General Land Office
Summary of Budget Recommendations - Senate

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The Honorable Dawn Buckingham, Commissioner
Emily Joslin, LBB Analyst

Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change ($)	Biennial Change (%)
General Revenue Funds	$230,438,923	$925,635,427	$695,196,504	301.7%
GR Dedicated Funds	$32,716,610	$33,576,007	$859,397	2.6%
Total GR-Related Funds	*$263,155,533*	*$959,211,434*	*$696,055,901*	*264.5%*
Federal Funds	$5,538,055,131	$1,210,880,622	($4,327,174,509)	(78.1%)
Other	$458,450,933	$242,328,617	($216,122,316)	(47.1%)
All Funds	**$6,259,661,597**	**$2,412,420,673**	**($3,847,240,924)**	**(61.5%)**

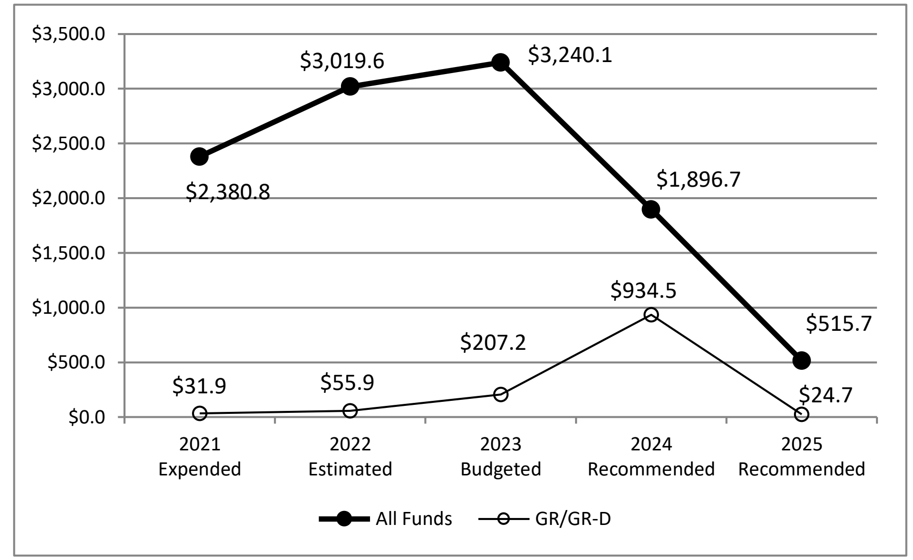
	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	795.0	852.0	57.0	7.2%

Agency Budget and Policy Issues and/or Highlights

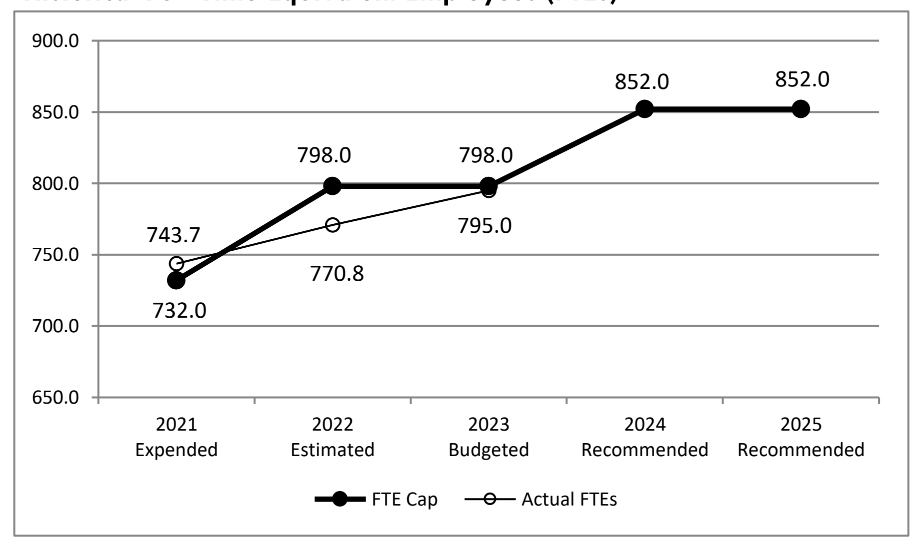
Recommendations for the 2024-25 biennium add 57.0 additional FTEs above fiscal year 2023 budget levels, including 3.0 new FTEs for Alamo-related project management. The remaining 54.0 FTEs, 49.3 of which will be 100.0 percent federally funded, were requested by GLO in excess of amounts reported in its 2022-23 base reconciliation. The agency reports that the additional FTEs will provide support for the Community Development Block Grant (CDBG) portfolio within the Disaster Recovery program. The agency anticipates these additional federally funded positions to continue past the 2024-25 biennium. (see also Selected Fiscal and Policy Issues #2)

The bill pattern for this agency (2024-25 Recommended) represents an estimated 52.0% of the agency's estimated total available funds for the 2024-25 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



	Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
	SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):						
A)	Decrease in Federal funds primarily due to the following: 1) a decrease of $2,160.0 million for short-term housing and community housing projects, 2) a decrease of $2,061.2 million for infrastructure projects, 3) a decrease of $51.0 million for a one-time Coronavirus Relief Fund allocation to cover operational costs for Texas State Veterans' Homes, 4) a decrease of $40.0 million for coastal erosion and coastal management projects, and 5) a decrease of $4.7 million for Hurricane Harvey-related marine debris removal. (see also Selected Fiscal and Policy Issues #2)	$0.0	$0.0	($4,329.7)	$0.0	($4,329.7)	B.1.1, B.1.2, B.2.2, C.1.2, D.1.1, D.1.2
B)	Decrease in General Revenue funds due to the removal of the following one-time items: 1) $200.0 million for the creation of the Gulf Coast Protection District in the 2022-23 biennium required due to the enactment of Senate Bill 1160, Eighty-seventh Legislature, Regular Session, 2021, and 2) $6.0 million for General Revenue generated as Earned Federal Funds collected during the 2020-21 biennium and carried forward into the 2022-23 biennium. (see also Selected Fiscal and Policy Issues #1)	($206.0)	$0.0	$0.0	$0.0	($206.0)	B.1.1, B.1.2, D.1.1
C)	Increase in General Revenue funds due to the following: 1) $400.0 million for the completion of the Alamo Plan and the associated construction on the Alamo Complex, and 2) $500.0 million for grants to Gulf Coast Protection District (GCPD), contingent upon certain requirements, which includes $300.0 million to provide state-matching funds in line with requirements for projects planned to be conducted in the state by the United States Army Corps of Engineers (USACE). See also Selected Fiscal and Policy Issues #3 and #8.	$900.0	$0.0	$0.0	$0.0	$900.0	A.3.1, B.1.1

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Summary of Funding Changes and Recommendations - Senate

	Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
D)	Decrease in Economic Stabilization Funds related to supplemental appropriations received in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, for the operation and maintenance of the Alamo complex. (see also Selected Fiscal and Policy Issues #3)	$0.0	$0.0	$0.0	($50.0)	($50.0)	A.3.1
E)	Decrease in General Revenue-Dedicated Alamo Complex Account No. 5152 due to decreases in projected revenues during Alamo Plan-related construction in fiscal year 2024. (see also Selected Fiscal and Policy Issues #3)	$0.0	($1.5)	$0.0	$0.0	($1.5)	A.3.1
F)	Net decrease in General Revenue-Dedicated Funds and Other Funds for the removal of completed capital budget projects, the removal of proposed new capital budget projects from within the agency's base request, and the removal of one-time funding. (see also Selected Fiscal and Policy Issues #1 and #5)	$0.0	($0.1)	$0.0	($3.2)	($3.3)	A.1.1, A.1.4, A.2.1, B.2.1, C.1.1, C.1.2

OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
G)	Decrease in Appropriated Receipts due to decreases in GoMESA, Natural Resource Damage Assessment (NRDA), National Fish and Wildlife Foundation (NFWF), the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE Act) reimbursements, legal costs associated with defense and prosecution of PSF lands, the Houston Extra Bedroom Program, and Alamo Complex commercial lease revenues not anticipated to be received in the 2024-25 biennium.	$0.0	$0.0	$0.0	($168.3)	($168.3)	A.1.3, A.3.1, B.1.1, B.1.2, B.2.1, D.1.1
H)	Increase in General Revenue-Dedicated Coastal Protection Account No. 27 ($1.4 million) and Coastal Public Lands Management Fee Account No. 450 ($0.1 million) due to increases in program operational costs.	$0.0	$1.5	$0.0	$0.0	$1.5	A.1.4, B.1.1, B.2.1, B.2.2

General Land Office
Summary of Funding Changes and Recommendations - Senate

	Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
I)	Increase in All Funds due to Salary Adjustments.	$1.2	$1.0	$2.5	$5.4	$10.1	E.1.1

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	**$695.2**	**$0.9**	**($4,327.2)**	**($216.1)**	**($3,847.2)**	As Listed
SIGNIFICANT & OTHER Funding Increases	$901.2	$2.5	$2.5	$5.4	$911.6	As Listed
SIGNIFICANT & OTHER Funding Decreases	($206.0)	($1.6)	($4,329.7)	($221.5)	($4,758.8)	As Listed

NOTE: Totals may not sum due to rounding.

General Land Office
Selected Fiscal and Policy Issues - Senate

1. **Removal of One-Time Costs –** Recommendations include a reduction of $206.0 million in General Revenue for the following one-time expenditures:
   - $200.0 million in General Revenue appropriated to the agency for the enactment of Senate Bill 1160, Eighty-seventh Legislature, Regular Session, 2021, for the creation of the Gulf Coast Protection District in the 2022-23 biennium (see below Selected Fiscal and Policy Issue #7), and
   - $6.0 million in General Revenue as Earned Federal Funds that were collected during the 2020-21 biennium and were carried forward into the 2022-23 biennium through Rider 20, Unexpended Balances of Earned Federal Funds for Disaster Recovery Programs.

2. **Disaster Recovery –** Recommendations include $1.2 billion in Federal Funds and 298.0 FTEs for recovery related to Hurricanes Dolly, Ike, and Harvey, wildfires, floods, and other natural disasters around the state. This amount constitutes a $4.3 billion decrease from 2022-23 spending levels which largely reflects the spending down of these funds over time. In fiscal year 2024, the agency budgeted for 54.0 additional FTE positions primarily within the Disaster Recovery program to directly support disaster-related activities and grants within the Community Development Block Grant (CDBG) portfolio, including anticipated additional grant funding associated with Winter Storm Uri totaling $43.6 million. Most of these positions (50.0) represent the conversion of temporary or part-time staff to FTEs which the agency anticipates will result in estimated savings in Federal Funds totaling $8.6 million due to no longer needing to contract for vendor support. The agency anticipates the additional positions to continue for five to eight years and will utilize federal funds for salaries and related benefit costs in the 2024-25 biennium. Overall funding is allocated for the following:

   a) **Housing:** Funding totals $294.3 million in All Funds and 252.0 FTEs, a decrease of $2.2 billion in federal CDBG funding from the U.S. Department of Housing and Urban Development (HUD), for community housing projects.
   b) **Infrastructure:** Funding totals $907.0 million in Federal Funds and 46.0 FTEs, a decrease of $2.1 billion in federal CDBG funding from HUD, for infrastructure and mitigation projects.

   GLO reports having obligated more than $5.5 billion of the $5.7 billion total allocated in 2018 specifically for Hurricane Harvey, of which $2.7 billion has been expended. A majority of funds remaining will be allocated to community housing and infrastructure projects as well as public services and economic revitalization. Following initial disbursement delays due to the required action plan development and approval process as well as grant administration, the agency anticipates expending all available funds by the conclusion of the associated grants in fiscal year 2026.

   Recommendations include an additional $2.5 million in Federal Funds for salary adjustments in Strategy E.1.1 which will be distributed to positions carrying out these disaster recovery-related functions and other federally funded activities.

3. **Alamo –** Recommendations include $410.9 million in All Funds comprised of $400.0 million in General Revenue, $10.2 million in GR-D Alamo Complex Account No. 5152 (GR-D 5152), and $0.7 million from Other Funds including Appropriated Receipts and License Plate Trust Funds for the operation and continued maintenance of the Alamo. This amounts to a $347.5 million increase from 2022-23 due to $400.0 million in GR included in recommendations being offset by a $52.5 million decrease related to 1) $50.0 million in Economic Stabilization Funds (ESF) not assumed for the 2024-25 biennium, 2) a $1.5 million decrease in the Complex's GR-D 5152 related to anticipated declines in revenue, and 3) a $1.0 million decrease in Appropriated Receipts related to the discontinuation of commercial leases for the Crockett Buildings. The Comptroller's BRE estimates that total revenues deposited in GR-D 5152 during the 2024-25 biennium to total $10.8 million, roughly $3.9 million less than estimated 2022-23 revenues, which reflects that significant construction and renovation activity is scheduled to occur in the upcoming biennium. The fiscal year 2023 ending balance of the account is anticipated to be approximately $8.0 million. Recommendations include reductions to output performance targets in fiscal year 2024 in Strategy A.1.3, Preserve and Maintain the Alamo Complex, to reflect decreased visitation due to this construction.

House Bill 3726, Eighty-second Legislature, Regular Session, 2011, transferred the maintenance and operation of the Alamo to the General Land Office (GLO) and authorized the agency to partner with a qualifying non-profit for the benefit of the Alamo Complex. The GLO, the Alamo Endowment, and the City of San Antonio executed a cooperative agreement in 2015 regarding the development and adoption of the Alamo Master Plan. On October 18, 2018, the San Antonio City Council approved GLO's plans to redevelop the Alamo, which included the approval of a 100-year lease giving GLO control of land and streets owned by the city surrounding the Alamo shrine. The City of San Antonio has committed $38.0 million to implement the Alamo Plan, of which $21.0 million came from a 2017 Bond Program approved by the voters and $17.0 million from Certificates of Obligation issued by the City. In May 2021, the County made a $25.0 million grant to Alamo Trust for the new Visitors Center and Museum that will be paid out in $5.0 million increments over five years. As of October 2022, the private fundraising entity for the Alamo Plan, the Remember the Alamo Foundation (RTAF), has raised over $22.0 million in cash gifts and pledges and has an additional $11.6 million in requests with potential funders.

The Texas Legislature has appropriated $550.0 million for the Alamo Master Plan and Complex to date. Historical appropriations are outlined in the table below.

Session	Biennium	Appropriations	Projects and Activities Funded
Eighty-fourth Legislature, 2015	2016-17	$25.0 million in General Revenue Funds	• Development of the Alamo Master Plan, • Acquisition of the Crockett, Palace, Woolworth, and History Shop buildings across from the Alamo Complex, and • Initial restoration and preservation activities at the Alamo Church and Long Barrack.
Eighty-fifth Legislature, 2017	2018-19	$75.0 million in Economic Stabilization Funds	• Restoration of the Alamo battlefield, • Restoration and preservation of the Alamo Church and Long Barrack, • the design and construction of the Exhibit Hall and Collections Building, • Alamo operations, • Planning, design, and construction of the Alamo Visitors Center and Museum, Exhibit Hall, and Collections Building.
Eighty-seventh Legislature, 2021	2022-23	$50.0 million in Economic Stabilization Funds	• Construction of the Alamo Visitors Center and Museum, additional museum exhibits, • the design and construction of the Exhibit Hall and Collections Building, • activities such as archaeology assessments and moisture monitoring, and • continued maintenance, repairs, and development of the grounds, including Paseos, the Plaza, and other areas.
Eighty-eighth Legislature, 2023 (Senate Bill 1 as Introduced)	2024-25	$400.0 million in General Revenue Funds	• Acquisition of land, and • Completing construction, restoration, and development of the Alamo Visitors Center and Museum, Long Barracks, Alamo Plaza, Plaza de Valero, several Paseos, the Cenotaph, and other projects.

The current total estimated cost to complete the remainder of the Alamo Plan as of January 2023 is roughly $500.0 million, with $38.7 million comprising of the remaining funds obligated from the city and county and the rest from funds appropriated to the GLO. The RTAF is responsible for raising money for certain site improvements and the expansion of Alamo historical programming. Recommendations provide $400.0 million in General Revenue for the continued construction of and completion of the Alamo Visitor Center and Museum, the Cenotaph Restoration, the Church Restoration, the Long Barracks Restoration, and various projects to the plaza, paseos, and streetscapes. Recommendations also amend the agency's Rider 15, Alamo and Alamo Complex Preservation, Maintenance, and Operations, to reflect additional appropriations and to provide unexpended balance authority within the biennium. (see also Summary of Funding Changes and Recommendations Item B and Rider Highlight #15)

The GLO does not anticipate needing any additional appropriations to complete the Alamo Master Plan and the Alamo Complex, barring any significant delays to completion like supply chain issues, unexpected archaeological finds within the construction footprint, and issues associated with the acquisition of private land needed for projects. The agency anticipates the opening of the new Alamo Exhibitions and Collections Building in late 2022. The Alamo Museum in the Crockett, Palace, and Woolworth buildings is anticipated to open in Spring 2026.

4. **Permanent School Fund –** Recommendations include $43.7 million in Permanent School Fund (PSF) No. 044 for the management of state PSF lands and mineral rights properties, a decrease of approximately $2.4 million from 2022-23. The decrease primarily reflects the following changes:
   - An increase of $3.6 million for changes in program operational and indirect administration costs, including salary adjustments;
   - An increase of $0.3 million for changes in Data Center Services obligations;
   - A decrease of $6.0 million for Surface Damage Account fund projects;
   - A decrease of $0.5 million for vehicle replacements; and
   - A decrease of $0.2 million for the replacement of servers, storage, virtualization, and networking infrastructure. (see also Selected Fiscal and Policy Issues #5)

PSF lands total approximately 13.0 million acres including beaches, bays, estuaries, and other submerged lands out to 10.4 miles into the Gulf of Mexico; institutional acreage; grazing lands in West Texas; and timberlands in East Texas. GLO leases drilling rights for oil and gas on these lands which produces revenue and royalties. The agency also evaluates PSF land and acquires or disposes of selected tracts through purchase, sale, or trade. The proceeds from revenue, royalties, and land sales are deposited in the Real Estate Special Fund Account (RESFA) for the acquisition of additional real property interests for the PSF, for limited transfers to the portion of the PSF managed by the State Board of Education (SBOE), or directly to the Available School Fund (ASF) each year.

Section 5(g), Article VII, Texas Constitution authorizes the SBOE, GLO, or any entity that has responsibility for the management of revenues derived from the PSF, in its sole discretion, to transfer revenue from PSF land or properties directly to the ASF in an amount not to exceed $600.0 million each year. GLO transferred $415.0 million to the ASF in fiscal year 2022 and has committed to transferring $460.0 million in fiscal year 2023, $600.0 million in fiscal year 2024, and $600.0 million in fiscal year 2025.

The Permanent School Fund Liquid Account (PSFLA) was created by the enactment of House Bill 4388, Eighty-sixth Legislature, Regular Session, 2019. Effective December 31, 2022, this account was abolished in pursuance to Senate Bill 1232, Eighty-seventh Legislature, Regular Session, 2021, and funds transferred to the PSF 044. The agency anticipates making a final transfer of $1.2 billion to PSFLA in fiscal year 2022.

Senate Bill 1232 also created the Texas Permanent School Fund Corporation which combines the investment arms from the Texas Education Agency and the State Land Board (SLB) at the GLO to manage the Permanent School Fund and the Charter District Bond Guarantee Reserve Fund. This combined effort, a new Article III agency titled the Permanent School Fund (PSF) Corporation, has assumed investment functions as of January 2023. The SLB will now transfer all revenue derived from mineral or royalty interests, less any amounts specified to be retained, to the corporation for investment. GLO estimates that these transfers will equal $800.0 million in each fiscal year of the 2024-25 biennium.

As part of the realignment of investment functions, the GLO transferred 6.0 positions (4.0 total FTEs) to the PSF Corporation. In addition, the agency is transferring $4.0 million in authority to PSF Corporation via its Rider 10, Appropriation of Receipts: Real Property Sales and Mineral Royalties, to assist with startup operation and administrative costs. This transfer will be cost neutral due to the additional authority generated representing increased PSF appropriations.

Recommendations include the deletion of two riders and the modification of one rider to reflect the enactment of SB 1232 and the transfer of investment activities from GLO's purview. Rider 8, Real Property Investment Reporting, required the agency to submit a report to the Governor's Office and the Legislative Budget Board on investment activity in the Real Estate Special Fund Account of the Permanent School Fund No. 44 no later than September 1 of each even numbered year. Rider 23, Contingency for Senate Bill 1232, required the agency to submit to the Legislative Budget Board (LBB) a plan that described the steps required to implement the provisions of the legislation creating the Permanent School Fund Corporation (PSF Corporation) as well as a description of any costs accrued and funds and FTEs that should be transferred from GLO to the PSF Corporation. Recommendations also modify the language in Rider 10, Appropriation of Receipts: Real Property Sales and Mineral Royalties, to clarify sources of PSF revenue and remove references to investment functions that are moving to the PSF Corporation. (see also Rider Highlights #8, #10, and #23)

5. **Capital Budget -** Recommendations continue capital budget authority to allow the agency to increase expenditures without limitation, subject to a cap of 125 percent of each year's aggregate capital budget appropriation. Federal Funds are exempt from the calculation of the aggregate total and the agency is required to provide a 30-day notice to the Legislative Budget Board before implementing any new projects. Recommendations include approximately $5.6 million in All Funds for capital budget projects.

   Recommendations include an All Funds increase to meet increased Data Center Services obligations in the 2024-25 biennium. This increase is approximately $1.0 million above 2022-23 appropriations or $0.3 million more than amounts reported by the agency for the 2022-23 biennium within its LAR. The difference between 2022-23 appropriations and amounts reported is due to the expanded transfer authority included in the agency's Capital Budget rider. Recommendations for 2024-25 align with estimates provided by the Department of Information Resources (DIR).

6. **Requested New Rider, Coastal Erosion Response –** Recommendations do not include $44.9 million in General Revenue Dedicated Coastal Erosion Response Account No. 5176 (GR-D 5176), the entire cash balance of the account as of the January 2023 BRE, requested by the agency to implement and administer the Coastal Erosion Planning & Response Act (CEPRA) program and to implement erosion response projects and studies within the state. Additionally, recommendations do not include a requested new rider which would provide appropriation authority for all existing fund balances and revenue generated during the 2024-25 biennium above the Comptroller's Biennial Revenue Estimate from GR-D 5176 each fiscal year to support the coastal management program. The agency specifically seeks access to this account to be able to allocate funds to local communities to target specific erosion-related projects.

   House Bills 6 and 3317, Eighty-sixth Legislature, Regular Session, 2019, re-enacted and created GR-D 5176 to hold a two percent allocation of the state hotel occupancy taxes collected in certain coastal counties, revenue from the sale of dredged material, and penalties collected related to public beach structures and sand dunes. Under statute, money from the account may be appropriated only to GLO for the implementation and administration of the coastal management program. No funds from this account have yet been appropriated. The estimated ongoing cost of including this funding and the associated rider language is the current cash balance within GR-D 5176, $44.9 million, per year. (see also Items Not Included in Recommendations #3 and #4)

7. **Gulf Coast Protection District (GCPD) –** Recommendations include $500.0 million in General Revenue for grants to the Gulf Coast Protection District (GCPD) through cooperative agreements with GLO. In addition to these appropriations, recommendations include a new rider, Rider 22, which 1) specifies that the granting of these funds are contingent upon certain reporting requirements, 2) defines that $300.0 million of the appropriation will be utilized for state matching funds for activities carried out by the United States Army Corps of Engineers (USACE), 3) provides unexpended balance authority between years for 2024-25 appropriations, and 4) provides unexpended balances authority across biennia for any funds remaining from $200.0 million in General Revenue appropriated in 2022-23 to establish the GCPD. (see also Summary of Funding Changes and Recommendations Item C and Rider Highlight #22)

Per the agency, $0.5 million has been expended from 2022-23 appropriations for staff salaries and basic operations. An estimated $167.0 million will be directed to the United States Army Corps of Engineers (USACE) or to the Coastal Texas Program as authorized by federal guidelines. Although the agency anticipates that all appropriations will be either obligated or expended by the end of the 2022-23 biennium, all funds available from this appropriation are not yet obligated or expended. As such, the cost of the Unexpended Balance authority included in Rider 22 cannot be determined at this time. (see also Selected Fiscal and Policy Issues #1 above)

Consisting of approximately 5,220 square miles of land covering Chambers, Galveston, Harris, Jefferson, and Orange counties, the GCPD was created through Senate Bill 1160, Eighty-seventh Legislature, Regular Session, 2021, to become the non-federal sponsor of the Sabine Pass to Galveston Bay Coastal Storm Risk Management and Coastal Texas Protection and Restoration Feasibility studies. The GCPD will manage various coastal protection projects and will also manage the associated federal funding, including allocations anticipated to be received for the gate system, ring barrier, and additional measures planned for storm surge protection for the upper coast in the Coastal Texas Program, also referred to as the Ike Dike. In addition to managing Federal Funds, the entity has the authority to impose fees and a tax, to issue bonds, to exercise eminent domain, and to sign project partnership agreements.

The GCPD is required by statute to submit an annual report to the Legislature, the Legislative Budget Board, the GLO, and the commissioners court of each county in which the district is located that 1) describes the district's financial condition and operations during the preceding year, 2) proposes a budget for the following year, and 3) describes the work proposed for the following year. This report has not been received as of January 27, 2023 but is anticipated.

Recommendations do not include requested revisions to Rider 22 which would 1) remove the contingent reporting requirements, 2) specify that 3.0 FTEs and $0.3 million per fiscal year from the $200.0 million granted to GCPD and not utilized for state matching funds would be used by GLO to provide oversight and coordination with GCPD, and 3) specify that the GLO would ensure that no more than 5.0 percent of the $200.0 million is expended on administrative and salary expenses at the GCPD. (see also Items Not Included in Recommendations #6 and #7)

8. **Veterans' Cemeteries –** Recommendations include $11.9 million in All Funds for the maintenance and operation of the four current state veterans' cemeteries, a net decrease of $61,463 in Texas Veterans Homes Administration Fund No. 374 (Fund No. 374), an Other Fund, from 2022-23 levels due to decreases in operational costs and information technology (IT) expenses.

   Operating costs for the four existing state veteran cemeteries include Federal Funds and Fund No. 374 appropriations which are estimated in GLO's bill pattern. GLO anticipates operating costs to be $7.1 million each fiscal year through 2027, including $1.7 million in Federal Funds and $5.4 million in funds transferred from Veterans Land Board Series 1986 Refunding Fund No. 571 to Fund No. 374. With the existing four cemeteries, the agency does not project that it will meet the statutory transfer cap of $7.0 million each fiscal year from Fund No. 571.

   Recommendations do not include $2.2 million in General Revenue and 1.0 FTE requested to cover anticipated operational and contract costs for a proposed State Veterans' Cemetery in Lubbock, Texas. GLO initially included this request in its LAR in anticipation of the U.S. Department of Veterans Affairs (VA) awarding a grant requested by the agency to construct this cemetery. This grant was ultimately not awarded for the grant year and as a result, the agency initially withdrew its request and the associated contingency rider on October 11, 2013. The request was resubmitted on January 24, 2023. The agency indicates that the VA has a multi-tiered prioritization list with numerous projects competing for limited funds and that the Lubbock cemetery proposal did not yet score high enough to receive funding. This project remains on the list, however, and could be selected for funding in later grant years during the 2024-25 biennium.

   Federal Funds pay for all construction costs to establish, expand, and improve state veteran cemeteries upon receiving prior approval from the VA. Using GLO appropriations, the state initially pays approximately 10.0 percent of the construction costs in an application process which is subsequently reimbursed following VA project approval. Without approval, the VA considers any cemetery built with state funding to be a private cemetery that is not eligible for this type of federal reimbursement and support. (see also Items Not Included in Recommendations #1)

9. **Veterans' Nursing Homes –** Recommendations include $8.5 million in All Funds for the operation of the state Veterans' Homes program. This amount represents a decrease of $49.8 million from the 2022-23 biennium due to one-time funding in Coronavirus-related Federal Funds received to support operational costs within the homes no longer being available and the removal of certain vehicle costs. The largest allocation expended reflects $35.0 million in Coronavirus State Fiscal Recovery Funds received through Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, for the purpose of funding for HVAC upgrades, negative pressure COVID-19 wards, and mobile HEPA air filtration units for state veterans' homes.

   The nine Texas State Veterans' Homes (TSVH) offer 1,300 skilled nursing home beds for veterans. A tenth TSVH is under construction in the Fort Worth area, with an anticipated opening in late summer 2023. Prior to the onset of the Coronavirus pandemic, these homes maintained an occupancy rate of over 92.0 percent. In the last two years, the pandemic, supply-chain issues, nursing shortages, healthcare costs, and inflation have caused significant cost increases across all nine TSVH while also decreasing occupancy levels. The agency sets room rates administratively to allow the program to be self-supporting from user revenues and to be able to fund construction of a new TSVH every five to six years with the least amount of money "borrowed" from other Veterans' Land Board (VLB) funds. Given the increased costs and reduced revenues, the agency anticipates that the TSVH program will no longer be self-supporting by as early as fiscal year 2026 without a room rate increase even as occupancy rates improve. For the program to remain fiscally solvent past the upcoming biennium, GLO estimates that resident room rates would have to increase at least 5.0 percent annually over the next two years. Based on VA per-diem, a 5.0 percent room rate increase could translate to an average daily rate increase of $9, or an annualized increase of approximately $3,300 per resident. To date, the largest room rate increase was 3.77 percent in fiscal year 2010.

   Recommendations do not include $10.0 million in General Revenue requested by the agency to address increased TSVH operational expenses. The request specifies that the disbursement and use of these appropriations would be contingent upon the Veterans Land Board's Bond Funds Manager certifying that a room rate increase would be required for the program to maintain solvency. GLO notes that this request would allow the agency to freeze current room rates and prevent an increase in out-of-pocket expenses for skilled nursing care in TSVH for the 2024-25 biennium which would allow for the assessment of the amount necessary for rate increases to occur later under more stable market conditions. (see also Items Not Included in Recommendation #2)

10. **U.S. Department of Housing and Urban Development Finding of Non-Compliance –** On March 4, 2022, the U.S. Department of Housing and Development (HUD) notified the General Land Office of the findings of its investigation under Title VI of the Civil Rights Act of 1964 concerning the GLO's design and operation of the Hurricane Harvey State Mitigation Competition (Competition). The Department initiated this investigation in June 2021 based on a complaint filed by Texas Housers and Northeast Action Collective alleging that GLO's design and operation of the Harvey State Mitigation Competition discriminated based on race and national origin through using scoring criteria that substantially disadvantaged Black and Hispanic residents. HUD found GLO and the Competition in noncompliance with Title VI and Section 109 of the Civil Rights Act, asserting that GLO "utilized two scoring criteria that substantially and predictably disadvantaged minority residents, with particularly disparate outcomes for Black residents…(and) disadvantaged areas with the greatest mitigation needs by GLO's own measure."

    GLO responded to this finding by submitting a request for review of the Letter of Finding (LOF) on April 1, 2022. HUD sustained its LOF, constituting a Formal Determination of Noncompliance, on May 16, 2022, which gave the agency ten calendar days from receipt to come into compliance by executing a Voluntary Compliance Agreement (VCA) with HUD. On June 28, 2022, HUD requested that the Governor secure GLO's compliance by requiring the agency to execute the VCA and noted that if compliance was not secured within 60 days, HUD would consider referring the matter to the U.S. Attorney General, terminate or reduce Community Development Block Grant (CDBG) federal funds, or both. On August 25, 2022, the Governor denied HUD's request and subsequently, GLO has not entered any agreement with HUD regarding the Competition. As of January 27, 2023, HUD has not communicated with the agency regarding the Competition, or regarding any punitive actions being considered or taken.

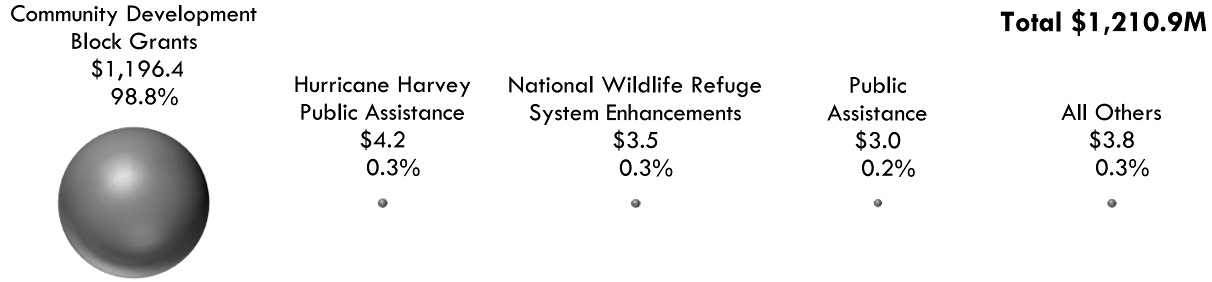
    The General Land Office allocated approximately $2.1 billion of Hurricane Harvey CDBG funding to the Hurricane Harvey State Mitigation Competition. The agency reports having awarded almost $1.2 billion through the Competition to eligible communities and having executed 108 distinct contracts with these communities. If GLO is required to develop and run a new competition that is consistent with current federal interpretation of the Civil Rights Act, the agency estimates that it would take 12-18 months to reach the point of executing new contracts with impacted communities.

If federal funding is no longer available for these projects because of these findings, the GLO would be legally required to inform the communities that these projects are no longer funded, terminate the associated contracts, and could have to act to recapture any funds that had not been expended. These actions may result in impacted communities initiating legal action or refusing to return funds, thereby reducing availability of other funds for other mitigation projects.

General Land Office

Summary of Federal Funds (2024-25)

Total $1,210.9M



Community Development Block Grants	Hurricane Harvey Public Assistance	National Wildlife Refuge System Enhancements	Public Assistance	All Others
Funds to develop urban communities and economic opportunity for areas of low- and moderate-income	Disaster funds to provide financial assistance and direct services to persons affected by Hurricane Harvey	Funds to provide assistance in the management of the National Wildlife Refuge System	Disaster funds provide assistance to States to aid in the response and recovery of natural disasters	Funding for salary adjustments, disaster response, coastal management, and conservation efforts

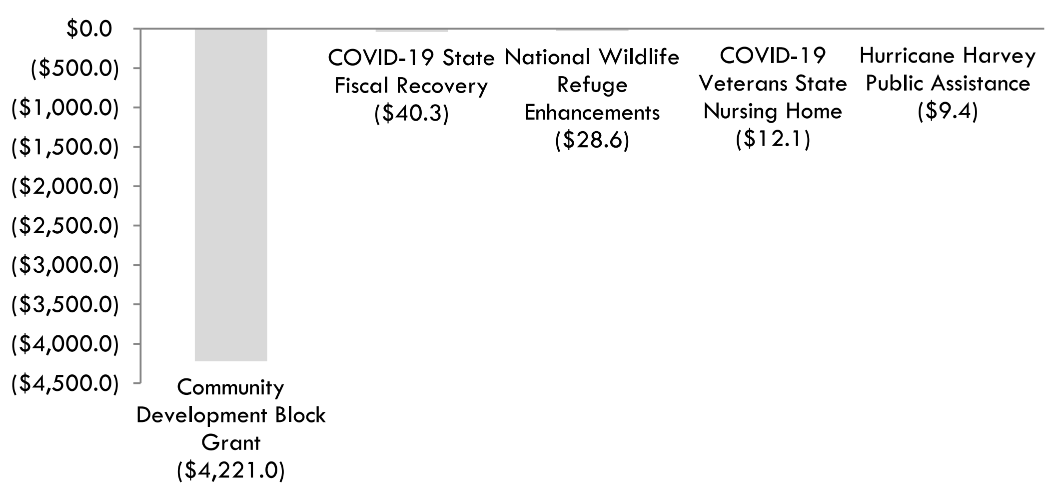
Selected Federal Fiscal and Policy Issues

Federal Funds estimates for the 2024-25 biennium include a net decrease of $4.3 billion. This is primarily attributable to a decrease of $4.2 billion in CDBG grants.

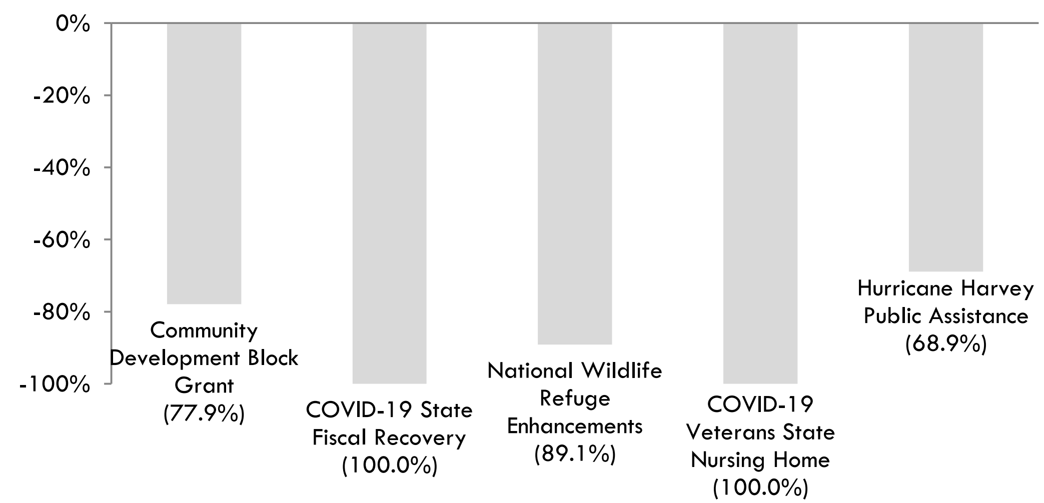
Public Assistance and Hazard Mitigation Grants reflect assistance for all other Presidentially declared disasters such as tornadoes, hurricanes, and wildfires.

Programs with Significant Federal Funding Changes from 2022-23

Program Change-by Amount (In Millions)



Program Change-by Percentage



General Land Office
Rider Highlights - Senate

Modification of Existing Riders

2. **Capital Budget.** Recommendations include various changes to Capital Budget items in alignment with funding decisions. (see also Selected Fiscal and Policy Issues #5)

7. **Reporting Requirements: Veterans' Land Board Loan Program**. Recommendations revise language to align with the current process for reporting on the Veterans' Land Board Loan Programs to the Bond Review Board.

10. **Appropriation of Receipts: Real Property Sales and Mineral Royalties.** Recommendations remove references to real asset investments and add clarifying language describing receipt and revenue sources. The removal of references to real asset investments reflects the transfer of those functions from GLO to the Permanent School Fund (PSF Corporation) in January 2023 pursuant to Senate Bill 1232, Eighty-seventh Legislature, Regular Session, 2021. (see also Selected Fiscal and Policy Issues #4)

13. **State Energy Marketing Program.** Recommendations update the Utilities Code citation from §§ 35.102 to §§ 101.009 to reflect current statute.

15. **Alamo and Alamo Complex Master Plan and Preservation, Maintenance, and Operations.** Recommendations revise the rider to include directions for the $400.0 in General Revenue Funds appropriated in the 2024-25 biennium to complete planned construction on the Alamo and the Alamo Complex. Recommendations also update the rider amounts appropriated from the General Revenue-Dedicated Alamo Complex Account No. 5152 for the operation and continued maintenance of the Alamo complex. (see also Selected Fiscal and Policy Issues #3)

20. **Unexpended Balances of Earned Federal Funds for Disaster Recovery Programs.** Recommendations update the General Appropriations Act citation from Article IX, Section 13.11(e), to Article IX, Section 13.10, to reflect the correct current section number.

New Riders

22. **Gulf Coast Protection District (GCPD).** Recommendations include rider language which 1) outlines the intended use of $500.0 million in General Revenue Funds appropriated to the agency, contingent upon certain requirements, for grants to the GCPD during the 2024-25 biennium, 2) adds language that provides unexpended balance authority between years for amounts appropriated for the GCPD in the 2024-25 biennium, and 3) adds unexpended balance authority across biennia for amounts remaining from appropriations made for the GCPD in the 2022-23 biennium. (see also Selected Fiscal and Policy Issues #7)

Deleted Riders

8. **Real Property Investment Reporting.** Recommendations delete the rider to reflect the transfer of Permanent School Fund investment functions from the GLO to the PSF Corporation in January 2023 pursuant to Senate Bill 1232, Eighty-seventh Legislature, Regular Session, 2021. (see also Selected Fiscal and Policy Issues #4)

22. **Contingency for Senate Bill 1160.** Recommendations delete the rider which provided funding in fiscal year 2022 contingent upon the enactment of Senate Bill 1160, Eighty-seventh Legislature, Regular Session, 2021, and the availability of Federal Funds to supplant General Revenue appropriations of the same amount elsewhere in the General Appropriations Act. This legislation established the Gulf Coast Protection District, the intended non-federal sponsor of coastal protection projects which will manage the associated federal funding. The purpose of this rider has been fulfilled. (see also Selected Fiscal and Policy Issues #7)

23. **Contingency for Senate Bill 1232.** Recommendations delete the rider which required the GLO to submit to the Legislative Budget Board (LBB) a plan that described the steps required to implement the provisions of the legislation creating the Permanent School Fund (PSF) Corporation as well as a description of any costs accrued and funds and FTEs that should be transferred from GLO to the PSF Corporation contingent upon the enactment of Senate Bill 1232, Eighty-seventh Legislature, Regular Session, 2021. The purpose of this rider has been fulfilled. (see also Selected Fiscal and Policy Issues #4)

		2024-25 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
Agency Exceptional Items Not Included (in agency priority order)							
1)	**Veteran Cemetery - Lubbock, Texas:** Request General Revenue appropriations to support operational costs for a new State Veterans Cemetery and to provide appropriate personnel on-site. Disbursement of funds would be contingent upon the approval for the new Veteran Cemetery by the U.S. Department of Veterans Affairs in October 2023. (see also Selected Fiscal and Policy Issues #8)	$2,164,000	$2,164,000	1.0	No	Yes	$2,164,000
2)	**Veterans Nursing Homes Supplemental Funding to Freeze Veterans' Room Rates:** General Revenue to meet increased operational expenses within state-owned veterans nursing homes in order to maintain current resident room rates through the 2024-25 biennium. (see also Selected Fiscal and Policy Issues #9)	$10,000,000	$10,000,000	0.0	No	Yes	$19,000,000
3)	**Coastal Erosion Response Funding:** General Revenue-Dedicated Coastal Erosion Response Account No. 5176 (GR-D 5176) funding to fund the administration of the Coastal Erosion Planning & Response Act (CEPRA) program and to implement erosion response projects and studies. The estimated cash balance of the account was $44,941,359 as of January 2023. While the estimated ongoing cost reflects the anticipated continuation of program activities, the ongoing appropriations would be contingent upon funds available from this account. (see also Selected Fiscal and Policy Issues #6)	$44,941,359	$44,941,359	0.0	No	Yes	$44,941,359

		2024-25 Biennial Total					
		GR & GR-D	**All Funds**	**FTEs**	**Information Technology Involved?**	**Contracting Involved?**	**Estimated Continued Cost 2026-27**
4)	**Add a New Rider, Coastal Erosion Response:** Request to grant the agency appropriation authority over additional revenues deposited into GR-D 5176 above the Biennial Revenue Estimate as well as all remaining balances in the account each fiscal year in order to support the implementation and administration of the coastal management program. Additional funds available to the agency in 2024-25 as a result of this rider as well as ongoing costs cannot be determined at this time. (see also Selected Fiscal and Policy Issues #6)	$0	$0	0.0	No	No	$0
5)	**Add a New Rider, Contract Requirements:** Request to exempt the agency's Community Development and Revitalization Program Federal Funds from requirements outlined in Article IX, Section 17.09, Contract Management and Oversight, in order to ensure continuity of services within disaster recovery projects.	$0	$0	0.0	No	Yes	$0
6)	**Revise Rider, Rider 22 Gulf Coast Protection District (GCPD):** Request to revise rider language to clarify the use of $500,000,000 in General Revenue Funds appropriated to the agency for the GCPD. These revisions include 1) removal of references to cooperative agreements that include certain GCPD reporting requirements, 2) the addition of limitations on GCPD administrative and salary costs paid from the $200.0 million in funds not designated for a state match, 3) the addition of three GLO positions (3.0 FTEs), whose salaries are funded from the $200.0 million non-match appropriations, to provide oversight and coordination with GCPD, and 4) remove references to Unexpended Balance authority across biennia for funds appropriated for the GCPD in the 2022-23 biennium. (see also Selected Fiscal and Policy Issues #7)	$0	$0	3.0	No	Yes	$600,000

		2024-25 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
7)	**Add a New Rider, Unexpended Balances of Funds Appropriated for the Gulf Coast Protection District (GCPD):** Request for a separate rider that grants Unexpended Balance authority across biennia for funds appropriated for the GCPD in the 2022-23 biennium outside of the current Rider 22, Gulf Coast Protection District (GCPD). The cost of the Unexpended Balances authority requested cannot be determined at this time. (see also Selected Fiscal and Policy Issues #7)	$0	$0	0.0	No	Yes	$0
	TOTAL Items Not Included in Recommendations	**$57,105,359**	**$57,105,359**	**4.0**			**$66,705,359**

General Land Office
Appendices - Senate

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General Land Office
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
ENERGY LEASE MANAGEMENT & REV AUDIT A.1.1	$12,847,333	$14,292,362	$1,445,029	11.2%	Recommendations include an All funds increase reflecting the following: a) an increase in Permanent School Fund No. 44 (PSF) of $1.4 million related to increases in operational costs for real property asset management tied to salaries and the reallocation of PC and Laptop Indirect Administration costs to reflect changes in agency need; and b) an increase in Appropriated Receipts of $41,809 related to a reallocation of anticipated donations or grants for use in projects and programs.
ENERGY MARKETING A.1.2	$1,181,994	$1,299,442	$117,448	9.9%	Recommendations include an increase in Appropriated Receipts of $117,448 due to the recovery of costs related to the two projected solar and one proposed offshore wind Renewable Energy Development Projects in 2024-25.
DEFENSE AND PROSECUTION A.1.3	$5,904,267	$4,771,528	($1,132,739)	(19.2%)	Recommendations include a $1.1 million decrease in Appropriated Receipts to align with appropriated amounts in Rider 5, Appropriation: Defense of Title to Permanent School Fund Real Property and Prosecution of Mineral Lease Claims or Cases. GLO has historically utilized the authority granted in this rider to collect excess receipts to pay for legal costs associated with the defense and prosecution of PSF lands, including in 2022-23. This recommendation reflects that additional legal costs above the rider's appropriated amounts are unknown for the 2024-25 biennium.
COASTAL AND UPLANDS LEASING A.1.4	$6,241,065	$6,570,104	$329,039	5.3%	Recommendations include an All Funds increase of $0.3 million reflecting the following: a) an increase of $0.2 million in PSF 44 related to changes in operation costs tied to inspection and technical evaluations of state-owned land; and b) an increase of $0.1 million in General Revenue Dedicated Coastal Management Fee Account No. 450 related to changes in operation costs tied to inspection and technical evaluations of state-owned land on the coast.

General Land Office
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
ASSET MANAGEMENT A.2.1	$23,671,774	$17,815,485	($5,856,289)	(24.7%)	Recommendations include a net decrease in All Funds of $5.9 million which reflects the following: a) a $6.0 million decrease in PSF 44 due to the completion of Surface Damage Account fund projects and decreases in associated program operation costs; b) a $0.2 million increase in PSF 44 related to the reallocation of indirect administration costs related to the ongoing efforts to complete the implementation of CAPPS Financials; and c) a $0.1 million decrease in Appropriated Receipts due to decreases in program operation costs related to the completion of Surface Damage Account fund projects (see above, bullet (a)).
SURVEYING AND APPRAISAL A.2.2	$5,120,003	$4,363,701	($756,302)	(14.8%)	Recommendations include a net decrease in PSF 44 related to the reallocation of indirect administrative costs to align with changes in agency need.
PRESERVE & MAINTAIN ALAMO COMPLEX A.3.1	$63,387,961	$410,866,982	$347,479,021	548.2%	Recommendations include a net All Funds increase of $347.5 million reflecting the following: a) an increase of $400.0 million in General Revenue Funds related to appropriations included in recommendations for the completion of construction to the Alamo Complx and the associated Alamo Plan; b) a decrease of $50.0 million in Economic Stabilization Funds (ESF) appropriated to the agency by House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, for the continued maintenance and development of the Alamo Complex; c) a decrease of $1.5 million in General Revenue Dedicated Alamo Complex Account No. 5152 related to anticipated temporary reductions in visitation resulting from construction occuring in fiscal year 2024; and d) a decrease of $1.0 million in Appropriated Receipts related to the discontinuation of commercial leases for the Crockett Buildings in the 2024-25 biennium. For additional information, see also Selected Fiscal and Policy Issues #3.
Total, Goal A, ENHANCE STATE ASSETS	**$118,354,397**	**$459,979,604**	**$341,625,207**	**288.6%**	

General Land Office
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
COASTAL MANAGEMENT B.1.1	$295,067,810	$541,679,804	$246,611,994	83.6%	Recommendations include a net All Funds increase of $246.6 million which reflects the following: a) a decrease in General Revenue funds of $200.0 million due to the removal of one-time costs associated with the implementation of Senate Bill 1160, Eighty-seventh Legislature, Regular Session, 2021, and the creation of the Gulf Coast Protection District (GCPD) in the 2022-23 biennium that is offset by an additional $500.0 million included in recommendations for grants to the GCPD in 2024-25 (see also Selected Fiscal and Policy Issues #7); b) a decrease in Appropriated Receipts related to Gulf of Mexico Security Act of 2006 (GoMESA) projects scheduled in 2022-23; c) a decrease of $21.9 million in Federal Funds related to the expending of funds allocated for National Oceanic and Atmospheric Administration (NOAA) and Federal Emergency Management Agency (FEMA) projects in the 2022-23 biennium as well as the completion of the Hurricane Harvey Marine Debris Removal project; d) a decrease of $0.3 million in one-time Coronavirus Relief Fund (CRF) appropriations for the Coastal Texas Study in Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; e) a decrease of $0.1 million in General Revenue Dedicated Coastal Protection Account No. 027 (GR-D 27) related to decreases in program operation costs associated with completed projects; and f) a net increase of $2,072 in General Revenue funds due to the reallocation of indirect administrative costs and changes in program operational costs.

General Land Office
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
COASTAL EROSION CONTROL PROJECTS B.1.2	$286,502,442	$116,543,052	($169,959,390)	(59.3%)	Recommendations include a net decrease in All Funds of $170.0 million which reflects the following: a) a decrease of $134.4 million in Appropriated Receipts related to the completion of projects associated with the National Fish and Wildlife Foundation (NFWF), Natural Resource Damage Assessments (NRDA), and the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act); b) a decrease in Federal Funds totalling $30.6 million related to the anticipated completion of the McFaddin Beach Ridge Restoration, the Texas Point Beach Nourish, and Bureau of Ocean Energy Management (BOEM) Region 2 and 3 projects in fiscal year 2024; c) a decrease of $5.0 million in one-time CRF appropriations from Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, for maintenance of Brazoria County beaches and dunes; and d) a net decrease in General Revenue funds of $2,072 due to the reallocation of indirect administrative costs to meet agency utilization and changes in program operational costs.
OIL SPILL RESPONSE B.2.1	$10,756,770	$12,100,675	$1,343,905	12.5%	Recommendations include a net increase of $1.3 million in All Funds reflecting the following: a) a net increase of $1.3 million in GR-D 27 related to increases in operational costs resulting from oil spill incident calls and the associated reallocation of indirect administrative costs; b) a $3,000 increase in Interagency Contracts related to operational costs for Oil Spill Program's Emergency Reporting System; and c) a decrease of $508 in Appropriated Receipts related to changes in reimbursements used for operational costs.
OIL SPILL PREVENTION B.2.2	$8,974,871	$8,969,767	($5,104)	(0.1%)	Recommendations include a net decrease in All Funds of $5,104 due to the following: a) a $0.1 million decrease in Federal Funds related to a one-time allocation for the Oil Spill Prevention program's program operational costs; and b) a net increase of $0.1 million in GR-D 27 related to changes in program operational costs and the reallocation of indirect administration costs.

General Land Office
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
Total, Goal B, PROTECT THE COASTAL ENVIRONMENT	**$601,301,893**	**$679,293,298**	**$77,991,405**	**13.0%**	
VETERANS' LOAN PROGRAMS C.1.1	$40,810,199	$41,288,451	$478,252	1.2%	Recommendations include a net increase in All Funds of $0.5 million due to the following: a) an increase of $2.9 million in Veteran Land Management Program Admnistration Fund No. 522 related to the reallocation of indirect administration costs to align with agency use, increases in DCS obligations, and increases in program operational costs due to the filling of vacant positions; b) a decrease of $2.3 million in Veterans Land Program Administration Fund No. 522 related to expending additional funds allocated for the CAPPS Financials implementation project in the 2022-23 biennium; and c) an increase of $6,359 in Interagency Contracts related to increases in the Veteran Land Board's call center's operation expenses.
VETERANS' HOMES C.1.2	$58,287,460	$8,536,356	($49,751,104)	(85.4%)	Recommendations include a net decrease in All Funds of $49.8 million due to the following: a) a decrease of $51.0 million in CRF received to cover increases in program operation costs related to the pandemic as well as to fund HVAC upgrades, negative pressure COVID-19 wards, and mobile HEPA air filtration units in the 2022-23 biennium (see also Selected Fiscal and Policy Issues #9); and b) an increase of $1.2 million in Veteran Land Management Program Admnistration Fund No. 522 related to the reallocation of indirect administration expenditures to align with use and increases in operation expenses due to Coronavirus, inflation, and allocating a new FTE for a Coronavirus-related Construction Services Project Manager.

General Land Office
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
VETERANS' CEMETERIES C.1.3	$11,944,847	$11,883,384	($61,463)	(0.5%)	Recommendations include a net decrease in Veterans Financial Assistance Program Fund No. 374 of $61,463 reflecting the following: a) a decrease of $0.2 million related to the CAPPS Financials implementation and associated operational expenses; and b) an increase of $0.2 million related to the reallocation of indirect administration costs for ongoing efforts to complete the implementation of CAPPS Financials by fiscal year 2024.
Total, Goal C, VETERANS' LAND BOARD (VLB)	**$111,042,506**	**$61,708,191**	**($49,334,315)**	**(44.4%)**	
HOUSING PROJECTS & ACTIVITIES D.1.1	$2,460,784,047	$294,312,777	($2,166,471,270)	(88.0%)	Recommendations include a decrease in All Funds of $2.2 billion reflecting the following: a) a decrease in Federal Funds of $2.2 billion related to the spending down of Community Development Block Grant (CDBG) funding received for disaster recovery-related housing projects associated with Hurricanes Harvey and Ike, wildfires, and the 2015, 2016, 2018, and 2019 flooding; b) the removal of $6.0 million in General Revenue as Earned Federal Funds collected during the 2020-21 biennium that were carried forward to the 2022-23 biennium through Rider 20, Unexpended Balances of Earned Federal Funds for Disaster Recovery Programs; and c) a decrease of $0.8 million in Appropriated Receipts related to the ending of the Houston Extra Bedroom Program. This program was a one-time agreement between the City of Houston and the GLO which provided funding for an additional bedroom to the reconstructed two-bedroom homes permitted under GLO's Homeowner Assistance Program. The agreement will terminate upon completion of the services provided or on December 31, 2022, whichever occurs first. For additional information on bullets (a) and (b), see also Selected Fiscal and Policy Issues #1 and #2.

General Land Office
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
INFRASTRUCTURE PROJECTS/ACTIVITIES D.1.2	$2,968,178,754	$906,999,695	($2,061,179,059)	(69.4%)	Recommendations include a decrease in Federal Funds of $2.1 billion which reflects the agency's spending down of disaster-related CDBG funding for infrastructure projects in the 2022-23 biennium. (see also Selected Fiscal and Policy Issues #2)
Total, Goal D, DISASTER RECOVERY	**$5,428,962,801**	**$1,201,312,472**	**($4,227,650,329)**	**(77.9%)**	
SALARY ADJUSTMENTS E.1.1	$0	$10,127,108	$10,127,108	100.0%	Recommendations include an All Funds increase of $10.1 million over the biennium comprised of General Revenue ($1.2 million), Dedicated General Revenue ($1.0 million), Federal Funds ($2.5 million), and Other Funds ($5.4 million) for salary adjustments.
Total, Goal E, SALARY ADJUSTMENTS	**$0**	**$10,127,108**	**$10,127,108**	**100.0%**	
Grand Total, All Strategies	**$6,259,661,597**	**$2,412,420,673**	**($3,847,240,924)**	**(61.5%)**	

General Land Office
Summary of Federal Funds
(In Millions)

Program	Est 2022	Bud 2023	Rec 2024	Rec 2025	2022-23 Base	2024-25 Rec	2024-25 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Community Development Block Grants	$2,718.9	$2,698.4	$823.4	$373.0	$5,417.4	$1,196.4	**98.8%**	**($4,221.0)**	**(77.9%)**
Hurricane Harvey Public Assistance Grants	$13.6	$0.0	$4.2	$0.1	$13.6	$4.2	**0.3%**	**($9.4)**	**(68.9%)**
National Wildlife Refuge System Enhancements	$9.1	$23.0	$3.5	$0.0	$32.1	$3.5	**0.3%**	**($28.6)**	**(89.1%)**
Public Assistance Grants	$0.1	$3.0	$3.0	$0.0	$3.1	$3.0	**0.2%**	**($0.1)**	**(3.6%)**
COVID 19 Grants[1]	$24.3	$32.0	$0.0	$0.0	$56.3	$0.0	**0.0%**	**($56.3)**	**(100.0%)**
Other Awards[2]	$8.0	$7.6	$1.7	$2.1	$15.6	$3.8	**0.3%**	**($11.8)**	**(75.8%)**
TOTAL:	**$2,774.0**	**$2,764.0**	**$835.7**	**$375.2**	**$5,538.1**	**$1,210.9**	**100%**	**($4,327.2)**	**(78.1%)**

[1] Covid-19 Grants include Coronavirus Relief Funds (CRF), Coronavirus Provider Relief Funds, State Fiscal Recovery Funds, Veterans State Nursing Home Care Funds, and Public Assistance Category B Funds. COVID-19 federal awards are one-time awards to help respond to, and mitigate, the COVID-19 pandemic.

[2] Other grant awards include funding for salary adjustments, disaster response, coastal zone management, and other environmental conservation efforts.

General Land Office
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2021	Estimated 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	732.0	798.0	798.0	852.0	852.0
Actual/Budgeted	743.7	770.8	795.0	NA	NA

Schedule of Exempt Positions (Cap)					
Land Commissioner, Group 5	$140,938	$140,938	$140,938	$140,938	$140,938

Notes:

a) 2022-23 GAA, Article IX, §18.53, Contingency for Senate Bill 1232, transferred six positions (totaling 4.0 FTEs) from the General Land Office to the Permanent School Fund Corporation in fiscal year 2023. This reduction was not noted in the agency's FTE cap within the GAA.

b) The agency exceeded the fiscal year 2021 FTE cap by 11.7 due to increases in federally funded positions related to disaster recovery. The agency has maintained the additional positions through the 2022-23 biennium and anticipates their continuance in the upcoming biennium.

c) The agency's baseline request includes 54.0 FTEs in excess of amounts reported in its 2022-23 base reconciliation. A majority of these additional FTEs, totaling 49.3, represent the expansion of 100.0 percent federally funded positions which will directly support the Community Development Block Grant (CDBG) portfolio. Recommendations include these 54.0 FTEs as well as an additional 3.0 FTEs for the management of various Alamo Complex projects.

d) The State Auditor's Office, Executive Compensation at State Agencies (Report 22-706, August 2022), does not indicate market average salaries for elected officials. The salary of the Land Commissioner is a public policy decision that is not tied to the market average for similar positions. The agency is not requested any changes to its Exempt Position.