

**TAX RELIEF AMENDMENT IMPLEMENTATION  
LIMIT ON GROWTH OF CERTAIN STATE APPROPRIATIONS**

**Legal References**

Article VIII, Sec. 22(a), Texas Constitution, approved by the voters in November 1978, states that:

In no biennium shall the rate of growth of appropriations from state tax revenues not dedicated by this constitution exceed the estimated rate of growth of the state's economy. The legislature shall provide by general law procedures to implement this subsection.

This provision does not alter, amend, or repeal Article III, Section 49a, of the Texas Constitution, the well known "pay-as-you-go" provision.

To implement this provision of the Texas Constitution, the Sixty-sixth Legislature enacted Article 9, Chapter 302, Laws 1979 (Tex. Government Code Ann., Sec. 316) which placed with the Legislative Budget Board the responsibility for initial approval of a limitation on the growth of certain state appropriations. A part of the procedure for approving the limitation is set forth in Sections 316.003 and 316.004 as follows:

Sec. 316.003. Before the Legislative Budget Board approves the items of information required by Section 316.002, the board shall publish in the *Texas Register* the proposed items of information and a description of the methodology and sources used in the calculations.

Sec. 316.004. Not later than December 1 of each even-numbered year, the Legislative Budget Board shall hold a public hearing to solicit testimony regarding the proposed items of information and the methodology used in making the calculations required by Section 316.002.

The items of information mentioned above are identified as follows in Section 316.002:

- (1) the estimated rate of growth of the state's economy from the current biennium to the next biennium;
- (2) the level of appropriations for the current biennium from state tax revenues not dedicated by the constitution; and

- (3) the amount of state tax revenues not dedicated by the constitution that could be appropriated for the next biennium within the limit established by the estimated rate of growth of the state's economy.

In this memorandum, each item of information is taken up in the order listed above.

### **Estimated Rate of Growth of the State's Economy**

A definition of the "estimated rate of growth of the state's economy" is set forth in paragraph (b) of Section 316.002 in the following words:

(b) Except as provided by Subsection (c), the board shall determine the estimated rate of growth of the state's economy by dividing the estimated Texas total personal income for the next biennium by the estimated Texas total personal income for the current biennium. Using standard statistical methods, the board shall make the estimate by projecting through the biennium the estimated Texas total personal income reported by the United States Department of Commerce or its successor in function.

(c) If a more comprehensive definition of the rate of growth of the state's economy is developed and is approved by the committee established by Section 316.005, the board may use that definition in calculating the limit on appropriations.

The Commerce Department's Bureau of Economic Analysis defines state personal income as follows:

...the income received by persons from all sources, that is, from participation in production, from both government and business transfer payments, and from government interest. Personal income is the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income, rental income of persons, personal dividend income, personal interest income and transfer payments, less personal contributions for social insurance.

Table 1 displays the Commerce Department's personal income account for Texas for calendar year 2011. The largest component of Texas personal income is wage and salary disbursements, estimated at \$535.4 billion during calendar 2011. Salary and wage disbursements are added with supplements to wages and salaries, primarily employer contributions to private pensions and welfare funds, and proprietors' income to arrive at total earnings by place of work. Texas total earnings by place of work reached an estimated \$797.6 billion in calendar year 2011.

In deriving Texas total personal income, two adjustments are made to total earnings by place of work. Personal contributions for social insurance contributions, principally social security payroll taxes paid by employees and self-employed, are deducted. A place-of-residence adjustment is also made to reflect the earnings of workers who cross state borders to live or work. Dividends, interest and rent income are then added, along with transfer payments. The major types of transfer payments include social security, various retirement and unemployment insurance benefits, welfare, and disability and health insurance payments. Texas total personal income is estimated to be \$1,067.0 billion for calendar year 2011.

The U.S. Department of Commerce reports personal income estimates by calendar quarter and year. Since the state's fiscal year begins on September 1 and ends August 31, an adjustment is required to present these data on a biennial basis. The Legislative Budget Board uses the data for the first three calendar quarters of a year plus the fourth quarter of the preceding year to represent the state's fiscal year. A biennium is the sum of two fiscal years. The historical record of the rate of growth in Texas personal income for the past fifteen completed biennia using the most recent data published by the U.S. Department of Commerce is shown in Table 2.

### **Forecasting Texas Personal Income**

In reviewing standard statistical techniques for forecasting or projecting Texas personal income, the Legislative Budget Board has obtained the latest economic forecasts from the following sources listed alphabetically: (1) IHS Global Insight, (2) Moody's Analytics, (3) Perryman Group, (4) Texas Comptroller of Public Accounts and (5) University of North Texas Center for Economic Development & Research. These forecasts are based on econometric models developed and maintained by the forecasting services listed.

While each forecasting service brings its own approach to the development of economic projections, there are several characteristics common to the econometric models from which the Texas total personal income estimates are derived. First, each assumes that the U.S. economy is the driving force behind Texas economic activity. As a result, forecasts of U.S. economic variables are needed to drive each model. Secondly, each of the econometric models is structural in nature, representing certain assumptions about the structure of the Texas economy, consistent with economic theory. Structural models normally entail detailed modeling of key sectors of the state's economy, followed by statistical testing to establish relationships with other sectors of the economy. Previous memoranda published on the constitutional limit include additional discussion of the forecasting methods used. See the following issues of the *Texas Register*: 5 *TexReg* 4272, 7 *TexReg* 3727, 9 *TexReg* 5219, 11 *TexReg* 4590, 13 *TexReg* 4599, 15 *TexReg* 6876, 17 *TexReg* 7702, 19 *TexReg* 9053, 21

*TexReg* 10919, 23 *TexReg* 11472, 25 *TexReg* 11735, 27 *TexReg* 10977, and 29 *TexReg* 10612, 31 *TexReg* 9641, 33 *TexReg* 9109, and 35 *TexReg* 10081.

Table 3 details the Texas personal income growth rates of the various forecasting services for the 2014-15 biennium over the 2012-13 biennium. These forecasts range from 1.0871 or 8.71 percent to 1.1221 or 12.21 percent.

The personal income growth rates shown in Table 3, or any more recent forecasts if available, will be presented to the Legislative Budget Board for its consideration in adopting this item of information. The Board is not limited to one, or any combination of the growth rates, when adopting a Texas personal income growth rate for the 2014-15 biennium.

Table 4 briefly outlines the sources and dates for the Texas personal income growth rates presented in Table 3.

### **Appropriations from State Tax Revenue Not Dedicated by the Constitution - 2012-13 Biennium**

The amount of appropriations from state tax revenue not dedicated by the Constitution in the 2012-13 biennium, the base biennium, is the second item of information to be determined by the Legislative Budget Board. As of October 30<sup>th</sup>, 2012 the staff estimates this amount to be \$70,362,366,836. This item multiplied by the estimated rate of growth of Texas personal income from the 2012-13 biennium to the 2014-15 biennium produces the limitation on appropriations for the 2014-15 biennium under Article VIII, Section 22, of the Texas Constitution.

### **Calculating the 2014-15 Limitation**

The limitation on appropriations of state tax revenue not dedicated by the State Constitution in the 2014-15 biennium may be illustrated by selecting a growth rate and applying it to the 2012-13 appropriations base. This is shown in Table 5, using the lowest and highest growth rates shown in Table 3. Depending on which personal income growth rate is adopted, current estimates suggest a limitation on 2014-15 biennial appropriations from tax revenue not dedicated by the Constitution ranging from \$76.5 billion to \$79.0 billion.

### **Method of Calculating 2012-13 Appropriations from State Tax Revenue Not Dedicated by the Constitution**

As stated above, LBB staff estimates the amount of appropriations from state tax revenue

not dedicated by the Constitution in the 2012-13 biennium to be \$70,362,366,836. This section details the sources of information used in this calculation.

Total appropriations for the 2012-13 biennium include those made by the Eighty-second Legislature during the Regular Session in House Bill 1 (General Appropriations Act), House Bill 4 (Supplemental Appropriations), House Bill 3647 (Miscellaneous Claims), and during the First Called Special Session in Senate Bill 2 (General Appropriations). Any subsequent appropriations made by the Eighty-third Legislature for the 2012-13 biennium would also be included in total appropriations.

Section I of Table 6 shows, for general revenue related funds, the total amount of appropriations, the amount of total appropriations financed from constitutionally dedicated tax revenue, the amount financed from non-tax revenue and the remainder - the amount financed from tax revenue not dedicated by the Constitution - which is the amount subject to the limitation. General revenue related funds include the General Revenue Fund as well as the Available School Fund, State Textbook Fund and Foundation School Fund.

## **I. General Revenue Related Funds**

A. Appropriations are classified in this table as the following: (1) “estimated to be” line item appropriations, and (2) all other line item appropriations.

1. “Estimated to Be” Line Item Appropriations:

Each of these items under the subheading “estimated to be” may change under certain circumstances. For purposes of this calculation, most fiscal year 2012 amounts are based on actual 2012 expenditures. Most amounts for fiscal year 2013 are taken from House Bill 1, Eighty-second Legislature.

2. All Other Line Item Appropriations:

As calculated in Table 7, the amount shown for “All Other Line Items” is the difference between total appropriations and the items listed separately as “estimated to be appropriations.” General revenue related appropriations in Table 7 are from House Bill 1, Eighty-second Legislature. Appropriation figures have been adjusted to incorporate certain Article IX appropriations, as well as Governor’s vetoes, House Bill 4, House Bill 3647, and Senate Bill 2 – First Called Special Session.

B. Source of Funding - General Revenue Related: Table 6, Part B shows that of the \$81,000,400,604 of general revenue related fund appropriations, \$65,344,405,936 is subject

to the limitation because it is financed from state tax revenue not dedicated by the Constitution.

Constitutionally dedicated state tax revenues deposited into general revenue related funds are estimated to total \$4,449,848,384 during the 2012-13 biennium. Appropriations from general revenue related funds financed from non-tax revenue are estimated at \$11,206,146,285 for the 2012-13 biennium. Revenue analysis in this calculation applies actual fiscal year 2012 revenue collections and the most recent revenue estimates by the Comptroller of Public Accounts for fiscal year 2013.

## **II. Appropriations from Funds Outside of General Revenue**

Certain tax revenues are deposited into accounts outside of General Revenue. Appropriations from tax revenue not dedicated by the Constitution out of these accounts are included in this calculation.

The state imposes a sales and use tax on boats and boat motors, of which 95 percent is deposited into the General Revenue Fund and the remaining five percent is deposited into Account 0009 - Game, Fish and Water Safety. The state imposes an insurance companies maintenance tax which is deposited into Account 0036 - Texas Department of Insurance Operating.

A portion of the motor vehicles sales tax, franchise tax and cigarette tax is deposited into Account 0304 - Property Tax Relief. The state also taxes the sale of fireworks, a portion of which is deposited into Account 5066 - Rural Volunteer Fire Department Insurance. In addition, part of the sales tax and a motor vehicles sales tax is deposited into Account 5071 - Emissions Reduction Plan. Furthermore, a portion of tobacco tax revenue is deposited into Account 5144 - Physician Education Loan Repayment Program.

### **Grand Total**

A grand total of \$86,386,570,914 in 2012-13 biennial appropriations is included in this analysis. Of this amount, \$4,449,848,384 is financed out of taxes dedicated by the State Constitution. Another \$11,574,355,694 is financed out of non-tax revenue. The remaining \$70,362,366,836 is financed out of tax revenue not dedicated by the State Constitution. This amount serves as the base for calculating the limitation on 2014-15 biennial appropriations from tax revenue not dedicated by the Constitution, as required by Article VIII, Section 22, of the Texas Constitution.

**TABLE 1**  
**U.S. DEPARTMENT OF COMMERCE PERSONAL**  
**INCOME ACCOUNT FOR TEXAS, CALENDAR YEAR 2011**  
**In Millions of Current Dollars**

<b>Earnings by Place of Work</b>	<b>Amount</b>	<b>Percent of Total</b>
Wage and Salary Disbursements	\$535,384	67.1%
Supplements to Wages and Salaries	124,066	15.6%
Proprietors' Income		
Farm	\$2,328	
Nonfarm	<u>135,843</u>	
Subtotal	<u>138,170</u>	<u>17.3%</u>
Total Earnings by Place of Work	\$797,621	100.0%
 <b>Derivation of Total Personal Income</b>		
Earnings by Place of Work (from above)	\$797,621	
Less: Personal Contribution for Social Insurance	\$31,315	
Plus: Adjustment for Residence	<u>(2,198)</u>	
Equals: Net Earnings by Place of Residence	\$764,108	71.6%
Plus: Dividends, Interest and Rent	142,470	13.4%
Plus: Personal Current Transfer Receipts	<u>160,440</u>	<u>15.0%</u>
 Total Personal Income	 \$1,067,017	 100.0%

Note: Totals may not add due to rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, September 2012.

**TABLE 2**  
**BIENNIUM-TO-BIENNIUM GROWTH RATES IN TEXAS PERSONAL INCOME**  
**1982-83 TO 2010-11 BIENNIA**

<b>Base Biennium</b>	<b>Target Biennium</b>	<b>Growth Rate</b>	<b>Percent Increase</b>
1980-81	1982-83	1.253	25.3
1982-83	1984-85	1.171	17.1
1984-85	1986-87	1.085	8.5
1986-87	1988-89	1.095	9.5
1988-89	1990-91	1.148	14.8
1990-91	1992-93	1.135	13.5
1992-93	1994-95	1.130	13.0
1994-95	1996-97	1.157	15.7
1996-97	1998-99	1.175	17.5
1998-99	2000-01	1.162	16.2
2000-01	2002-03	1.055	5.5
2002-03	2004-05	1.122	12.2
2004-05	2006-07	1.176	17.6
2006-07	2008-09	1.117	11.7
2008-09	2010-11	1.048	4.8



**TABLE 3**  
**ESTIMATED GROWTH RATES FOR TEXAS PERSONAL INCOME**  
**USING FIVE ECONOMETRIC MODELS**  
**2012-13 BIENNIUM TO 2014-15 BIENNIUM**

<b>Source of Forecast</b>	<b>2014-15 Texas Personal Income Growth Rate</b>
1. IHS Global Insight	1.1121
2. Moody's Analytics	1.1221
3. Perryman Group	1.1177
4. Texas Comptroller of Public Accounts	1.1071
5. University of North Texas Center for Economic Development & Research	1.0871

Note: The growth rates shown above can be interpreted in percentage terms. For example, the growth rate of 1.1121 for the IHS Global Insight forecast of Texas personal income indicates estimated personal income growth of 11.21 percent for the 2014-15 biennium.

**TABLE 4**  
**SUMMARY OF SOURCES AND METHODS FOR**  
**TEXAS PERSONAL INCOME GROWTH RATES FOR THE**  
**2014-15 BIENNIUM**

<b>Source of Forecast</b>	<b>Type of Forecast</b>	<b>Date of Forecast</b>
1. IHS Global Insight	Econometric	October 2012
2. Moody's Analytics	Econometric	October 2012
3. Perryman Group	Econometric	October 2012
4. Texas Comptroller of Public Accounts	Econometric	October 2012
5. University of North Texas Center for Economic Development & Research	Econometric	October 2012

Source: Compiled by the Legislative Budget Board, October 2012.

**TABLE 5**  
**TWO ILLUSTRATIONS OF A POSSIBLE**  
**LIMIT ON 2014-15 BIENNIUM APPROPRIATIONS**  
**OF STATE TAX REVENUE NOT DEDICATED BY**  
**THE TEXAS CONSTITUTION**  
 In Millions of Dollars

1. 2012-13 Base	\$ 70,362.4	\$ 70,362.4
2. Illustrative Growth Rates	<u>X 1.0871</u>	<u>X 1.1221</u>
3. 2014-15 Limitation on Growth in Appropriations	<u>\$ 76,490.9</u>	<u>\$ 78,953.6</u>

**TABLE 6**  
**2012-13 BIENNIAL APPROPRIATIONS**  
**INCLUDED IN THE CALCULATION OF**  
**THE LIMITATION BASE**

I. General Revenue Related Funds	2012 Expenditures/ 2013 Appropriations
A. Appropriations	
1. "Estimated To Be" Line Item Appropriations in General Appropriations Act, 82nd Legislature	
(a) Fiscal Programs - Comptroller of Public Accounts	\$ 26,660,606
A.1.2. Strategy: Miscellaneous Claims	
(b) Fiscal Programs - Comptroller of Public Accounts	241,112,996
A.1.4. Reimbursement - Beverage Tax	
(c) Fiscal Programs - Comptroller of Public Accounts	6,762,069
A.1.6. County Taxes - University Lands	
(d) Fiscal Programs - Comptroller of Public Accounts	350,512,646
A.1.8. Unclaimed Property	
(e) Funds Appropriated to the Comptroller for Social Security and BRP	994,846,684
A.1.1. Strategy: State Match - Employer (GR Portion) & A.1.2 Benefit Replacement Pay (GR Portion)	
(f) Employees Retirement System	2,111,731,099
A. Goal: Administer Retirement Program (GR Portion) & B. Goal: Provide Health Program (GR Portion)	
(g) Secretary of State	1,290,759
B.1.5. Strategy: Voter Registration	
(h) Department of State Health Services	41,496,750
Vendor Drug Rebates—Public Health	
(i) Department of State Health Services	1,780,267
D.1.6. Strategy: Texasonline	
(j) Health and Human Services	107,431,675
Medicaid Program Income	
(k) Health and Human Services	986,628,807
Vendor Drug Rebates—Medicaid	
(l) Health and Human Services	317,369
Cost Sharing - Medicaid Clients	
(m) Health and Human Services	63,117,421
Vendor Drug Rebates-Supplemental Rebates	
(n) Health and Human Services	9,770,067
Premium Co-Payments, Low Income Children	
(o) Health and Human Services	11,103,119
Experience Rebates-CHIP	
(p) Health and Human Services	13,507,757
Vendor Drug Rebates-CHIP	
(q) Texas Education Agency	44,165,968
B.3.6. Strategy: Certification Exam Administration	

**TABLE 6**  
**2012-13 BIENNIAL APPROPRIATIONS**  
**INCLUDED IN THE CALCULATION OF**  
**THE LIMITATION BASE**

(r)	Teacher Retirement System	2,734,313,221
	A.1.1. Strategy: TRS - Public Education - (GR Portion)	
(s)	Teacher Retirement System	406,555,723
	A.1.2. Strategy: TRS - Higher Education Retirement (GR Portion)	
(t)	Teacher Retirement System	401,026,477
	A.2.1. Strategy: Retiree Health - Statutory Funds (GR Portion)	
(u)	Optional Retirement Program	206,699,074
	A.1.1. Strategy: Optional Retirement Program (GR Portion)	
(v)	Office Of Court Administration, Texas Judicial Council	24,781
	C.1.2. Strategy: Texasonline	
(w)	Department Of Housing And Community Affairs	21,090
	E.1.4. Strategy: Texasonline	
(x)	Texas Lottery Commission	173,124,146
	A.1.6. Strategy: Lottery Operator Contract	
(y)	Texas Lottery Commission	25,518,719
	B.1.5. Strategy: Bingo Prize Fee Allocations	
(z)	Board Of Chiropractic Examiners	63,018
	A.1.2. Strategy: Texasonline	
(aa)	Texas State Board Of Dental Examiners	406,583
	A.2.2. Strategy: Texasonline	
(ab)	Funeral Service Commission	79,132
	A.1.2. Strategy: Texasonline	
(ac)	Board Of Professional Geoscientists	56,240
	A.1.2. Strategy: Texasonline	
(ad)	Department Of Insurance	13,189
	A.2.4. Strategy: Texasonline	
(ae)	Board Of Professional Land Surveying	27,330
	A.1.3. Strategy: Examination	
(af)	Board Of Professional Land Surveying	34,706
	A.1.4. Strategy: Texasonline	
(ag)	Department Of Licensing And Regulation	933,435
	A.1.5. Strategy: Texasonline	
(ah)	Texas Medical Board	540,409
	A.1.2. Strategy: Texasonline	
(ai)	Texas Board of Nursing	937,488
	A.1.2. Strategy: Texasonline	
(aj)	Optometry Board	37,040
	A.1.2. Strategy: Texasonline	

**TABLE 6**  
**2012-13 BIENNIAL APPROPRIATIONS**  
**INCLUDED IN THE CALCULATION OF**  
**THE LIMITATION BASE**

(ak)	Board Of Pharmacy A.1.2. Strategy: Texasonline	488,742
(al)	Executive Council Of Physical Therapy & Occupational Therapy Examiners A.1.2. Strategy: Texasonline	340,148
(am)	Board Of Plumbing Examiners A.1.2. Strategy: Texasonline	282,543
(an)	Board Of Podiatric Medical Examiners A.1.2. Strategy: Texasonline	9,252
(ao)	Board Of Examiners Of Psychologists A.1.2. Strategy: Texasonline	63,940
(ap)	Racing Commission B.1.2. Strategy: Texasonline	41,973
(aq)	Board Of Veterinary Medical Examiners A.1.2. Strategy: Texasonline	69,935
(ar)	Multiple Agencies: Earned Federal Funds Sec. 6.22. Definition, Appropriation, Reporting and Audit of Earned Federal Funds	171,608,689
(as)	Adjustment for Property Tax Relief Fund Revenue	(394,251,528)
	Subtotal, "Estimated to Be" Line Item Appropriations	<u>\$ 8,741,301,554</u>
2.	All Other Line Items	<u>\$ 72,259,099,050</u>
	<b>TOTAL (General Revenue Related Fund Appropriations)</b>	<u><b>\$ 81,000,400,604</b></u>

	Total	Constitutionally	Non Tax	State Tax
B. Source of Funding - General Revenue Related	<u>Appropriations</u>	<u>Dedicated State</u>	<u>Revenues</u>	<u>Revenue Not</u>
		<u>Tax Revenues</u>		<u>Dedicated by the</u>
				<u>Constitution</u>
1. Occupation Taxes	\$2,386,481,127	\$2,386,481,127	\$0	\$0
2. Motor Fuel Taxes	2,093,676,171	2,063,367,257	-	30,308,914
3. Education Revenues	4,110,970,053	-	4,110,970,053	-
4. Insurance Maintenance Tax	267,307,355	-	-	267,307,355
5. Hotel Tax	65,094,418	-	-	65,094,418
6. Sporting Good Sales Tax	92,315,302	-	-	92,315,302
7. Appropriations from Other Revenue	71,984,556,179	-	7,095,176,232	64,889,379,947
<b>SUBTOTAL(General Revenue Related)</b>	<u><b>\$81,000,400,604</b></u>	<u><b>\$4,449,848,384</b></u>	<u><b>\$11,206,146,285</b></u>	<u><b>\$65,344,405,936</b></u>
<b>II. Appropriations from Funds Outside of GR</b>				
1. Account 0009 – Game, Fish, and Water Safety	\$178,932,305	-	\$175,950,649	\$2,981,656

**TABLE 6**  
**2012-13 BIENNIAL APPROPRIATIONS**  
**INCLUDED IN THE CALCULATION OF**  
**THE LIMITATION BASE**

2. Account 0036 – Texas Department of Insurance Operating	137,590,725	-	133,615,925	3,974,800
3. Account 0304 – Property Tax Relief	4,931,819,528	-	2,122,832	4,929,696,696
4. Account 5066 – Rural Volunteer Fire Department Insurance	1,900,000	-	403	1,899,597
5. Account 5071 – Emissions Reduction Plan	130,327,752	-	56,488,234	73,839,518
6. Account 5144 - Physician Education Loan Repayment Program	5,600,000	-	31,366	5,568,634
 GRAND TOTAL	 <u>\$86,386,570,914</u>	 <u>\$4,449,848,384</u>	 <u>\$11,574,355,694</u>	 <u>\$70,362,366,836</u>

**TABLE 7**  
**CALCULATION OF "ALL OTHER LINE ITEMS"**  
**FOR THE 2012-13 BIENNIUM**

	<u>2012</u>	<u>2013</u>	<u>2012-13</u>
<b>General Revenue Funds "Recap" Amount</b>	\$44,164,393,756	\$37,126,048,089	\$81,290,441,845
Less "Estimated to Be" Items:			
<b>Fiscal Programs - Comptroller of Public Accounts</b>	6,500,000	6,500,000	13,000,000
A.1.2. Strategy: Miscellaneous Claims (HB1, Article I-25)			
<b>Fiscal Programs - Comptroller of Public Accounts</b>	119,714,964	126,305,843	246,020,807
A.1.4. Reimbursement - Beverage Tax (HB1, Article I-25)			
<b>Fiscal Programs - Comptroller of Public Accounts</b>	3,414,396	3,598,811	7,013,207
A.1.6. County Taxes - University Lands (HB1, Article I-26)			
<b>Fiscal Programs - Comptroller of Public Accounts</b>	183,545,461	183,545,461	367,090,922
A.1.8. Unclaimed Property (HB1, Article I-26)			
<b>Funds Appropriated to the Comptroller for Social Security and BRP</b>	517,208,009	523,293,922	1,040,501,931
A.1.1. Strategy: State Match - Employer (GR Portion) & A.1.2 Benefit Replacement Pay (GR Portion) (HB1, Article I-32)			
<b>Employees Retirement System</b>	1,020,382,278	1,106,961,183	2,127,343,461
A. Goal: Administer Retirement Program (GR Portion) & B. Goal: Provide Health Program (GR Portion) (HB1, Article I-36)			
<b>Secretary of State</b>	5,000,000	1,000,000	6,000,000
B.1.5. Strategy: Voter Registration (HB1, Article I-91)			
<b>Department of State Health Services</b>	12,923,000	13,006,000	25,929,000
Vendor Drug Rebates—Public Health (HB1, Article II-47)			
<b>Department of State Health Services</b>	1,146,140	1,146,140	2,292,280
D.1.6. Strategy: Texasonline			



**TABLE 7**  
**CALCULATION OF "ALL OTHER LINE ITEMS"**  
**FOR THE 2012-13 BIENNIUM**

	<u>2012</u>	<u>2013</u>	<u>2012-13</u>
(HB1, Article II-50)			
<b>Health and Human Services</b>	40,000,000	40,000,000	80,000,000
Medicaid Program Income (HB1, Article II-77)			
<b>Health and Human Services</b>	399,142,420	419,353,525	818,495,945
Vendor Drug Rebates—Medicaid (HB1, Article II-77)			
<b>Health and Human Services</b>	68,611	68,611	137,222
Cost Sharing - Medicaid Clients (HB1, Article II-77)			
<b>Health and Human Services</b>	32,225,251	33,857,021	66,082,272
Vendor Drug Rebates-Supplemental Rebates (HB1, Article II-78)			
<b>Health and Human Services</b>	4,826,835	4,792,053	9,618,888
Premium Co-Payments, Low Income Children (Rev Code 3643) (HB1, Article II-78)			
<b>Health and Human Services</b>	2,267,136	2,339,139	4,606,275
Experience Rebates-CHIP (HB1, Article II-78)			
<b>Health and Human Services</b>	6,354,666	6,567,594	12,922,260
Vendor Drug Rebates-CHIP (HB1, Article II-78)			
<b>Texas Education Agency</b>	20,075,000	20,075,000	40,150,000
B.3.6. Strategy: Certification Exam Administration (HB1, Article III-4)			
<b>Teacher Retirement System</b>	1,323,054,784	1,411,258,437	2,734,313,221
A.1.1. Strategy: TRS - Public Education - (GR Portion) (HB1, Article III-29)			
<b>Teacher Retirement System</b>	245,202,085	265,348,271	510,550,356
A.1.2. Strategy: TRS - Higher Education Retirement (GR Portion) (HB1, Article III-29)			

**TABLE 7**  
**CALCULATION OF "ALL OTHER LINE ITEMS"**  
**FOR THE 2012-13 BIENNIUM**

	<u>2012</u>	<u>2013</u>	<u>2012-13</u>
<b>Teacher Retirement System</b>	267,350,984	133,675,493	401,026,477
A.2.1. Strategy: Retiree Health - Statutory Funds (GR Portion) (HB1, Article III-30)			
<b>Optional Retirement Program</b>	102,670,649	102,670,648	205,341,297
A.1.1. Strategy: Optional Retirement Program (GR Portion) (HB1, Article III-34)			
<b>Office Of Court Administration, Texas Judicial Council</b>	10,290	12,571	22,861
C.1.2. Strategy: Texasonline (HB1, Article IV-24)			
<b>Department Of Housing And Community Affairs</b>	19,120	19,120	38,240
E.1.4. Strategy: Texasonline (HB1, Article VII-2)			
<b>Texas Lottery Commission</b>	83,445,824	83,887,804	167,333,628
A.1.6. Strategy: Lottery Operator Contract (HB1, Article VII-9)			
<b>Texas Lottery Commission</b>	12,635,500	12,635,500	25,271,000
B.1.5. Strategy: Bingo Prize Fee Allocations (HB1, Article VII-9)			
<b>Board Of Chiropractic Examiners</b>	29,850	29,850	59,700
A.1.2. Strategy: Texasonline (HB1, Article VIII-5)			
<b>Texas State Board Of Dental Examiners</b>	184,629	184,629	369,258
A.2.2. Strategy: Texasonline (HB1, Article VIII-7)			
<b>Funeral Service Commission</b>	39,000	39,000	78,000
A.1.2. Strategy: Texasonline (HB1, Article VIII-8)			
<b>Board Of Professional Geoscientists</b>	30,000	30,000	60,000
A.1.2. Strategy: Texasonline (HB1, Article VIII-10)			
<b>Department Of Insurance</b>	6,520	6,520	13,040
A.2.4. Strategy: Texasonline (HB1, Article VIII-17)			

**TABLE 7**  
**CALCULATION OF "ALL OTHER LINE ITEMS"**  
**FOR THE 2012-13 BIENNIUM**

	<u>2012</u>	<u>2013</u>	<u>2012-13</u>
<b>Board Of Professional Land Surveying</b> A.1.3. Strategy: Examination (HB1, Article VIII-28)	16,500	16,500	33,000
<b>Board Of Professional Land Surveying</b> A.1.4. Strategy: Texasonline (HB1, Article VIII-28)	18,000	18,000	36,000
<b>Department Of Licensing And Regulation</b> A.1.5. Strategy: Texasonline (HB1, Article VIII-30)	467,200	467,200	934,400
<b>Texas Medical Board</b> A.1.2. Strategy: Texasonline (HB1, Article VIII-35)	446,366	457,670	904,036
<b>Texas Board of Nursing</b> A.1.2. Strategy: Texasonline (HB1, Article VIII-38)	364,375	364,375	728,750
<b>Optometry Board</b> A.1.2. Strategy: Texasonline (HB1, Article VIII-41)	18,000	18,000	36,000
<b>Board Of Pharmacy</b> A.1.2. Strategy: Texasonline (HB1, Article VIII-43)	217,345	221,785	439,130
<b>Executive Council Of Physical Therapy &amp; Occupational Therapy Examiners</b> A.1.2. Strategy: Texasonline (HB1, Article VIII-45)	157,715	157,715	315,430
<b>Board Of Plumbing Examiners</b> A.1.2. Strategy: Texasonline (HB1, Article VIII-47)	155,000	155,000	310,000
<b>Board Of Podiatric Medical Examiners</b> A.1.2. Strategy: Texasonline (HB1, Article VIII-49)	4,428	4,427	8,855
<b>Board Of Examiners Of Psychologists</b> A.1.2. Strategy: Texasonline (HB1, Article VIII-51)	32,000	32,000	64,000

**TABLE 7**  
**CALCULATION OF "ALL OTHER LINE ITEMS"**  
**FOR THE 2012-13 BIENNIUM**

	<u>2012</u>	<u>2013</u>	<u>2012-13</u>
<b>Racing Commission</b>	23,250	23,250	46,500
B.1.2. Strategy: Texasonline (HB1, Article VIII-53)			
<b>Board Of Veterinary Medical Examiners</b>	33,650	33,650	67,300
A.1.2. Strategy: Texasonline (HB1, Article VIII-65)			
<b>Multiple Agencies: Earned Federal Funds</b>	57,982,305	57,755,541	115,737,846
Sec. 6.22. Definition, Appropriation, Reporting and Audit of Earned Federal Funds (HB1, Article IX-34)			
Subtotal, Line Items Shown Separately	<u>\$4,469,409,536</u>	<u>\$4,561,933,259</u>	<u>\$9,031,342,795</u>
Total Other Line Items	<u>\$39,694,984,220</u>	<u>\$32,564,114,830</u>	<u>\$72,259,099,050</u>