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Amanda Crawford, Executive Director

Charles Smith, LBB Analyst
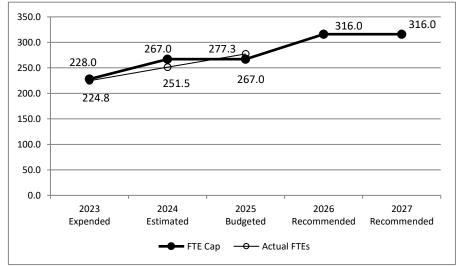
Historical Funding Levels (Millions)

Method of Financing	2024-25 Base	2026-27 Recommended	Biennial Change ($)	Biennial Change (%)
General Revenue Funds	$100,530,553	$57,145,786	($43,384,767)	(43.2%)
GR Dedicated Funds	$0	$0	$0	0.0%
Total GR-Related Funds	*$100,530,553*	*$57,145,786*	*($43,384,767)*	*(43.2%)*
Federal Funds	$280,423	$0	($280,423)	(100.0%)
Other	$1,497,275,484	$1,521,203,522	$23,928,038	1.6%
All Funds	**$1,598,086,460**	**$1,578,349,308**	**($19,737,152)**	**(1.2%)**

	FY 2025 Budgeted	FY 2027 Recommended	Biennial Change	Percent Change
FTEs	277.3	316.0	38.7	14.0%

Historical Full-Time-Equivalent Employees (FTEs)

The bill pattern for this agency (2026-27 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2026-27 biennium.

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 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 utilization of Data Center/Shared Technology Services by state agencies and local entities.	$0.0	$0.0	$0.0	($33.7)	($33.7)	B.2.1
B)	Increase in consumption and costs for Telecommunications Services to state agencies and local entities.	$0.0	$0.0	$0.0	$11.9	$11.9	B.4.1
C)	Increase in payments to service providers for Texas.gov application maintenance and development.	$0.0	$0.0	$0.0	$11.5	$11.5	B.3.1
D)	Increase in operating costs for administration of agency services, including market research, procurement activities, and staff augmentation.	$0.0	$0.0	$0.0	$22.6	$22.6	All Strategies.
E)	Decrease in General Revenue from one-time cybersecurity initiatives, funding to develop an interagency reportable conduct search engine, unexpended balances carried forward from the 2022-23 biennium to the 2024-25 biennium, and removal of General Revenue funding used to pay salary increases in the 2024-25 biennium.	($44.5)	$0.0	$0.0	$0.0	($44.5)	B.2.1, B.3.1, B.4.1, C.1.2, D.1.1, D.1.2, D.1.3
G)	Increase for agency exceptional item to enhance the eProcurement system funded during the Eighty-eighth Legislature.	$0.0	$0.0	$0.0	$2.8	$2.8	B.1.1
H)	Increase in All Funds for agency exceptional item for 49.0 new FTEs to support multiple agency functions, including procurement, operations, and information security.	$1.1	$0.0	$0.0	$8.9	$10.0	A.1.1, B.1.1, B.2.1, B.3.1, B.4.1, C.1.2, D.1.1, D.1.2, D.1.3
I)	Decrease in Federal Homeland Security Grant funding through the Office of the Governor.	$0.0	$0.0	($0.3)	$0.0	($0.3)	C.1.2
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		**($43.4)**	**$0.0**	**($0.3)**	**$23.9**	**($19.7)**	As Listed
SIGNIFICANT & OTHER Funding Increases		$1.1	$0.0	$0.0	$57.7	$58.7	As Listed
SIGNIFICANT & OTHER Funding Decreases		($44.5)	$0.0	($0.3)	($33.7)	($78.5)	As Listed

NOTE: Totals may not sum due to rounding.

Department of Information Resources
Selected Fiscal and Policy Issues - Senate

1. **Recommended Funding Increases.** Recommendations for the Department of Information Resources (DIR) provide an overall funding decrease of $19.7 million primarily due to a net increase of $23.9 million in the agency's four operating accounts, all of which are Other Funds, offset by a decrease in General Revenue funding of $43.4 million from one-time cybersecurity initiatives, the development of an interagency reportable conduct search engine, and the removal of unexpended balances carried forward from the 2022-23 biennium into the 2024-25 biennium, and $0.3 million from Federal Homeland Security grant funding through the Office of the Governor. Included in these amounts is $10.0 million in All Funds for Exceptional Item 1 for 49.0 new FTEs and $2.8 million in Other Funds for Exceptional Item 4 to enhance the eProcurement system funded last session.

    Costs to Provide Direct Services. Recommendations include $1,388.7 million for vendor payments to provide telecommunications services, Shared Technology Services, and operations of Texas.gov. This reflects a net decrease of $10.3 million from the 2024-25 biennium.

    Figure 1. Cost of Services

Program and Operating Account	2026-27 Recommendation	Increase/(Decrease) from 2024-25	Description
Statewide Technology Account: Shared Technology Services (STS) & Data Center Services (DCS)	$1,048.4 million	($33.7 million)	Provides mainframe, server, network, data center, print/mail, security, and application development services. Decrease is due to budgeted cost of services below the 2024-25 forecast based on agency utilization in the current biennium.
Telecommunications Revolving Account: Capitol Complex Telephone System (CCTS) & Texas Agency Network (TEX-AN)	$231.9 million	$11.9 million	Provides communications technology services (CTS) for voice, data, wireless, and internet services, including TEX-AN and the Capitol Complex Telephone System (CCTS). Increase is due to forecasted consumption.
Statewide Network Applications Account: Texas.gov	$108.4 million	$11.5 million	Provides payment processing, application development, and customer services through the Texas.gov portal. Increase is driven by application maintenance and development.

    Agency Operations and Cybersecurity Funding. Recommendations provide $189.6 million in All Funds for the agency's operating expenses related to managing the cost-recovery programs, statewide rule and policy functions, statewide cybersecurity services, and indirect administration. This is a decrease of $9.4 million from the 2024-25 biennium. Recommended funding reflects budgeted FTEs and salaries at fully staffed levels, the administrative allocation of the DCS/STS capital budget and IT support services, market research and procurement assistance, and cybersecurity. Also reflected is $10.0 million in All Funds for exceptional item 1 for 49.0 new FTEs, and $2.8 million in Other Funds for exceptional item 4 to enhance functionality of the eProcurement system approved during the Eighty-eighth Legislative Regular Session.

    The only General Revenue included in recommendations is for its cybersecurity initiatives. Recommended funding levels include a decrease of $43.4 million in General Revenue from one-time funding for Regional Security Operations Centers, Texas.gov security improvements, contingency funding for Senate Bill 1849, Eighty-eighth Legislature, unexpended balances carried forward from the 2022-23 biennium into the 2024-25 biennium, and the removal of General Revenue funding used to pay salary increases in fiscal year 2025.

2. **Shared Technology Services.** Recommendations align funding for Shared Technology Services (STS), also referred to as Data Center Services (DCS), at 50 state agencies, as well as local entities. Recommended funding levels total $1,090.7 million and reflect at a minimum, DIR's estimate of the funding needed to maintain current obligations at customer agencies. In addition, recommendations for STS capital budget items may include amounts higher than DIR estimates, if the agency allocated additional funding within their baseline request. Current obligations include maintenance of current service levels, including DCS projects and services initiated by the agencies during the 2024-25 biennium. Total funding for STS/DCS across the 50 affected agencies is shown in Figure 2 below. The table includes the agencies with the largest biennial changes in All Funds as compared to forecasted expenditures for the 2024-25 biennium, as estimated by DIR.

Figure 2. Changes in All Funds for Data Center Services/ Shared Technology Services (in millions).

Agency	2024-25 Forecasted	2026-27 Recommended	Increase/ (Decrease)	Cost Drivers
Department of Transportation	$118.1	$140.5	$22.5	Trend increases to public and private cloud services, Salesforce, compute and storage services benefitting Peoplesoft AI enhancements, cybersecurity operations tooling support, dark web monitoring, access management solution, and dedicated load balancer projects.
Family and Protective Services	$47.8	$68.5	$20.7	Customer initiated projects in 2024-25 including a Contracts and Grants Management system, Public Cloud Manager servers and Software-as-a-Service (SaaS) for cybersecurity, and Texas Private Cloud Files Server Backup Solution.
Department of Motor Vehicles	$31.8	$46.8	$15.0	Trend increase for IBM Virtual Processor Core software. Annual rate increases for Print/Mail, Public/Private Cloud services, Microsoft Office 365, and Managed Security Services. Penetration testing, Box SaaS, public cloud server growth, Registration and Title System "As Is" analysis, Azure Landing Zone project, and FileNet Storage project.
Department of Criminal Justice	$67.9	$82.9	$14.9	Customer initiated projects including a Correctional Officers CAPPS Access project, Information Security Office security enhancements, website redesign project, and other tools and SaaS projects.
Department of Insurance	$14.2	$18.0	$3.8	2024-25 budget underspent due to project delays and Software-as-a-service products not being renewed or not onboarded onto the STS program. Additional increases for trend adjustments for IBM, Oracle, and Microsoft licensing.
State Health Services	$114.6	90.4	($24.2)	2024-25 budget overspent due primarily to higher than forecasted Public Cloud Manager and Technology Solution Services. This decrease is offset by customer initiated projects including Maternal and Child Health Section Modernization, and Power Platform licensing Newborn Screening Clinical Care Coordination.
Attorney General	$166.7	$138.2	($28.5)	Completion of Child Support System Modernization project and decommissioning mainframe.

				Major projects in 2026-27 include Hospital Presumptive Eligibility Not-Stop Platform In-Scope, Performance Management and Analytics System, Identity Access Management, and application maintenance and development and infrastructure refresh.
Health and Human Services	$297.9	$231.4	($66.5)	
Subtotal – Agencies Shown Above	$859.0	$816.7	($42.3)	
Subtotal – ALL OTHER AGENCIES	$296.6	$273.0	($23.7)	
TOTAL – ALL AGENCIES	**$1,155.6**	**$1,089.7**	**($66.0)**	

Totals may not sum due to rounding.

3. **Informational: DIR Administrative Fees.** Figure 3 provides the estimated administrative fee rates charged by DIR for the 2026-27 biennium. These fees were approved by the agency's board for fiscal year 2025 and apply across the 2026-27 biennium. No rate increases were adopted by the board for fiscal years 2026-27.

Figure 3. DIR Administrative Fees.

Program	Administrative Fee Rates	Account
Cooperative Contracts	Fees are paid to DIR by vendors who sell goods and services to eligible customers. Vendor prices charged to customers for IT commodities and services include the DIR administrative fee. Actual fees vary by contract. • Average fee: 0.70 percent • Maximum fee: 1.0 percent Fee rates are capped at 2.0 percent per Rider 3, DIR Clearing Fund Account.	Clearing Fund (Appropriated Receipts)
Telecommunications Capitol Complex Telephone System (CCTS), Texas Agency Network (TEX-AN), and Wireless Services	Delivers CCTS, TEX-AN statewide telecommunications, and wireless services to customers. Services are divided into three categories for fee setting. • 12 percent for TEX-AN vendor-provided services (voice and data services) billed by DIR. • Variable pricing based on service type for DIR-provided services (CCTS line charges, voice mail, data). • 2 percent for Go DIRect Wireless and Conferencing Services. • 4 percent for GO-DIRect TEXAN-NG services, including Local Services. • 0.5 percent for GO-DIRect Managed Services. Fee rates are not capped.	Telecommunications Revolving Account (Appropriated Receipts and Interagency Contracts)
Data Center Services/ Shared Technology Services (DCS/STS)	Administrative fee charged to DSC/STS customers. Fee is applied to the monthly customer invoice based on amounts charged by DCS vendors. • 2.75 percent of DCS/STS costs (excluding Technology Solution Services (TSS) Staff Augmentation) billed by contracted service providers. • 1 percent for TSS Staff Augmentation services Fee is uncapped. The agency must receive written approval from the Legislative Budget Board and Office of the Governor before increasing the fee, pursuant to Rider 9, Statewide Technology Account.	Statewide Technology Account (Appropriated Receipts and Interagency Contracts)

| Texas.gov | Actual fees vary by service and governmental entity. Fees per transaction generally include one of the following fees:

• Transaction fees, which typically include both fixed fee and variable fee components:
   ○ Fixed fees range from $0.02 to $5.75 per transaction
   ○ Variable fees range from 2.25 percent to 2.75 percent of the transaction cost;
• Convenience fees ranging from $1 to $10 per transaction; or
• Subscription fee ranging from $2 to $5 per individual licenses and 3% for facility licenses.

Fees and charges are not capped. | Statewide Network Applications Account (Appropriated Receipts and Interagency Contracts |

Source: Department of Information Resources

4. **Strategic Fiscal Review.** As part of the Strategic Fiscal Review (SFR), Legislative Budget Board staff reviewed the operations of the agency and established the following findings:
   - Finding 1 provides an overview of the Shared Technology Services Program and describes enhancements to the reporting requirements that would highlight cost drivers.
   - Finding 2 describes a process to quantify savings achieved through the Shared Technology Services Program.
   - Finding 3 describes the funding structure of Texas.gov and offers alternatives to funding application development for new legislative requirements.
   - Finding 4 defines subscription fees charged to licensing entities and offers options to ensure the fees are not charged to agencies that do not use the shared licensing platform through Texas.gov.
   - Finding 5 highlights the legal status of DIR's program accounts and provides an option to increase transparency of funding in the accounts.

   To address Finding 1, recommendations include a revision to Rider 9, Statewide Technology Account, that would specify a reporting deadline for the agency's report on actual spending on Shared Technology Services by customer agencies in each fiscal year and require DIR to include a list of 10 agencies with the highest changes in billed amounts compared to those agencies' capital budget category for Data Center/Shared Technology Services.

   Additionally, to address Finding 2, recommendations include adding a new rider that would require DIR to submit a report to the LBB that provides an estimate of benefits and cost savings achieved through the Shared Technology Services program. The rider would require DIR to coordinate with LBB to determine a methodology and format for the report.

5. **Sunset Review.** The Sunset Review for the Department of Information Resources was released in May 2024. Other than the addition of a standard Sunset rider governing the use of funds should the agency not be continued, no elements of the Sunset Review are included in these recommendations. The review contained five primary issues:
   - Customer input mechanisms and board structure could be improved to better represent customers and ensure needs are met.
   - DIR could improve statewide IT planning by strengthening reports to the Legislature and expanding state agency procurement support.
   - Adjustments to two of DIR's main contracting programs could better ensure the state gets the best deal on IT.
   - DIR needs more tools to protect the state's cybersecurity.
   - The state has a continuing need for the Department of Information Resources.

Department of Information Resources
Rider Highlights - Senate

Modification of Existing Riders

2. **Capital Budget.** Recommendations include amounts for the following projects:
   - **Daily Operations.** Project maintained with level funding of $550,000.
   - **Personal Computer Purchases.** Project continued at $865,002, an increase of $48,002 from the 2024-25 biennium.
   - **Data Center Consolidation.** Project continued at $13,395,972, an increase of $6,842,831 from the 2024-25 biennium.
   - **eProcurement Solution.** Project funded at $2,800,000 for Exceptional Item 4, a decrease of $1,150,000 from the 2024-25 biennium.
   - **Vendor Sales Reporting Poral.** Project completed. Remove all funding of $2,850,000.

9. **Statewide Technology Account.** Recommendations include a revision to Rider 9, Statewide Technology Account, that would specify a reporting deadline for the agency's report on actual spending on Shared Technology Services by customer agencies in each fiscal year and require DIR to include a list of 10 agencies with the highest changes in billed amounts compared to those agencies' capital budget category for Data Center/Shared Technology Services.

   The following riders include recommendations to remove obsolete language, make conforming changes such as updating fiscal years and amounts to reflect funding recommendations, and clarify deadlines: Rider 3, DIR Clearing Fund Account; Rider 5, Cash Flow Contingency; Rider 6, Texas.gov Project and the Statewide Network Applications Account; Rider 7, Telecommunications, Statewide Technology Centers, and Texas.gov Capital Budget Purchases; Rider 8, Telecommunications Revolving Account; Rider 9, Statewide Technology Account; Rider 11, Fund Balance Limitations; Rider 12, Security Services to State Agencies and Institutions of Higher Education; Article IX, Sec. 9.04, Texas.gov Project: Occupational Licenses; Article IX, Sec. 9.05, Texas.gov Project: Cost Recovery Fees; and Article IX, Sec. 9.06, Prioritization of Cybersecurity and Legacy System Projects.

12. **Security Services to State Agencies and Institutions of Higher Education.** Recommendations revise rider to authorize DIR to exceed their cybersecurity appropriation by up to $3.0 million in General Revenue in each fiscal year with LBB notification.

14.03 **Article IX, Sec. 14.03 (h)(4), Transfers – Capital Budget.** Recommendations revise rider to authorize agencies to transfer appropriations from Shared Technology Services to another capital budget appropriation to procure staff augmentation contracts through DIR unless LBB issues a written disapproval within 30 business days.

New Riders

14. **Shared Technology Services Cost Savings.** Recommendations add a new rider that would require DIR to submit a report to the Legislative Budget Board that provides an estimate of benefits and cost savings achieved through the Shared Technology Services program, and coordinate with the Legislative Budget Board to determine a methodology and format.

15. **Sunset Contingency.** Recommendations include a rider making funding for the biennium contingent upon the continuation of the agency by the Eighty-ninth Legislature, Regular Session, 2025. In the absence of continuation, funding provided for fiscal year 2026 is to be used to phase out agency operations.

Deleted Riders

14. **Texas.gov Security Improvements.** Recommendations include the deletion of Rider 14, Texas.gov Security Improvements, added for the 2024-25 GAA. The agency was appropriated $4,568,248 in General Revenue for the purpose of implementing security improvements on Texas.gov applications. The project is complete and funding has been removed from recommendations.

		2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
		GR & GR-D	All Funds	FTEs			
Agency Rider Changes Not Included (in bill pattern order)							
A)	**Rider 5, Cash Flow Contingency.** The agency requests a rider revision that would increase the amount of General Revenue that may be temporarily used for cash flow needs from 10 percent to 20 percent of projected revenue from telecommunications services and the operation of the Statewide Technology Centers.						
B)	**Rider 6, Texas.gov Project and the Statewide Network Applications Account.** The agency requests a rider change that would authorize DIR to request additional appropriations for Texas.gov, up to the amount collected from the Inspection Program Replacement Fee.						
C)	**Rider 9, Statewide Technology Account.** The agency requests a rider change that would increase the reporting frequency of actual spending by customer agencies and entities on Shared Technology Services from 30 calendar days to 90 calendar days after the close of each fiscal year.						
Agency Exceptional Items Not Included (in agency priority order)							
1)	**Regional Security Operations Centers (RSOC) 3.0.** Request for General Revenue funding to expand the RSOC program. Funding would provide $10.5 million to expand two existing RSOCs at the University of Texas at Austin and the University of Texas Rio Grande Valley due to increased demand for services, and $14.0 million to establish four new RSOCs.	$24,545,000	$24,545,000	0.0	Yes	Yes	$67,000,000
2)	**Continuation and Expansion of Cybersecurity Services.** Request for General Revenue funding to expand detection and response services, provide an external attack surface management tool, and deliver hard token keys for CAPPS customers.	$24,143,334	$24,143,334	0.0	Yes	Yes	$56,937,762

		2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
		GR & GR-D	All Funds	FTEs			
3)	**Information Technology Service Management Tools.** Request for authority out of the Telecommunications Revolving Account to implement additional information technology service management (ITSM) system capabilities across the agency to replace existing legacy ITSM tools.	$0	$3,000,000	0.0	Yes	Yes	$800,000
	TOTAL Items Not Included in Recommendations	$48,688,334	$51,688,334	0.0			$124,737,762

Department of Information Resources
Appendices - Senate

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* Appendix is not included - no significant information to report

Department of Information Resources
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
STATEWIDE PLANNING AND RULES A.1.1	$2,963,098	$3,642,757	$679,659	22.9%	Recommendations reflect an increase in Other Funds of $534,974 for exceptional item 1 for 49.0 new FTEs, and $144,685 for a generative AI initiative and other operating costs.
INNOVATION AND MODERNIZATION A.1.2	$1,438,482	$1,405,711	($32,771)	(2.3%)	Recommendations reflect an increase in Other Funds of $113,442 to biennialize the statewide salary adjustments included in 2024-25 appropriations, and $29,040 in travel and other operating expenses for annual increases on purchase services and conference, training, and membership increases; offset by a reduction of $175,253 in professional fees for innovation initiatives to offset the impact of salary increases.
Total, Goal A, PROMOTE EFFIC. IR POLICIES/SYSTEMS	**$4,401,580**	**$5,048,468**	**$646,888**	**14.7%**	
CONTRACT ADMIN OF IT COMM & SVCS B.1.1	$16,386,267	$13,613,063	($2,773,204)	(16.9%)	Recommendations reflect an increase in Other Funds of $479,850 to biennialize the statewide salary adjustments included in 2024-25 appropriations, $1,115,744 for Exceptional Item 1 for 49.0 new FTEs, and $2,800,000 for Exceptional Item 4 to enhance the new eProcurement system, offset by a decrease of $6,800,000 from one-time funding for the development of the eProcurement system and Vendor Sales Reporting portal, and $368,798 in professional fees related to the Cooperative Contracts program.
SHARED TECHNOLOGY SERVICES B.2.1	$1,108,717,659	$1,072,658,248	($36,059,411)	(3.3%)	Recommendations reflect the following adjustments: 1) General Revenue: Decrease of $8,000,000 in contingency funding for Senate Bill 1849, and $346,182 for removal of General Revenue funding used to pay salary increases in the 2024-25 biennium. 2) Other Funds: Decrease of $33,739,650 due to customer utilization of services, offset by an increase of $1,784,374 for Exceptional Item 1 for 49.0 new FTEs, $1,237,876 for salary increases and FTE fluctuations, and $3,004,171 for market research, procurement assistance, and other fluctuations.

Department of Information Resources
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
TEXAS.GOV B.3.1	$109,870,466	$117,890,788	$8,020,322	7.3%	Recommendations reflect the following adjustments: 1) General Revenue: Decrease of $4,568,248 for one-time security improvements for Texas.gov and $257 for removal of General Revenue funding used to pay salary increases in the 2024-25 biennium. 2) Other Funds: Increases in the Statewide Network Applications Account of $11,483,971 for payments to service providers, $388,546 to biennialize statewide salary increases, and $893,714 for Exceptional Item 1 for 49.0 new FTEs, offset by a decrease of $177,404 related to market research, procurement, and staff augmentation.
COMMUNICATIONS TECHNOLOGY SERVICES B.4.1	$225,449,340	$240,297,282	$14,847,942	6.6%	Recommendations reflect the following adjustments: 1) General Revenue: Decrease of $407,723 for removal of General Revenue funding used to pay salary increases in the 2024-25 biennium. 2) Other Funds: Increase of $11,915,101 for payments to service providers primarily due to increased consumption of TEX-AN services, $2,143,072 for Exceptional Item 1 for 49.0 new FTEs, and $3,090,463 in operating costs for Legislative salary increases, increased FTEs, and other operating expenses, offset by a decrease of $1,892,971 primarily for reduced staff augmentation and benchmarking services.
Total, Goal B, IT AND TELECOMMUNICATION SERVICES	**$1,460,423,732**	**$1,444,459,381**	**($15,964,351)**	**(1.1%)**	
SECURITY POLICY AND AWARENESS C.1.1	$3,447,096	$3,421,381	($25,715)	(0.7%)	Recommendations reflect an increase in Other Funds of $65,549 for increased Infosec Academy and developer training; offset by a decrease of $91,264 due to the Chief Information Security Officer's retirement.

Department of Information Resources
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
SECURITY SERVICES C.1.2	$113,516,533	$104,996,271	($8,520,262)	(7.5%)	Recommendations reflect the following adjustments:
					1) General Revenue: Decrease of $5,570,000 for one-time funding for the Regional Security Operations Center (RSOC) 2.0 program; $25,177,939 for removal of unexpended balances carried forward into the 2024-25 biennium; and $138,089 for removal of General Revenue funding used to pay salary increases in the 2024-25 biennium, offset by an increase of $1,077,472 for Exceptional Item 1 for 49.0 new FTEs.
					2) Federal Funds: Decrease of $280,423 in ARPA funds from Homeland Security grants that will not continue into 2026-27.
					3) Other Funds: Clearing Fund increase of $20,258,303 for security services including Controlled Penetration Testing (CPT), Incident reporting system services, multifactor authentication, and cybersecurity training; Telecommunications Revolving Account increase of $269,816 for the Texas Risk and Authorization Management Program (TX-RAMP) support and CPT, and $1,040,598 for Exceptional Item 1 for 49.0 new FTEs.
Total, Goal C, PROMOTE EFFICIENT SECURITY	**$116,963,629**	**$108,417,652**	**($8,545,977)**	**(7.3%)**	
CENTRAL ADMINISTRATION D.1.1	$6,657,458	$7,592,732	$935,274	14.0%	Recommendations reflect the following adjustments:
					1) General Revenue: Decrease of $150,568 for removal of General Revenue funding used to pay salary increases in the 2024-25 biennium.
					2) Other Funds: Increase of $51,700 in operating expenses including travel, conferences, and training; and $1,034,142 for Exceptional Item 1 for 49.0 new FTEs.
INFORMATION RESOURCES D.1.2	$8,234,964	$11,860,166	$3,625,202	44.0%	Recommendations reflect the following adjustments:
					1) General Revenue: Decrease of $73,001 for removal of General Revenue funding used to pay salary increases in the 2024-25 biennium.
					2) Other Funds: Increase of $3,482,603 due primarily to increases in the Data Center Services capital budget for eProcurement, server growth, application development, and new licensing; and $215,600 for Exceptional Item 1 for 49.0 new FTEs.

Department of Information Resources
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
OTHER SUPPORT SERVICES D.1.3	$1,405,097	$970,909	($434,188)	(30.9%)	Recommendations reflect the following adjustments:
					1) General Revenue: Decrease of $30,232 for removal of General Revenue funding used to pay salary increases in the 2024-25 biennium.
					2) Other Funds: Decrease of $554,388 for reallocation of FTEs to other strategies, offset by an increase of $150,432 for Exceptional Item 1 for 49.0 new FTEs.
Total, Goal D, INDIRECT ADMINISTRATION	**$16,297,519**	**$20,423,807**	**$4,126,288**	**25.3%**	
Grand Total, All Strategies	**$1,598,086,460**	**$1,578,349,308**	**($19,737,152)**	**(1.2%)**	

Full-Time-Equivalent Positions	Expended 2023	Actual 2024	Budgeted 2025	Recommended 2026	Recommended 2027
Cap	228.0	267.0	267.0	316.0	316.0
Actual/Budgeted	224.8	251.5	277.3	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 9	$194,182	$276,000	$276,000	$276,000	$276,000

Notes:

a) The State Auditor's Office is the source for the FY 2023 and FY 2024 annual average (actual) FTE levels.

b) Fiscal year 2025, the agency plans to exceed their FTE cap in accordance with authority in Article IX, Sec. 6.10, due primarily to increased demand for agency services.

c) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 25-702, October 2024) indicates a market average salary of $279,982 for the Executive Director position. The report does not recommend a change to the salary classification from Group 9. The agency is not requesting to increase the salary or classification of the Executive Director.