

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 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 contributions for social insurance.

Table 1 displays the Commerce Department's personal income account for Texas for calendar year 2013. The largest component of Texas personal income is wage and salary disbursements, estimated at \$591.5 billion during calendar 2013. 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 \$888.7 billion in calendar year 2013.

In deriving Texas total personal income, adjustments are made to total earnings by place of work. Personal and employee contributions for social insurance, 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 \$1,160.1 billion for calendar year 2013.

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, and (4) Texas Comptroller of Public Accounts. 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, 35 *TexReg* 10081, and 37 *TexReg* 9031.

Table 3 details the Texas personal income growth rates of the various forecasting services for the 2016-17 biennium over the 2014-15 biennium. These forecasts range from 11.68 percent to 15.71 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 2016-17 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 - 2014-15 Biennium

The amount of appropriations from state tax revenue not dedicated by the Constitution in the 2014-15 biennium, the base biennium, is the second item of information to be determined by the Legislative Budget Board. As of November 19, 2014 the staff estimates this amount to be \$84,408,716,116. This item multiplied by the estimated rate of growth of Texas personal income from the 2014-15 biennium to the 2016-17 biennium produces the limitation on appropriations for the 2016-17 biennium under Article VIII, Section 22, of the Texas Constitution.

Calculating the 2016-17 Limitation

The limitation on appropriations of state tax revenue not dedicated by the State Constitution in the 2016-17 biennium may be illustrated by selecting a growth rate and applying it to the 2014-15 appropriations base. A change to the 2014-15 appropriations base would result in a corresponding change to the 2016-17 limit.

Method of Calculating 2014-15 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 2014-15 biennium to be \$84,408,716,116. This

section details the sources of information used in this calculation.

Total appropriations for the 2014-15 biennium include those made by the Eighty-third Legislature during the Regular Session in Senate Bill 1 (General Appropriations Act), House Bill 7 (Appropriation from the System Benefit Account - 5100), House Bill 10 (Supplemental Appropriations), House Bill 1025 (Supplemental Appropriations), House Bill 3188 (Miscellaneous Claims), and during the Third Called Special Session in Senate Joint Resolution 1 (Appropriation from the State Highway Fund – 6). Any subsequent appropriations made by the Eighty-fourth Legislature for the 2014-15 biennium would also be included in total appropriations.

Section B of Table 5 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) sum certain 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 2014 amounts are based on actual 2014 expenditures. Most amounts for fiscal year 2015 are taken from Senate Bill 1, Eighty-third Legislature.

2. Sum Certain Line Item Appropriations:

As calculated in Table 6, the amount shown for “Total Sum Certain Line Item Appropriations” is the difference between total appropriations and the items listed separately as “estimated to be appropriations.” General revenue related appropriations in Table 6 are from Senate Bill 1, Eighty-third Legislature. Appropriation figures have been adjusted to incorporate certain Article IX appropriations, as well as Governor’s vetoes, House Bill 10, House Bill 1025, and House Bill 3188.

B. Source of Funding - General Revenue Related: Table 5, Part B shows that of the \$95,283,117,171 of general revenue related fund appropriations, \$78,784,868,604 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 \$5,432,160,157 during the 2014-15 biennium. Appropriations from general revenue related funds financed from non-tax revenue are estimated at \$11,066,088,411 for the 2014-15 biennium. Revenue analysis in this calculation applies actual fiscal year 2014 revenue collections and the most recent revenue estimates by the Comptroller of Public Accounts for fiscal year 2015.

II. Appropriations from Funds Outside of General Revenue

Certain tax revenues are deposited into accounts outside of the General Revenue Fund. Appropriations from these accounts funded with tax revenue not dedicated by the Constitution 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.

Additionally, certain unappropriated General Revenue-Dedicated balances are used to certify General Revenue Fund appropriations as a result of funds consolidation. When General Revenue Fund appropriations exceed General Revenue Fund revenues, General Revenue-Dedicated balances are considered when determining how much General Revenue Fund appropriations are subject to the spending limit. To the extent that those General Revenue-Dedicated balances contain tax revenues not dedicated by the Constitution, the General Revenue-Dedicated balances are subject to the limit when appropriated.

Grand Total

A grand total of \$101,368,401,943 in 2014-15 biennial appropriations is included in this analysis. Of this amount, \$5,432,160,157 is financed out of taxes dedicated by the State Constitution. Another \$11,527,525,670 is financed out of non-tax revenue. The remaining \$84,408,716,116 is financed out of tax revenue not dedicated by the State Constitution. This amount serves as the base for calculating the limitation on 2016-17 biennial appropriations from state 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 2013
 In Millions of Current Dollars

Earnings by Place of Work	Amount	Percent of Total
Wage and Salary Disbursements	\$ 591,469	66.6%
Supplements to Wages and Salaries	123,733	13.9%
Proprietors' Income		
Farm	\$2,886	
Nonfarm	<u>170,660</u>	
Subtotal	<u>173,546</u>	<u>19.5%</u>
Total Earnings by Place of Work	\$888,748	100.0%
Derivation of Total Personal Income		
Earnings by Place of Work (from above)	\$888,748	
Less: Personal Contributions for Social Insurance	(44,382)	
Less: Employee Contributions for Social Insurance	(40,288)	
Less: Adjustment for Residence	<u>(2,607)</u>	
Equals: Net Earnings by Place of Residence	\$801,471	69.1%
Plus: Dividends, Interest and Rent	190,441	16.4%
Plus: Personal Current Transfer Receipts	<u>168,168</u>	<u>14.5%</u>
Total Personal Income	\$1,160,079	100.0%

Note: Totals may not add due to rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, September 2014.

TABLE 2
BIENNIUM-TO-BIENNIUM GROWTH RATES IN TEXAS PERSONAL INCOME
1984-85 TO 2012-13 BIENNIA

Base Biennium	Target Biennium	Growth Rate	Percent Increase
1982-83	1984-85	1.170	17.0
1984-85	1986-87	1.087	8.7
1986-87	1988-89	1.096	9.6
1988-89	1990-91	1.144	14.4
1990-91	1992-93	1.138	13.8
1992-93	1994-95	1.125	12.5
1994-95	1996-97	1.156	15.6
1996-97	1998-99	1.176	17.6
1998-99	2000-01	1.163	16.3
2000-01	2002-03	1.067	6.7
2002-03	2004-05	1.106	10.6
2004-05	2006-07	1.177	17.7
2006-07	2008-09	1.119	11.9
2008-09	2010-11	1.052	5.2
2010-11	2012-13	1.145	14.5

TABLE 3
ESTIMATED GROWTH RATES FOR TEXAS PERSONAL INCOME
USING FOUR ECONOMETRIC MODELS
2014-15 BIENNIUM TO 2016-17 BIENNIUM

Source of Forecast	2016-17 Texas Personal Income Growth Rate
1. IHS Global Insight	11.93%
2. Moody's Analytics	15.71%
3. Perryman Group	13.39%
4. Texas Comptroller of Public Accounts	11.68%

TABLE 4
SUMMARY OF SOURCES AND METHODS FOR
TEXAS PERSONAL INCOME GROWTH RATES FOR THE
2016-17 BIENNIUM

Source of Forecast	Type of Forecast	Date of Forecast
1. IHS Global Insight	Econometric	November 2014
2. Moody's Analytics	Econometric	November 2014
3. Perryman Group	Econometric	October 2014
4. Texas Comptroller of Public Accounts	Econometric	October 2014

Source: Compiled by the Legislative Budget Board, November 2014.

TABLE 5
2014-15 BIENNIAL ADJUSTED APPROPRIATIONS
INCLUDED IN THE CALCULATION OF
THE LIMITATION BASE

I. General Revenue Related Funds	2014 Expenditures/
A. Appropriations	2015 Appropriations
1. "Estimated To Be" Line Item Appropriations in General Appropriations Act, 83rd Legislature	
(a) Fiscal Programs - Comptroller of Public Accounts	22,588,404
A.1.1. Strategy: Miscellaneous Claims	
(b) Fiscal Programs - Comptroller of Public Accounts	327,633,835
A.1.2. Reimbursement - Beverage Tax	
(c) Fiscal Programs - Comptroller of Public Accounts	8,503,047
A.1.4. County Taxes - University Lands	
(d) Fiscal Programs - Comptroller of Public Accounts	376,863,042
A.1.6. Unclaimed Property	
(e) Funds Appropriated to the Comptroller for Social Security and BRP	972,019,228
A.1.1. Strategy: State Match - Employer (GR Portion) & A.1.2 Benefit Replacement Pay (GR Portion)	
(f) Employees Retirement System	2,499,132,198
A. Goal: Administer Retirement Program (GR Portion) & B. Goal: Provide Health Program (GR Portion)	
(g) Secretary of State	1,260,491
B.1.5. Strategy: Voter Registration	
(h) Department of State Health Services	43,713,147
Vendor Drug Rebates—Public Health	
(i) Department of State Health Services	1,547,566
D.1.6. Strategy: TEXAS.GOV	
(j) Health and Human Services	127,451,584
Medicaid Program Income	
(k) Health and Human Services	1,279,682,889
Vendor Drug Rebates—Medicaid	
(l) Health and Human Services	430,153
Cost Sharing - Medicaid Clients	
(m) Health and Human Services	218,514,206
Vendor Drug Rebates-Supplemental Rebates	
(n) Health and Human Services	8,795,212
Premium Co-Payments, Low Income Children	
(o) Health and Human Services	12,139,755
Experience Rebates-CHIP	
(p) Health and Human Services	12,111,526
Vendor Drug Rebates-CHIP	
(q) Texas Education Agency	29,076,563
B.3.6. Strategy: Certification Exam Administration	

TABLE 5
2014-15 BIENNIAL ADJUSTED APPROPRIATIONS
INCLUDED IN THE CALCULATION OF
THE LIMITATION BASE

(r)	School For The Blind And Visually Impaired	76,859
	C.1.1. Strategy: Educ Prof Salary Increases	
(s)	School For The Deaf	104,440
	C.1.1. Strategy: Educ Prof Salary Increases	
(t)	Teacher Retirement System	2,728,547,739
	A.1.1. Strategy: TRS - Public Education	
(u)	Teacher Retirement System	283,057,110
	A.1.2. Strategy: TRS - Higher Education Retirement (GR Portion)	
(v)	Teacher Retirement System	495,062,968
	A.2.1. Strategy: Retiree Health - Statutory Funds	
(w)	Optional Retirement Program	202,838,447
	A.1.1. Strategy: Optional Retirement Program (GR Portion)	
(x)	Office Of Court Administration, Texas Judicial Council	24,573
	C.1.2. Strategy: TEXAS.GOV	
(y)	Department Of Housing And Community Affairs	20,735
	E.1.4. Strategy: TEXAS.GOV	
(z)	Texas Lottery Commission	165,019,750
	A.1.6. Strategy: Lottery Operator Contract	
(aa)	Texas Lottery Commission	25,772,029
	Rider 8. Local Bingo Prize Fees	
(ab)	Board Of Chiropractic Examiners	64,583
	A.1.2. Strategy: TEXAS.GOV	
(ac)	Texas State Board Of Dental Examiners	513,042
	A.2.2. Strategy: TEXAS.GOV	
(ad)	Funeral Service Commission	88,811
	A.1.2. Strategy: TEXAS.GOV	
(ae)	Board Of Professional Geoscientists	42,900
	A.1.2. Strategy: TEXAS.GOV	
(af)	Department Of Insurance	386,987
	A.3.3. Strategy: TEXAS.GOV	
(ag)	Board Of Professional Land Surveying	21,670
	A.1.3. Strategy: Examination	
(ah)	Board Of Professional Land Surveying	33,747
	A.1.4. Strategy: TEXAS.GOV	
(ai)	Department Of Licensing And Regulation	899,343
	A.1.5. Strategy: TEXAS.GOV	
(aj)	Texas Board of Nursing	1,211,645
	A.1.2. Strategy: TEXAS.GOV	

TABLE 5
2014-15 BIENNIAL ADJUSTED APPROPRIATIONS
INCLUDED IN THE CALCULATION OF
THE LIMITATION BASE

(ak)	Optometry Board	38,530
	A.1.2. Strategy: TEXAS.GOV	
(al)	Board Of Pharmacy	360,311
	A.1.2. Strategy: TEXAS.GOV	
(am)	Executive Council Of Physical Therapy & Occupational Therapy Examiners	359,792
	A.1.2. Strategy: TEXAS.GOV	
(an)	Board Of Plumbing Examiners	300,908
	A.1.2. Strategy: TEXAS.GOV	
(ao)	Board Of Podiatric Medical Examiners	9,577
	A.1.2. Strategy: TEXAS.GOV	
(ap)	Board Of Examiners Of Psychologists	67,553
	A.1.2. Strategy: TEXAS.GOV	
(aq)	Racing Commission	41,162
	B.1.2. Strategy: TEXAS.GOV	
(ar)	Board Of Veterinary Medical Examiners	71,780
	A.1.2. Strategy: TEXAS.GOV	
(as)	Multiple Agencies: Earned Federal Funds	117,640,489
	Sec. 6.22. Definition, Appropriation, Reporting and Audit of Earned Federal Funds	
(at)	Adjustment for Property Tax Relief Fund Revenue	353,051,473
(au)	Adjustment for Texas Education Agency Attendance Credit Revenue	(80,971,495)
	Subtotal, "Estimated to Be" Line Items (Expended/ Appropriated)	<u>\$ 10,236,220,305</u>

2. Total Sum Certain Line Item Appropriations (Appropriated) \$ 85,046,896,866

TOTAL General Revenue Related Fund Appropriations, \$ 95,283,117,171
adjusted for 2014 estimated amounts

				State Tax Revenue Not Dedicated by the <u>Constitution</u>
B.	Source of Funding - General Revenue Related	Total <u>Appropriations</u>	Constitutionally Dedicated State <u>Tax Revenues</u>	Non Tax <u>Revenues</u>
1.	Occupation Taxes	\$3,731,407,969	\$3,731,407,969	\$0
2.	Motor Fuel Taxes	1,731,061,102	1,700,752,188	-
3.	Education Revenues	3,953,597,448	-	3,953,597,448
4.	Insurance Maintenance Tax	273,460,325	-	-
5.	Hotel Tax	68,414,824	-	-
6.	Sporting Good Sales Tax	149,129,187	-	-
7.	Appropriations from Other Revenue	85,376,046,316	-	7,112,490,963
	SUBTOTAL(General Revenue Related)	<u>\$95,283,117,171</u>	<u>\$ 5,432,160,157</u>	<u>\$11,066,088,411</u>
				<u>\$ 78,784,868,604</u>

TABLE 5
2014-15 BIENNIAL ADJUSTED APPROPRIATIONS
INCLUDED IN THE CALCULATION OF
THE LIMITATION BASE

II. Appropriations from Funds Outside of GR				
1. Account 0009 – Game, Fish, and Water Safety	207,725,418	-	204,280,704	3,444,714
2. Account 0036 – Texas Department of Insurance Operating	136,960,271	-	132,768,341	4,191,930
3. Account 0304 – Property Tax Relief	5,308,121,527	-	2,065,822	5,306,055,705
4. Account 5066 – Rural Volunteer Fire Department Insurance	1,993,000	-	-	1,993,000
5. Account 5071 – Emissions Reduction Plan	156,183,523	-	49,346,759	106,836,764
6. Account 5144 - Physician Education Loan Repayment Program	33,800,000	-	199,070	33,600,930
7. Reduction in Certifiable GR-D Balances	240,501,033	-	72,776,563	167,724,470
GRAND TOTAL	<u>\$101,368,401,943</u>	<u>\$5,432,160,157</u>	<u>\$11,527,525,670</u>	<u>\$84,408,716,116</u>

TABLE 6
CALCULATION OF "SUM CERTAIN LINE ITEMS APPROPRIATIONS"
FOR THE 2014-15 BIENNIUM

	<u>2014</u>	<u>2015</u>	<u>2014-15</u>
General Revenue Funds "Recap" Amount	\$46,649,407,735	\$48,327,554,390	\$94,976,962,125
Less "Estimated to Be" Items:			
Fiscal Programs - Comptroller of Public Accounts	14,860,294	14,860,294	29,720,588
A.1.1. Strategy: Miscellaneous Claims (SB1, Article I-25)			
Fiscal Programs - Comptroller of Public Accounts	149,456,000	157,840,000	307,296,000
A.1.2. Reimbursement - Beverage Tax (SB1, Article I-25)			
Fiscal Programs - Comptroller of Public Accounts	3,778,752	3,967,690	7,746,442
A.1.4. County Taxes - University Lands (SB1, Article I-25)			
Fiscal Programs - Comptroller of Public Accounts	165,142,247	165,142,247	330,284,494
A.1.6. Unclaimed Property (SB1, Article I-25)			
Funds Appropriated to the Comptroller for Social Security and BRP	492,369,302	497,094,605	989,463,907
A.1.1. Strategy: State Match - Employer (GR Portion) & A.1.2 Benefit Replacement Pay (GR Portion) (SB1, Article I-30)			
Employees Retirement System	1,213,551,637	1,338,725,431	2,552,277,068
A. Goal: Administer Retirement Program (GR Portion) & B. Goal: Provide Health Program (GR Portion) (SB1, Article I-36)			
Secretary of State	5,000,000	1,000,000	6,000,000
B.1.5. Strategy: Voter Registration (SB1, Article I-85)			
Department of State Health Services	7,486,357	7,486,357	14,972,714
Vendor Drug Rebates-Public Health (SB1, Article II-49)			
Department of State Health Services	1,146,140	1,146,140	2,292,280

TABLE 6
CALCULATION OF "SUM CERTAIN LINE ITEMS APPROPRIATIONS"
FOR THE 2014-15 BIENNIUM

	<u>2014</u>	<u>2015</u>	<u>2014-15</u>
D.1.6. Strategy: TEXAS.GOV (SB1, Article II-51)			
Health and Human Services Medicaid Program Income (SB1, Article II-82)	50,000,000	50,000,000	100,000,000
Health and Human Services Vendor Drug Rebates—Medicaid (SB1, Article II-82)	631,798,602	709,985,792	1,341,784,394
Health and Human Services Cost Sharing - Medicaid Clients (SB1, Article II-82)	111,971	111,971	223,942
Health and Human Services Vendor Drug Rebates-Supplemental Rebates (SB1, Article II-82)	73,365,647	82,444,891	155,810,538
Health and Human Services Premium Co-Payments, Low Income Children (SB1, Article II-82)	5,039,214	4,958,024	9,997,238
Health and Human Services Experience Rebates-CHIP (SB1, Article II-82)	3,996,639	2,972,548	6,969,187
Health and Human Services Vendor Drug Rebates-CHIP (SB1, Article II-82)	7,122,381	4,852,048	11,974,429
Texas Education Agency B.3.6. Strategy: Certification Exam Administration (SB1, Article III-2)	14,000,000	14,000,000	28,000,000
School For The Blind And Visually Impaired C.1.1. Strategy: Educ Prof Salary Increases (SB1, Article III-23)	197,661	-	197,661
School For The Deaf C.1.1. Strategy: Educ Prof Salary Increases (SB1, Article III-27)	193,908	-	193,908
Teacher Retirement System	1,323,211,286	1,405,336,453	2,728,547,739

TABLE 6
CALCULATION OF "SUM CERTAIN LINE ITEMS APPROPRIATIONS"
FOR THE 2014-15 BIENNIUM

	<u>2014</u>	<u>2015</u>	<u>2014-15</u>
A.1.1. Strategy: TRS - Public Education (SB1, Article III-31)			
Teacher Retirement System	129,884,818	153,172,022	283,056,840
A.1.2. Strategy: TRS - Higher Education Retirement (GR Portion) (SB1, Article III-31)			
Teacher Retirement System	247,531,484	247,531,484	495,062,968
A.2.1. Strategy: Retiree Health - Statutory Funds (SB1, Article III-31)			
Optional Retirement Program	103,788,047	105,078,846	208,866,893
A.1.1. Strategy: Optional Retirement Program (GR Portion) (SB1, Article III-35)			
Office Of Court Administration, Texas Judicial Council	10,290	12,571	22,861
C.1.2. Strategy: TEXAS.GOV (SB1, Article IV-25)			
Department Of Housing And Community Affairs	19,120	19,120	38,240
E.1.4. Strategy: TEXAS.GOV (SB1, Article VII-2)			
Texas Lottery Commission	87,467,842	87,821,426	175,289,268
A.1.6. Strategy: Lottery Operator Contract (SB1, Article VII-8)			
Texas Lottery Commission	12,635,500	12,635,500	25,271,000
Rider 8. Local Bingo Prize Fees (SB1, Article VII-11)			
Board Of Chiropractic Examiners	29,850	29,850	59,700
A.1.2. Strategy: TEXAS.GOV (SB1, Article VIII-5)			
Texas State Board Of Dental Examiners	250,000	250,000	500,000
A.2.2. Strategy: TEXAS.GOV (SB1, Article VIII-7)			
Funeral Service Commission	46,500	46,500	93,000
A.1.2. Strategy: TEXAS.GOV (SB1, Article VIII-9)			

TABLE 6
CALCULATION OF "SUM CERTAIN LINE ITEMS APPROPRIATIONS"
FOR THE 2014-15 BIENNIUM

	<u>2014</u>	<u>2015</u>	<u>2014-15</u>
Board Of Professional Geoscientists A.1.2. Strategy: TEXAS.GOV (SB1, Article VIII-11)	25,000	25,000	50,000
Department Of Insurance A.3.3. Strategy: TEXAS.GOV (SB1, Article VIII-17)	380,000	380,000	760,000
Board Of Professional Land Surveying A.1.3. Strategy: Examination (SB1, Article VIII-27)	16,500	16,500	33,000
Board Of Professional Land Surveying A.1.4. Strategy: TEXAS.GOV (SB1, Article VIII-27)	17,150	17,150	34,300
Department Of Licensing And Regulation A.1.5. Strategy: TEXAS.GOV (SB1, Article VIII-29)	467,200	467,200	934,400
Texas Board of Nursing A.1.2. Strategy: TEXAS.GOV (SB1, Article VIII-37)	563,712	563,712	1,127,424
Optometry Board A.1.2. Strategy: TEXAS.GOV (SB1, Article VIII-40)	18,625	18,625	37,250
Board Of Pharmacy A.1.2. Strategy: TEXAS.GOV (SB1, Article VIII-42)	173,463	173,463	346,926
Executive Council Of Physical Therapy & Occupational Therapy Examiners A.1.2. Strategy: TEXAS.GOV (SB1, Article VIII-45)	157,715	157,715	315,430
Board Of Plumbing Examiners A.1.2. Strategy: TEXAS.GOV (SB1, Article VIII-48)	155,000	155,000	310,000
Board Of Podiatric Medical Examiners A.1.2. Strategy: TEXAS.GOV (SB1, Article VIII-50)	4,428	4,427	8,855

TABLE 6
CALCULATION OF "SUM CERTAIN LINE ITEMS APPROPRIATIONS"
FOR THE 2014-15 BIENNIUM

	<u>2014</u>	<u>2015</u>	<u>2014-15</u>
Board Of Examiners Of Psychologists A.1.2. Strategy: TEXAS.GOV (SB1, Article VIII-52)	34,250	34,250	68,500
Racing Commission B.1.2. Strategy: TEXAS.GOV (SB1, Article VIII-54)	22,500	22,500	45,000
Board Of Veterinary Medical Examiners A.1.2. Strategy: TEXAS.GOV (SB1, Article VIII-66)	33,650	33,650	67,300
Multiple Agencies: Earned Federal Funds Sec. 6.22. Definition, Appropriation, Reporting and Audit of Earned Federal Funds (SB1, Article IX-32)	57,163,691	56,749,884	113,913,575
Subtotal, Estimated Appropriations	<u>\$4,802,724,373</u>	<u>\$5,127,340,886</u>	<u>\$9,930,065,259</u>
Total Sum Certain Line Item Appropriations	<u>\$41,846,683,362</u>	<u>\$43,200,213,504</u>	<u>\$85,046,896,866</u>