

Budget Committee

Paula Ann Miller, Chair

Chuck Anastos

Bob Wetmore

**TEXAS BOARD OF ARCHITECTURAL EXAMINERS
Budget Committee Meeting Agenda**

William P. Hobby, Jr. State Office Building
333 Guadalupe Street
Tower II, Conference Room 350-L
Austin, Texas

Wednesday, February 15, 2017

3:15 PM – 4:30 PM

1. Call to Order
2. Roll Call
3. Public Comment
4. Discussion of state-wide budgetary issues effecting the drafting of the FY18 budget
5. Review of the FY16 final budget and the FY17 1st quarter budget
6. Discussion of statistics and demographics effecting the drafting of the FY18 budget
7. Committee's instructions to staff regarding the drafting of the FY18 budget
8. Chair's closing remarks
9. Adjournment

Committee meetings may include a quorum of the Board in attendance

Texas Legislature Online Bill List Results

Legislature: 85(R) - 2017
 Bill List: Finance
 Description: General Finance Applicability
 Number of Bills: 10

Bill numbers and comments only
 Export Results to PDF

<p>HB 114 Last Action: 11/14/2016 H Filed Caption Version: Introduced Caption: Relating to zero-based budgeting for certain entities funded by this state and submission of a zero-based budget by and performance of a financial audit of an agency undergoing review by the Sunset Advisory Commission. House Committee: N/A Senate Committee: N/A Companion: N/A</p>	<p>Author: Krause Sponsor:</p>
<p>SB 9 Last Action: 01/24/2017 S Referred to Finance Caption Version: Introduced Caption: Relating to the constitutional limit on the rate of growth of appropriations. House Committee: N/A Senate Committee: Finance (In) Companion: HB 1025 by Leach, Identical, 01/13/2017 H Filed</p>	<p>Author: Hancock et al. Sponsor:</p>
<p>HB 1025 Last Action: 01/13/2017 H Filed Caption Version: Introduced Caption: Relating to the constitutional limit on the rate of growth of appropriations. House Committee: N/A Senate Committee: N/A Companion: SB 9 by Hancock et al., Identical, 01/24/2017 S Referred to Finance</p>	<p>Author: Leach Sponsor:</p>
<p>SB 272 Last Action: 01/30/2017 S Referred to Finance Caption Version: Introduced Caption: Relating to zero-based budgeting for state agencies as part of the sunset review process. House Committee: N/A Senate Committee: Finance (In) Companion: N/A</p>	<p>Author: Perry et al. Sponsor:</p>
<p>HB 541 Last Action: 12/08/2016 H Filed Caption Version: Introduced Caption: Relating to the constitutional limit on the rate of growth of appropriations. House Committee: N/A</p>	<p>Author: Metcalf et al. Sponsor:</p>



GOVERNOR GREG ABBOTT

To: Heads of State Agencies
From: Steven Albright, Budget Director
Date: January 31, 2017
Re: Immediate Hiring Freeze

Per Governor Abbott's directive, agencies under the direction of the Governor should institute an immediate hiring freeze through the end of the fiscal year. No agency should post a new position or fill a vacated position. Exempted from this directive are positions not funded through funds appropriated by the legislature, as well as positions that have a direct impact on public safety. Savings realized from this action should not be used for other purposes.

Waivers from this directive may be obtained on a case by case basis by contacting the policy advisor assigned to your agency in the Governor's Office of Budget and Policy.

This directive only affects agencies under the direction of the Governor as well as institutions of higher education. This directive does not affect agencies under the direction of other state wide elected officials.

By being good stewards of public resources, Governor Abbott knows all agencies will be able to implement this action while continuing to provide excellent customer service to the taxpayers of this state.



Glenn Hegar
Texas Comptroller of Public Accounts



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

FOR IMMEDIATE RELEASE

January 9, 2017

Texas Comptroller Glenn Hegar Releases Biennial Estimate

(AUSTIN) — Texas Comptroller Glenn Hegar released the state's Biennial Revenue Estimate today, showing the state is projected to have approximately \$104.9 billion in revenue available for general-purpose spending during the 2018-19 biennium.

This represents a 2.7 percent decrease from the amounts available for the 2016-17 biennium. It's important to note that this decline is not due to a projected drop in total revenue collections from the 2016-17 biennium to the 2018-19 biennium. The Comptroller is projecting overall revenue growth from the current biennium to the next. Such growth, however, is offset by a significantly lower beginning balance of \$1.5 billion. In addition, a 2015 voter-approved constitutional provision (Proposition 7) dedicates up to \$5 billion in biennial sales tax revenue to the State Highway Fund (SHF) starting in the 2018-19 biennium to address important transportation infrastructure needs.

"Ongoing weakness in activity related to oil and natural gas has been a drag on state economic growth and led to lagging revenue collections in 2016," Hegar said. "Still, the diversity of the Texas economy has allowed for slow but continued economic expansion and steady growth in employment, which we expect to continue over the coming biennium. Texas stands in contrast to other states with large energy industries, many of which have suffered declines in employment and economic output."

Sales tax collections make up the state's single largest source of General Revenue-Related (GR-R) revenues. The BRE projects GR-R revenues from sales taxes to be nearly \$62.0 billion in the next biennium. Subtracting about \$4.7 billion dedicated to the SHF as a result of the passage of Proposition 7 leaves nearly \$57.3 billion. Added to this are other GR-R revenues of \$49.2 billion and a beginning balance of approximately \$1.5 billion, bringing the subtotal to \$108.0 billion. From this subtotal, \$3.1 billion will be set aside for transfers to the Economic Stabilization Fund (ESF) and the SHF, leaving \$104.9 billion available to the Legislature for general-purpose spending in the next biennium.

Following a strong 5.9 percent increase in real gross state product in fiscal 2015, the Texas economy is estimated to have grown by only 0.2 percent in fiscal 2016. In fiscal 2017, the Texas economy is projected to grow by 2.5 percent. That growth rate should increase slightly to 3.0 percent in fiscal 2018 and 3.1 percent in fiscal 2019. Employment growth is expected to be 1.9 percent in fiscal 2018 and 1.7 percent in fiscal 2019, while the state's unemployment rate is expected to remain relatively unchanged at 4.5 percent in both fiscal 2018 and 2019.

Among other large tax revenue sources:

- motor vehicle-related taxes, including sales, rental and manufactured housing taxes, are expected to reach \$9.87 billion, up 6.7 percent from 2016-17.
- oil production tax collections are projected to generate \$4.7 billion in the 2018-19 biennium, a 32.3 percent increase from \$3.6 billion generated in the current biennium; natural gas tax collections in the 2018-19 biennium are expected to be \$1.7 billion, 27 percent more than the \$1.3 billion collected in 2016-17.
- the state's franchise tax revenue for all funds is estimated to be \$7.8 billion for 2018-19, a 2.4 percent increase.

The state's Rainy Day Fund balance currently stands at approximately \$10.2 billion. Absent any additional appropriations that might be made by the Legislature, the balance is expected to be \$11.9 billion at the end of the 2018-19 biennium.

"While our state revenues were down in 2016 and we face some difficult decisions in the coming months, Texas remains fiscally healthy," Hegar said. "Despite energy-related headwinds, Texas has gained 210,000 jobs in the last year, and while our gains have not been at the same rapid rate as a few years ago, it is important to note that we have added jobs in 19 of the last 20 months. We have also seen signs of possible improvement in recent months, with some modest acceleration in job growth and oil prices and rig counts rising. And December brought the best monthly sales tax revenue collections since May 2015."

State revenue from all sources and for all purposes is expected to reach \$224.8 billion for the 2018-19 biennium, including approximately \$74.9 billion in federal receipts, along with other income and revenues dedicated for specific purposes and therefore unavailable for general-purpose spending.

The Biennial Revenue Estimate and visuals from today's press conference are available on the Comptroller's website.

**Texas Board of Architectural Examiners
Fiscal Year 2016 Budget With Servers**

	FY 2016 Approved Budget	FY 2016 Budget Actual through 8-31-16	FY 2016 Percentage Spent
Revenues:			
Licenses & Fees	2,601,504	2,627,982	101.02%
Business Registration Fees	75,000	101,769	135.69%
Late Fee Payments	120,000	120,120	100.10%
Other	2,500	5,781	231.26%
Interest	1,000	4,443	444.33%
<i>Potential Draw on Fund Balance</i>			
Total Revenues	2,800,004	2,860,095	102.15%
Expenditures:			
Salaries and Wages	1,456,300	1,400,386	96.16%
Payroll Related Costs	445,904	484,414	108.64%
Professional Fees & Services	36,000	18,055	50.15%
Travel			
Board Travel	30,000	19,355	64.52%
Staff Travel	18,000	17,125	95.14%
Office Supplies	12,000	5,185	43.21%
Postage	15,000	11,553	77.02%
Communication and Utilities	18,800	12,524	66.61%
Repairs and Maintenance	1,000	415	41.46%
Office Rental	78,000	51,000	65.38%
Equipment Leases--Copiers	10,000	7,728	77.28%
Printing	20,000	11,637	58.18%
Operating Expenditures	41,000	23,307	56.85%
Conference Registration Fees	4,000	4,076	101.89%
Membership Dues	20,000	20,425	102.13%
Staff Training	6,000	4,076	67.93%
SWCAP Payment	38,000	65,142	171.43%
Payment to GR	510,000	510,000	100.00%
IT Upgrades With Servers	40,000	42,107	105.27%
Total Expenditures	2,800,004	2,708,509	96.73%
Excess/ (Deficiency) of Rev over Exp.	-	151,586	

<i>Funding for 8 months</i>	1,866,483
<i>Excess Fund Balance</i>	847,913
Total Fund Balance	2,714,396

Administrative Penalties Collected	\$	131,444
General Revenue Collected	\$	129,000

Figure 1

**Texas Board of Architectural Examiners
Fiscal Year 2017 Budget**

	FY 2017 Approved Budget	FY 2017 Budget through 11-30-16	FY 2017 Percentage Spent
Revenues:			
Licenses & Fees	2,617,560	661,572	25.27%
Business Registration Fees	80,000	19,125	23.91%
Late Fee Payments	120,000	33,073	27.56%
Other	2,500	1,631	65.26%
Interest	2,000	1,684	84.18%
Potential Draw on Fund Balance	93,902		
Total Revenues	2,915,962	717,084	24.59%
Expenditures:			
Salaries and Wages	1,526,423	369,366	24.20%
Payroll Related Costs	525,897	128,476	24.43%
Professional Fees & Services	25,000	7,017	28.07%
Travel			
Board Travel	30,000	2,654	8.85%
Staff Travel	20,000	6,947	34.74%
Office Supplies	10,000	1,921	19.21%
Postage	13,000	2,519	19.38%
Communication and Utilities	13,000	2,967	22.82%
Repairs and Maintenance	1,000	-	0.00%
Office Rental	51,000	12,750	25.00%
Equipment Leases--Copiers	8,500	2,161	25.43%
Printing	15,000	686	4.57%
Operating Expenditures	30,000	19,721	65.74%
Registration Fees--Employee Training	11,000	3,564	32.40%
Membership Dues	21,000	12,610	60.05%
SWCAP Payment	65,142	16,286	25.00%
Payment to GR	510,000	127,500	25.00%
IT Upgrades	40,000	8,395	20.99%
Total Expenditures	2,915,962	725,539	24.88%
Excess/ (Deficiency) of Rev over Exp.	-	(8,455)	

Funding for 8 months	1,943,780
Excess Fund Balance	623,655
Total Fund Balance	2,567,435

Administrative Penalties Collected	\$ 24,310
General Revenue Collected	\$ 3,400