following the Comptroller’s finding of fact. The provisions in this section are to be implemented prior to the action authorized under Section 10.05. “Contingency Appropriation Reduction” of Article IX of this Act. It is the intent of the Legislature that items reduced above be funded prior to any other contingency appropriations listed in this Act.

This veto action deletes a rider that is no longer necessary. The Comptroller certified this Act without making any of the proposed reductions.

Sec. 10.17. Additional Appropriations Priorities Contingent on Availability of Revenue. Contingent on the Comptroller certifying that sufficient revenue is available the following appropriations are made for the purposes specified:

(e) First, it is the intent of the Legislature that the Comptroller shall use any additional revenue to restore appropriation reductions previously made pursuant to Section 10.16 of this Article in
the following order:

(1) it is the intent of the Legislature that the Comptroller shall restore any previous appropriation reductions made from the General Revenue and General Revenue-related capital budgeting funding for all agencies on a prorated basis;

(2) after making any restoration as directed under Subdivision (1) of this Subsection (a), it is the intent of the Legislature that the Comptroller shall restore any appropriation reductions previously made related to tuition revenue bond debt service;

(3) after making any restorations as directed under Subdivision (1) of this Subsection (a) and (2) of this Subsection (b), it is the intent of the Legislature that the Comptroller shall restore any appropriation reductions previously made related to the Special Items for Institutions of Higher Education on a prorated basis; and

(4) after making any restorations as directed under Subdivision (1) of this Subsection (a), and then Subdivision (2) of this Subsection (a), and then Subdivision (3) of this Subsection (a), it is the intent of the Legislature that the Comptroller shall restore any across-the-board reduction in appropriations made pursuant to Sections 10.05 or 10.16 of this Article;

(b) Second, after restoring any reductions as provided under Subsection (a) of this Section any additional revenue is appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act;

(c) Third, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section any additional revenue is appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act;

(d) Fourth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section any additional revenue is appropriated to be used for judicial salaries increases as provided under Section 11.01 of this Article;

(e) Fifth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section any additional revenue is appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article;

(f) Sixth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section any additional revenue is appropriated to the Comptroller to be distributed to Institutions of Higher Education as determined by the Texas Higher Education Coordinating Board for meeting higher-than-expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act;

(g) Seventh, after restoring any reductions as provided under Subsection (a) of this Section and
funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section and funding any additional revenue appropriated to the Comptroller to be distributed to institutions of higher education as considered proper by the Texas Higher Education Coordinating Board for meeting higher than expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act as provided under Subsection (f) of this Section there is appropriated any additional revenue to fund employee salary increases under Section 10.13 of this Article;

(h) Eighth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section and funding any additional revenue appropriated to the Comptroller to be distributed to institutions of higher education as considered proper by the Texas Higher Education Coordinating Board for meeting higher than expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act as provided under Subsection (f) of this Section there is appropriated any additional revenue to be used for payment of Medicaid payments previously deferred as provided by Rider 34 following the bill pattern of the Department of Human Services under Article II of this Act and as provided by Rider 55 following the bill pattern of the Health and Human Services Commission under Article II of this Act and

(i) Ninth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section and funding any additional revenue appropriated to the Comptroller to be distributed to institutions of higher education as considered proper by the Texas Higher Education Coordinating Board for meeting higher than expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (f) of this Section and funding any additional revenue to fund employee salary increases under Section 10.13 of this Article as provided by Subsection (g) of this Section and funding any additional revenue to be used for payment of Medicaid payments previously deferred as provided by Rider 34 following the bill pattern of the Department of Human Services under Article II of this Act and as provided by Rider 55 following the bill pattern of the Health and Human Services Commission under Article II of this Act as provided under Subsection (h) of this Section there is appropriated to the Comptroller revenue sufficient to fund the emergency contingency reserve under Section 10.06 of this Article.
This veto action deletes the appropriate sections of this rider to conform with other veto actions contained in this proclamation.

Sec. 10.41. Contingency Appropriation: Senate Bill 697. Contingent upon the enactment of Senate Bill 697, or similar legislation relating to the regulation of professional engineering by the Seventy-seventh Legislature, Regular Session, the Board of Professional Engineers is hereby appropriated $206,769 in fiscal year 2002 and $142,296 in fiscal year 2003, out of the General Revenue Fund for the purpose of implementing that Act. Such appropriations are also contingent on the Board of Professional Engineers assessing fees sufficient to generate, during the 2002-03 biennium, $349,065 in excess of $4,282,000 (Object Code 3175), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal year 2002 and 2003. The Board of Professional Engineers, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Professional Engineers’ minutes and other information supporting the estimated revenues to be generated for the 2002-03 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.

Senate Bill 697 was vetoed by the Governor; consequently, this veto action eliminates funding proposed for the implementation of that bill.

Sec. 10.49. Contingency Appropriation for Senate Bill 1622. Contingent upon the enactment of Senate Bill 1622, or similar legislation relating to the regulation of amusement rides, by the Seventy-seventh Legislature, Regular Session, the Department of Licensing and Regulation is hereby appropriated $190,260 for fiscal year 2002 and $160,110 for fiscal year 2003 out of the Mobile Amusement Ride Regulation Fund Account in General Revenue for the purpose of implementing that Act. Also contingent on the enactment of Senate Bill 1622, or similar legislation, the “Number of Full-time Equivalent Positions (FTE)” figure indicated above is hereby increased by 2 for fiscal year 2002 and by 2 for fiscal year 2003. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 1622.

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

Sec. 10.63. Contingency Appropriation for Senate Bill 1586. Contingent upon the enactment of Senate Bill 1586, or similar legislation relating to fees for copies of birth and death certificates, by the Seventy-seventh Legislature, Regular Session, the Department of Health is hereby appropriated $2,371,001 in fiscal year 2002 and $2,413,000 in fiscal year 2003 out of additional revenues collected pursuant to Senate Bill 1586 for the purpose of implementing that Act. In no event shall the amount expended out of, or transferred from, this appropriation exceed the amount of additional revenues generated pursuant to Senate Bill 1586. 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.

Sec. 10.67. Contingency Appropriation for Senate Bill 516. Contingent upon the enactment of Senate Bill 516 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the creation of a rural physician relief program, the Texas Department of Health is hereby appropriated $182,250 in fiscal year 2002 and $243,000 in fiscal year 2003 from the new General Revenue-Dedicated account created under the provisions of the bill. The appropriation made above is contingent upon the department assessing fees sufficient to generate $425,250 in revenue for the biennium. The Department of Health is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategic items of the department’s bill pattern.

Senate Bill 516 was vetoed by the Governor; consequently, this veto action eliminates funding proposed for the implementation of that bill.
Sec. 10.70. Contingency Appropriation for House Bill 877. Contingent upon enactment by the Seventy-seventh Legislature, Regular Session, of HB 877, or similar legislation relating to providing benefits to survivors of public safety workers killed in the line of duty, the Employees Retirement System is hereby appropriated an amount estimated to be $1,496,980 in fiscal year 2002 and $1,335,760 in fiscal year 2003 from the General Revenue Fund, and an amount estimated to be $992,530 in fiscal year 2002 and $885,040 in fiscal year 2003 from the Compensation to Victims of Crime Fund No. 469 for the purpose of implementing the provisions of that legislation.

Since the General Revenue funds listed in this rider are estimated amounts, they will be sufficient to pay for the implementation of House Bill 877, consequently, this veto action deletes the appropriation of Crime Victims Compensation funds for this purpose.

Sec. 10.86. Contingency Appropriation: The following contingency appropriations apply to the Texas Department of Insurance and the Office of Public Insurance Counsel.

(c) Contingency Appropriation for House Bill 2430. Contingent upon the enactment of House Bill 2430, or similar legislation relating to a consumer assistance program for health benefit plan consumers, by the Seventy-seventh Legislature, the Office of Public Insurance Counsel is hereby appropriated $100,000 for fiscal year 2002 and $100,000 for fiscal year 2003 out of general revenue account 8042 Insurance Companies Maintenance Tax and Insurance Department Fee Object Code 3203 and 3215 for the purpose of implementing that Act. Also contingent upon the Texas Department of Insurance covering appropriations and applicable benefit costs, the "Number of Full-time Equivalent Positions (FTE) are increased by three in fiscal year 2002 and three in fiscal year 2003 in the Office of Public Insurance Counsel's bill pattern.

House Bill 2430 was vetoed by the Governor: consequently, this veto action eliminates funding proposed for the implementation of that bill.

Sec. 10.87. Contingency Appropriation for House Bill 3064 and House Joint Resolution 97. Contingent upon enactment of House Bill 3064, or similar legislation relating to the authorization of general obligation bonds, and the adoption and voter approval of House Joint Resolution 97, or similar legislation, in addition to amounts appropriated elsewhere in this Act, the following and other state agencies listed in House Joint Resolution 97, are hereby appropriated proceeds of the general obligation bonds or notes in the amounts specified below for construction and repair projects and equipment acquisitions for the fiscal year beginning September 1, 2002.

(a) Texas Historical Commission $15,000,000
(b) Texas Department of Mental Health and Mental Retardation $35,000,000
(c) Equipment Acquisitions $31,500,000
(d) General Services Commission $16,484,500
(e) Adjutant General’s Department $3,038,252
(f) Department of Agriculture $45,000

TOTAL $131,067,752

The Texas Historical Commission received an appropriation from general revenue for the Courthouse Preservation program in Strategy A 1.5 on page 1-56 of this Act. This veto action deletes a duplicative appropriation of bond proceeds intended for the same purpose.

Sec. 10.88. Contingency Appropriation for Senate Bill 391. Contingent upon the enactment of Senate Bill 391 or similar legislation relating to the automation of the compulsory motor vehicle inspection system, by the Seventy-seventh Legislature, the Department of Public Safety is hereby appropriated $9,637,622 for fiscal year 2002 and $9,926,750 for fiscal year 2003 out of the automated inspection system account in the General Revenue Fund for the purpose of implementing that Act. All revenues in excess of these amounts deposited into the automated inspection system account in the General Revenue Fund are hereby appropriated to the Department of Public Safety for the same purposes. 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 Senate Bill 391. The department is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed in the department’s bill pattern. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on the capital budget found elsewhere in this Act.

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

Sec. 10.94. Contingency Appropriation for Senate Bill 1198. Contingent upon the enactment of Senate Bill 1198, or similar legislation relating to inspection, installation, repair, and maintenance of elevators, escalators, chairlifts, people movers, moving sidewalks, and related equipment, by the Seventy-seventh Legislature, Regular Session, the Department of Licensing and Regulation is hereby appropriated $159,000 for fiscal year 2002 and $155,352 for fiscal year 2003 out of General Revenue for the purpose of implementing that Act. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 1198.

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

Sec. 10.95. Contingency for House Bill 7. Contingent upon enactment of House Bill 7 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to creating the Office of Rural Community Affairs, and on the date by which a majority of the members of the executive committee of the Office of Rural Community Affairs have taken office:
(a) All powers, duties, obligations, rights, appropriations and other funds of the Center for Rural Health Initiatives are hereby transferred to the Office of Rural Community Affairs and the Center for Rural Health Initiatives is abolished;
(b) All powers, duties, obligations, rights, contracts, leases, records, personnel, property, and unspent and unobligated appropriations and other funds of the Department of Housing and Community Affairs related to the federal community development block grant nonentitlement program and to the community affairs and community development program that provides information, advice, and training to officials of communities of less than 10,000 people, including appropriations relating to the indirect costs and general administrative support of those programs, are hereby transferred to the Office of Rural Community Affairs; and
(c) Administration of the Texas Capital Fund by the Department of Economic Development, by rule of the Department of Housing and Community Affairs is hereby administered by the Department of Agriculture; and a fund or account administered by the Department of Economic Development relating to the federal community development block grant nonentitlement program is hereby transferred to the Office of Rural Community Affairs.

Contingent upon enactment of House Bill 7 or similar legislation, the Comptroller of Public Accounts is directed to transfer to the Office of Rural Community Affairs the estimated amounts of $93,996,953 in All Funds in fiscal year 2002 and $93,996,245 in All Funds in fiscal year 2003, including approximately $90,856,552 in All Funds in fiscal year 2002 and $90,379,552 in All Funds in fiscal year 2003 from the Department of Housing and Community Affairs and approximately $3,140,401 in All Funds in fiscal year 2002 and $3,618,693 in All Funds in fiscal year 2003, transferred as a result of the abolishment of the Center for Rural Health Initiatives. The number of full-time equivalent positions transferred is sixty-four, including sixteen full-time-equivalent positions from the Center for Rural Health Initiatives and forty-eight full-time-equivalent positions from the Department of Housing and Community Affairs. The Legislative Budget Board is authorized to resolve any disputes concerning the transfers mentioned above relating to the Office of Rural Community Affairs.

An additional five full-time-equivalent positions associated with information technology will be transferred from the affected agencies for which cost estimates have been provided by the Department of Information Resources.

Also contingent upon enactment of House Bill 7 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to creating the Office of Rural Community Affairs, the agency is appropriated $1,000,000 in General Revenue in each year of the 2002-03 biennium. In addition to the full-time-equivalent positions mentioned above, the agency is hereby authorized five full-time equivalent positions in each year of the 2002-03 biennium. The salary for the Executive Director of the Office of Rural Community Affairs is hereby authorized to be $85,000 in each year of the 2002-03 biennium.

This veto action strikes one year of the appropriation of additional funds to the Office of Rural Community Affairs, limiting the new agency to $1,000,000 for the 2002-03
biennium. Since each of the programs transferred to the new agency receive administrative funding, $1,000,000 is sufficient to cover transition expenses.

Sec. 11.01. Judicial Salaries. The following courts and agencies are hereby appropriated out of the General Revenue Fund amounts for the purpose of providing salary increases of $2,416,369 in fiscal year 2002 and $6,832,658 in fiscal year 2003 and additional benefits of $1,837,982 in fiscal year 2002 and $3,167,253 in fiscal year 2003.

(a) Appropriated amounts are to be allocated as follows:

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<tr>
<td>Subtotal, Salaries</td>
<td>$4,954,354</td>
</tr>
<tr>
<td>Employees Retirement System</td>
<td>$2,337,012</td>
</tr>
<tr>
<td>Contribution to the Judicial Retirement Plan 1</td>
<td>$2,337,012</td>
</tr>
<tr>
<td>Contribution to the Judicial Retirement Plan 2</td>
<td>$3,167,353</td>
</tr>
<tr>
<td>Subtotal, JRS Contribution</td>
<td>$10,000,011</td>
</tr>
</tbody>
</table>

(b) The additional funding shall increase salaries to the following amounts:

<table>
<thead>
<tr>
<th>Office/Title</th>
<th>Increase Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Justice of the Supreme Court</td>
<td>$126,300</td>
</tr>
<tr>
<td>Presiding Judge of the Court of Criminal Appeals</td>
<td>$126,300</td>
</tr>
<tr>
<td>Justices of the Supreme Court</td>
<td>$126,300</td>
</tr>
<tr>
<td>Judges of the Court of Criminal Appeals</td>
<td>$126,300</td>
</tr>
<tr>
<td>Chief Justices of the Courts of Appeals</td>
<td>$126,300</td>
</tr>
<tr>
<td>Justices of the Courts of Appeals</td>
<td>$126,300</td>
</tr>
<tr>
<td>District Judges</td>
<td>$126,300</td>
</tr>
<tr>
<td>District Attorneys (Professional Prosecutors etc)</td>
<td>$126,300</td>
</tr>
</tbody>
</table>
District Attorneys
County Attorney, Oldham County

$ 85,428  $89,496
$ 56,928  $60,996

This veto action deletes the first year of the proposed increase in judicial salaries, bringing the total increase more in line with that proposed for state employees.

Sec. 11.02. Contingency for House Bill 2. Contingent upon enactment of House Bill 2, or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the regulation of political contributions, political expenditures, and political advertising, the Texas Ethics Commission is hereby appropriated $100,000 in fiscal year 2002 out of the General Revenue Fund for the revision of campaign finance filing guides and instructions, prescribing new forms, making modifications to the electronic filing software and databases, and distribution of new forms, instructions, and software. The appropriation made herein is contingent upon the Comptroller of Public Accounts certifying that funds will be available.

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

Sec. 11.04. Contingency for Senate Bill 940. Contingent upon enactment of Senate Bill 940, or similar legislation relating to the establishment of the Joint Admission Medical Program to assist certain economically disadvantaged students in preparing for and succeeding in medical school, by the Seventy-seventh Legislature, Regular Session, an amount of $1,050,000 in fiscal year 2002 and $3,124,000 in fiscal year 2003 in general revenue is hereby appropriated to implement the provisions of that legislation. The health-related institutions which participate in the Joint Admission Medical Program shall be allocated a proportionate amount of available funding based upon the provisions set forth in Senate Bill 940.

HB 2879 appropriated funding for the implementation of Senate Bill 940; consequently, this rider is no longer necessary.

Sec. 11.12. Contingency Appropriation, New District Courts. Contingent on the enactment of House Bill 3171, or similar legislation by the Seventy-seventh Legislature, Regular Session, the Judiciary Section, Comptroller’s Department is hereby appropriated out of the General Revenue Fund $106,785 in fiscal year 2002 and $111,870 in fiscal year 2003 for each additional district court created effective September 1, 2001 and a pro rata amount out of the General Revenue Fund for each additional district court created with an effective date after September 1, 2001. (Estimated to be $1,536,585). Also contingent on the enactment of House Bill 3171, or similar legislation, the “Number of Full-Time-Equivalent Positions (FTE)” for the Judiciary Section, Comptroller’s Department is hereby increased by 1 FTE in fiscal years 2002 and 2003 for each district court created. (Estimated to be 7 FTEs).

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

Sec. 11.28. Contingency Appropriation for House Bill 2513. Contingent upon the enactment of House Bill 2513, or similar legislation relating to financial assistance for persons seeking certification as public school teachers, including revisions to the Teach for Texas Grant program, the State Board for Educator Certification is appropriated $5,000,000 in General Revenue in each year of the 2002-2003 biennium for the Teach for Texas Alternative Certification Program and $211,255 in fiscal year 2002 and $355,255 in fiscal year 2003 for the purpose of implementing the Act; and the “Number of Full-time Equivalent Positions” (FTE) figure indicated for the State Board for Educator Certification is hereby increased by 2.0 in fiscal year 2002 and 2.0 in fiscal year 2003.

Also contingent upon passage of the aforementioned legislation, the Higher Education Coordinating Board is appropriated $3,000,000 in General Revenue in fiscal year 2002 and $8,000,000 in General Revenue in fiscal year 2003 for the Teach for Texas Grant Program. Out of this appropriation, the Board may retain $179,642 in each year 2002 and $139,642 in fiscal year 2003 for administration of the program. Also contingent upon the enactment of House Bill 2513 or similar legislation, the “Number of Full-time Equivalent Positions” (FTE) figure indicated for the Higher Education Coordinating Board is hereby increased by 4.0 in fiscal year 2002 and 4.0 in fiscal year 2003.
This veto action deletes a rider that duplicates the provisions of another rider in this Act. Article IX, Sec. 11.20 provides funding for similar programs and activities.

Sec. 11.30. Contingent Appropriation for House Bill 3452. Contingent upon the enactment of House Bill 3452 and the transfer of the funds in the Smart Jobs Trust Fund 891 to a new general revenue-dedicated account, the Texas Workforce Commission is hereby appropriated an amount from the new general revenue-dedicated account necessary to bring the balance of the Unemployment Compensation Fund from a deficit to the designated floor amount. The Texas Workforce Commission must have received authorization from the Legislative Budget Board and the Governor to access the amount requested for the appropriation to be available for transfer to the Unemployment Compensation Fund.

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

I have signed Senate Bill No. 1 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 portions of the bill shall be effective according to its terms. Since the Legislature by its adjournment has prevented the return of this bill, I am filing this bill and these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

Rick Perry
Governor of Texas

ATTESTED BY:

Henry Cuellar, Ph.D.
Secretary of State

June 17, 2001
Austin, Texas

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
11:30 A.M., O'CLOCK

JUN 1 7 2001

Secretary of State