



RAILROAD COMMISSION OF TEXAS



LEGISLATIVE APPROPRIATIONS REQUEST
FISCAL YEARS 2020-2021

RYAN SITTON
COMMISSIONER

CHRISTI CRADDICK
CHAIRMAN

WAYNE CHRISTIAN
COMMISSIONER

LEGISLATIVE APPROPRIATIONS REQUEST

For Fiscal Years 2020 and 2021

Submitted to the

**Governors Office of Budget, Planning and Policy
and the Legislative Budget Board**

by the

Railroad Commission of Texas

August 17, 2018



CERTIFICATE

Agency Name Railroad Commission of Texas

This is to certify that the information contained in the agency Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Office of the Governor, Budget Division, is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Governor's office will be notified in writing in accordance with Article IX, Section 7.01 (2018-19 GAA).

Chief Executive Officer

A handwritten signature in black ink, appearing to read "Wei Wang", written over a horizontal line.

Signature

Wei Wang, CPA, CISA

Printed Name

Executive Director

Title

Date

8/17/18

Commission Chair

Signature

Printed Name

Title

Date

Chief Financial Officer

A handwritten signature in blue ink, appearing to read "Corey Crawford", written over a horizontal line.

Signature

Corey Crawford, CPA

Printed Name

Chief Financial Officer

Title

Date

8/17/2018

Railroad Commission of Texas (455)

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General Information

The Railroad Commission of Texas serves our state by our stewardship of natural resources and the environment, our protection of personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans.

The Commission accomplishes this mission within the framework of four coordinated goals that:

- Oversee the development of the state's energy resources while protecting public health and the environment through an effective regulatory program.
- Advance safety in the delivery and use of Texas petroleum products, including LPG/LNG/ CNG, and in the operation of the Texas pipeline system through training, monitoring and enforcement, and promote, educate, and enforce regulations for underground damage prevention.
- Protect the environment and consumers by ensuring that energy production, storage, and delivery prevent or minimize harmful effects on the state's natural resources, and that just and reasonable natural gas rates promote a safe and efficient supply of natural gas.
- Maximize electronic government and minimize paper transactions by developing technological enhancements that promote efficient regulatory programs and preserve and increase access to public information.

The Railroad Commission provides necessary regulation of the state's energy industries, which is a vital pillar of the state's vibrant economy. The Commission recognizes that a predictable, consistent, and sound regulatory environment supports economic growth and long-term investment in Texas. With this appropriations request, the Commission seeks to further develop its workforce and infrastructure to address complicated and evolving challenges to the state's energy industries. The Commission derives much of its funding from the state's energy industries, which can, at times, experience economic volatility. Therefore, the rider appropriations for Operation Stability has been instrumental in ensuring funding certainty so that the Commission can carry out its regulatory responsibilities uninterrupted. The Railroad Commission depends on robust and secure information management systems, collaboration to develop innovative solutions, a highly skilled and diverse workforce, and a financially stable budget that supports efficient and transparent regulatory programs to be accountable to the citizens of Texas.

Governing Board Information

Three statewide officials elected to six-year staggered terms serve as Commissioners of the Railroad Commission. Current officials, their terms of office, and their hometowns are:

- Christi Craddick, Chairman, Dec. 17, 2012 to Dec. 31, 2018, Midland, Texas
- Ryan Sitton, Commissioner, Jan. 5, 2015 to Dec. 31, 2020, Friendswood, Texas
- Wayne Christian, Commissioner, Jan. 9, 2017 to Dec. 31, 2022, Center, Texas

Overview of Budget Request

The Railroad Commission prepared its funding request in compliance with the policy letter and instructions issued by the Governor's Office, Budget and Policy Division and the Legislative Budget Board on June 22, 2018. As a result, the request for the 2020-2021 biennium does not exceed the sum of amounts expended in fiscal year 2018 and budgeted in fiscal year 2019 in General Revenue and General Revenue Dedicated Funds. The proposed request for general revenue-related funding follows a careful examination of agency funding priorities and is proposed such that the requested funding levels will further the Commission's mission and goals, building on the success of revenue certainty that the addition of the Gas Utility Pipeline Tax as operation stability funding provided the Commission during the current biennium.

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The Railroad Commission is requesting one cost-neutral exceptional item to ensure the agency's ability to address priority issues for fiscal years 2020 and 2021. This request is to increase the Commission's FTE cap by 22.0 FTEs for inspectors. The Commission plans to utilize its existing baseline budget to fund these 22 inspectors with no additional funding request for the 2020-21 biennium. The baseline biennial request totals \$256,076,184 with fee generating sources comprising approximately 52.8 percent of the request, General Revenue approximately 23.9 percent of the request, and funds received from the federal government, the economic stabilization fund, and other sources comprising approximately 23.4 percent of the request.

External Factors

On May 1, 2012, to implement the provisions of Senate Bill 1 (82nd Legislature, First Called Session, 2011) a 150 percent surcharge was imposed on most fees associated with oil and gas production allowing the Commission to function as a self-supporting agency. The 2014-15 was the first biennium that oil and gas regulation was funded entirely with the new self-supporting revenue structure. With oil prices averaging \$100.18 per barrel for the fiscal year, the Commission processed 27,383 drilling permits in fiscal year 2014 and revenue from fees and the self-supporting surcharge structure totaled \$74.5 million, exceeding the Commission's Oil and Gas Regulation and Cleanup Fund appropriation of \$57.7 million, and fund obligations for costs incurred by other state agencies of approximately \$10.8 million. The Commission plugged 563 wells that year at an average cost of \$26,571 per well. What followed was a steady erosion in the commodity price, which reached its low on February 11, 2016 with a trading price of \$26.21 per barrel. During fiscal year 2016, the number of drilling permit applications the Commission processed decreased 51 percent from 21,245 permits processed in fiscal year 2015 to 10,471 permits processed in fiscal year 2016. A corresponding decline in revenue left the Commission with a \$18.7 million gap between an appropriation of \$66.5 million and fund obligations for costs incurred by other state agencies of approximately \$12.7 million and revenue to support that appropriation of only \$60.5 million. Revenue rebounded somewhat in fiscal year 2017, but a gap of \$13.2 million between the appropriation, fund obligations for costs incurred by other state agencies and the revenue to support that appropriation continued.

Operational Stability Funding— 85th Legislature

With approximately 76 percent of the Commission's 2016-17 biennial budget appropriated from the Oil and Gas Regulation and Cleanup Fund, and revenue streams closely tied to the crude oil market, the Commission needed a steady and consistent revenue source that was less affected by global market volatilities. The 85th Legislature recognized that the Commission needs the capacity to adjust its focus as necessary and to perform more proactively by providing consistent funding streams that are not dependent on industry activity, but are flexible as economic circumstances fluctuate. The Legislature appropriated Operational Stability Funding of \$19,825,000 per year for 2018-19 biennium of General Revenue generated by the Gas Utility Pipeline Tax, authorized in Utilities Code, §122.051. The Gas Utility Pipeline Tax is paid by approximately 200 intrastate gas utilities as 1/2 of 1 percent tax applicable to gross income from taxable activities, allowing certain deductions (generally gas cost) from gross receipts. From 1920 until 1981, the Railroad Commission administered the tax, with its revenue deposited into the Commission's Operating Fund (Fund 0155) to offset the costs associated with its collection. Since 1981, the Commission continued to administer the tax and perform all operational functions associated with tax collection, but the revenue deposit moved from the Commission's Operating Fund to General Revenue Fund and was not appropriated to the Commission. In fiscal year 2017, the Commission collected approximately \$24.8 million of this tax. The appropriation of a portion of this tax revenue to the Commission for the 2018-19 biennium allowed the Commission to begin the biennium with some measure of revenue certainty and to plan for and implement mission-critical activities from the first day of the biennium, rather than delay those activities until revenue levels could support the appropriations. A continuation of operational stability funding for the 2020-21 biennium will allow the Commission to build on the successes afforded by a revenue-certain, consistent funding source that is not dependent on commodity market but allows the Commission to continue to operate effectively as economic circumstances fluctuate.

The 85th Legislature appropriated \$38.2 million from the Economic Stabilization Fund in the 2018-19 biennium for the Commission to plug orphaned wells across the state.

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In fiscal year 2018 there are approximately 6,500 known orphaned wells in Texas. Although the performance measure is only to plug 979 wells, the Commission set an aggressive target to plug 1,500 of those wells during the fiscal year. The average plugging costs for inland wells increased from approximately \$12,000 per well to \$18,000 in the last three years. The number of orphaned wells is a dynamic number that changes daily and closely follows market conditions and is tracked by the Commission's legacy mainframe system. Because a well becomes orphaned when production of oil or gas or another activity under the jurisdiction of the Commission has not been reported to the Commission for the preceding 12 months, and for which the Commission-approved organization report (Form P-5) has been delinquent over one year, the number of orphaned wells remains steady despite the Commission's efforts. In fiscal year 2014 there were 6,609 orphaned wells; from fiscal year 2014 to fiscal year 2017 the Commission plugged 2,716 wells, yet the Commission anticipates the inventory at the end of fiscal year 2018 will include approximately 6,500 orphaned wells. Fluctuating costs result from the type of wells plugged as well as industry activity. In general, when activity is high, the average cost to plug a well increases. When activity is low, the number of orphaned wells needing to be plugged increases. Continued appropriation from the Economic Stability Fund will allow the Commission to plug more high risk, bay, and offshore wells in the next biennium, which typically are more costly to plug, as well as continue with the aggressive pace of well plugging established during fiscal year 2018. Without adequate funding to continue the Commission's aggressive well plugging efforts the state's orphaned well population will continue to grow.

Exceptional Item—Additional Inspector FTEs (\$0)

The Commission is requesting one exceptional item to ensure the agency's ability to address priority issues for the 2020-2021 biennium. This request is for 22.0 FTEs that will serve as inspectors within the Commission's Oil and Gas and Pipeline Safety Divisions. The request does not seek additional funding for the biennium. Funding for these FTEs exists within the baseline biennial budget as several large-scale one-time only site remediation projects funded with Oil and Gas Regulation and Cleanup funds will be complete in fiscal year 2019. The Commission's authorized FTE cap is 827.1 for the 2018-19 biennium.

The Railroad Commission has inspectors across three of its main functional divisions: Oil and Gas, Oversight and Safety, and Surface Mining and Reclamation. Those employees who work as pipeline safety inspectors are trained by the U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA), to conduct standard, comprehensive, and specialized inspections that meet or exceed federal standards, as well as accident investigations. Using the PHMSA state inspection calculation tool, the Commission estimates that with the current pipeline mileage across the state a total of 90 inspectors is necessary to meet all the required safety inspections. The Commission has 63 inspectors in fiscal year 2018, the most pipeline safety inspectors ever employed by the Commission. In fiscal year 2014, the Commission had only 47 pipeline safety inspectors. During this period, pipeline mileage increased across Texas from 425,939 miles in fiscal year 2014 to 448,446 miles in fiscal year 2018. The Commission processes approximately 4,500 T-4 permit registrations per year, an indicator of pipeline current and proposed pipeline miles across the state. With 90 pipeline safety inspectors as a long-term goal, the Commission recognizes the limitations of both fiscal and human resources to increase the number of inspectors to that level at one time, and instead anticipates a multi-biennia approach to meet this need beginning with this 2020-21 exceptional item request. An ongoing commitment to meet this goal will allow the Commission time to recruit and train inspectors, while also continuing the retention program that will allow for sustainable progress towards the staffing levels necessary to meet the inspection demands of what is a safe and efficient method to transport oil, gas and other refined petroleum products.

Rider 14 of Senate Bill 1 (85th Legislature, Regular Session, 2017) appropriated funding in support of a commitment to inspect all onshore wells at least every five years and offshore and bay wells every two years. The Commission anticipates that at the conclusion of fiscal year 2018 approximately 244,000 onshore wells will have been inspected in the previous 5 years and 450 bay and offshore wells will have achieved the two-year inspection target. The Commission expects that oil and gas production will increase in the next biennium, particularly with new activity on the western edge of the Permian Basin in far west Texas and southeastern New Mexico where operators are developing the Wolfcamp shale play and drilling horizontal wells in the Spraberry Trend Area, with estimated reserves of 4,960 million barrels of oil equivalents in the Bone Spring and Wolfcamp plays as of 2016, according to the Energy Information Administration. The Commission anticipates that 17,210 drilling permits will be processed in fiscal year 2018, an increase of approximately 64 percent from the 10,471 permits processed in fiscal year 2016. Even with this growth, the Commission was

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able to process drilling permits with an average processing time of 1.75 days this July, as efficiencies from process and technological improvements were realized. The addition of Oil and Gas inspectors will allow the Commission to accomplish the goals set forth in the Commission's Oil and Gas Monitoring and Enforcement Plan, required by House Bill 1818 (85th Legislature, Regular Session, 2017) and published on June 5, 2018. The fiscal year 2018 number of inspectors represents only 8 additional inspectors from fiscal year 2014 levels. Despite the market volatility over the period from fiscal year 2014 to fiscal year 2017, in fiscal year 2014 there were 96,366 gas wells and 175,615 oil wells requiring inspections, while in fiscal year 2017 there were 92,729 gas wells and 179,726 oil wells requiring inspections. As the industry recovers, more wells and facilities are becoming operational, coupled with the new 5-year inspection frequency requirement, the Commission will need additional inspectors to maintain current service level.

Authority to Conduct Background Checks

As the Commission seeks to add new FTEs to its organization, the authorization by Texas Government Code Sec. 411.1403 to obtain a criminal history record for an applicant for employment, as well as current or previous employees, consultants, contract employees, and others is a useful tool to ensure an efficient hiring process. The Commission is not currently conducting background checks as the agency reviews best practices and determines the most effective implementation plan based on organizational needs. The Commission uses the E-Verify system to confirm the eligibility of employees to work in the United States.

Capital Budget

Over the last decade, technology improvements have helped Texas operators reduce their exploration costs for new reserves, drill more commercially successful wells, improve operating efficiencies, and increase the ultimate percentage of oil and gas recovered from reserves. Continuing technological advancements in the field will also continue to strengthen the Texas energy industry. To effectively regulate amidst all phases of the energy industries' cycles, the Commission is implementing data-driven processes that analyze performance metrics of compliance and enforcement rates, public safety risks, and threats to the environment to enhance protection of public safety and the environment. To support these efforts, the Commission's capital budget request totals \$30.4 million.

During the 2018-19 biennium the Commission will invest \$3.0 million in its information technology infrastructure with the implementation of an inspection platform and a new case, or docket, management system. The Commission would like to maintain this \$3.0 million capital budget authority in the 2020-21 biennium to bring more docket types online and move pipeline inspections onto the platform. Additionally, the Commission would like to start transforming all applications out of the legacy mainframe environment. This work is one component of a 10 to 12-year effort, beginning in fiscal year 2020, to further modernize the Commission's systems. The Commission has funding within the baseline request for its planned efforts in 2020-21, and seeks only the additional capital authority in the amount of \$9.8 million to proceed with the next phase of modernization. The Commission will begin reducing its dependence on outdated and inefficient mainframe technology. In the 2020-21 biennium, the Commission will establish a new modern architecture and data repository to support agency business processes, utilizing cloud-based and other flexible, scalable options. A move of this scale from highly interconnected, legacy systems is imperative for the successful implementation of the Commission's Oil and Gas Monitoring and Enforcement Plan, as well as to ensure the effective and efficient regulation of the state's energy industries.

The Commission requests capital authority totaling \$14.7 million for other ongoing technology responsibilities, including \$13.3 million to continue its relationship with the Department of Information Resources for its Data Center Services contract, and \$1.4 million for technology replacement, PC leasing, and software licenses. During the current biennium the Commission completed consolidation of servers from the William B. Travis building in Austin to the Consolidated Data Centers in San Angelo and Austin. In the 2020-21 biennium, the Commission will continue to work with the Department of Information Resources to incorporate cloud storage capabilities as well as maintain current services.

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For the 2020-21 biennium the Commission seeks capital authority to acquire 40 trucks for inspectors and other personnel in the field. New trucks will replace existing older trucks with more than 150,000 miles. Repair costs for the older trucks in the Commission's fleet are near or exceeding the value of the vehicles. Replacing older trucks will also reduce the life cycle cost, which will lower the average operating cost per mile.

In summary, the RRC's 2020-21 appropriation request includes the following capital projects in the Base Level Request:

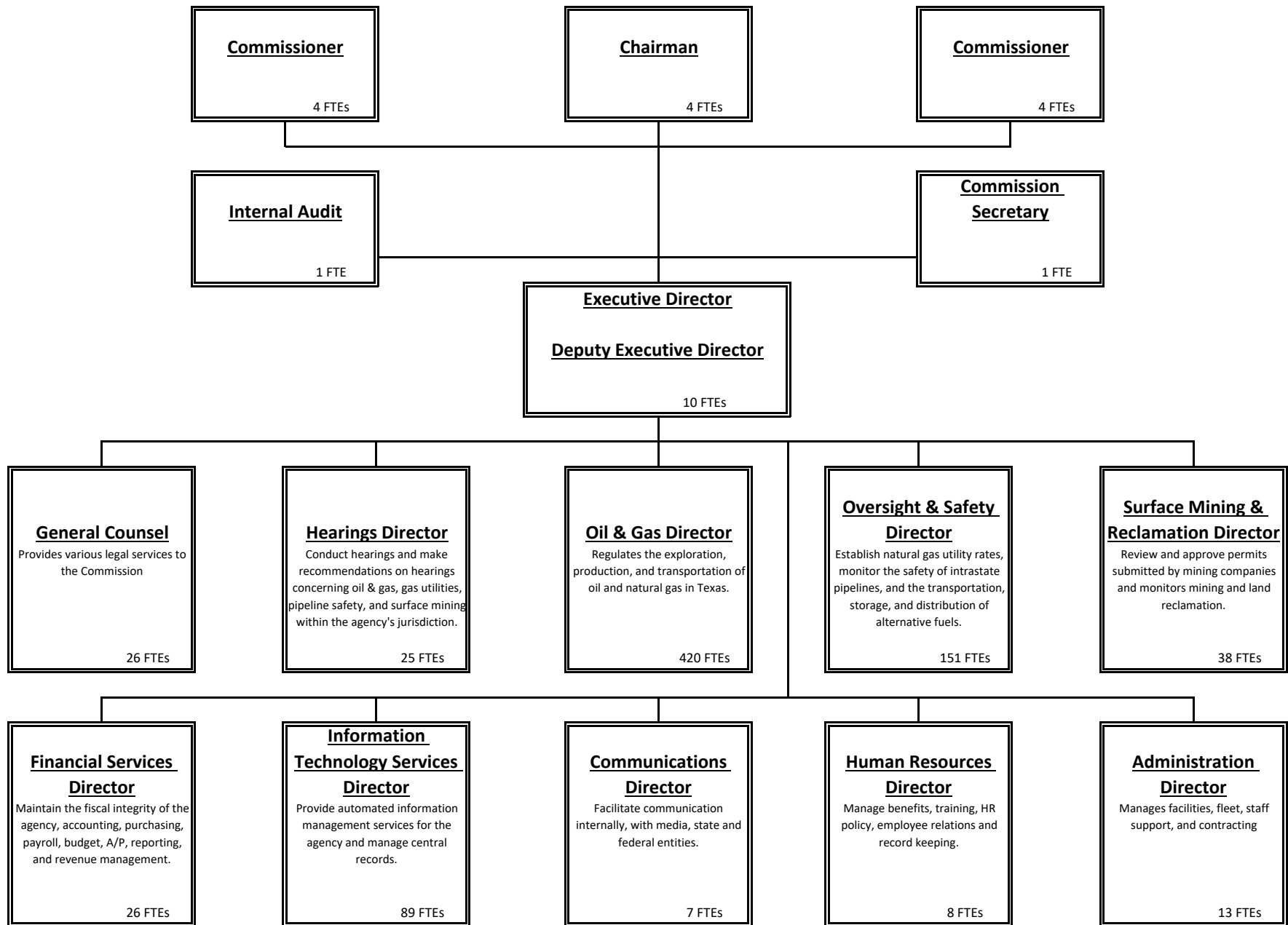
- \$1,414,155 for Technology, including PC and laptop leases, software licenses and services, and replacement and upgraded technology.
- \$2,876,000 for Vehicles.
- \$13,265,051 for Data Center Services.
- \$3,000,000 for Inspection and Enforcement Tracking and Reporting Phase II
- \$9,800,000 for Mainframe Transformation Phase I

10 Percent Biennial Budget Reduction

This request includes a supplemental schedule detailing how the Commission would reduce the baseline request by 10 percent in General Revenue and General Revenue Dedicated Funds for the 2020-21 biennium. The reductions requested by Governor's Office, Budget and Policy Division and the Legislative Budget Board would total \$6,110,132 from the Commission's General Revenue Fund and \$13,512,930 from General Revenue Dedicated Funds (Oil and Gas Regulation and Cleanup Account No. 5155) if implemented.

After a comprehensive review of the baseline budget, it was determined that the reductions would come from funds previously appropriated to the Commission for the development of information technology projects and from the elimination of General Revenue and General Revenue Dedicated funding for activities that support but may not directly ensure the economic growth of Texas or protect the health and safety of the citizens of the State. The savings would be achieved through reductions in the number of abandoned wells plugged or abandoned pollution sites remediated and could reduce the Commission's ability to ensure compliance with applicable state and federal regulations with fewer staff available for inspections, to witness tests, monitor reports, process permit applications, and initiate enforcement actions. A reduction in federal funds would accompany a reduction in General Revenue and General Revenue Dedicated funds that serve as match for many of the Commission's federally funded programs.

Railroad Commission of Texas
Organization Chart
(as of September 1, 2018)



Budget Overview - Biennial Amounts
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Appropriation Years: 2020-21

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2020-21
	Goal: 1. Oversee Oil and Gas Resource Development										
1.1.1. Energy Resource Development	8,810,774	8,810,772	26,075,671	28,468,971	838,184	704,000	1,300,474	440,000	37,025,103	38,423,743	
Total, Goal	8,810,774	8,810,772	26,075,671	28,468,971	838,184	704,000	1,300,474	440,000	37,025,103	38,423,743	
Goal: 2. Advance Safety Through Training, Monitoring, and Enforcement											
2.1.1. Pipeline Safety	5,387,626	5,455,930	9,934,701	10,613,776	7,928,543	6,884,000			23,250,870	22,953,706	
2.1.2. Pipeline Damage Prevention	749,869	749,869	714,364	714,364	916,000	576,000			2,380,233	2,040,233	
2.2.1. Regulate Alt Fuel Resources	3,190,444	3,255,473					1,774,872	1,964,000	4,965,316	5,219,473	
Total, Goal	9,327,939	9,461,272	10,649,065	11,328,140	8,844,543	7,460,000	1,774,872	1,964,000	30,596,419	30,213,412	
Goal: 3. Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers											
3.1.1. Oil/Gas Monitor & Inspections	13,545,988	13,545,988	43,979,509	48,173,848			100,000	100,000	57,625,497	61,819,836	
3.1.2. Surface Mining Monitoring/Inspect	3,972,526	3,963,468			3,001,142	2,800,000	104,864		7,078,532	6,763,468	
3.2.1. Oil&Gas Well Plugging & Remediation	16,051,924	16,051,924	51,699,228	43,355,424	223,718	240,000	38,382,890	38,200,000	106,357,760	97,847,348	
3.2.2. Surface Mining Reclamation	3,440,556	3,454,602			3,950,000	3,200,000			7,390,556	6,654,602	
3.3.1. Gas Utility Commerce	4,710,302	4,571,984					124,876	200,000	4,835,178	4,771,984	
Total, Goal	41,721,296	41,587,966	95,678,737	91,529,272	7,174,860	6,240,000	38,712,630	38,500,000	183,287,523	177,857,238	
Goal: 4. Public Access to Information and Services											
4.1.1. Public Information And Services	1,241,314	1,241,313	2,725,825	3,802,915			1,200,000	1,215,600	5,167,139	6,259,828	
Total, Goal	1,241,314	1,241,313	2,725,825	3,802,915			1,200,000	1,215,600	5,167,139	6,259,828	
Total, Agency	61,101,323	61,101,323	135,129,298	135,129,298	16,857,587	14,404,000	42,987,976	42,119,600	256,076,184	252,754,221	
Total FTEs									827.1	827.1	22.0

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Goal / Objective / STRATEGY	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
1 <u>Oversee Oil and Gas Resource Development</u>					
1 <u>Increase Opportunities for Oil and Gas Resource Development</u>					
1 ENERGY RESOURCE DEVELOPMENT	9,040,536	18,529,974	18,495,129	19,893,622	18,530,121
TOTAL, GOAL 1	\$9,040,536	\$18,529,974	\$18,495,129	\$19,893,622	\$18,530,121
2 <u>Advance Safety Through Training, Monitoring, and Enforcement</u>					
1 <u>Improve Pipeline Safety</u>					
1 PIPELINE SAFETY	6,881,774	12,691,831	10,559,039	11,903,419	11,050,287
2 PIPELINE DAMAGE PREVENTION	772,703	1,190,117	1,190,116	1,020,116	1,020,117
2 <u>Alternative Energy & Safety Through Regulation</u>					
1 REGULATE ALT FUEL RESOURCES	2,254,555	2,482,658	2,482,658	2,615,436	2,604,037
TOTAL, GOAL 2	\$9,909,032	\$16,364,606	\$14,231,813	\$15,538,971	\$14,674,441
3 <u>Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers</u>					
1 <u>Reduce Occurrence of Environmental Violations</u>					

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
1 OIL/GAS MONITOR & INSPECTIONS	16,095,333	28,750,420	28,875,077	31,786,447	30,033,389
2 SURFACE MINING MONITORING/INSPECT	3,153,590	3,539,266	3,539,266	3,381,734	3,381,734
<u>2</u> <i>Identify and Abate Environmental Threats</i>					
1 OIL&GAS WELL PLUGGING & REMEDIATION	26,257,904	53,212,543	53,145,217	68,258,396	29,588,952
2 SURFACE MINING RECLAMATION	5,032,020	3,705,284	3,685,272	3,327,301	3,327,301
<u>3</u> <i>Maintain Competitive Prices and Adequate Supplies for Consumers</i>					
1 GAS UTILITY COMMERCE	1,984,780	2,424,497	2,410,681	2,369,523	2,402,461
TOTAL, GOAL 3	\$52,523,627	\$91,632,010	\$91,655,513	\$109,123,401	\$68,733,837
<u>4</u> <i>Public Access to Information and Services</i>					
<u>1</u> <i>Increase Public Access to Information</i>					
1 PUBLIC INFORMATION AND SERVICES	1,949,132	2,515,081	2,652,058	3,423,915	2,835,913
TOTAL, GOAL 4	\$1,949,132	\$2,515,081	\$2,652,058	\$3,423,915	\$2,835,913
TOTAL, AGENCY STRATEGY REQUEST	\$73,422,327	\$129,041,671	\$127,034,513	\$147,979,909	\$104,774,312

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$73,422,327	\$129,041,671	\$127,034,513	\$147,979,909	\$104,774,312
METHOD OF FINANCING:					
General Revenue Funds:					
1 General Revenue Fund	16,970,052	30,550,662	30,550,661	30,647,961	30,453,362
SUBTOTAL	\$16,970,052	\$30,550,662	\$30,550,661	\$30,647,961	\$30,453,362
General Revenue Dedicated Funds:					
5155 Oil & Gas Regulation	49,729,875	68,241,247	66,888,051	69,970,148	65,159,150
SUBTOTAL	\$49,729,875	\$68,241,247	\$66,888,051	\$69,970,148	\$65,159,150
Federal Funds:					
555 Federal Funds	4,985,208	8,755,774	8,101,813	7,202,000	7,202,000
SUBTOTAL	\$4,985,208	\$8,755,774	\$8,101,813	\$7,202,000	\$7,202,000
Other Funds:					
599 Economic Stabilization Fund	0	19,100,000	19,100,000	38,200,000	0
666 Appropriated Receipts	1,737,192	2,393,988	2,393,988	1,959,800	1,959,800
SUBTOTAL	\$1,737,192	\$21,493,988	\$21,493,988	\$40,159,800	\$1,959,800
TOTAL, METHOD OF FINANCING	\$73,422,327	\$129,041,671	\$127,034,513	\$147,979,909	\$104,774,312

2.A. Summary of Base Request by Strategy

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Automated Budget and Evaluation System of Texas (ABEST)

455 Railroad Commission

Goal / Objective / STRATEGY	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
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*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/17/2018 8:56:36AM

Agency code: **455** Agency name: **Railroad Commission**

METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
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GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2016-17 GAA)

\$12,733,986	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2018-19 GAA)

\$0	\$10,725,662	\$10,725,661	\$0	\$0
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Regular Appropriations from MOF Table (2020-21)

\$0	\$0	\$0	\$30,647,961	\$30,453,362
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RIDER APPROPRIATION

Art IX, Sec 13.11, Earned Federal Funds (2016-17 GAA)

\$2,813,342	\$0	\$0	\$0	\$0
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Art IX, Sec 18.31, Contingency for HB7 (2016-17 GAA)

\$(1,674,483)	\$0	\$0	\$0	\$0
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Comments: Pipeline OGRC for GR fund swap

2.B. Summary of Base Request by Method of Finance
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/17/2018 8:56:36AM

Agency code: 455		Agency name: Railroad Commission				
METHOD OF FINANCING		Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>GENERAL REVENUE</u>						
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17 GAA)		\$172,186	\$0	\$0	\$0	\$0
Art VI-49, Rider 15, Operational Stability Fund (2018-19 GAA)		\$0	\$19,825,000	\$19,825,000	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>						
Regular Appropriation from MOF Table (2016-17 GAA)		\$(924)	\$0	\$0	\$0	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>						
Art VI-52, Rider 15, UB Between Fiscal Years (2016-17 GAA)		\$2,925,945	\$0	\$0	\$0	\$0
TOTAL,	General Revenue Fund	\$16,970,052	\$30,550,662	\$30,550,661	\$30,647,961	\$30,453,362
TOTAL, ALL	GENERAL REVENUE	\$16,970,052	\$30,550,662	\$30,550,661	\$30,647,961	\$30,453,362

GENERAL REVENUE FUND - DEDICATED

5155 GR Dedicated - Oil and Gas Regulation and Cleanup Account No. 5155
REGULAR APPROPRIATIONS

2.B. Summary of Base Request by Method of Finance
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 Automated Budget and Evaluation System of Texas (ABEST)

8/17/2018 8:56:36AM

Agency code: 455	Agency name: Railroad Commission				
METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>GENERAL REVENUE FUND - DEDICATED</u>					
Regular Appropriations from MOF Table (2016-17 GAA)	\$65,217,176	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2018-19 GAA)	\$0	\$68,241,247	\$66,888,051	\$0	\$0
Regular Appropriations from MOF Table (2020-21 GAA)	\$0	\$0	\$0	\$69,970,148	\$65,159,150
<i>RIDER APPROPRIATION</i>					
Art IX, Sec 18.31, Contingency for HB7 (2016-17 GAA)	\$1,674,483	\$0	\$0	\$0	\$0
Comments: Pipeline OGRC for GR swap					
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17 GAA)	\$551,492	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriation from MOF Table (2016-17 GAA)	\$(38,052,215)	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 455		Agency name: Railroad Commission				
METHOD OF FINANCING		Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>FEDERAL FUNDS</u>						
Regular Appropriations from MOF Table (2020-21 GAA)		\$0	\$0	\$0	\$7,202,000	\$7,202,000
<i>RIDER APPROPRIATION</i>						
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17 GAA)		\$68,268	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>						
Regular Appropriation from MOF Table (2016-17 GAA)		\$(2,923,667)	\$0	\$0	\$0	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>						
Art VI-52, Rider 15, UB Between Fiscal Years (2016-17 GAA)		\$803,130	\$0	\$0	\$0	\$0
TOTAL,	Federal Funds	\$4,985,208	\$8,755,774	\$8,101,813	\$7,202,000	\$7,202,000
TOTAL, ALL	FEDERAL FUNDS	\$4,985,208	\$8,755,774	\$8,101,813	\$7,202,000	\$7,202,000

OTHER FUNDS

599 Economic Stabilization Fund

2.B. Summary of Base Request by Method of Finance
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/17/2018 8:56:36AM

Agency code: 455		Agency name: Railroad Commission				
METHOD OF FINANCING		Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>OTHER FUNDS</u>						
<i>REGULAR APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2018-19 GAA)						
		\$0	\$38,200,000	\$0	\$0	\$0
2018-19 Base Level Request						
		\$0	\$0	\$0	\$38,200,000	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>						
Art VI-48, Rider 13, UB Between Fiscal Years (2018-19 GAA)						
		\$0	\$(19,100,000)	\$19,100,000	\$0	\$0
TOTAL,	Economic Stabilization Fund	\$0	\$19,100,000	\$19,100,000	\$38,200,000	\$0
 <u>666</u> Appropriated Receipts						
<i>REGULAR APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2016-17 GAA)						
		\$2,406,457	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2018-19 GAA)						
		\$0	\$2,393,988	\$2,393,988	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/17/2018 8:56:36AM

Agency code: 455		Agency name: Railroad Commission				
METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021	
<u>OTHER FUNDS</u>						
Regular Appropriations from MOF Table (2020-21 GAA)	\$0	\$0	\$0	\$1,959,800	\$1,959,800	
<i>RIDER APPROPRIATION</i>						
Art IX, Sec 8.07, Seminars and Conferences (2016-17 GAA)	\$91,467	\$0	\$0	\$0	\$0	
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17 GAA)	\$42,531	\$0	\$0	\$0	\$0	
<i>LAPSED APPROPRIATIONS</i>						
Regular Appropriation from MOF Table (2016-17 GAA)	\$(1,360,197)	\$0	\$0	\$0	\$0	
<i>UNEXPENDED BALANCES AUTHORITY</i>						
Art VI-52, Rider 15, UB Between Fiscal Years (2016-17 GAA)	\$556,934	\$0	\$0	\$0	\$0	
TOTAL, Appropriated Receipts	\$1,737,192	\$2,393,988	\$2,393,988	\$1,959,800	\$1,959,800	

2.B. Summary of Base Request by Method of Finance
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/17/2018 8:56:36AM

Agency code: 455		Agency name: Railroad Commission				
METHOD OF FINANCING		Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
TOTAL, ALL OTHER FUNDS		\$1,737,192	\$21,493,988	\$21,493,988	\$40,159,800	\$1,959,800
GRAND TOTAL		\$73,422,327	\$129,041,671	\$127,034,513	\$147,979,909	\$104,774,312
FULL-TIME-EQUIVALENT POSITIONS						
REGULAR APPROPRIATIONS						
Regular Appropriations from MOF Table (2016-17 GAA)		820.1	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2018-19 GAA)		0.0	827.1	827.1	0.0	0.0
LAPSED APPROPRIATIONS						
Regular Appropriations from MOF Table (2016-17 GAA)		(136.6)	0.0	0.0	827.1	827.1
TOTAL, ADJUSTED FTES		683.5	827.1	827.1	827.1	827.1
NUMBER OF 100% FEDERALLY FUNDED FTEs		6.0	4.0	4.0	4.0	4.0

2.C. Summary of Base Request by Object of Expense

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86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

455 Railroad Commission

OBJECT OF EXPENSE	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
1001 SALARIES AND WAGES	\$39,717,851	\$48,271,294	\$48,271,294	\$48,271,294	\$48,271,294
1002 OTHER PERSONNEL COSTS	\$1,576,559	\$1,864,612	\$1,865,183	\$1,864,898	\$1,864,898
2001 PROFESSIONAL FEES AND SERVICES	\$9,459,988	\$18,634,092	\$17,615,710	\$25,046,535	\$23,793,380
2002 FUELS AND LUBRICANTS	\$687,460	\$849,404	\$849,404	\$849,404	\$849,404
2003 CONSUMABLE SUPPLIES	\$127,405	\$203,427	\$203,427	\$203,427	\$203,427
2004 UTILITIES	\$362,568	\$289,487	\$289,487	\$289,487	\$289,487
2005 TRAVEL	\$645,683	\$979,230	\$979,230	\$981,778	\$981,778
2006 RENT - BUILDING	\$543,500	\$647,020	\$647,020	\$647,020	\$647,020
2007 RENT - MACHINE AND OTHER	\$142,896	\$190,567	\$190,567	\$190,567	\$190,567
2009 OTHER OPERATING EXPENSE	\$18,751,524	\$56,097,538	\$54,897,191	\$67,985,499	\$26,457,056
5000 CAPITAL EXPENDITURES	\$1,406,893	\$1,015,000	\$1,226,000	\$1,650,000	\$1,226,001
OOE Total (Excluding Riders)	\$73,422,327	\$129,041,671	\$127,034,513	\$147,979,909	\$104,774,312
OOE Total (Riders)					
Grand Total	\$73,422,327	\$129,041,671	\$127,034,513	\$147,979,909	\$104,774,312

2.D. Summary of Base Request Objective Outcomes
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

8/17/2018 8:56:36AM

455 Railroad Commission

Goal/ Objective / Outcome	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
1 <i>Oversee Oil and Gas Resource Development</i>					
1 <i>Increase Opportunities for Oil and Gas Resource Development</i>					
KEY 1 Percent of Oil and Gas Wells that Are Active					
	73.00%	73.00%	73.00%	73.00%	73.00%
2 <i>Advance Safety Through Training, Monitoring, and Enforcement</i>					
1 <i>Improve Pipeline Safety</i>					
KEY 1 Average Number of Safety Violations					
	3.00	1.50	1.50	1.50	1.50
2 <i>Alternative Energy & Safety Through Regulation</i>					
1 Average Number of LPG/CNG/LNG Violations					
	1.43	1.49	1.50	1.50	1.50
2 Percent of LPG/CNG/LNG Inspections W/ Non-compliance Items					
	69.00%	80.00%	80.00%	85.00%	85.00%
3 <i>Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers</i>					
1 <i>Reduce Occurrence of Environmental Violations</i>					
KEY 1 Percent of Oil and Gas Inspections that Identify Violations					
	13.00%	8.00%	8.00%	8.00%	8.00%
2 Percent of Wells Not Inspected in Last Five Years					
	58.00%	35.00%	20.00%	5.00%	5.00%
2 <i>Identify and Abate Environmental Threats</i>					
KEY 1 Percent of Known Orphaned Wells Plugged W/Use of State-Managed Funds					
	11.00%	23.00%	25.00%	15.00%	15.00%
2 % Pollution Sites Inves., Assessed, Cleaned w/State-Managed Funds					
	10.00%	9.00%	10.00%	10.00%	10.00%
3 <i>Maintain Competitive Prices and Adequate Supplies for Consumers</i>					
1 Average Texas Residential Gas Price as a Percent of National Gas Price					
	117.00	103.30	103.30	103.30	103.30

2.E. Summary of Exceptional Items Request
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2018
 TIME : 8:56:36AM

Agency code: 455

Agency name: **Railroad Commission**

Priority	Item	2020			2021			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Additional Inspector FTEs			22.0			22.0		
Total, Exceptional Items Request				22.0			22.0		

Method of Financing

- General Revenue
- General Revenue - Dedicated
- Federal Funds
- Other Funds

\$0			\$0			\$0	
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Full Time Equivalent Positions	22.0	22.0
Number of 100% Federally Funded FTEs	0.0	0.0

2.F. Summary of Total Request by Strategy
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/17/2018

TIME : 8:56:37AM

Agency code: 455 Agency name: Railroad Commission

Goal/Objective/STRATEGY	Base 2020	Base 2021	Exceptional 2020	Exceptional 2021	Total Request 2020	Total Request 2021
1 Oversee Oil and Gas Resource Development						
<i>1 Increase Opportunities for Oil and Gas Resource Development</i>						
1 ENERGY RESOURCE DEVELOPMENT	\$19,893,622	\$18,530,121	\$0	\$0	\$19,893,622	\$18,530,121
TOTAL, GOAL 1	\$19,893,622	\$18,530,121	\$0	\$0	\$19,893,622	\$18,530,121
2 Advance Safety Through Training, Monitoring, and Enforcement						
<i>1 Improve Pipeline Safety</i>						
1 PIPELINE SAFETY	11,903,419	11,050,287	0	0	11,903,419	11,050,287
2 PIPELINE DAMAGE PREVENTION	1,020,116	1,020,117	0	0	1,020,116	1,020,117
<i>2 Alternative Energy & Safety Through Regulation</i>						
1 REGULATE ALT FUEL RESOURCES	2,615,436	2,604,037	0	0	2,615,436	2,604,037
TOTAL, GOAL 2	\$15,538,971	\$14,674,441	\$0	\$0	\$15,538,971	\$14,674,441
3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consume						
<i>1 Reduce Occurrence of Environmental Violations</i>						
1 OIL/GAS MONITOR & INSPECTIONS	31,786,447	30,033,389	0	0	31,786,447	30,033,389
2 SURFACE MINING MONITORING/INSPECT	3,381,734	3,381,734	0	0	3,381,734	3,381,734
<i>2 Identify and Abate Environmental Threats</i>						
1 OIL&GAS WELL PLUGGING & REMEDIATION	68,258,396	29,588,952	0	0	68,258,396	29,588,952
2 SURFACE MINING RECLAMATION	3,327,301	3,327,301	0	0	3,327,301	3,327,301
<i>3 Maintain Competitive Prices and Adequate Supplies for Consumers</i>						
1 GAS UTILITY COMMERCE	2,369,523	2,402,461	0	0	2,369,523	2,402,461
TOTAL, GOAL 3	\$109,123,401	\$68,733,837	\$0	\$0	\$109,123,401	\$68,733,837

2.F. Summary of Total Request by Strategy
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/17/2018
 TIME : 8:56:37AM

Agency code: 455 Agency name: Railroad Commission

Goal/Objective/STRATEGY	Base 2020	Base 2021	Exceptional 2020	Exceptional 2021	Total Request 2020	Total Request 2021
4 Public Access to Information and Services						
1 Increase Public Access to Information						
1 PUBLIC INFORMATION AND SERVICES	\$3,423,915	\$2,835,913	\$0	\$0	\$3,423,915	\$2,835,913
TOTAL, GOAL 4	\$3,423,915	\$2,835,913	\$0	\$0	\$3,423,915	\$2,835,913
TOTAL, AGENCY STRATEGY REQUEST	\$147,979,909	\$104,774,312	\$0	\$0	\$147,979,909	\$104,774,312
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$147,979,909	\$104,774,312	\$0	\$0	\$147,979,909	\$104,774,312

2.F. Summary of Total Request by Strategy
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/17/2018
 TIME : 8:56:37AM

Agency code: 455 Agency name: Railroad Commission

Goal/Objective/STRATEGY	Base 2020	Base 2021	Exceptional 2020	Exceptional 2021	Total Request 2020	Total Request 2021
General Revenue Funds:						
1 General Revenue Fund	\$30,647,961	\$30,453,362	\$0	\$0	\$30,647,961	\$30,453,362
	\$30,647,961	\$30,453,362	\$0	\$0	\$30,647,961	\$30,453,362
General Revenue Dedicated Funds:						
5155 Oil & Gas Regulation	69,970,148	65,159,150	0	0	69,970,148	65,159,150
	\$69,970,148	\$65,159,150	\$0	\$0	\$69,970,148	\$65,159,150
Federal Funds:						
555 Federal Funds	7,202,000	7,202,000	0	0	7,202,000	7,202,000
	\$7,202,000	\$7,202,000	\$0	\$0	\$7,202,000	\$7,202,000
Other Funds:						
599 Economic Stabilization Fund	38,200,000	0	0	0	38,200,000	0
666 Appropriated Receipts	1,959,800	1,959,800	0	0	1,959,800	1,959,800
	\$40,159,800	\$1,959,800	\$0	\$0	\$40,159,800	\$1,959,800
TOTAL, METHOD OF FINANCING	\$147,979,909	\$104,774,312	\$0	\$0	\$147,979,909	\$104,774,312
FULL TIME EQUIVALENT POSITIONS	827.1	827.1	22.0	22.0	849.1	849.1

2.G. Summary of Total Request Objective Outcomes
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/17/2018
 Time: 8:56:37AM

Agency code: 455

Agency name: **Railroad Commission**

Goal/ Objective / Outcome

		BL 2020	BL 2021	Excp 2020	Excp 2021	Total Request 2020	Total Request 2021
1	Oversee Oil and Gas Resource Development						
1	<i>Increase Opportunities for Oil and Gas Resource Development</i>						
KEY	1 Percent of Oil and Gas Wells that Are Active						
		73.00%	73.00%			73.00%	73.00%
2	Advance Safety Through Training, Monitoring, and Enforcement						
1	<i>Improve Pipeline Safety</i>						
KEY	1 Average Number of Safety Violations						
		1.50	1.50			1.50	1.50
2	<i>Alternative Energy & Safety Through Regulation</i>						
	1 Average Number of LPG/CNG/LNG Violations						
		1.50	1.50			1.50	1.50
	2 Percent of LPG/CNG/LNG Inspections W/ Non-compliance Items						
		85.00%	85.00%			85.00%	85.00%
3	Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers						
1	<i>Reduce Occurrence of Environmental Violations</i>						
KEY	1 Percent of Oil and Gas Inspections that Identify Violations						
		8.00%	8.00%			8.00%	8.00%
	2 Percent of Wells Not Inspected in Last Five Years						
		5.00%	5.00%			5.00%	5.00%
2	<i>Identify and Abate Environmental Threats</i>						

2.G. Summary of Total Request Objective Outcomes
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/17/2018
 Time: 8:56:37AM

Agency code: 455

Agency name: **Railroad Commission**

Goal/ Objective / Outcome

	BL 2020	BL 2021	Excp 2020	Excp 2021	Total Request 2020	Total Request 2021
KEY						
1 Percent of Known Orphaned Wells Plugged W/Use of State-Managed Funds						
	15.00%	15.00%			15.00%	15.00%
2 % Pollution Sites Inves., Assessed, Cleaned w/State-Managed Funds						
	10.00%	10.00%			10.00%	10.00%
3 <i>Maintain Competitive Prices and Adequate Supplies for Consumers</i>						
1 Average Texas Residential Gas Price as a Percent of National Gas Price						
	103.30	103.30			103.30	103.30

455 Railroad Commission

GOAL: 1 Oversee Oil and Gas Resource Development
 OBJECTIVE: 1 Increase Opportunities for Oil and Gas Resource Development Service Categories:
 STRATEGY: 1 Promote Energy Resource Development Opportunities Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Output Measures:						
	1 Number of Organizations Permitted or Renewed	8,354.00	8,650.00	8,700.00	8,750.00	8,800.00
KEY 2	Number of Drilling Permit Applications Processed	14,491.00	17,210.00	18,000.00	18,500.00	19,000.00
KEY 3	Number of Wells Monitored	436,012.00	436,000.00	439,500.00	443,000.00	446,500.00
Efficiency Measures:						
	1 Average Number of Cases Completed Per Examiner	112.00	100.00	100.00	100.00	100.00
KEY 2	Average Number of Wells Monitored Per Analyst	32,754.00	34,200.00	36,500.00	36,900.00	37,200.00
	3 Percent Permit Applications Processed Within Time Frames	93.00 %	88.00 %	90.00 %	90.00 %	90.00 %
KEY 4	Average Number of Days to Process a Drilling Permit	5.00	3.00	3.00	3.00	3.00
Explanatory/Input Measures:						
	1 Number of Active Oil and Gas Rigs	455.00	535.00	535.00	535.00	535.00
	2 Oil Produced from Leases W/C02 Injection Wells for Tertiary Recovery	82,370,770.00	86,307,076.00	85,500,000.00	85,500,000.00	85,500,000.00
	3 Annual Calendar Year Production of Texas Crude Oil	1,155,825,144.00	1,106,000,000.00	1,200,000,000.00	1,200,000,000.00	1,200,000,000.00
	4 Annual Calendar Year Production of Texas Natural Gas	8,168,767,765.00	7,760,000,000.00	7,650,000,000.00	7,600,000,000.00	7,600,000,000.00
	5 Number of Horizontal Drilling Permits Applications Processed	9,483.00	12,000.00	12,600.00	12,950.00	13,300.00
	6 Number of Vertical Drilling Permit Applications Processed	5,026.00	5,120.00	5,400.00	5,550.00	5,700.00

455 Railroad Commission

GOAL: 1 Oversee Oil and Gas Resource Development
 OBJECTIVE: 1 Increase Opportunities for Oil and Gas Resource Development Service Categories:
 STRATEGY: 1 Promote Energy Resource Development Opportunities Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Objects of Expense:						
1001	SALARIES AND WAGES	\$6,973,746	\$8,062,521	\$8,062,521	\$8,062,521	\$8,062,521
1002	OTHER PERSONNEL COSTS	\$347,935	\$407,349	\$407,349	\$407,349	\$407,349
2001	PROFESSIONAL FEES AND SERVICES	\$941,678	\$4,775,734	\$4,616,254	\$6,302,562	\$5,006,157
2002	FUELS AND LUBRICANTS	\$282	\$300	\$300	\$300	\$300
2003	CONSUMABLE SUPPLIES	\$21,086	\$33,895	\$33,895	\$33,895	\$33,895
2004	UTILITIES	\$2,286	\$10,235	\$10,235	\$10,235	\$10,235
2005	TRAVEL	\$15,780	\$14,600	\$14,600	\$14,600	\$14,600
2006	RENT - BUILDING	\$2,393	\$1,000	\$1,000	\$1,000	\$1,000
2007	RENT - MACHINE AND OTHER	\$17,471	\$33,975	\$33,975	\$33,975	\$33,975
2009	OTHER OPERATING EXPENSE	\$717,879	\$5,190,365	\$5,315,000	\$5,027,185	\$4,960,089
TOTAL, OBJECT OF EXPENSE		\$9,040,536	\$18,529,974	\$18,495,129	\$19,893,622	\$18,530,121
Method of Financing:						
1	General Revenue Fund	\$696,102	\$4,405,387	\$4,405,387	\$4,405,386	\$4,405,386
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$696,102	\$4,405,387	\$4,405,387	\$4,405,386	\$4,405,386

Method of Financing:

455 Railroad Commission

GOAL: 1 Oversee Oil and Gas Resource Development
 OBJECTIVE: 1 Increase Opportunities for Oil and Gas Resource Development Service Categories:
 STRATEGY: 1 Promote Energy Resource Development Opportunities Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
5155	Oil & Gas Regulation	\$7,370,917	\$13,055,258	\$13,020,413	\$14,916,236	\$13,552,735
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$7,370,917	\$13,055,258	\$13,020,413	\$14,916,236	\$13,552,735
Method of Financing:						
555	Federal Funds					
	66.433.000 State Underground Water S	\$419,092	\$419,092	\$419,092	\$352,000	\$352,000
CFDA Subtotal, Fund	555	\$419,092	\$419,092	\$419,092	\$352,000	\$352,000
SUBTOTAL, MOF (FEDERAL FUNDS)		\$419,092	\$419,092	\$419,092	\$352,000	\$352,000
Method of Financing:						
666	Appropriated Receipts	\$554,425	\$650,237	\$650,237	\$220,000	\$220,000
SUBTOTAL, MOF (OTHER FUNDS)		\$554,425	\$650,237	\$650,237	\$220,000	\$220,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$19,893,622	\$18,530,121
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$9,040,536	\$18,529,974	\$18,495,129	\$19,893,622	\$18,530,121
FULL TIME EQUIVALENT POSITIONS:		124.9	144.4	144.4	144.4	144.4

455 Railroad Commission

GOAL: 1 Oversee Oil and Gas Resource Development
 OBJECTIVE: 1 Increase Opportunities for Oil and Gas Resource Development Service Categories:
 STRATEGY: 1 Promote Energy Resource Development Opportunities Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Natural Resource Code Annotated Title 3 authorizes activities associated with Energy Resource Development, which include processing organization reports and certificates of compliance; issuing drilling permits; making groundwater advisory determinations; processing completion reports; issuing production allowables; implementing production incentives; and maintaining accurate maps. These activities ensure that investment capital continues to support exploration and development by providing effective and efficient regulation. Success in this effort ensures the orderly and efficient development of oil and gas resources and the protection of public health and the environment.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting the strategy include commodity prices. As prices recovered and stabilized in FY2016 and FY2017, the number of drilling permit applications increased by 28 percent. Other agency activities, such as production reporting and various maintenance processes, continued at high levels due to the existing inventory of oil and gas wells. As of April 30, 2018, there were 435,240 wells carried on the Commission's oil and gas well schedule.

Internal factors impacting this strategy include the need for funds to hire, train, and retain a strong, professional workforce. This challenge will continue to grow as an increasing number of experienced employees become eligible to retire over the next few years. Another internal factor impacting the strategy is the need for capital funding for new or enhanced automated systems. Updates of this nature are needed to ensure the Commission continually improves upon process efficiencies, accepts more filings online, and makes key data more readily accessible to stakeholders, including Commission employees, oil and gas operators, the general public, other state agencies, and agencies of the federal government.

455 Railroad Commission

GOAL: 1 Oversee Oil and Gas Resource Development
 OBJECTIVE: 1 Increase Opportunities for Oil and Gas Resource Development Service Categories:
 STRATEGY: 1 Promote Energy Resource Development Opportunities Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2018 + Bud 2019)</u>	<u>Baseline Request (BL 2020 + BL 2021)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$37,025,103	\$38,423,743	\$1,398,640	\$(860,474)	Reduction for change in estimated appropriated receipts.
			\$(134,190)	Reduction for change in estimated federal funds.
			\$2,393,304	Increase for Mainframe Transformation Capital Project.
			\$1,398,640	Total of Explanation of Biennial Change

455 Railroad Commission

GOAL: 2 Advance Safety Through Training, Monitoring, and Enforcement
 OBJECTIVE: 1 Improve Pipeline Safety
 STRATEGY: 1 Ensure Pipeline Safety

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Output Measures:						
KEY 1	Number of Pipeline Safety Inspections Performed	2,812.00	2,300.00	2,500.00	2,600.00	2,700.00
	2 Number of Pipeline Safety Violations Identified through Inspections	2,152.00	2,400.00	2,500.00	2,550.00	2,600.00
	3 # Pipeline Accident Investigations & Special Investigations	598.00	900.00	1,000.00	1,100.00	1,200.00
Efficiency Measures:						
KEY 1	Average Number of Pipeline Field Inspections Per Field Inspector	108.00	100.00	100.00	100.00	100.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$4,755,406	\$6,206,010	\$6,206,010	\$6,206,010	\$6,206,010
1002	OTHER PERSONNEL COSTS	\$161,999	\$200,634	\$200,634	\$200,634	\$200,634
2001	PROFESSIONAL FEES AND SERVICES	\$333,642	\$1,830,534	\$1,614,650	\$1,613,700	\$1,354,573
2002	FUELS AND LUBRICANTS	\$97,241	\$160,453	\$160,453	\$160,453	\$160,453
2003	CONSUMABLE SUPPLIES	\$13,460	\$20,285	\$20,285	\$20,285	\$20,285
2004	UTILITIES	\$72,496	\$8,934	\$8,934	\$8,934	\$8,934
2005	TRAVEL	\$399,230	\$710,241	\$710,241	\$710,241	\$710,241
2006	RENT - BUILDING	\$49,800	\$47,236	\$47,236	\$47,236	\$47,236
2007	RENT - MACHINE AND OTHER	\$12,240	\$23,235	\$23,235	\$23,235	\$23,235

455 Railroad Commission

GOAL: 2 Advance Safety Through Training, Monitoring, and Enforcement
 OBJECTIVE: 1 Improve Pipeline Safety
 STRATEGY: 1 Ensure Pipeline Safety

Service Categories:

Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2009	OTHER OPERATING EXPENSE	\$390,973	\$3,220,269	\$1,397,361	\$1,930,521	\$1,995,838
5000	CAPITAL EXPENDITURES	\$595,287	\$264,000	\$170,000	\$982,170	\$322,848
TOTAL, OBJECT OF EXPENSE		\$6,881,774	\$12,691,831	\$10,559,039	\$11,903,419	\$11,050,287
Method of Financing:						
1	General Revenue Fund	\$3,888,748	\$2,676,899	\$2,710,727	\$2,836,034	\$2,619,896
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$3,888,748	\$2,676,899	\$2,710,727	\$2,836,034	\$2,619,896
Method of Financing:						
5155	Oil & Gas Regulation	\$1,093,726	\$5,723,680	\$4,211,021	\$5,625,385	\$4,988,391
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$1,093,726	\$5,723,680	\$4,211,021	\$5,625,385	\$4,988,391
Method of Financing:						
555	Federal Funds					
	20.700.000 Pipeline Safety	\$1,899,300	\$4,291,252	\$3,637,291	\$3,442,000	\$3,442,000
CFDA Subtotal, Fund	555	\$1,899,300	\$4,291,252	\$3,637,291	\$3,442,000	\$3,442,000
SUBTOTAL, MOF (FEDERAL FUNDS)		\$1,899,300	\$4,291,252	\$3,637,291	\$3,442,000	\$3,442,000

455 Railroad Commission

GOAL: 2 Advance Safety Through Training, Monitoring, and Enforcement
 OBJECTIVE: 1 Improve Pipeline Safety
 STRATEGY: 1 Ensure Pipeline Safety

Service Categories:

Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$11,903,419	\$11,050,287
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$6,881,774	\$12,691,831	\$10,559,039	\$11,903,419	\$11,050,287
FULL TIME EQUIVALENT POSITIONS:		81.3	106.1	106.1	106.1	106.1

STRATEGY DESCRIPTION AND JUSTIFICATION:

Texas Utilities Code, Chapter 121, and Texas Natural Resources Code, Chapters 117 and 118, authorize the activities associated with Pipeline Safety Program, which include conducting field inspections and accident investigations; participating in emergency response; and developing educational programs. The Pipeline Safety Program is administered through a federal/state partnership with the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration. The federal Pipeline Safety Act allows state assumption of the intrastate regulatory and enforcement responsibilities through this partnership. The Commission regulates nearly 217,000 miles of intrastate natural gas distribution, gathering, and transmission pipelines, and hazardous liquids and CO2 transmission and gathering lines.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

455 Railroad Commission

GOAL: 2 Advance Safety Through Training, Monitoring, and Enforcement
 OBJECTIVE: 1 Improve Pipeline Safety Service Categories:
 STRATEGY: 1 Ensure Pipeline Safety Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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There are several external factors that impact the Pipeline Safety Program. The federal Pipeline Safety Act, 49 USC 60101, et seq., Section 60107 limits the federal share of a state pipeline safety budget to up to 80 percent of the of the cost of the personnel, equipment, and activities the authority reasonably requires, based on agency performance. However, federal funding has not been sufficient to meet the prescribed funding level in prior years. General revenue funds therefore provide additional support for the Pipeline Safety Program. To fund the remainder of the program, a pipeline safety fee is charged to all natural gas distribution and municipal operators on a per service line basis, pursuant to Texas Utilities Code, Sec. 121.211, which establishes the maximum fees at \$1.00 per distribution service line. This statute also establishes an annual \$100 fee per master meter system. Pursuant to Commission rule 16 Tex. Admin. Code §8.201, the service line fee is currently \$1.00 per service line per year, and the master meter fee is \$100 per system. Internal factors impacting this strategy include continual new regulatory requirements with limited ability to expand inspection staff resources; lack of stable employee retention due to non-competitiveness with industry employment compensation; aging technology and equipment; as well as the limitations on capital funding needed to ensure a standard replacement schedule for equipment for inspectors (vehicles, computers, cell phones, and other items) and new or enhanced automated systems.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$23,250,870	\$22,953,706	\$(297,164)	\$(1,044,543)	Reductions in estimated federal funds.
			\$178,961	GR Changes in capital budgets.
			\$568,418	GR redistribution of base budget.
			\$(297,164)	Total of Explanation of Biennial Change

455 Railroad Commission

GOAL: 2 Advance Safety Through Training, Monitoring, and Enforcement
 OBJECTIVE: 1 Improve Pipeline Safety
 STRATEGY: 2 Pipeline Damage Prevention

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Output Measures:						
KEY 1	Number of Excavation Damage Enforcement Cases Completed	3,641.00	2,684.00	3,600.00	3,500.00	3,500.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$349,504	\$529,717	\$529,717	\$529,717	\$529,717
1002	OTHER PERSONNEL COSTS	\$13,288	\$24,212	\$24,783	\$24,498	\$24,498
2001	PROFESSIONAL FEES AND SERVICES	\$207,270	\$208,240	\$208,240	\$208,240	\$208,240
2002	FUELS AND LUBRICANTS	\$501	\$500	\$500	\$500	\$500
2003	CONSUMABLE SUPPLIES	\$2,635	\$2,358	\$2,358	\$2,358	\$2,358
2004	UTILITIES	\$280	\$3,058	\$3,058	\$3,058	\$3,058
2005	TRAVEL	\$8,100	\$10,956	\$10,956	\$10,956	\$10,956
2006	RENT - BUILDING	\$2,447	\$1,003	\$1,003	\$1,003	\$1,003
2007	RENT - MACHINE AND OTHER	\$3,298	\$5,250	\$5,250	\$5,250	\$5,250
2009	OTHER OPERATING EXPENSE	\$185,380	\$404,823	\$404,251	\$234,536	\$234,537
TOTAL, OBJECT OF EXPENSE		\$772,703	\$1,190,117	\$1,190,116	\$1,020,116	\$1,020,117
Method of Financing:						
1	General Revenue Fund	\$455,974	\$374,935	\$374,934	\$374,934	\$374,935

455 Railroad Commission

GOAL: 2 Advance Safety Through Training, Monitoring, and Enforcement
 OBJECTIVE: 1 Improve Pipeline Safety
 STRATEGY: 2 Pipeline Damage Prevention

Service Categories:

Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$455,974	\$374,935	\$374,934	\$374,934	\$374,935
Method of Financing:						
5155	Oil & Gas Regulation	\$128,106	\$357,182	\$357,182	\$357,182	\$357,182
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$128,106	\$357,182	\$357,182	\$357,182	\$357,182
Method of Financing:						
555	Federal Funds					
	20.700.000 Pipeline Safety	\$188,623	\$458,000	\$458,000	\$288,000	\$288,000
CFDA Subtotal, Fund	555	\$188,623	\$458,000	\$458,000	\$288,000	\$288,000
SUBTOTAL, MOF (FEDERAL FUNDS)		\$188,623	\$458,000	\$458,000	\$288,000	\$288,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,020,116	\$1,020,117
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$772,703	\$1,190,117	\$1,190,116	\$1,020,116	\$1,020,117
FULL TIME EQUIVALENT POSITIONS:		6.4	9.7	9.7	9.7	9.7

455 Railroad Commission

GOAL: 2 Advance Safety Through Training, Monitoring, and Enforcement
 OBJECTIVE: 1 Improve Pipeline Safety Service Categories:
 STRATEGY: 2 Pipeline Damage Prevention Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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STRATEGY DESCRIPTION AND JUSTIFICATION:

Texas Utilities Code, Chapter 121, Texas Natural Resources Code, Chapters 117 and 118, and Texas Health and Safety Code, Section 756.126, authorize the activities associated with the Pipeline Safety Damage Prevention Program, which include all activities related to the enforcement of damage prevention that involves the "movement of earth" near pipeline facilities. The majority of the effort is spent reviewing damage reports filed by both excavators and pipeline operators to match the reports to the same event. Additionally, the program develops and presents educational programs to statewide stakeholders. The damage prevention program is also administered through a federal/state partnership with the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA). The federal Pipeline Safety Act allows state assumption of the intrastate regulatory and enforcement responsibilities through this partnership.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

There are several external factors that impact the Damage Prevention Program. In the federal Pipeline Safety Act, 49 USC 60101, et seq., Section 60107 limits the federal share of a state pipeline safety budget to up to 80 percent of the of the cost of the personnel, equipment, and activities the authority requires, based on agency performance. However, federal funding has not been sufficient to meet this funding level. Federal grants are limited to the funds appropriated by Congress to PHMSA. If total state agency requests for grants exceed the funds available, the Administrator prorates each state agency's allocation to the maximum funding level available to each state based on actual expenses. General revenue funds therefore provide additional support for the Pipeline Safety Program. To fund the remainder of the program, a pipeline safety fee is charged to all natural gas distribution and municipal operators on a per service line basis, pursuant to Texas Utilities Code, Sec. 121.211, which establishes the maximum fees at \$1.00 per distribution service line. This statute also establishes an annual \$100 fee per master meter system. Pursuant to Commission rule 16 Tex. Admin. Code §8.201, the service line fee is currently \$1.00 per service line per year, and the master meter fee is \$100 per system. Internal factors impacting this strategy include limited access to computer resources to streamline report processing and to add enforcement capabilities and having limited staff resources to expand activities beyond in-office compliance reviews of damage reports.

455 Railroad Commission

GOAL: 2 Advance Safety Through Training, Monitoring, and Enforcement
 OBJECTIVE: 1 Improve Pipeline Safety Service Categories:
 STRATEGY: 2 Pipeline Damage Prevention Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$2,380,233	\$2,040,233	\$(340,000)	\$(340,000)	Reduction in estimated federal funds.
			\$(340,000)	Total of Explanation of Biennial Change

455 Railroad Commission

GOAL: 2 Advance Safety Through Training, Monitoring, and Enforcement
 OBJECTIVE: 2 Alternative Energy & Safety Through Regulation
 STRATEGY: 1 Regulate Alternative Fuel Resources

Service Categories:

Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Output Measures:						
KEY 1	# of LPG/LNG/CNG Safety Inspections Performed	17,053.00	16,074.00	18,000.00	20,000.00	20,000.00
2	# of LPG/LNG/CNG Safety Violations Identified through Inspection	16,984.00	12,788.00	16,000.00	18,000.00	18,000.00
3	Number of LPG/CNG/LNG Investigations	226.00	283.00	225.00	225.00	225.00
4	Number of LPG/CNG/LNG Exams Administered	34,918.00	33,105.00	36,000.00	36,000.00	38,000.00
5	# Training Hours Provided to LP-gas Licensees and Certificate Holders	2,664.00	3,307.00	3,500.00	3,750.00	3,750.00
Efficiency Measures:						
1	Average Number of LPG/CNG/LNG Safety Inspections Per Inspector	1,535.00	1,526.00	1,150.00	1,350.00	1,350.00
2	Percent of LPG/CNG/LNG Reports Processed W/ in 30 Days	28.00 %	17.00 %	85.00 %	90.00 %	90.00 %
3	Percentage of Applications to Install LPG/CNG/LNG Facility Processed	95.00 %	95.00 %	90.00 %	90.00 %	90.00 %
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,647,777	\$1,674,701	\$1,674,701	\$1,674,701	\$1,674,701
1002	OTHER PERSONNEL COSTS	\$44,648	\$58,267	\$58,267	\$58,267	\$58,267
2001	PROFESSIONAL FEES AND SERVICES	\$12,132	\$189,661	\$189,661	\$203,751	\$222,483
2002	FUELS AND LUBRICANTS	\$39,638	\$48,338	\$48,338	\$48,338	\$48,338

455 Railroad Commission

GOAL: 2 Advance Safety Through Training, Monitoring, and Enforcement
 OBJECTIVE: 2 Alternative Energy & Safety Through Regulation Service Categories:
 STRATEGY: 1 Regulate Alternative Fuel Resources Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2003	CONSUMABLE SUPPLIES	\$15,109	\$20,989	\$20,989	\$20,989	\$20,989
2004	UTILITIES	\$21,564	\$4,498	\$4,498	\$4,498	\$4,498
2005	TRAVEL	\$90,984	\$98,819	\$98,819	\$98,819	\$98,819
2006	RENT - BUILDING	\$114	\$6,004	\$6,004	\$6,004	\$6,004
2007	RENT - MACHINE AND OTHER	\$4,639	\$5,337	\$5,337	\$5,337	\$5,337
2009	OTHER OPERATING EXPENSE	\$189,296	\$376,044	\$376,044	\$382,868	\$382,868
5000	CAPITAL EXPENDITURES	\$188,654	\$0	\$0	\$111,864	\$81,733
TOTAL, OBJECT OF EXPENSE		\$2,254,555	\$2,482,658	\$2,482,658	\$2,615,436	\$2,604,037
Method of Financing:						
1	General Revenue Fund	\$1,803,563	\$1,595,222	\$1,595,222	\$1,633,436	\$1,622,037
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,803,563	\$1,595,222	\$1,595,222	\$1,633,436	\$1,622,037
Method of Financing:						
666	Appropriated Receipts	\$450,992	\$887,436	\$887,436	\$982,000	\$982,000
SUBTOTAL, MOF (OTHER FUNDS)		\$450,992	\$887,436	\$887,436	\$982,000	\$982,000

455 Railroad Commission

GOAL: 2 Advance Safety Through Training, Monitoring, and Enforcement
 OBJECTIVE: 2 Alternative Energy & Safety Through Regulation Service Categories:
 STRATEGY: 1 Regulate Alternative Fuel Resources Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,615,436	\$2,604,037
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,254,555	\$2,482,658	\$2,482,658	\$2,615,436	\$2,604,037
FULL TIME EQUIVALENT POSITIONS:		30.6	31.1	31.1	31.1	31.1

STRATEGY DESCRIPTION AND JUSTIFICATION:

Chapters 113 and 116 in the Texas Natural Resources Code authorize the Commission to oversee the safe storage, transportation, dispensing and use of liquefied petroleum gas (LPG/LP-gas), compressed natural gas (CNG), and liquefied natural gas (LNG). The Alternative Fuels Safety Department annually issues approximately 7,200 licenses; registers approximately 6,800 transport cargo tank vehicles, and cylinder delivery units; certifies or registers approximately 22,800 individuals to perform jurisdictional alternative fuels activities; and provides approximately 2,700 hours of LP-gas training to industry. In addition to providing safety training, the department investigates accidents and complaints involving alternative fuels; responds to emergencies; presents alternative fuel safety training to emergency responders; and performs more than 17,000 safety inspections annually. Safety inspections are conducted on-site and include both stationary facilities and mobile equipment. Stationary sites inspected are schools, health care centers, retail, commercial and industrial businesses, alternative fuels cylinder filling and service stations, and facilities utilizing stationary fuel-storage containers. Mobile equipment inspections include school buses, mass transit, transport cargo tanks, cylinder delivery vehicles, catering trucks, and industrial forklifts. The training provided to industry is focused on the regulations that persons performing regulated activities with LP-gas must know in order to perform these activities safely.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

455 Railroad Commission

GOAL: 2 Advance Safety Through Training, Monitoring, and Enforcement
 OBJECTIVE: 2 Alternative Energy & Safety Through Regulation Service Categories:
 STRATEGY: 1 Regulate Alternative Fuel Resources Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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The activities performed by the Alternative Fuels Safety Department are funded through a combination of appropriated receipts and general revenue. The training and exam certification program is supported through fees collected for safety classes, exam certifications, and registrations. The on-site safety inspection and compliance activities of the field operations program are dependent upon revenue collected from licenses and permits issued, and registration of cargo tank transport vehicles. A decrease in the number of individuals requesting training, certification exams, or registration will have an adverse effect on the funding and operation of the training and certification program. A reduction in the number of licenses issued and cargo tank transport vehicles registered will result in less revenue for conducting on-site safety inspections that identify hazardous installations and implementing corrective enforcement action.

Internal factors impacting this strategy include low wage compensation, in-state and out-of-state travel, cost of maintaining vehicles and equipment, end-user computers, related peripheral items, new or enhanced automated software and database systems, and employee training and continuing education.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$4,965,316	\$5,219,473	\$254,157	\$189,128	Increase in estimated appropriated receipts.
			\$65,029	GR Changes in capital budgets.
			\$254,157	Total of Explanation of Biennial Change

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 1 Reduce Occurrence of Environmental Violations
 STRATEGY: 1 Oil and Gas Monitoring and Inspections

Service Categories:

Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Output Measures:						
KEY 1	Number of Oil and Gas Well and Facility Inspections Performed	155,880.00	170,000.00	176,000.00	176,000.00	176,000.00
	2 Number of Enforcement Referrals for Legal Action	1,309.00	1,300.00	1,300.00	1,300.00	1,300.00
KEY 3	# Oil & Gas Environmental Permit Applications & Reports Processed	103,119.00	105,000.00	110,000.00	110,000.00	110,000.00
	4 # of Actions Initiated through Issuance of Severance/Seal Orders (HQ)	55,338.00	48,000.00	48,500.00	49,000.00	49,000.00
	5 Number of District-initiated Issuance of Severance/seal Orders	438.00	412.00	400.00	425.00	425.00
	6 # Of Well and Facility Inspections Performed with No Violation	125,859.00	147,000.00	152,000.00	152,000.00	152,000.00
Efficiency Measures:						
KEY 1	Avg # of Oil and Gas Well and Facility Inspections Performed	1,105.00	1,076.00	1,114.00	1,114.00	1,114.00
	2 Percent of Total Well Population Inspected	23.00 %	30.00 %	30.00 %	22.50 %	22.50 %
Explanatory/Input Measures:						
KEY 1	# of Oil/Gas Wells and Other Related Facilities Subject to Regulation	459,166.00	465,880.00	465,500.00	469,000.00	472,500.00

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 1 Reduce Occurrence of Environmental Violations
 STRATEGY: 1 Oil and Gas Monitoring and Inspections

Service Categories:

Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2	Number of Statewide Rule Violations	44,238.00	31,000.00	32,000.00	35,000.00	35,000.00
3	Number of Major Statewide Rule Violations	75.00	60.00	60.00	60.00	60.00
4	Percent of Violations Corrected Within 90 Days	19.00 %	25.00 %	25.00 %	25.00 %	25.00 %
Objects of Expense:						
1001	SALARIES AND WAGES	\$13,562,386	\$15,971,831	\$15,971,831	\$15,971,831	\$15,971,831
1002	OTHER PERSONNEL COSTS	\$513,051	\$700,549	\$700,549	\$700,549	\$700,549
2001	PROFESSIONAL FEES AND SERVICES	\$144,755	\$4,895,396	\$4,185,263	\$6,174,328	\$7,885,992
2002	FUELS AND LUBRICANTS	\$412,411	\$387,300	\$387,300	\$387,300	\$387,300
2003	CONSUMABLE SUPPLIES	\$27,259	\$55,738	\$55,738	\$55,738	\$55,738
2004	UTILITIES	\$178,614	\$134,000	\$134,000	\$134,000	\$134,000
2005	TRAVEL	\$23,431	\$45,485	\$45,485	\$45,485	\$45,485
2006	RENT - BUILDING	\$332,005	\$380,200	\$380,200	\$380,200	\$380,200
2007	RENT - MACHINE AND OTHER	\$56,231	\$53,204	\$53,204	\$53,204	\$53,204
2009	OTHER OPERATING EXPENSE	\$572,729	\$5,375,717	\$5,905,507	\$7,459,846	\$3,803,025
5000	CAPITAL EXPENDITURES	\$272,461	\$751,000	\$1,056,000	\$423,966	\$616,065
TOTAL, OBJECT OF EXPENSE		\$16,095,333	\$28,750,420	\$28,875,077	\$31,786,447	\$30,033,389

Method of Financing:

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 1 Reduce Occurrence of Environmental Violations
 STRATEGY: 1 Oil and Gas Monitoring and Inspections

Service Categories:

Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
1	General Revenue Fund	\$1,070,214	\$6,772,994	\$6,772,994	\$6,772,994	\$6,772,994
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,070,214	\$6,772,994	\$6,772,994	\$6,772,994	\$6,772,994
Method of Financing:						
5155	Oil & Gas Regulation	\$15,025,119	\$21,927,426	\$22,052,083	\$24,963,453	\$23,210,395
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$15,025,119	\$21,927,426	\$22,052,083	\$24,963,453	\$23,210,395
Method of Financing:						
666	Appropriated Receipts	\$0	\$50,000	\$50,000	\$50,000	\$50,000
SUBTOTAL, MOF (OTHER FUNDS)		\$0	\$50,000	\$50,000	\$50,000	\$50,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$31,786,447	\$30,033,389
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$16,095,333	\$28,750,420	\$28,875,077	\$31,786,447	\$30,033,389
FULL TIME EQUIVALENT POSITIONS:		238.1	280.4	280.4	280.4	280.4
STRATEGY DESCRIPTION AND JUSTIFICATION:						

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 1 Reduce Occurrence of Environmental Violations Service Categories:
 STRATEGY: 1 Oil and Gas Monitoring and Inspections Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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The Texas Natural Resource Code Annotated Title 3 authorizes oil and gas monitoring and inspection activities, which include conducting field inspections; witnessing tests; reviewing monitoring reports; processing applications; and issuing enforcement actions. Success in this effort ensures that oil and gas permitted activities comply with applicable state and federal regulations protecting the public and the state's surface and subsurface water resources.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting the strategy include the large inventory of oil and gas wells. As of April 30, 2018, there were 435,240 wells carried on the Commission's oil and gas schedules.

Internal factors impacting this strategy include the need for funds to hire, train, and retain a strong, professional workforce. This challenge will continue to grow as an increasing number of experienced employees become eligible to retire over the next few years. Another internal factor impacting the strategy is the need for capital funding for new or enhanced automated systems. Updates of this nature are needed to ensure the Commission continually improves upon process efficiencies and makes key data more readily accessible to stakeholders, including Commission employees, oil and gas operators, the general public, other state agencies, and agencies of the federal government.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2018 + Bud 2019)</u>	<u>Baseline Request (BL 2020 + BL 2021)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$57,625,497	\$61,819,836	\$4,194,339	\$4,194,339	OGRC Increase for Mainframe Transformation Project.
			\$4,194,339	Total of Explanation of Biennial Change

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 1 Reduce Occurrence of Environmental Violations Service Categories:
 STRATEGY: 2 Surface Mining Monitoring and Inspections Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Output Measures:						
KEY 1	Number of Coal Mining Inspections Performed	422.00	400.00	400.00	400.00	400.00
2	Number of Coal Mining Permit Actions Processed	628.00	500.00	500.00	500.00	500.00
3	Percent of Uranium Exploration Sites Inspected Monthly	25.00 %	100.00 %	95.00 %	95.00 %	95.00 %
Efficiency Measures:						
1	Average # Days to Process Uranium Exploration Permitting Actions	18.00	30.00	30.00	30.00	30.00
2	Percent of Coal Permitting Actions Within Statutory Time Frames	97.00 %	90.00 %	90.00 %	90.00 %	90.00 %
Explanatory/Input Measures:						
1	Annual Calendar Year Production of Texas Lignite Coal	39,139,879.00	37,000,000.00	37,000,000.00	37,000,000.00	37,000,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,536,213	\$2,644,137	\$2,644,137	\$2,644,137	\$2,644,137
1002	OTHER PERSONNEL COSTS	\$83,773	\$109,265	\$109,265	\$109,265	\$109,265
2001	PROFESSIONAL FEES AND SERVICES	\$18,942	\$418,936	\$387,684	\$387,684	\$387,684
2002	FUELS AND LUBRICANTS	\$10,321	\$45,043	\$45,043	\$45,043	\$45,043
2003	CONSUMABLE SUPPLIES	\$9,258	\$20,636	\$20,636	\$20,636	\$20,636
2004	UTILITIES	\$2,706	\$17,100	\$17,100	\$17,100	\$17,100

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 1 Reduce Occurrence of Environmental Violations Service Categories:
 STRATEGY: 2 Surface Mining Monitoring and Inspections Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2005	TRAVEL	\$29,452	\$39,180	\$39,180	\$39,180	\$39,180
2006	RENT - BUILDING	\$19,314	\$19,300	\$19,300	\$19,300	\$19,300
2007	RENT - MACHINE AND OTHER	\$4,135	\$5,887	\$5,887	\$5,887	\$5,887
2009	OTHER OPERATING EXPENSE	\$97,380	\$219,782	\$251,034	\$93,502	\$93,502
5000	CAPITAL EXPENDITURES	\$342,096	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$3,153,590	\$3,539,266	\$3,539,266	\$3,381,734	\$3,381,734
Method of Financing:						
1	General Revenue Fund	\$2,002,434	\$1,986,263	\$1,986,263	\$1,981,734	\$1,981,734
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$2,002,434	\$1,986,263	\$1,986,263	\$1,981,734	\$1,981,734
Method of Financing:						
555	Federal Funds					
	15.250.000 Regulation of Surface Coa	\$1,098,724	\$1,500,571	\$1,500,571	\$1,400,000	\$1,400,000
CFDA Subtotal, Fund	555	\$1,098,724	\$1,500,571	\$1,500,571	\$1,400,000	\$1,400,000
SUBTOTAL, MOF (FEDERAL FUNDS)		\$1,098,724	\$1,500,571	\$1,500,571	\$1,400,000	\$1,400,000
Method of Financing:						
666	Appropriated Receipts	\$52,432	\$52,432	\$52,432	\$0	\$0

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 1 Reduce Occurrence of Environmental Violations Service Categories:
 STRATEGY: 2 Surface Mining Monitoring and Inspections Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
SUBTOTAL, MOF (OTHER FUNDS)		\$52,432	\$52,432	\$52,432	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,381,734	\$3,381,734
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,153,590	\$3,539,266	\$3,539,266	\$3,381,734	\$3,381,734
FULL TIME EQUIVALENT POSITIONS:		42.3	44.1	44.1	44.1	44.1

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Natural Resource Code Annotated Title 4 requires that the Commission issue surface coal mining permits and perform inspections of coal mining operations to ensure compliance with permits and the state regulations. Activities associated with Surface Mining monitoring and inspections include processing permit revision applications; performing compliance inspections; witnessing and evaluating tests for compliance with reclamation performance standards; evaluating monitoring reports; and issuing enforcement actions. Primacy in regulating the coal mining industry is authorized under the federal Surface Mining Control and Reclamation Act of 1977. To ensure that the Texas coal mining industry is regulated to federal standards, this state program is funded through a 50/50 cost share annual grant through the U. S. Department of Interior. Success in this effort ensures that surface mining permitted activities comply with applicable state and federal regulations.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 1 Reduce Occurrence of Environmental Violations Service Categories:
 STRATEGY: 2 Surface Mining Monitoring and Inspections Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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External factors impacting this strategy include the state's required program funding match at a ratio of not less than 50 percent. General Revenue funds used as state share match are collected from the regulated industry pursuant to Natural Resource Code §134.55. Low natural gas prices are putting heavy pressure on the economics of using coal/lignite to generate electricity. Also, heavy regulatory pressure from the Environmental Protection Agency and proposed rulemaking from the Office of Surface Mining Reclamation and Enforcement could have significant impacts on the use of coal/lignite to generate electricity in Texas. All of these factors may reduce lignite production and may require adjustments to the regulatory fee structure to fund the program at its current level. In addition, the current federal administration budget proposal includes funding reductions for state coal/lignite regulatory programs which could result in a less than 50% match in FY 2018 and 2019, but it is unclear whether the current budget proposal will be the same under a new administration.

Internal factors impacting this strategy include the Commission's inability to retain and/or hire qualified engineers and scientists due to noncompetitive state salaries. Continued capital funding is needed to ensure a standard replacement schedule for vehicles and end-user computers and related peripheral items.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$7,078,532	\$6,763,468	\$(315,064)	\$(113,922)	GR Changes in capital budgets.
			\$(201,142)	Reductions in estimated federal funds.
			<u>\$(315,064)</u>	Total of Explanation of Biennial Change

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 2 Identify and Abate Environmental Threats
 STRATEGY: 1 Oil and Gas Well Plugging and Remediation

Service Categories:

Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Output Measures:						
KEY 1	# Abandoned Sites Investigated, Assessed or Cleaned Up w/State Funds	218.00	200.00	200.00	200.00	200.00
KEY 2	Number of Orphaned Wells Plugged with the Use of State-Managed Funds	917.00	979.00	979.00	979.00	979.00
KEY 3	Tot Aggr Plugging Depth of Orphaned Wells Plugged Use of State Funds	1,906,854.00	3,450,000.00	3,450,000.00	1,955,000.00	1,955,000.00
Efficiency Measures:						
1	Avg Number of Days to Complete State-Managed Abandoned Site Clean-up	84.00	100.00	150.00	150.00	150.00
2	Avg # Days to Plug an Orphaned Well W/ Use of State-Managed Funds	42.00	55.00	60.00	60.00	60.00
Explanatory/Input Measures:						
1	# of Abandoned Sites that Are Candidates for State-Managed Cleanup	2,144.00	2,200.00	2,100.00	2,100.00	2,100.00
2	Number of Complex Operator-initiated Cleanups	516.00	520.00	520.00	520.00	520.00
3	Number of Orphaned Wells Approved for Plugging	1,103.00	1,700.00	1,700.00	1,000.00	1,000.00
4	# of Known Orphaned Wells	5,687.00	6,500.00	6,000.00	6,000.00	6,000.00

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 2 Identify and Abate Environmental Threats Service Categories:
 STRATEGY: 1 Oil and Gas Well Plugging and Remediation Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
	5 # Wells Plugged by Operators without Use of State-Managed Funds	10,325.00	5,100.00	5,500.00	5,500.00	5,500.00
	6 Percent Active Well Operators with Inactive Wells	41.00 %	41.00 %	41.00 %	41.00 %	41.00 %
	7 Number of Shut-in/Inactive Wells	117,203.00	118,000.00	117,500.00	117,000.00	117,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$6,493,565	\$9,663,043	\$9,663,043	\$9,663,043	\$9,663,043
1002	OTHER PERSONNEL COSTS	\$228,491	\$183,907	\$183,907	\$183,907	\$183,907
2001	PROFESSIONAL FEES AND SERVICES	\$3,342,697	\$2,994,553	\$3,025,196	\$6,162,196	\$5,309,892
2002	FUELS AND LUBRICANTS	\$122,669	\$182,352	\$182,352	\$182,352	\$182,352
2003	CONSUMABLE SUPPLIES	\$15,934	\$22,968	\$22,968	\$22,968	\$22,968
2004	UTILITIES	\$79,147	\$107,295	\$107,295	\$107,295	\$107,295
2005	TRAVEL	\$33,611	\$25,890	\$25,890	\$25,890	\$25,890
2006	RENT - BUILDING	\$85,062	\$120,970	\$120,970	\$120,970	\$120,970
2007	RENT - MACHINE AND OTHER	\$22,002	\$23,367	\$23,367	\$23,367	\$23,367
2009	OTHER OPERATING EXPENSE	\$15,834,726	\$39,888,198	\$39,790,229	\$51,634,408	\$13,743,913
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$132,000	\$205,355
TOTAL, OBJECT OF EXPENSE		\$26,257,904	\$53,212,543	\$53,145,217	\$68,258,396	\$29,588,952

Method of Financing:

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 2 Identify and Abate Environmental Threats Service Categories:
 STRATEGY: 1 Oil and Gas Well Plugging and Remediation Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
1	General Revenue Fund	\$1,268,195	\$8,025,962	\$8,025,962	\$8,025,962	\$8,025,962
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,268,195	\$8,025,962	\$8,025,962	\$8,025,962	\$8,025,962
Method of Financing:						
5155	Oil & Gas Regulation	\$24,677,850	\$25,883,277	\$25,815,951	\$21,912,434	\$21,442,990
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$24,677,850	\$25,883,277	\$25,815,951	\$21,912,434	\$21,442,990
Method of Financing:						
555	Federal Funds					
	66.817.000 State and Tribal Response Program	\$111,859	\$111,859	\$111,859	\$120,000	\$120,000
CFDA Subtotal, Fund	555	\$111,859	\$111,859	\$111,859	\$120,000	\$120,000
SUBTOTAL, MOF (FEDERAL FUNDS)		\$111,859	\$111,859	\$111,859	\$120,000	\$120,000
Method of Financing:						
599	Economic Stabilization Fund	\$0	\$19,100,000	\$19,100,000	\$38,200,000	\$0
666	Appropriated Receipts	\$200,000	\$91,445	\$91,445	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$200,000	\$19,191,445	\$19,191,445	\$38,200,000	\$0

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 2 Identify and Abate Environmental Threats Service Categories:
 STRATEGY: 1 Oil and Gas Well Plugging and Remediation Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$68,258,396	\$29,588,952
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$26,257,904	\$53,212,543	\$53,145,217	\$68,258,396	\$29,588,952
FULL TIME EQUIVALENT POSITIONS:		100.8	150.0	150.0	150.0	150.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

Sections 89.001-89.122, 91.113, and 91.651-91.661 of the Texas Natural Resources Code authorize activities associated with Oil and Gas Well Plugging and Site Remediation, which include: identifying, assessing, and prioritizing abandoned wells for state-managed plugging; and identifying, assessing, and prioritizing sites that require the use of state-managed funds for remediation. Success in this effort ensures that the highest priority wells are plugged, and the highest priority sites are remediated, thereby protecting the public and the state’s surface and subsurface water resources.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting this strategy include limited contractor availability related to industry demand for similar services. Most well plugging is performed by contractors engaged by well operators, with whom the Commission competes for available plugging services. Likewise, competition for site assessment and remediation services can increase the cost for such services during periods of strong industry activity. The availability of state and federal grant funds with which the Commission leverages other sources of funding can also impact this strategy.

Internal factors impacting this strategy include the need for funds to hire, train, and retain qualified professional staff. This challenge will continue to grow as an increasing number of experienced employees become eligible to retire over the next few years. Another internal factor impacting the strategy is the need for capital funding for new or enhanced automated systems. Updates of this nature are needed to ensure the Commission continually improves upon process efficiencies.

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 2 Identify and Abate Environmental Threats Service Categories:
 STRATEGY: 1 Oil and Gas Well Plugging and Remediation Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$106,357,760	\$97,847,348	\$(8,510,412)	\$(182,890)	Decrease in estimated appropriated receipts.
			\$16,282	Increase in estimated federal funds.
			\$(8,343,804)	Changes in OGRC capital projects, primarily the Mainframe Transformation project.
			\$(8,510,412)	Total of Explanation of Biennial Change

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 2 Identify and Abate Environmental Threats
 STRATEGY: 2 Surface Mining Reclamation

Service Categories:

Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Explanatory/Input Measures:						
	1 Percent of Abandoned Sites on Which Reclamation Has Been Initiated	80.00 %	90.00 %	95.00 %	95.00 %	95.00 %
Objects of Expense:						
1001	SALARIES AND WAGES	\$547,010	\$532,100	\$532,100	\$532,100	\$532,100
1002	OTHER PERSONNEL COSTS	\$74,630	\$53,886	\$53,886	\$53,886	\$53,886
2001	PROFESSIONAL FEES AND SERVICES	\$4,313,320	\$2,954,353	\$2,944,356	\$2,582,379	\$2,582,379
2002	FUELS AND LUBRICANTS	\$4,314	\$25,035	\$25,035	\$25,035	\$25,035
2003	CONSUMABLE SUPPLIES	\$2,210	\$1,256	\$1,256	\$1,256	\$1,256
2004	UTILITIES	\$823	\$816	\$816	\$816	\$816
2005	TRAVEL	\$14,264	\$4,400	\$4,400	\$4,400	\$4,400
2006	RENT - BUILDING	\$147	\$260	\$260	\$260	\$260
2007	RENT - MACHINE AND OTHER	\$2,679	\$2,480	\$2,480	\$2,480	\$2,480
2009	OTHER OPERATING EXPENSE	\$64,228	\$130,698	\$120,683	\$124,689	\$124,689
5000	CAPITAL EXPENDITURES	\$8,395	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$5,032,020	\$3,705,284	\$3,685,272	\$3,327,301	\$3,327,301

Method of Financing:

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 2 Identify and Abate Environmental Threats
 STRATEGY: 2 Surface Mining Reclamation

Service Categories:

Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
1	General Revenue Fund	\$3,764,410	\$1,730,284	\$1,710,272	\$1,727,301	\$1,727,301
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$3,764,410	\$1,730,284	\$1,710,272	\$1,727,301	\$1,727,301
Method of Financing:						
555	Federal Funds					
	15.252.000 Abandoned Mine Land Recla	\$1,267,610	\$1,975,000	\$1,975,000	\$1,600,000	\$1,600,000
CFDA Subtotal, Fund	555	\$1,267,610	\$1,975,000	\$1,975,000	\$1,600,000	\$1,600,000
SUBTOTAL, MOF (FEDERAL FUNDS)		\$1,267,610	\$1,975,000	\$1,975,000	\$1,600,000	\$1,600,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,327,301	\$3,327,301
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$5,032,020	\$3,705,284	\$3,685,272	\$3,327,301	\$3,327,301
FULL TIME EQUIVALENT POSITIONS:		9.6	9.4	9.4	9.4	9.4
STRATEGY DESCRIPTION AND JUSTIFICATION:						

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 2 Identify and Abate Environmental Threats Service Categories:
 STRATEGY: 2 Surface Mining Reclamation Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$7,390,556	\$6,654,602	\$(735,954)	\$(750,000)	Reduction for change in estimate of Federal Funds.
			\$14,046	GR redistribution of base budget.
			\$(735,954)	Total of Explanation of Biennial Change

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 3 Maintain Competitive Prices and Adequate Supplies for Consumers Service Categories:
 STRATEGY: 1 Ensure Fair Rates and Compliance to Rate Structures Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Output Measures:						
	1 Number of Audits Conducted	136.00	140.00	140.00	140.00	140.00
KEY 2	Number of Gas Utility Dockets Filed	103.00	100.00	80.00	80.00	80.00
	3 Number of Gas Utilitys' Compliance, Tariff and Escalator Filings	127,918.00	115,000.00	130,000.00	130,000.00	130,000.00
Efficiency Measures:						
	1 Average Number of Audits Per Auditor	17.00	17.50	17.50	17.50	17.50
Explanatory/Input Measures:						
	1 Cost of Gas Included in Average Residential Gas Bill	5.00	5.00	5.00	5.00	5.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,751,856	\$1,825,973	\$1,825,973	\$1,825,973	\$1,825,973
1002	OTHER PERSONNEL COSTS	\$65,140	\$72,529	\$72,529	\$72,529	\$72,529
2001	PROFESSIONAL FEES AND SERVICES	\$13,666	\$172,947	\$172,806	\$137,695	\$149,980
2002	FUELS AND LUBRICANTS	\$43	\$43	\$43	\$43	\$43
2003	CONSUMABLE SUPPLIES	\$5,967	\$5,447	\$5,447	\$5,447	\$5,447
2004	UTILITIES	\$4,330	\$3,229	\$3,229	\$3,229	\$3,229
2005	TRAVEL	\$29,397	\$28,225	\$28,225	\$30,773	\$30,773
2006	RENT - BUILDING	\$13,244	\$12,060	\$12,060	\$12,060	\$12,060

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 3 Maintain Competitive Prices and Adequate Supplies for Consumers Service Categories:
 STRATEGY: 1 Ensure Fair Rates and Compliance to Rate Structures Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2007	RENT - MACHINE AND OTHER	\$3,264	\$3,506	\$3,506	\$3,506	\$3,506
2009	OTHER OPERATING EXPENSE	\$97,873	\$300,538	\$286,863	\$278,268	\$298,921
TOTAL, OBJECT OF EXPENSE		\$1,984,780	\$2,424,497	\$2,410,681	\$2,369,523	\$2,402,461
Method of Financing:						
1	General Revenue Fund	\$1,922,341	\$2,362,059	\$2,348,243	\$2,269,523	\$2,302,461
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,922,341	\$2,362,059	\$2,348,243	\$2,269,523	\$2,302,461
Method of Financing:						
666	Appropriated Receipts	\$62,439	\$62,438	\$62,438	\$100,000	\$100,000
SUBTOTAL, MOF (OTHER FUNDS)		\$62,439	\$62,438	\$62,438	\$100,000	\$100,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,369,523	\$2,402,461
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,984,780	\$2,424,497	\$2,410,681	\$2,369,523	\$2,402,461
FULL TIME EQUIVALENT POSITIONS:		26.0	27.1	27.1	27.1	27.1
STRATEGY DESCRIPTION AND JUSTIFICATION:						

455 Railroad Commission

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers
 OBJECTIVE: 3 Maintain Competitive Prices and Adequate Supplies for Consumers Service Categories:
 STRATEGY: 1 Ensure Fair Rates and Compliance to Rate Structures Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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The Texas Utilities Code, Chapters 101-105, 121-124, and 141, and the Texas Administrative Code, Chapters 2 and 7, authorize activities associated with Natural Gas Utility Compliance, which include staff participation in contested rate cases, review of non-contested filings, and auditing regulated gas utilities to ensure that proper gas utility taxes are paid and that approved rates for natural gas and services are charged to consumers. Staff also administers the gas utility electronic tariff filing process, facilitates the resolution of natural gas utility consumer complaints, and regulates propane distribution system rates. These activities ensure that gas utility and propane distribution system rates promote safe, efficient, and reliable supplies of gas at a reasonable cost. In addition, staff ensures through audits that gas utilities are complying with rate structures and submission of gas utility taxes. The Commission administers an informal complaint process to help resolve disputes between parties regarding negotiated natural gas transportation rates, reducing costs to parties and the Commission.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting this strategy include the number, breadth, and complexity of cases presented to the Commission and the number of electronic tariff filings and consumer complaints received. Internal factors include obtaining the necessary funding to ensure a standard replacement schedule for end-user computers and related peripheral items, as well as new or enhanced automated systems. Updates of this nature are needed to ensure the Commission continually improves process efficiencies.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$4,835,178	\$4,771,984	\$(63,194)	\$75,124	Change in estimated appropriated receipts.
			\$(138,318)	GR changes in capital budgets.
			<u>\$(63,194)</u>	Total of Explanation of Biennial Change

455 Railroad Commission

GOAL: 4 Public Access to Information and Services
 OBJECTIVE: 1 Increase Public Access to Information
 STRATEGY: 1 Public Information and Services

Service Categories:
 Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Output Measures:						
KEY 1	Number of Documents Provided to Customers by Info Services	196,797.00	212,000.00	195,000.00	185,000.00	175,000.00
2	Number of Reports Provided to Customers from Electronic Data Records	5,044.00	5,850.00	6,400.00	7,000.00	7,500.00
3	Number of Railroad Commission Records Imaged From Non-digital Formats	1,746,108.00	4,033,000.00	5,000,000.00	1,500,000.00	1,000,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,100,388	\$1,161,261	\$1,161,261	\$1,161,261	\$1,161,261
1002	OTHER PERSONNEL COSTS	\$43,604	\$54,014	\$54,014	\$54,014	\$54,014
2001	PROFESSIONAL FEES AND SERVICES	\$131,886	\$193,738	\$271,600	\$1,274,000	\$686,000
2002	FUELS AND LUBRICANTS	\$40	\$40	\$40	\$40	\$40
2003	CONSUMABLE SUPPLIES	\$14,487	\$19,855	\$19,855	\$19,855	\$19,855
2004	UTILITIES	\$322	\$322	\$322	\$322	\$322
2005	TRAVEL	\$1,434	\$1,434	\$1,434	\$1,434	\$1,434
2006	RENT - BUILDING	\$38,974	\$58,987	\$58,987	\$58,987	\$58,987
2007	RENT - MACHINE AND OTHER	\$16,937	\$34,326	\$34,326	\$34,326	\$34,326
2009	OTHER OPERATING EXPENSE	\$601,060	\$991,104	\$1,050,219	\$819,676	\$819,674

455 Railroad Commission

GOAL: 4 Public Access to Information and Services
 OBJECTIVE: 1 Increase Public Access to Information
 STRATEGY: 1 Public Information and Services

Service Categories:

Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
TOTAL, OBJECT OF EXPENSE		\$1,949,132	\$2,515,081	\$2,652,058	\$3,423,915	\$2,835,913
Method of Financing:						
1	General Revenue Fund	\$98,071	\$620,657	\$620,657	\$620,657	\$620,656
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$98,071	\$620,657	\$620,657	\$620,657	\$620,656
Method of Financing:						
5155	Oil & Gas Regulation	\$1,434,157	\$1,294,424	\$1,431,401	\$2,195,458	\$1,607,457
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$1,434,157	\$1,294,424	\$1,431,401	\$2,195,458	\$1,607,457
Method of Financing:						
666	Appropriated Receipts	\$416,904	\$600,000	\$600,000	\$607,800	\$607,800
SUBTOTAL, MOF (OTHER FUNDS)		\$416,904	\$600,000	\$600,000	\$607,800	\$607,800
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,423,915	\$2,835,913
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,949,132	\$2,515,081	\$2,652,058	\$3,423,915	\$2,835,913
FULL TIME EQUIVALENT POSITIONS:		23.5	24.8	24.8	24.8	24.8

455 Railroad Commission

GOAL: 4 Public Access to Information and Services
 OBJECTIVE: 1 Increase Public Access to Information Service Categories:
 STRATEGY: 1 Public Information and Services Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Natural Resource Code Annotated Title 3 authorizes activities associated with Public Information and Services, which include collecting, maintaining, and preserving oil and gas data; providing efficient public access to this information; and offering regulated industries a means to conduct their business electronically. Success in this effort ensures that valuable information is available to the general public, investors, and other interested parties at a reasonable cost.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Internal factors impacting this strategy include the availability of appropriate technology for document preservation and more efficient means of public access. A second internal factor is the availability of ongoing funding to modernize and maintain databases needed to provide public access and preservation as well as more efficient processing of valuable regulatory data, and expanded electronic filing options for the regulated industries, which must be completed to realize the full deployment of planned technology enhancements. Additionally, it is necessary to obtain the funding needed to ensure a standard replacement schedule for needed computer equipment as well as new or enhanced automated systems. Updates of this nature are needed to ensure the Commission continually improves process efficiencies.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$5,167,139	\$6,259,828	\$1,092,689	\$15,600	Increase in estimated appropriated receipts.
			\$1,077,089	OGRC Changes in capital budgets.
			\$1,092,689	Total of Explanation of Biennial Change

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$73,422,327	\$129,041,671	\$127,034,513	\$147,979,909	\$104,774,312
METHODS OF FINANCE (INCLUDING RIDERS):				\$147,979,909	\$104,774,312
METHODS OF FINANCE (EXCLUDING RIDERS):	\$73,422,327	\$129,041,671	\$127,034,513	\$147,979,909	\$104,774,312
FULL TIME EQUIVALENT POSITIONS:	683.5	827.1	827.1	827.1	827.1

3.A.1. PROGRAM-LEVEL REQUEST SCHEDULE
86th Regular Session, Agency Submission, Version 1

Agency Code: 455		Agency: Railroad Commission of Texas				Prepared By: Corey Crawford					
Date:						18-19	Requested	Requested	Biennial Total	Biennial Difference	
Goal	Goal Name	Strategy	Strategy Name	Program	Program Name	Base	2020	2021	20-21	\$	%
A	Energy Resources	A.1.1.	Energy Resources Development	A.1.1.1.	Administrative Compliance	\$ 17,881,310	\$ 9,433,909	\$ 8,968,701	\$ 18,402,610	\$ 521,300	2.9%
				A.1.1.2.	Groundwater Advisory Unit	2,125,798	1,122,899	1,122,899	2,245,798	120,000	5.6%
				A.1.1.3.	Technical Permitting	17,017,995	9,336,814	8,438,521	17,775,335	757,340	4.5%
						37,025,103	19,893,622	18,530,121	38,423,743	1,398,640	
B	Safety Programs	B.1.1.	Pipeline Safety	B.1.1.1.	Pipeline Safety/Inspections	23,250,870	11,903,419	11,050,287	22,953,706	(297,164)	-1.3%
B	Safety Programs	B.1.2.	Pipeline Damage Prevention	B.1.2.1.	Underground Damage Prevention	2,380,233	1,020,116	1,020,117	2,040,233	(340,000)	-14.3%
B	Safety Programs	B.2.1.	Regulate Alternative Fuel Resources	B.2.1.1.	Alternative Fuels Training	1,788,000	904,000	904,000	1,808,000	20,000	1.1%
				B.2.1.2.	Alternative Fuels Licensing and Regulation	3,177,316	1,711,436	1,700,037	3,411,473	234,157	7.4%
						4,965,316	2,615,436	2,604,037	5,219,473	254,157	
C	Environmental and Consumer Protection	C.1.1.	Oil and Gas Monitoring and Inspections	C.1.1.1.	Oil and Gas Monitoring and Inspections	57,625,497	31,786,447	30,033,389	61,819,836	4,194,339	7.3%
C	Environmental and Consumer Protection	C.1.2.	Surface Mining Monitoring and Inspections	C.1.2.1.	Coal/Uranium Mining Applications and Permits	3,146,307	1,333,621	1,333,622	2,667,243	(479,064)	-15.2%
				C.1.2.2.	Coal Mining Inspection and Enforcement	3,932,225	2,048,113	2,048,112	4,096,225	164,000	4.2%
						7,078,532	3,381,734	3,381,734	6,763,468	(315,064)	
C	Environmental and Consumer Protection	C.2.1.	Oil and Gas Well Plugging and Remediation	C.2.1.1.	Oil and Gas Well Plugging	92,664,766	61,975,001	23,255,507	85,230,508	(7,434,258)	-8.0%
				C.2.1.2.	Operator Cleanup Assistance	2,139,618	979,586	987,598	1,967,184	(172,434)	-8.1%
				C.2.1.3.	Oil and Gas Site Remediation	11,213,056	5,133,649	5,175,687	10,309,336	(903,720)	-8.1%
				C.2.1.4.	Brownfields Response Program (BRP)	340,320	170,160	170,160	340,320	-	0.0%
					106,357,760	68,258,396	29,588,952	97,847,348	(8,510,412)	-8.0%	
C	Environmental and Consumer Protection	C.2.2.	Surface Mining Reclamation	C.2.2.1.	Surface Mining Reclamation	7,390,556	3,327,301	3,327,301	6,654,602	(735,954)	-10.0%
C	Environmental and Consumer Protection	C.3.1.	Gas Utility Commerce	C.3.1.1.	Gas Utility Audit	2,797,606	1,385,381	1,415,381	2,800,762	3,156	0.1%
				C.3.1.2.	Gas Utility Market Oversight	2,037,572	984,142	987,080	1,971,222	(66,350)	-3.3%
						4,835,178	2,369,523	2,402,461	4,771,984	(63,194)	
D	Public Access to Information and Services	D.1.1.	Public Information and Services	D.1.1.1.	Public Information and Services	5,167,139	3,423,915	2,835,913	6,259,828	1,092,689	21.1%
						\$ 256,076,184	\$ 147,979,909	\$ 104,774,312	\$ 252,754,221	\$ (3,321,963)	-1.3%

3.B. Rider Revisions and Additions Request

Agency Code: 455		Agency Name: Railroad Commission of Texas	Prepared By:	Date: 8/17/2018	Request Level: Baseline																																																																																																																																												
Current Rider Number	Page Number in 2018-19 GAA	Proposed Rider Language																																																																																																																																															
1	VI-46	<p>Performance Measure Targets. The following is a listing of the key performance target levels for the Railroad Commission. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Railroad Commission. In order to achieve the objectives and service standards established by this Act, the Railroad Commission shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: center;">2018</th> <th style="width: 10%; text-align: center;"><u>2020</u></th> <th style="width: 10%; text-align: center;">2019</th> <th style="width: 10%; text-align: center;">2021</th> </tr> </thead> <tbody> <tr> <td colspan="5">A. Goal: ENERGY RESOURCES</td> </tr> <tr> <td colspan="5">Outcome (Results/Impact):</td> </tr> <tr> <td>Percent of Oil and Gas Wells That Are Active</td> <td style="text-align: center;">77%</td> <td style="text-align: center;"><u>73%</u></td> <td style="text-align: center;">77%</td> <td style="text-align: center;"><u>73%</u></td> </tr> <tr> <td colspan="5">A.1.1. Strategy: ENERGY RESOURCE DEVELOPMENT</td> </tr> <tr> <td colspan="5">Output (Volume):</td> </tr> <tr> <td>Number of Drilling Permit Applications Processed</td> <td style="text-align: center;">15,000</td> <td style="text-align: center;"><u>18,500</u></td> <td style="text-align: center;">15,000</td> <td style="text-align: center;"><u>19,000</u></td> </tr> <tr> <td>Number of Wells Monitored</td> <td style="text-align: center;">440,000</td> <td style="text-align: center;"><u>443,000</u></td> <td style="text-align: center;">440,000</td> <td style="text-align: center;"><u>446,500</u></td> </tr> <tr> <td colspan="5">Efficiencies:</td> </tr> <tr> <td>Average Number of Wells Monitored Per Analyst</td> <td style="text-align: center;">27,000</td> <td style="text-align: center;"><u>36,900</u></td> <td style="text-align: center;">26,500</td> <td style="text-align: center;"><u>37,200</u></td> </tr> <tr> <td>The average Number of Staff Days Required to Review and Process a Drilling Permit Application During the Reporting Period</td> <td style="text-align: center;">3</td> <td style="text-align: center;"><u>3</u></td> <td style="text-align: center;">3</td> <td style="text-align: center;"><u>3</u></td> </tr> <tr> <td colspan="5">B. Goal: SAFETY PROGRAMS</td> </tr> <tr> <td colspan="5">Outcome (Results/Impact):</td> </tr> <tr> <td>Average Number of Pipeline Safety Violations Per Equivalent 100 Miles of Pipe Identified through Inspections</td> <td style="text-align: center;">1.55</td> <td style="text-align: center;"><u>1.50</u></td> <td style="text-align: center;">1.60</td> <td style="text-align: center;"><u>1.50</u></td> </tr> <tr> <td colspan="5">B.1.1. Strategy: PIPELINE SAFETY</td> </tr> <tr> <td colspan="5">Output (Volume):</td> </tr> <tr> <td>Number of Pipeline Safety Inspections Performed</td> <td style="text-align: center;">4,295</td> <td style="text-align: center;"><u>2,600</u></td> <td style="text-align: center;">5,062</td> <td style="text-align: center;"><u>2,700</u></td> </tr> <tr> <td colspan="5">Efficiencies:</td> </tr> <tr> <td>Average Number of Pipeline Field Inspections per Field Inspector</td> <td style="text-align: center;">105</td> <td style="text-align: center;"><u>100</u></td> <td style="text-align: center;">105</td> <td style="text-align: center;"><u>100</u></td> </tr> <tr> <td colspan="5">B.1.2. Strategy: PIPELINE DAMAGE PREVENTION</td> </tr> <tr> <td colspan="5">Output (Volume)</td> </tr> <tr> <td>Number of Excavation Damage Enforcement Cases Completed</td> <td style="text-align: center;">4,000</td> <td style="text-align: center;"><u>3,500</u></td> <td style="text-align: center;">4,000</td> <td style="text-align: center;"><u>3,500</u></td> </tr> <tr> <td colspan="5">B.2.1. Strategy: REGULATE ALTERNATIVE ENERGY</td> </tr> <tr> <td colspan="5">Output (Volume)</td> </tr> <tr> <td>Number of LPG/CNG/LNG Safety Inspections Performed</td> <td style="text-align: center;">17,000</td> <td style="text-align: center;"><u>20,000</u></td> <td style="text-align: center;">17,000</td> <td style="text-align: center;"><u>20,000</u></td> </tr> <tr> <td colspan="5">C. Goal: ENVIRONMENTAL AND CONSUMER PROTECTION</td> </tr> <tr> <td colspan="5">Outcome (Results/Impact):</td> </tr> <tr> <td>Percentage of Oil and Gas Facility Inspections That Identify Environmental Violations</td> <td style="text-align: center;">14%</td> <td style="text-align: center;"><u>8%</u></td> <td style="text-align: center;">14%</td> <td style="text-align: center;"><u>8%</u></td> </tr> </tbody> </table>					2018	<u>2020</u>	2019	2021	A. Goal: ENERGY RESOURCES					Outcome (Results/Impact):					Percent of Oil and Gas Wells That Are Active	77%	<u>73%</u>	77%	<u>73%</u>	A.1.1. Strategy: ENERGY RESOURCE DEVELOPMENT					Output (Volume):					Number of Drilling Permit Applications Processed	15,000	<u>18,500</u>	15,000	<u>19,000</u>	Number of Wells Monitored	440,000	<u>443,000</u>	440,000	<u>446,500</u>	Efficiencies:					Average Number of Wells Monitored Per Analyst	27,000	<u>36,900</u>	26,500	<u>37,200</u>	The average Number of Staff Days Required to Review and Process a Drilling Permit Application During the Reporting Period	3	<u>3</u>	3	<u>3</u>	B. Goal: SAFETY PROGRAMS					Outcome (Results/Impact):					Average Number of Pipeline Safety Violations Per Equivalent 100 Miles of Pipe Identified through Inspections	1.55	<u>1.50</u>	1.60	<u>1.50</u>	B.1.1. Strategy: PIPELINE SAFETY					Output (Volume):					Number of Pipeline Safety Inspections Performed	4,295	<u>2,600</u>	5,062	<u>2,700</u>	Efficiencies:					Average Number of Pipeline Field Inspections per Field Inspector	105	<u>100</u>	105	<u>100</u>	B.1.2. Strategy: PIPELINE DAMAGE PREVENTION					Output (Volume)					Number of Excavation Damage Enforcement Cases Completed	4,000	<u>3,500</u>	4,000	<u>3,500</u>	B.2.1. Strategy: REGULATE ALTERNATIVE ENERGY					Output (Volume)					Number of LPG/CNG/LNG Safety Inspections Performed	17,000	<u>20,000</u>	17,000	<u>20,000</u>	C. Goal: ENVIRONMENTAL AND CONSUMER PROTECTION					Outcome (Results/Impact):					Percentage of Oil and Gas Facility Inspections That Identify Environmental Violations	14%	<u>8%</u>	14%	<u>8%</u>
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The average Number of Staff Days Required to Review and Process a Drilling Permit Application During the Reporting Period	3	<u>3</u>	3	<u>3</u>																																																																																																																																													
B. Goal: SAFETY PROGRAMS																																																																																																																																																	
Outcome (Results/Impact):																																																																																																																																																	
Average Number of Pipeline Safety Violations Per Equivalent 100 Miles of Pipe Identified through Inspections	1.55	<u>1.50</u>	1.60	<u>1.50</u>																																																																																																																																													
B.1.1. Strategy: PIPELINE SAFETY																																																																																																																																																	
Output (Volume):																																																																																																																																																	
Number of Pipeline Safety Inspections Performed	4,295	<u>2,600</u>	5,062	<u>2,700</u>																																																																																																																																													
Efficiencies:																																																																																																																																																	
Average Number of Pipeline Field Inspections per Field Inspector	105	<u>100</u>	105	<u>100</u>																																																																																																																																													
B.1.2. Strategy: PIPELINE DAMAGE PREVENTION																																																																																																																																																	
Output (Volume)																																																																																																																																																	
Number of Excavation Damage Enforcement Cases Completed	4,000	<u>3,500</u>	4,000	<u>3,500</u>																																																																																																																																													
B.2.1. Strategy: REGULATE ALTERNATIVE ENERGY																																																																																																																																																	
Output (Volume)																																																																																																																																																	
Number of LPG/CNG/LNG Safety Inspections Performed	17,000	<u>20,000</u>	17,000	<u>20,000</u>																																																																																																																																													
C. Goal: ENVIRONMENTAL AND CONSUMER PROTECTION																																																																																																																																																	
Outcome (Results/Impact):																																																																																																																																																	
Percentage of Oil and Gas Facility Inspections That Identify Environmental Violations	14%	<u>8%</u>	14%	<u>8%</u>																																																																																																																																													

3.B. Rider Revisions and Additions Request

Agency Code:		Agency Name:	Prepared By:	Date:	Request Level:	
455		Railroad Commission of Texas		8/17/2018	Baseline	
Current Rider Number	Page Number in 2018-19 GAA	Proposed Rider Language				
		Percentage of Known Orphaned Wells Plugged with the Use of State-Managed Funds	14.5%	<u>15%</u>	14.5%	<u>15%</u>
		C.1.1. Strategy: OIL/GAS MONITOR & INSPECTIONS				
		Output (Volume):				
		Number of Oil and Gas Facility Inspections Performed	130,000	<u>176,000</u>	130,000	<u>176,000</u>
		Number of Oil and Gas Environmental Permit Applications and Reports Processed	110,000	<u>110,000</u>	110,000	<u>110,000</u>
		Efficiencies:				
		Average Number of Oil and Gas Facility Inspections Performed Per District Office Staff	950	<u>1,114</u>	950	<u>1,114</u>
		Explanatory:				
		Number of Oil and Gas Wells and Other Related Facilities Subject to Regulation	468,000	<u>469,000</u>	468,000	<u>472,500</u>
		C.1.2. Strategy: SURFACE MINING MONITORING/INSPECT				
		Output (Volume):				
		Number of Coal Mining Inspections Performed	500	<u>400</u>	500	<u>400</u>
		C.2.1. Strategy: OIL AND GAS REMEDIATION				
		Output (Volume):				
		Number of Abandoned Pollution Sites Investigated, Assessed, or Cleaned Up with the Use of State-Managed Funds	188	<u>200</u>	188	<u>200</u>
		C.2.2. Strategy: OIL AND GAS WELL PLUGGING				
		Output (Volume)				
		Number of Orphaned Wells Plugged with the Use of State-Managed Funds	979	<u>979</u>	979	<u>979</u>
		Total Aggregate Plugging Depth of Orphaned Wells Plugged with the Use of State Managed Funds (in Linear Feet)	1,920,000	<u>1,955,000</u>	1,920,000	<u>1,955,000</u>
		C.3.1. Strategy: GAS UTILITY COMPLIANCE				
		Output (Volume):				
		Number of Gas Utility Dockets Filed	60	<u>80</u>	60	<u>80</u>
		D. Goal: PUBLIC ACCESS TO INFO AND SERVICES				
		D.1.1 Strategy: PUBLIC INFORMATION AND SERVICES				
		Output (Volume):				
		Number of Documents Provided to Customers by Information Services	4,275	<u>185,000</u>	4,275	<u>175,000</u>
		<i>Updated to reflect strategy changes and new performance measure goals for the 2020-2021 biennium.</i>				

3.B. Rider Revisions and Additions Request

Agency Code: 455		Agency Name: Railroad Commission of Texas	Prepared By:	Date: 8/17/2018	Request Level: Baseline																																																																																									
Current Rider Number	Page Number in 2018-19 GAA	Proposed Rider Language																																																																																												
2	VI-47	<p>Capital Budget. Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: center;">2018</th> <th style="width: 10%; text-align: center;">2020</th> <th style="width: 10%; text-align: center;">2019</th> <th style="width: 10%; text-align: center;">2021</th> </tr> </thead> <tbody> <tr> <td>a. Acquisition of Information Resource Technologies</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> (1) Technology Replacement and Upgrade</td> <td style="text-align: right;">199,755</td> <td style="text-align: right;">199,755</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td> (2) PC and Laptop Leasing Refresh</td> <td style="text-align: right;">428,200</td> <td style="text-align: right;">428,200</td> <td style="text-align: right;">428,200</td> <td style="text-align: right;">428,200</td> </tr> <tr> <td> (3) Software Licenses and Services</td> <td style="text-align: right;">179,000</td> <td style="text-align: right;">179,000</td> <td style="text-align: right;">179,000</td> <td style="text-align: right;">179,000</td> </tr> <tr> <td> (4) Inspection/Enforcement Tracking and Reporting System - Phase 2</td> <td style="text-align: right;">1,500,000</td> <td style="text-align: right;">2,000,000 & UB</td> <td style="text-align: right;">1,500,000</td> <td style="text-align: right;">1,000,000</td> </tr> <tr> <td> (5) Mainframe Transformation - Phase 1</td> <td></td> <td style="text-align: right;">6,370,000</td> <td></td> <td style="text-align: right;">3,430,000</td> </tr> <tr> <td>Total, Acquisition of Information Resource Technologies</td> <td style="text-align: right;">2,306,955</td> <td style="text-align: right;">9,176,955</td> <td style="text-align: right;">2,107,200</td> <td style="text-align: right;">5,037,200</td> </tr> <tr> <td>b. 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Data Center Consolidation</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> (1) Data Center Services (DCS)</td> <td style="text-align: right;">5,712,077</td> <td style="text-align: right;">6,853,440</td> <td style="text-align: right;">5,343,214</td> <td style="text-align: right;">6,411,611</td> </tr> <tr> <td>Total, Capital Budget</td> <td style="text-align: right;">8,831,032</td> <td style="text-align: right;">17,680,395</td> <td style="text-align: right;">8,676,414</td> <td style="text-align: right;">12,674,811</td> </tr> <tr> <td colspan="6">Method of Financing (Capital Budget):</td> </tr> <tr> <td>General Revenue Fund</td> <td></td> <td style="text-align: right;">479,260</td> <td style="text-align: right;">1,679,710</td> <td style="text-align: right;">442,433</td> <td style="text-align: right;">1,485,111</td> </tr> <tr> <td>GR Dedicated – Oil and Gas Regulation and Cleanup Account No. 5155</td> <td></td> <td style="text-align: right;">8,351,772</td> <td style="text-align: right;">16,000,685</td> <td style="text-align: right;">8,233,981</td> <td style="text-align: right;">11,189,700</td> </tr> <tr> <td>Total, Method of Financing</td> <td></td> <td style="text-align: right;">8,831,032</td> <td style="text-align: right;">17,680,395</td> <td style="text-align: right;">8,676,414</td> <td style="text-align: right;">12,674,811</td> </tr> </tbody> </table> <p><i>This rider has been updated to reflect the appropriation request for the 2020-21 biennium.</i></p>					2018	2020	2019	2021	a. Acquisition of Information Resource Technologies					(1) Technology Replacement and Upgrade	199,755	199,755	0	0	(2) PC and Laptop Leasing Refresh	428,200	428,200	428,200	428,200	(3) Software Licenses and Services	179,000	179,000	179,000	179,000	(4) Inspection/Enforcement Tracking and Reporting System - Phase 2	1,500,000	2,000,000 & UB	1,500,000	1,000,000	(5) Mainframe Transformation - Phase 1		6,370,000		3,430,000	Total, Acquisition of Information Resource Technologies	2,306,955	9,176,955	2,107,200	5,037,200	b. Transportation Items					(1) Vehicle Replacements	812,000	1,650,000	1,226,000	1,226,000	c. 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3.B. Rider Revisions and Additions Request

Agency Code: 455	Agency Name: Railroad Commission of Texas	Prepared By:	Date: 8/17/2018	Request Level: Baseline
Current Rider Number	Page Number in 2018-19 GAA	Proposed Rider Language		
3	VI-47	<p>Appropriations Limited to Revenue Collections: LPG/CNG/LNG Fees. Fees, fines and other miscellaneous revenues as authorized and generated by the operation of the LP Gas Program and Alternative Fuels Licensing Program pursuant to Natural Resources Code §§113.082, 113.090, 113.093, 113.094, 113.131, 116.032, 116.034, and 116.072 shall cover, at a minimum, the cost of General Revenue appropriations made above in Strategy B.2.1, Regulate Alternative Energy Resources, as well as the "other direct and indirect costs" made elsewhere in this Act associated with these programs. Direct costs for the LP Gas Program and Alternative Fuels Licensing Program are estimated to be \$1,514,349 in fiscal year 2018 <u>2020</u> and \$1,514,349 in fiscal year 2019 <u>2020</u> and "other direct and indirect costs" are estimated to be \$502,870 in fiscal year 2018 <u>2020</u> and \$500,484 in fiscal year 2019 <u>2021</u>.</p> <p>In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.</p> <p>All fees collected in excess of the Comptroller of Public Accounts Biennial Revenue Estimate (Revenue Object Codes 3035 and 3246) are appropriated to the Railroad Commission to be spent on the LP Gas Program and Alternative Fuels Licensing Program that generated the fees.</p> <p><i>This rider has been updated for the 2020-21 biennium.</i></p>		
4	VI-48	<p>Liquid Propane (LP) Gas Training and Examination Renewal Fees. Included in amounts appropriated above in Strategy B.2.1, Regulate Alternative Energy Resources, is \$55,000 in each fiscal year of the biennium in General Revenue and \$1,068,500- <u>\$964,000</u> in each fiscal year of the biennium in Appropriated Receipts (Revenue Object Codes 3245 and 3722) from fees assessed and collected pursuant to Natural Resources Code, §§113.088 and 116.034. These amounts may only be used for the purpose of providing training and examinations to licensees and certificate holders. In addition to amounts appropriated above, any additional amounts collected by the Railroad Commission pursuant to Natural Resources Code, §§113.088 and 116.034, on or after September 1, 2017 <u>2019</u>, are appropriated to the Commission for the same purpose. Any additional revenues that may be collected under the provisions of this rider are estimated to be \$0.</p> <p><i>This rider has been updated for the 2020-21 biennium.</i></p>		
5	VI-48	<p>Appropriation Limited to Revenue Collections: Surface Mining Permits. Fees, fines and other miscellaneous revenues as authorized and generated by the operation of the Surface Mining Program pursuant to Natural Resources Code Chapters 131 and 134 shall cover, at a minimum, the cost of General Revenue appropriations made above in Strategy C.1.2, Surface Mining Monitoring and Inspections, as well as the "other direct and indirect costs" made elsewhere in this Act associated with this program. Direct costs for the Surface Mining Program are estimated to be \$2,068,371 <u>\$1,986,263</u> in fiscal year 2018 <u>2020</u> and \$2,068,371 <u>\$1,986,263</u> in fiscal year 2019 <u>2021</u> and "other direct and indirect costs" are estimated to be \$546,865 in fiscal year 2018 <u>2020</u> and \$544,479 in fiscal year 2019 <u>2021</u>.</p> <p>In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.</p> <p>All fees collected in excess of the Comptroller of Public Accounts Biennial Revenue Estimate (Revenue Object Code 3329) are appropriated to the Railroad Commission to be spent on the Surface Mining Program that generated the fees.</p> <p><i>The Railroad Commission Surface Mining Division staff handle Uranium Mining Regulation as authorized in Texas Natural Resources Code Chapter 131. There is not a distinct uranium mining program. This combines the language from Rider 8 so that Rider can be eliminated. The amounts have been updated and include the 4% reductions taken in the 85th Legislature.</i></p>		

3.B. Rider Revisions and Additions Request

Agency Code: 455		Agency Name: Railroad Commission of Texas	Prepared By:	Date: 8/17/2018	Request Level: Baseline
Current Rider Number	Page Number in 2018-19 GAA	Proposed Rider Language			
6	VI-48	<p>Appropriations Limited to Revenue Collections: Pipeline Safety and Regulatory Fees. Fees, fines, and other miscellaneous revenues as authorized and generated by the operation of the Pipeline Safety and Regulatory Program, which consists of the Pipeline Safety/Inspections Program and the Underground Damage Prevention Program, pursuant to Natural Resources Code §81.071 and Utilities Code §121.211 shall cover, at a minimum, the cost of the General Revenue Dedicated Oil and Gas Regulation and Cleanup Account No. 5155 appropriations made above in Strategy B.1.1, Ensure Pipeline Safety, and Strategy B.1.2, Pipeline Damage Prevention, as well as the other "direct and indirect costs" made elsewhere in this Act associated with this program. Direct costs for the Pipeline Safety and Regulatory Program are estimated to be \$5,162,170 in fiscal year 2018 and \$5,162,169 in fiscal year 2019 and "other direct and indirect costs" are estimated to be \$1,207,844 in fiscal year 2018 and \$1,202,318 in fiscal year 2019.</p> <p>Any revenues generated pursuant to Natural Resources Code §81.071 that are used to cover costs identified in this rider may not be used to cover costs identified in Rider 14, Contingency for SB300, in the Railroad Commission's bill pattern.</p> <p>In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.</p> <p><i>The 84th Legislature moved the fee and appropriations from GR to GR-Dedicated Oil and Gas Regulation and Cleanup Fund. This rider to ensure fee covers appropriations and benefits is no longer necessary.</i></p>			
7 <u>6</u>	VI-49	<p>Capital Budget Expenditures: Federal Funds and Appropriated Receipts. To comply with the legislative intent to maximize the use of federal funds and to fulfill grant requirements required for the receipt and expenditure of Federal Funds, the Railroad Commission (RRC) is exempted from the Capital Budget Rider Provisions contained in Article IX, §14.03, of this Act, "Limitations on Expenditures - Capital Budget," when Federal Funds and Appropriated Receipts are received in excess of amounts identified in the agency's Capital Budget Rider. The RRC shall notify the Legislative Budget Board and the Governor upon receipt of such funds, of the amount received from these sources and the items to be purchased.</p> <p><i>No change.</i></p>			
8	VI-49	<p>Appropriations Limited to Revenue Collections: Fees, fines and other miscellaneous revenues as authorized and generated by the operation of the Uranium Mining Regulatory Program pursuant to Natural Resources Code Chapter 131 shall cover, at a minimum, the cost of General Revenue appropriations made above in Strategy C.1.2, Surface Mining Monitoring and Inspections, as well as the "other direct and indirect costs" made elsewhere in this Act associated with this program. Direct costs for the Uranium Mining Regulatory Program are estimated to be \$241,896 in fiscal year 2018 and \$241,896 in fiscal year 2019 and "other direct and indirect costs" are estimated to be \$55,385 in fiscal year 2018 and \$55,133 in fiscal year 2019.</p> <p>In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.</p> <p><i>Requesting to combine this rider with Rider 5.</i></p>			

3.B. Rider Revisions and Additions Request

Agency Code: 455	Agency Name: Railroad Commission of Texas	Prepared By:	Date: 8/17/2018	Request Level: Baseline
Current Rider Number	Page Number in 2018-19 GAA	Proposed Rider Language		
9 <u>7</u>	VI-49	<p>Appropriation: Anthropogenic Carbon Dioxide Storage Trust Fund Revenues. In addition to the amounts appropriated above, any revenues received in the Anthropogenic Carbon Dioxide Storage Trust Fund No. 827 (Other Funds) (estimated to be \$0) during the 2018-19 <u>2020-21</u> biennium are appropriated to the Railroad Commission. In accordance with Water Code, Chapter 27, Subchapter C-1, these funds shall be used for the costs of: (1) permitting, monitoring, and inspecting anthropogenic carbon dioxide injection wells for geologic storage and geologic storage facilities; and (2) enforcing and implementing this subchapter and rules adopted by the Railroad Commission under this subchapter.</p> <p><i>This rider has been updated for the 2020-21 biennium .</i></p>		
10 <u>8</u>	VI-49	<p>Oil and Gas Division Permitting Efficiencies. The Railroad Commission shall maintain staffing levels in its Oil and Gas Division in both its Austin office and in each district office in a manner sufficient to be able to review and respond to all permits within 10 business days of receipt, except for disposal or injection well permits, which shall be responded to within 30 days of receipt. In addition, the Railroad Commission shall issue a final decision on contested case oil and gas permitting matters within 60 business days of the hearing date.</p> <p><i>No change.</i></p>		
11	VI-49	<p>Enforcement and Compliance Data and Public Information. Out of the monies appropriated to the Railroad Commission in Strategy D.1.1., Public Information and Services, the agency shall publish information about enforcement data on its website, including inspection and enforcement activity, violations and the amount of final enforcement penalties assessed to the operator. The agency shall also make available on its website quarterly trends of enforcement data, including the number of complaints received and how the complaints were resolved, the number and severity of violations sent for enforcement action, the number of violations sent for enforcement action for each Commission rule, and the number of repeat violations found for each operator.</p> <p><i>The Oil and Gas Monitoring and Enforcement Plan required by Natural Resources Code Sec. 81.066 (HB 1818, 85th Legislature) encompasses the data required by Rider 11. Additionally, the Inspection/Enforcement Tracking and Reporting System will provide access to the same data on a dynamic, searchable, and downloadable platform.</i></p>		
12 <u>9</u>	VI-49	<p>Transfer Authority. Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Railroad Commission is authorized to direct agency resources and transfer such amounts appropriated above between appropriation line items.</p> <p><i>No change.</i></p>		
13 <u>10</u>	VI-49	<p>Appropriation: Unexpended Balances Between Fiscal Years within the Biennium. Any unobligated and unexpended balances as of August 31, 2018 <u>2020</u>, in the appropriations made herein to the Railroad Commission are appropriated for the same purposes for the fiscal year beginning September 1, 2019 <u>2021</u>.</p> <p><i>This rider has been updated for the 2020-21 biennium.</i></p>		

3.B. Rider Revisions and Additions Request

Agency Code: 455	Agency Name: Railroad Commission of Texas	Prepared By:	Date: 8/17/2018	Request Level: Baseline
Current Rider Number	Page Number in 2018-19 GAA	Proposed Rider Language		
14	VI-49	<p>Contingency for SB 300. Out of amounts appropriated above in Strategy B.1.1, Pipeline Safety, \$3,875,279 in fiscal year 2018 and \$2,362,620 in fiscal year 2019 from General Revenue Dedicated Oil and Gas Regulation and Cleanup Account No. 5155, for the purposes of assisting inspectors to focus on ensuring oil field and pipeline safety and regulatory compliance and supporting a commitment to inspect all onshore wells at least every five year and offshore and bay wells every two years, is contingent upon the enactment of Senate Bill 300, or similar legislation relating to the continuation of functions of the Railroad Commission, by the Eighty-fifth Legislature, Regular Session, and the Railroad Commission assessing fees sufficient to generate \$4,410,179 in fiscal year 2018 and \$2,897,520 in fiscal year 2019 from additional fees authorized in Senate Bill 300, or similar legislation, in excess of the Comptroller's Biennial Revenue Estimate. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.</p> <p><i>This rider can be deleted for the 2020-21 biennium.</i></p>		
15 <u>11</u>	VI-50	<p>Operational Stability Funding. Included in amounts appropriated above in each fiscal year is General Revenue generated by the Gas Utility Pipeline Tax, authorized in Utilities Code, §122.051, in the amount of \$4,262,003 in Strategy A.1.1, Promote Energy Resource Development Opportunities; \$6,552,551 in Strategy C.1.1, Oil and Gas Monitoring and Inspections; \$7,764,736 in Strategy C.2.1, Oil and Gas Well Plugging and Remediation; \$645,254 in Strategy C.3.1, Ensure Fair Rates and Compliance to Rate Structures; and \$600,456 in Strategy D.1.1, Public Information and Services. Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Railroad Commission is authorized to transfer funding appropriated in this rider between strategy line items.</p> <p><i>No change.</i></p>		
16	VI-50	<p>Sunset Contingency. Funds appropriated above for fiscal year 2019 for the Railroad Commission are made contingent on the continuation of the Railroad Commission by the Eighty-fifth Legislature, Regular Session, 2017. In the event that the agency is not continued, the funds appropriated above for fiscal year 2018, or as much thereof as may be necessary, are to be used to provide for the phase out of the agency operations.</p> <p><i>This rider is no longer needed for the 2020-21 biennium.</i></p>		
17 <u>12</u>	VI-50	<p>Appropriation: Oil and Gas Regulation and Cleanup Account Fees. In addition to the amounts appropriated above, the Railroad Commission is appropriated any fees deposited in the Oil and Gas Regulation and Cleanup Account No. 5155 in excess of amounts indicated in the Comptroller's Biennial Revenue Estimate.</p> <p><i>No change</i></p>		
701	<u>VI</u>	<p>Clothing Provision. The Commission may use funds appropriated above to purchase and distribute Railroad Commission logoed apparel to field inspectors to increase their visibility and identifiability. The amount used for this purpose shall not exceed \$100 per inspector in each fiscal year.</p> <p><i>This rider has been added for the 2020-21 biennium. RRC would like to increase staff visibility to land owners and oil & gas operators when they are working in the field. RRC estimates the cost to be \$12,000 each year.</i></p>		

3.B. Rider Revisions and Additions Request

Agency Code: 455		Agency Name: Railroad Commission of Texas	Prepared By:	Date: 8/17/2018	Request Level: Baseline
Current Rider Number	Page Number in 2018-19 GAA	Proposed Rider Language			
702	<u>VI</u>	<p>Unexpended Balances Appropriation: Well Plugging and Site Remediation. Any unexpended balances remaining as of August 31, 2019, from appropriations made to the Railroad Commission in Strategy C.2.1, Oil & Gas Well Plugging & Remediation, in the 2018-19 biennium (estimated to be \$0) are appropriated to the Railroad Commission in Strategy C.2.1, Oil & Gas Well Plugging & Remediation, for the fiscal biennium beginning September 1, 2019, for the same purpose.</p> <p><i>This rider has been added for the 2020-21 biennium. RRC anticipates vendors will complete the environmental cleanup work by the end of FY 2019 but would like the flexibility to continue with the contracts should the work carry over into FY 2020.</i></p>			
703	<u>VI</u>	<p>Unexpended Balances Appropriation: Inspection/Enforcement Tracking and Reporting System. Any unexpended balances remaining as of August 31, 2019, from appropriations made to the Railroad Commission for the Inspection/Enforcement Tracking and Reporting System capital IT project in the 2018-19 biennium (estimated to be \$0) are appropriated to the Railroad Commission for the fiscal biennium beginning September 1, 2019, for the same purpose.</p> <p><i>This rider has been added for the 2020-21 biennium. RRC anticipates the IT vendors will complete the work on the project by the end of FY 2019 but would like the flexibility to continue with the contracts should the work carry over into FY 2020. This critical IT project was a result of our Sunset Legislation (HB 1818, 85th Legislature).</i></p>			

4.A. Exceptional Item Request Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/17/2018**
 TIME: **8:56:40AM**

Agency code: **455**

Agency name:
Railroad Commission

CODE	DESCRIPTION	Excp 2020	Excp 2021
	Item Name: Additional Pipeline Safety and Oil & Gas Inspectors FTEs Item Priority: 1 IT Component: No Anticipated Out-year Costs: No Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies:		
	02-01-01 Ensure Pipeline Safety		
	03-01-01 Oil and Gas Monitoring and Inspections		
	FULL-TIME EQUIVALENT POSITIONS (FTE):	22.00	22.00

DESCRIPTION / JUSTIFICATION:

The Commission needs more inspectors in the field to ensure oil field and pipeline safety and regulatory compliance. This request is part of a multi-bienna approach to hire, train, and retain inspectors to meet the demands of the growing industry. This request is to increase the authorized FTEs by an additional 22 FTEs. No additional funding is requested for this item.

12 FTEs are needed for oil and gas compliance inspections. The goal is to inspect every onshore well every five years and offshore well every two years. The Commission needs well trained and experienced inspectors. Over the next several years, as new wells come online, more inspectors will be needed to continue meet this goal.

10 FTEs are needed for pipeline safety. The U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA) federal regulations require RRC to perform a standard comprehensive inspection of all regulated systems at a minimum ever five years. There are also requirements to perform specialized program inspections of each pipeline operator. As the miles of pipeline under RRC's jurisdiction grows so does the need for inspectors. Based on the current mileage in Texas, PHMSA estimates RRC should have 90 inspectors to meet the required safety obligations. Currently, there are 63 pipeline inspectors.

EXTERNAL/INTERNAL FACTORS:

Additional inspectors are needed to continue to meet the new 5-year inspection frequency requirement. An ongoing commitment to meet this goal will allow the Commission time to recruit and train inspectors, while also continuing the retention program that will allow for sustainable progress towards the staffing levels necessary to meet the inspection demands.

PHMSA rules have specific requirements on the types and frequency of the inspections a state needs to perform. Not meeting these requirements may cause Texas to lose federal funds and potentially federal delegation.

The development of horizontal well drilling and hydraulic fracturing techniques have allowed the development of Shale Fields previously dismissed as unproducible. These techniques mandate longer drilling operations and more complex well configurations and a larger number of wells, which mandate a higher and more thorough degree of inspection and oversight. RRC inspectors have been strained due to the extraordinary increases in industry activity and further increases activity will overwhelm existing processing systems.

There significant activity in oilfields where Hydrogen Sulfide (H2S) is known to be present and may occur in lethal concentrations. RRC has adopted specific rules related to the occurrence of H2S at drill sites and throughout the transportation chain due to the danger.

4.A. Exceptional Item Request Schedule
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/17/2018**
TIME: **8:56:40AM**

Agency code: **455** Agency name: **Railroad Commission**

CODE	DESCRIPTION	Excp 2020	Excp 2021
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Due to high industry activity, the risk of related accidents in the field is a concern. RRC needs to increase the monitoring of field activities to ensure compliance with the safety rules.

The increased activity level necessitates the expansion of waste disposal operations to support the drilling and production operations. Additionally, the more frequent use of horizontal drilling operations with hydraulic fracturing treatments, industry is increasing the amount of waste generated. These expanded operations require enhanced monitoring and oversight to ensure that pollution does not occur.

PCLS TRACKING KEY:

Agency code: **455** Agency name: **Railroad Commission**

Code	Description	Excp 2020	Excp 2021
Item Name:	Additional Pipeline Safety and Oil & Gas Inspectors FTEs		
Allocation to Strategy:	2-1-1 Ensure Pipeline Safety		
FULL-TIME EQUIVALENT POSITIONS (FTE):		10.0	10.0

Agency code: 455 Agency name: Railroad Commission

Code	Description	Excp 2020	Excp 2021
Item Name:	Additional Pipeline Safety and Oil & Gas Inspectors FTEs		
Allocation to Strategy:	3-1-1 Oil and Gas Monitoring and Inspections		
FULL-TIME EQUIVALENT POSITIONS (FTE):		12.0	12.0

4.C. Exceptional Items Strategy Request
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2018
TIME: 8:56:40AM

Agency Code: **455** Agency name: **Railroad Commission**

GOAL: 2 Advance Safety Through Training, Monitoring, and Enforcement

OBJECTIVE: 1 Improve Pipeline Safety

Service Categories:

STRATEGY: 1 Ensure Pipeline Safety

Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2020	Exp 2021
FULL-TIME EQUIVALENT POSITIONS (FTE):	10.0	10.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Additional Pipeline Safety and Oil & Gas Inspectors FTEs

4.C. Exceptional Items Strategy Request
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2018
TIME: 8:56:40AM

Agency Code: **455** Agency name: **Railroad Commission**

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers

OBJECTIVE: 1 Reduce Occurrence of Environmental Violations

Service Categories:

STRATEGY: 1 Oil and Gas Monitoring and Inspections

Service: 36 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2020	Exp 2021
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FULL-TIME EQUIVALENT POSITIONS (FTE):	12.0	12.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Additional Pipeline Safety and Oil & Gas Inspectors FTEs

5.A. Capital Budget Project Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/17/2018**
 TIME : **8:56:40AM**

Agency code: **455**

Agency name: **Railroad Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2018

Bud 2019

BL 2020

BL 2021

5005 Acquisition of Information Resource Technologies

1/1 Technology Replacement and Upgrade

OBJECTS OF EXPENSE

Capital

General	2009	OTHER OPERATING EXPENSE		\$249,694	\$0	\$199,755	\$0	
Capital Subtotal OOE, Project				1	\$249,694	\$0	\$199,755	\$0
Subtotal OOE, Project				1	\$249,694	\$0	\$199,755	\$0

TYPE OF FINANCING

Capital

General	CA	1	General Revenue Fund	\$81,055	\$0	\$33,599	\$0	
General	CA	5155	Oil & Gas Regulation	\$168,639	\$0	\$166,156	\$0	
Capital Subtotal TOF, Project				1	\$249,694	\$0	\$199,755	\$0
Subtotal TOF, Project				1	\$249,694	\$0	\$199,755	\$0

2/2 PC Refresh

OBJECTS OF EXPENSE

Capital

General	2009	OTHER OPERATING EXPENSE		\$535,250	\$428,200	\$428,200	\$428,200	
Capital Subtotal OOE, Project				2	\$535,250	\$428,200	\$428,200	\$428,200
Subtotal OOE, Project				2	\$535,250	\$428,200	\$428,200	\$428,200

TYPE OF FINANCING

Capital

General	CA	1	General Revenue Fund	\$363,971	\$291,176	\$124,348	\$169,887
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5.A. Capital Budget Project Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/17/2018**
 TIME : **8:56:40AM**

Agency code: **455**

Agency name: **Railroad Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2018

Bud 2019

BL 2020

BL 2021

General	CA	5155	Oil & Gas Regulation		\$171,279	\$137,024	\$303,852	\$258,313
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			Capital Subtotal TOF, Project	2	\$535,250	\$428,200	\$428,200	\$428,200
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			Subtotal TOF, Project	2	\$535,250	\$428,200	\$428,200	\$428,200
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3/3 Software Licenses and Services

OBJECTS OF EXPENSE

Capital

General	2009		OTHER OPERATING EXPENSE		\$223,750	\$179,000	\$179,000	\$179,000
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			Capital Subtotal OOE, Project	3	\$223,750	\$179,000	\$179,000	\$179,000
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			Subtotal OOE, Project	3	\$223,750	\$179,000	\$179,000	\$179,000
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TYPE OF FINANCING

Capital

General	CA	1	General Revenue Fund		\$37,224	\$29,779	\$30,109	\$40,861
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General	CA	5155	Oil & Gas Regulation		\$186,526	\$149,221	\$148,891	\$138,139
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			Capital Subtotal TOF, Project	3	\$223,750	\$179,000	\$179,000	\$179,000
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			Subtotal TOF, Project	3	\$223,750	\$179,000	\$179,000	\$179,000
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4/4 Inspection/Enforcement Tracking and Reporting System

OBJECTS OF EXPENSE

Capital

General	2001		PROFESSIONAL FEES AND SERVICES		\$1,462,500	\$1,462,500	\$1,384,478	\$692,239
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General	2009		OTHER OPERATING EXPENSE		\$37,500	\$37,500	\$615,522	\$307,761
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			Capital Subtotal OOE, Project	4	\$1,500,000	\$1,500,000	\$2,000,000	\$1,000,000
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5.A. Capital Budget Project Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/17/2018**
 TIME : **8:56:40AM**

Agency code: **455**

Agency name: **Railroad Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2018

Bud 2019

BL 2020

BL 2021

Subtotal OOE, Project 4

\$1,500,000

\$1,500,000

\$2,000,000

\$1,000,000

TYPE OF FINANCING

Capital

General CA 1 General Revenue Fund

\$200,000

\$200,000

\$0

\$0

General CA 5155 Oil & Gas Regulation

\$1,300,000

\$1,300,000

\$2,000,000

\$1,000,000

Capital Subtotal TOF, Project 4

\$1,500,000

\$1,500,000

\$2,000,000

\$1,000,000

Subtotal TOF, Project 4

\$1,500,000

\$1,500,000

\$2,000,000

\$1,000,000

7/7 Mainframe Transformation - Phase 1

OBJECTS OF EXPENSE

Capital

General 2001 PROFESSIONAL FEES AND SERVICES

\$0

\$750,000

\$6,370,000

\$3,430,000

Capital Subtotal OOE, Project 7

\$0

\$750,000

\$6,370,000

\$3,430,000

Subtotal OOE, Project 7

\$0

\$750,000

\$6,370,000

\$3,430,000

TYPE OF FINANCING

Capital

General CA 5155 Oil & Gas Regulation

\$0

\$750,000

\$6,370,000

\$3,430,000

Capital Subtotal TOF, Project 7

\$0

\$750,000

\$6,370,000

\$3,430,000

Subtotal TOF, Project 7

\$0

\$750,000

\$6,370,000

\$3,430,000

Capital Subtotal, Category 5005

\$2,508,694

\$2,857,200

\$9,176,955

\$5,037,200

Informational Subtotal, Category 5005

Total, Category 5005

\$2,508,694

\$2,857,200

\$9,176,955

\$5,037,200

5.A. Capital Budget Project Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/17/2018**
 TIME : **8:56:40AM**

Agency code: **455**

Agency name: **Railroad Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2018

Bud 2019

BL 2020

BL 2021

5006 Transportation Items

5/5 Vehicle Replacements

OBJECTS OF EXPENSE

Capital

General	5000	CAPITAL EXPENDITURES		\$1,015,000	\$1,226,000	\$1,650,000	\$1,226,000
		Capital Subtotal OOE, Project	5	\$1,015,000	\$1,226,000	\$1,650,000	\$1,226,000
		Subtotal OOE, Project	5	\$1,015,000	\$1,226,000	\$1,650,000	\$1,226,000

TYPE OF FINANCING

Capital

General	CA	1	General Revenue Fund	\$264,000	\$170,000	\$1,094,034	\$404,580
General	CA	5155	Oil & Gas Regulation	\$751,000	\$1,056,000	\$555,966	\$821,420
			Capital Subtotal TOF, Project	5	\$1,015,000	\$1,226,000	\$1,650,000
			Subtotal TOF, Project	5	\$1,015,000	\$1,226,000	\$1,650,000
			Capital Subtotal, Category	5006	\$1,015,000	\$1,226,000	\$1,650,000
			Informational Subtotal, Category	5006			
			Total, Category	5006	\$1,015,000	\$1,226,000	\$1,650,000

7000 Data Center Consolidation

6/6 Data Center Services (DCS)

OBJECTS OF EXPENSE

Capital

General	2001	PROFESSIONAL FEES AND SERVICES		\$7,140,096	\$6,509,982	\$6,853,440	\$6,411,611
		Capital Subtotal OOE, Project	6	\$7,140,096	\$6,509,982	\$6,853,440	\$6,411,611

5.A. Capital Budget Project Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/17/2018**
 TIME : **8:56:40AM**

Agency code: **455**

Agency name: **Railroad Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2018

Bud 2019

BL 2020

BL 2021

Subtotal OOE, Project		6	\$7,140,096	\$6,509,982	\$6,853,440	\$6,411,611	
TYPE OF FINANCING							
<u>Capital</u>							
General	CA	1	General Revenue Fund	\$1,166,768	\$1,166,768	\$989,054	\$1,247,365
General	CA	5155	Oil & Gas Regulation	\$5,973,328	\$5,343,214	\$5,864,386	\$5,164,246
Capital Subtotal TOF, Project		6	\$7,140,096	\$6,509,982	\$6,853,440	\$6,411,611	
Subtotal TOF, Project		6	\$7,140,096	\$6,509,982	\$6,853,440	\$6,411,611	
Capital Subtotal, Category		7000	\$7,140,096	\$6,509,982	\$6,853,440	\$6,411,611	
Informational Subtotal, Category		7000					
Total, Category		7000	\$7,140,096	\$6,509,982	\$6,853,440	\$6,411,611	
AGENCY TOTAL -CAPITAL			\$10,663,790	\$10,593,182	\$17,680,395	\$12,674,811	
AGENCY TOTAL -INFORMATIONAL							
AGENCY TOTAL			\$10,663,790	\$10,593,182	\$17,680,395	\$12,674,811	
METHOD OF FINANCING:							
<u>Capital</u>							
General		1	General Revenue Fund	\$2,113,018	\$1,857,723	\$2,271,144	\$1,862,693
General		5155	Oil & Gas Regulation	\$8,550,772	\$8,735,459	\$15,409,251	\$10,812,118
Total, Method of Financing-Capital				\$10,663,790	\$10,593,182	\$17,680,395	\$12,674,811
Total, Method of Financing				\$10,663,790	\$10,593,182	\$17,680,395	\$12,674,811

5.A. Capital Budget Project Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/17/2018**
 TIME : **8:56:40AM**

Agency code: **455**

Agency name: **Railroad Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2018

Bud 2019

BL 2020

BL 2021

TYPE OF FINANCING:

Capital

General CA CURRENT APPROPRIATIONS

\$10,663,790

\$10,593,182

\$17,680,395

\$12,674,811

Total, Type of Financing-Capital

\$10,663,790

\$10,593,182

\$17,680,395

\$12,674,811

Total,Type of Financing

\$10,663,790

\$10,593,182

\$17,680,395

\$12,674,811

5.B. Capital Budget Project Information
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2018
 TIME: 8:56:41AM

Agency Code:	455	Agency name:	Railroad Commission
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	1	Project Name:	Technology Replacement and Upgrade

PROJECT DESCRIPTION

General Information

Replacement and upgrade of outdated facilities, network, security equipment, and services used within the agency is needed due to obsolescence and changes in the technical environment. This project supports the acquisition of new equipment and services used for connectivity, security, monitoring, management, and data protection. This project also supports the facilities to securely house network and security equipment. The equipment and services are necessary to support Commission staff in performing regulatory tasks and providing services.

PLCS Tracking Key

Number of Units / Average Unit Cost 0
Estimated Completion Date August 31, 2021

Additional Capital Expenditure Amounts Required

2022	2023
0	0

Type of Financing CA CURRENT APPROPRIATIONS
Projected Useful Life 3 to 4 years

Estimated/Actual Project Cost \$199,755

Length of Financing/ Lease Period 0

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

	2020	2021	2022	2023	Total over project life
	0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
---------------------------------	------------------------	------------------------------

Explanation: Replacement of outdated facilities, network, security equipment and services used within the agency is needed due to obsolescence and changes in the technical environment. The equipment and services are necessary to support Commission staff in performing regulatory tasks and providing services .

Project Location: Statewide

Beneficiaries: Railroad Commission Staff, industry, other governmental agencies and the citizens of Texas.

Frequency of Use and External Factors Affecting Use:

Project Assets will be used daily.

5.B. Capital Budget Project Information
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2018
 TIME: 8:56:41AM

Agency Code:	455	Agency name:	Railroad Commission
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	2	Project Name:	PC Refresh

PROJECT DESCRIPTION

General Information

This project supports the purchase of PCs, laptops, tablets, other personal computing devices, and associated support equipment. The equipment is necessary to support the Commission in performing regulatory tasks.

PLCS Tracking Key

Number of Units / Average Unit Cost 0
Estimated Completion Date August 31, 2021

Additional Capital Expenditure Amounts Required

2022	2023
0	0

Type of Financing CA CURRENT APPROPRIATIONS
Projected Useful Life 3 to 4 years
Estimated/Actual Project Cost \$856,400
Length of Financing/ Lease Period 0

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

	2020	2021	2022	2023	Total over project life
	0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: Replacement and upgrade of outdated equipment used within the agency is needed due to obsolescence, growth and changes in our technical environment.

Project Location: Statewide

Beneficiaries: Railroad Commission Staff, industry, other governmental agencies and the citizens of Texas.

Frequency of Use and External Factors Affecting Use:

Project Assets will be used daily.

5.B. Capital Budget Project Information
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2018
 TIME: 8:56:41AM

Agency Code:	455	Agency name:	Railroad Commission
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	3	Project Name:	Software Licenses and Services

PROJECT DESCRIPTION

General Information

This project supports the purchase of personal computing, security and other software licenses and services for use by Railroad Commission staff. This includes the purchase of software renewals and software and service subscriptions.

PLCS Tracking Key

Number of Units / Average Unit Cost 0
Estimated Completion Date August 31, 2021

Additional Capital Expenditure Amounts Required

2022	2023
0	0

Type of Financing CA CURRENT APPROPRIATIONS
Projected Useful Life 2 years
Estimated/Actual Project Cost \$358,000
Length of Financing/ Lease Period 0

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2020	2021	2022	2023	Total over project life
0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
---------------------------------	------------------------	------------------------------

Explanation: Maintaining current technology infrastructure for the end user computing (EUC) environment is essential for Commission regulatory operations. Purchases of software licenses or services are needed to maintain vendor support and interoperability. The agency must sustain current operations by replacing software that becomes outdated and by purchasing and renewing software and service subscriptions throughout the biennium.

Project Location: Statewide

Beneficiaries: Railroad Commission Staff, industry, other governmental agencies and the citizens of Texas

Frequency of Use and External Factors Affecting Use:

Project Assets will be used daily.

5.B. Capital Budget Project Information
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2018
 TIME: 8:56:41AM

Agency Code:	455	Agency name:	Railroad Commission
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	4	Project Name:	I/E Tracking and Reporting System

PROJECT DESCRIPTION

General Information

The Inspection/Enforcement Tracking and Reporting System – Phase 2 project continues to implement agency inspection and case management over several biennia. This project builds on the progress made in the current biennium to establish an expandable framework for inspection and case management.

In this biennium, additional case/docket types will be added to the expandable framework. Additionally, inspection management for pipeline inspections will be implemented.

PLCS Tracking Key

Number of Units / Average Unit Cost 0
Estimated Completion Date August 31, 2021

Additional Capital Expenditure Amounts Required

2022	2023
0	0

Type of Financing CA CURRENT APPROPRIATIONS
Projected Useful Life 8 years
Estimated/Actual Project Cost \$3,000,000
Length of Financing/ Lease Period 0

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2020	2021	2022	2023	Total over project life
0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
---------------------------------	------------------------	------------------------------

Explanation: A centralized case management system is fundamental to transforming legal services at RRC, including access to more current data for analysis and review. The project will allow RRC to accurately report pipeline safety enforcement performance. If this project is not implemented, older technologies used to manage pipeline safety inspections could fail. RRC will continue to rely on manual labor to perform case management, limiting the ability for stakeholders and staff to review case status.

Project Location: Statewide

Beneficiaries: Railroad Commission Staff, industry, other governmental agencies, and the citizens of Texas.

Frequency of Use and External Factors Affecting Use:

Project Assets will be used daily. Currently, operators must wait until a Notice of Violation is received by mail to address violations. Industry asked for more online filing and reporting opportunities. Industry, legislators and the general public asked for more access to inspection data and better visibility into case and docket-related data. Parties to cases must file paper documents with the Commission. Industry cannot see data and statistics contained in the case management process.

5.B. Capital Budget Project Information
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2018
 TIME: 8:56:41AM

Agency Code:	455	Agency name:	Railroad Commission
Category Number:	5006	Category Name:	TRANSPORTATION ITEMS
Project number:	5	Project Name:	Vehicle Replacements

PROJECT DESCRIPTION

General Information

A significant part of the work of the Commission involves travel for emergency response, monitoring and inspection of regulated facilities and industry training. This includes oil and gas facilities, pipelines, LP-Gas systems, and surface mining locations. In addition, staffs responsible for advancing propane usage are required to travel extensively throughout the state. This travel requirement necessitates an extensive fleet of vehicles for the field employees.

This fleet must be maintained and replaced under a regular schedule to be responsive to emergency situations, minimize employees' downtime, and reduce maintenance costs. During fiscal years 2017 and 2018 the Commission has extended the vehicle replacement cycle due to revenue. Sufficient budgeting to keep a regular replacement cycle of vehicles will, in the long run, minimize the cost of maintaining the required vehicle fleet.

PLCS Tracking Key

Number of Units / Average Unit Cost 0
Estimated Completion Date August 31, 2021

Additional Capital Expenditure Amounts Required

2022	2023
0	0

Type of Financing CA CURRENT APPROPRIATIONS
Projected Useful Life 6 years
Estimated/Actual Project Cost \$2,876,000
Length of Financing/ Lease Period 0

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2020	2021	2022	2023	Total over project life
0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: This fleet must be maintained and replaced under a regular schedule to be responsive to emergency situations, minimize employees downtime and reduce maintenance costs.

Project Location: Statwide

Beneficiaries: Railroad Commission Staff

Frequency of Use and External Factors Affecting Use:

Assets will be used daily.

5.B. Capital Budget Project Information
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2018
 TIME: 8:56:41AM

Agency Code:	455	Agency name:	Railroad Commission
Category Number:	7000	Category Name:	Data Center Consolidation
Project number:	6	Project Name:	Data Center Services (DCS)

PROJECT DESCRIPTION

General Information

Texas Government Code §2054.375, Subchapter L. Statewide Technology Centers requires DIR to manage consolidated statewide data centers and identify agencies for participation. The Railroad Commission was identified for participation and is required to have an interagency agreement with the Department of Information Resources (DIR) for Data Center Services. The Data Center Services program includes transformation and consolidation of facilities, server platforms, mainframes, data storage management, and data center print and mail. To maintain compliance, RRC requests adequate funding to support the Commission's projected use of the Data Center Services and Shared Services as contracted in fiscal years 2020 and 2021. The requested amount represents the Data Center and Shared Services costs necessary to deliver applications and computer services to maintain current operations.

PLCS Tracking Key

Number of Units / Average Unit Cost 0
Estimated Completion Date August 31, 2021

Additional Capital Expenditure Amounts Required		2022	2023
		0	0
Type of Financing	CA	CURRENT APPROPRIATIONS	
Projected Useful Life	2 years		
Estimated/Actual Project Cost	\$13,265,051		
Length of Financing/ Lease Period	0		

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

	2020	2021	2022	2023	Total over project life
	0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
---------------------------------	------------------------	------------------------------

Explanation: The Railroad Commission is required to use the DIR managed Data Center Services.
Project Location: Statewide
Beneficiaries: Railroad Commission staff, industry, other governmental agencies, and the citizens of Texas.
Frequency of Use and External Factors Affecting Use:
 Project Assets will be used daily.

5.B. Capital Budget Project Information
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2018
 TIME: 8:56:41AM

Agency Code:	455	Agency name:	Railroad Commission
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	7	Project Name:	Mainframe Transformation

PROJECT DESCRIPTION

General Information

One of the goals of the Railroad Commission's information technology (IT) modernization program is to reduce dependence on mainframe systems. Dependence on mainframe technology hampers RRC's ability to implement modern, flexible, and scalable systems. Using a phased approach, the Mainframe Transformation project will reduce RRC's dependence on mainframe technology over the next three to four biennia.

In this biennium, RRC will establish a new architecture for agency IT offerings, including:

- An enterprise data model/repository to support the agency's business processes,
- A flexible application framework to manage business processes and data,
- Data integration with the new framework,
- Improved reporting capabilities, such as a data warehouse, and
- Identification of obsolete or redundant business processes.

A mainframe application will be identified and transformed out of the mainframe environment onto the new framework.

PLCS Tracking Key

Number of Units / Average Unit Cost 0
Estimated Completion Date August 31, 2021

Additional Capital Expenditure Amounts Required		2022	2023
		0	0
Type of Financing	CA	CURRENT APPROPRIATIONS	
Projected Useful Life	8 years		
Estimated/Actual Project Cost	\$9,800,000		
Length of Financing/ Lease Period	0		

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

	2020	2021	2022	2023	Total over project life
	0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
---------------------------------	------------------------	------------------------------

Explanation:

As agencies move off the mainframe, DCS costs for the remaining agencies will rise. For RRC, beginning the process to leave the mainframe will avoid the future cost increases. New industry techniques, demands for wider access to Commission data, and legislative requirements are harder to address with the current set of aging technologies. These challenges cannot be resolved in a single biennium. This project establishes a solid foundation for future projects to move the Commission forward.

5.B. Capital Budget Project Information
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2018
TIME: 8:56:41AM

Project Location: Statewide

Beneficiaries: Railroad Commission Staff, industry, other governmental agencies, and the citizens of Texas.

Frequency of Use and External Factors Affecting Use:

Project Assets will be used daily. New industry techniques, demands for wider access to Commission data, and legislative requirements have continued to require changes within the Mainframe making it more complex, expensive, and difficult to modernize. Industry, legislators, and the public have asked for more access to Commission data. Providing information from the mainframe is extremely difficult, making real-time access impossible for most of the Commission's information.

Agency Code: **455** Agency: **Railroad Commission**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2016 - 2017 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2016			Total Expenditures FY 2016		HUB Expenditures FY 2017			Total Expenditures FY 2017	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	% Goal		
11.2%	Heavy Construction	11.2 %	0.0%	-11.2%	\$0	\$0	11.2 %	0.0%	-11.2%	\$0	\$0	
21.1%	Building Construction	21.1 %	0.0%	-21.1%	\$0	\$-24,347	21.1 %	0.0%	-21.1%	\$0	\$0	
32.9%	Special Trade	32.9 %	0.0%	-32.9%	\$0	\$92,062	32.9 %	0.0%	-32.9%	\$0	\$2,287	
23.7%	Professional Services	23.7 %	0.0%	-23.7%	\$0	\$847,269	23.7 %	0.0%	-23.7%	\$0	\$1,130,875	
26.0%	Other Services	26.0 %	6.7%	-19.3%	\$1,015,454	\$15,220,878	26.0 %	9.4%	-16.6%	\$1,502,741	\$15,956,234	
21.1%	Commodities	21.1 %	42.2%	21.1%	\$570,107	\$1,350,543	21.1 %	15.7%	-5.4%	\$174,816	\$1,112,755	
	Total Expenditures		9.1%		\$1,585,561	\$17,486,405		9.2%		\$1,677,557	\$18,202,151	

B. Assessment of Fiscal Year 2016 - 2017 Efforts to Meet HUB Procurement Goals

Attainment:

The Commission attained or exceeded one of four, of the applicable statewide HUB procurement goals in FY 2016.

Applicability:

The Heavy Construction and Building Construction categories are not generally applicable to agency operations in FY 2016 or 2017; however a total credit of \$24,347 in the Building Construction category was received in FY16.

Factors Affecting Attainment:

"Two of the six statewide HUB categories, Heavy Construction and Building Construction were not applicable to the Commission in FY16 and FY17. Based on the mission of the Commission, it is unlikely the Commission will expend funds for these purposes.

Other Services: In FY 2016 and 2017 the goal was not met. Contracts in this category were competitively bid. HUBs either did not respond or were not the best value bidder. This expands to subcontracting opportunities where active certified HUB did not respond to subcontracting notifications."

"Good-Faith" Efforts:

"Good faith efforts to meet HUB goals included:

- (1) Vendor outreach, education, and training.
- (2) Education/training of procurement staff on HUB requirements.
- (3) Representation at HUB Discussion Workgroup Meetings.
- (4) Encouraged/assisted qualified minority/women owned businesses to become certified.
- (5) Sponsored mentor protégé relationships and continued efforts to identify and establish additional relationships.

6.A. Historically Underutilized Business Supporting Schedule
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/17/2018**
Time: **8:56:41AM**

Agency Code: **455** Agency: **Railroad Commission**

- (6) Required HUB subcontracting plans for contracts over \$100,000 when subcontracting opportunities are probable.
- (7) Ensuring contract specifications/terms/conditions reflect actual requirements, are clearly stated, and do not impose unreasonable or unnecessary contract requirements.
- (8) Prepared/distributed purchasing, contracting, subcontracting information in a manner that encourages participation by all businesses.

		455 Railroad Commission				
CFDA NUMBER/ STRATEGY		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
15.250.000	Regulation of Surface Coa					
3 - 1 - 2	SURFACE MINING MONITORING/INSPECT	1,098,724	1,500,571	1,500,571	1,400,000	1,400,000
	TOTAL, ALL STRATEGIES	\$1,098,724	\$1,500,571	\$1,500,571	\$1,400,000	\$1,400,000
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$1,098,724	\$1,500,571	\$1,500,571	\$1,400,000	\$1,400,000
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
15.252.000	Abandoned Mine Land Recla					
3 - 2 - 2	SURFACE MINING RECLAMATION	1,267,610	1,975,000	1,975,000	1,600,000	1,600,000
	TOTAL, ALL STRATEGIES	\$1,267,610	\$1,975,000	\$1,975,000	\$1,600,000	\$1,600,000
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$1,267,610	\$1,975,000	\$1,975,000	\$1,600,000	\$1,600,000
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
20.700.000	Pipeline Safety					
2 - 1 - 1	PIPELINE SAFETY	1,899,300	4,291,252	3,637,291	3,442,000	3,442,000
2 - 1 - 2	PIPELINE DAMAGE PREVENTION	188,623	458,000	458,000	288,000	288,000
	TOTAL, ALL STRATEGIES	\$2,087,923	\$4,749,252	\$4,095,291	\$3,730,000	\$3,730,000
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$2,087,923	\$4,749,252	\$4,095,291	\$3,730,000	\$3,730,000
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
66.433.000	State Underground Water S					
1 - 1 - 1	ENERGY RESOURCE DEVELOPMENT	419,092	419,092	419,092	352,000	352,000
	TOTAL, ALL STRATEGIES	\$419,092	\$419,092	\$419,092	\$352,000	\$352,000
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$419,092	\$419,092	\$419,092	\$352,000	\$352,000
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
66.817.000	State and Tribal Response Program					

6.C. Federal Funds Supporting Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

CFDA NUMBER/ STRATEGY	455 Railroad Commission				
	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
3 - 2 - 1 OIL&GAS WELL PLUGGING & REMEDIATI	111,859	111,859	111,859	120,000	120,000
TOTAL, ALL STRATEGIES	\$111,859	\$111,859	\$111,859	\$120,000	\$120,000
ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
TOTAL, FEDERAL FUNDS	\$111,859	\$111,859	\$111,859	\$120,000	\$120,000
ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0

CFDA NUMBER/ STRATEGY		455 Railroad Commission				
		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
 <u>SUMMARY LISTING OF FEDERAL PROGRAM AMOUNTS</u>						
15.250.000	Regulation of Surface Coa	1,098,724	1,500,571	1,500,571	1,400,000	1,400,000
15.252.000	Abandoned Mine Land Recla	1,267,610	1,975,000	1,975,000	1,600,000	1,600,000
20.700.000	Pipeline Safety	2,087,923	4,749,252	4,095,291	3,730,000	3,730,000
66.433.000	State Underground Water S	419,092	419,092	419,092	352,000	352,000
66.817.000	State and Tribal Response Program	111,859	111,859	111,859	120,000	120,000
TOTAL, ALL STRATEGIES		\$4,985,208	\$8,755,774	\$8,101,813	\$7,202,000	\$7,202,000
TOTAL, ADDL FED FUNDS FOR EMPL BENEFITS		0	0	0	0	0
TOTAL, FEDERAL FUNDS		<u>\$4,985,208</u>	<u>\$8,755,774</u>	<u>\$8,101,813</u>	<u>\$7,202,000</u>	<u>\$7,202,000</u>
TOTAL, ADDL GR FOR EMPL BENEFITS		\$0	\$0	\$0	\$0	\$0

SUMMARY OF SPECIAL CONCERNS/ISSUES

CFDA NUMBER/ STRATEGY	455 Railroad Commission	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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Assumptions and Methodology:

CFDA 15.250 and 15.252

The Commission's Surface Mining Division receives 100% federal funding for the reclamation of abandoned mines in the state and 50% federal funding for the environmental regulation of current coal mining activities.

CFDA 20.700

The Commission's Pipeline Safety program falls under a federal/state partnership program administered by the U.S. Department of Transportation. The percent of funding is determined through a performance based allocation formula. Grant funds are now authorized to enhance the program with funding up to 80% of the enhanced program's costs. Enhanced funding is contingent on available funds to increase the state share equally with the increased federal share.

CFDA 66.433

Federal funding for the Oil and Gas Underground Injection Control (UIC) program was created on the basis of a 75% federal share with a 25% general revenue state share. Due to federal funding limitations, the state share represents closer to 75% of the UIC funding.

CFDA 66.817

The Commission's Oil and Gas division receives 100% federal funding to build and maintain an inventory of potential Brownfields sites and conduct a limited number of site assessments. Funding is anticipated to continue.

Potential Loss:

CFDA 20.700

The federal pipeline funding program is based on a 50% matching program, limited by the total amount of federal funds available. The Commission's programs are graded between 96% and 100%, however limited federal funding levels use up to 80% of the state's request as a base from which to apply grading ratios, resulting in a reduced funding level of the state's program.

6.E. Estimated Revenue Collections Supporting Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **455** Agency name: **Railroad Commission**

FUND/ACCOUNT	Act 2017	Exp 2018	Exp 2019	Bud 2020	Est 2021
<u>1</u> General Revenue Fund					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3035 Commercial Transportation Fees	2,167,219	2,160,000	2,160,000	2,160,000	2,160,000
3234 Gas Utility Pipeline Tax	24,790,559	25,100,000	25,600,000	25,600,000	25,600,000
3246 Compressed Natural Gas Licenses	40,090	42,000	42,000	42,000	42,000
3314 Oil & Gas Well Violations	1,286,437	967,000	992,000	992,000	992,000
3329 Surface Mining Permits	2,798,747	2,900,000	2,900,000	2,900,000	2,900,000
Subtotal: Actual/Estimated Revenue	31,083,052	31,169,000	31,694,000	31,694,000	31,694,000
Total Available	\$31,083,052	\$31,169,000	\$31,694,000	\$31,694,000	\$31,694,000
Ending Fund/Account Balance	\$31,083,052	\$31,169,000	\$31,694,000	\$31,694,000	\$31,694,000

REVENUE ASSUMPTIONS:

- 1) Unappropriated General Revenue is swept by Comptroller of Public Accounts.
- 2) The bond forfeiture portion of Oil & Gas Well Violations (object 3314) is deposited to the Oil and Gas Regulation and Cleanup Fund (Fund 5155).

CONTACT PERSON:

Corey Crawford

6.E. Estimated Revenue Collections Supporting Schedule
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **455** Agency name: **Railroad Commission**

FUND/ACCOUNT	Act 2017	Exp 2018	Exp 2019	Bud 2020	Est 2021
666 Appropriated Receipts					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3045 Railroad Commission Svs Fees	829	600	1,000	1,000	1,000
3245 Compressed Nat Gas Train & Exams	41,235	42,000	42,000	42,000	42,000
3719 Fees/Copies or Filing of Records	616,538	650,000	650,000	650,000	650,000
3722 Conf, Semin, & Train Regis Fees	967,143	1,173,000	1,160,000	1,160,000	1,160,000
3752 Sale of Publications/Advertising	6,807	11,000	6,800	6,800	6,800
3802 Reimbursements-Third Party	63,374	136,000	100,000	100,000	100,000
3839 Sale of Motor Vehicle/Boat/Aircraft	41,266	3,476	50,000	50,000	50,000
Subtotal: Actual/Estimated Revenue	1,737,192	2,016,076	2,009,800	2,009,800	2,009,800
Total Available	\$1,737,192	\$2,016,076	\$2,009,800	\$2,009,800	\$2,009,800
DEDUCTIONS:					
Expended	(1,686,252)	(1,966,076)	(1,959,800)	(1,959,800)	(1,959,800)
SWCAP	(50,940)	(50,000)	(50,000)	(50,000)	(50,000)
Total, Deductions	\$(1,737,192)	\$(2,016,076)	\$(2,009,800)	\$(2,009,800)	\$(2,009,800)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

- 1) The Commission assumes all revenues will be expended as intended.
- 2) Conference, Seminar, and Training Registration Fees (COBJ 3722) include both the Oil and Gas Seminars and the LP Gas Training Fees.

CONTACT PERSON:

Corey Crawford

6.E. Estimated Revenue Collections Supporting Schedule
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **455** Agency name: **Railroad Commission**

FUND/ACCOUNT	Act 2017	Exp 2018	Exp 2019	Bud 2020	Est 2021
888 Earned Federal Funds					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3702 Fed Receipts-Earned Federal Funds	3,868,889	2,500,000	1,250,000	903,112	903,112
Subtotal: Actual/Estimated Revenue	3,868,889	2,500,000	1,250,000	903,112	903,112
Total Available	\$3,868,889	\$2,500,000	\$1,250,000	\$903,112	\$903,112
DEDUCTIONS:					
84th GAA, Art. IX, Sec. 13.11	(903,112)	0	0	0	0
85th GAA, Art. IX, Sec. 13.11	0	(903,112)	(903,112)	0	0
Benefits	(152,891)	(152,891)	(152,891)	0	0
Under Collected Revenue	0	0	0	0	0
Over Collected Revenue	(2,812,886)	(1,443,997)	(193,997)	0	0
86th GAA, Art. IX, Sec. 13.11	0	0	0	(903,112)	(903,112)
Total, Deductions	\$(3,868,889)	\$(2,500,000)	\$(1,250,000)	\$(903,112)	\$(903,112)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Corey Crawford

6.E. Estimated Revenue Collections Supporting Schedule
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **455** Agency name: **Railroad Commission**

FUND/ACCOUNT	Act 2017	Exp 2018	Exp 2019	Bud 2020	Est 2021
<u>5155</u> Oil & Gas Regulation					
Beginning Balance (Unencumbered):	\$22,048,706	\$25,972,301	\$25,906,483	\$19,844,432	\$10,700,284
Estimated Revenue:					
3310 Oil and Gas Surcharges	23,307,035	26,441,000	24,100,000	24,100,000	24,100,000
3313 Oil & Gas Well Drilling Permit	6,836,038	8,219,000	8,000,000	8,000,000	8,000,000
3314 Oil & Gas Well Violations	9,834,960	12,402,000	10,000,000	10,000,000	10,000,000
3338 Organization Report Fees	3,894,810	3,857,000	3,850,000	3,850,000	3,850,000
3339 Voluntary Cleanup Program Fees	18,332	11,000	12,000	12,000	12,000
3369 Reimburse for Well Plugging Costs	1,707,121	1,363,000	450,000	450,000	450,000
3373 Injection Well Regulation	49,410	74,000	53,000	53,000	53,000
3381 Oil-Field Cleanup Reg Fee - Oil	6,401,616	7,431,000	7,300,000	7,300,000	7,300,000
3382 RR Commission - Rule Except Fee	1,519,170	1,953,000	1,700,000	1,700,000	1,700,000
3383 Oil-Field Cleanup Reg Fee-Gas	5,054,042	5,405,000	5,300,000	5,300,000	5,300,000
3384 Oil & Gas Compl Cert Reissue Fee	697,863	825,000	800,000	800,000	800,000
3393 Abandoned Well Site Eqpt Disposal	259,112	817,000	350,000	350,000	350,000
3553 Pipeline Safety Inspection Fees	5,031,616	9,327,000	9,251,000	9,251,000	9,251,000
3592 Waste Disp Fac, Genrtr, Trnsprttrs	201,315	203,000	190,000	190,000	190,000
3727 Fees - Administrative Services	1,830,403	2,078,000	1,720,000	1,720,000	1,720,000
3851 Interest on St Deposits & Treas Inv	0	19,429	0	0	0
Subtotal: Actual/Estimated Revenue	66,642,843	80,425,429	73,076,000	73,076,000	73,076,000
Total Available	\$88,691,549	\$106,397,730	\$98,982,483	\$92,920,432	\$83,776,284
DEDUCTIONS:					
Expended/Budgeted	(49,729,875)	(68,241,247)	(66,888,051)	(69,970,148)	(65,159,154)
Transfer-Employee Benefits	(8,480,352)	(8,250,000)	(8,250,000)	(8,250,000)	(8,250,000)
Transfer - SWCAP (Art IX, Sec. 15.04)	(1,106,029)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)
Benefits for Retired Employees (ERS Shared Cash)	(3,402,992)	(2,900,000)	(2,900,000)	(2,900,000)	(2,900,000)
Total, Deductions	\$(62,719,248)	\$(80,491,247)	\$(79,138,051)	\$(82,220,148)	\$(77,409,154)
Ending Fund/Account Balance	\$25,972,301	\$25,906,483	\$19,844,432	\$10,700,284	\$6,367,130

6.E. Estimated Revenue Collections Supporting Schedule
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **455** Agency name: **Railroad Commission**

FUND/ACCOUNT	Act 2017	Exp 2018	Exp 2019	Bud 2020	Est 2021
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REVENUE ASSUMPTIONS:

- 1) The RRC collects surcharges on certain Oil and Gas fees. The current rate set in rule is 150% of the fee.
- 2) Oil and Gas Well Violations (COBJ 3314) includes only bond forfeitures. The other collections to 3314 go to unappropriated general revenue.
- 3) Administrative Services Fees (Comp Obj 3727) are the Groundwater Protection Determination application fees.
- 4) Pipeline Safety Inspection Fees (object 3553) include the new pipeline safety and regulatory fee established by HB 1818 (85th Legislature, Regular Session). The RRC began collecting the fee in July 2018 and estimates \$4.2M annually.

CONTACT PERSON:

Corey Crawford

6.F.a. Advisory Committee Supporting Schedule ~ Part A

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
Time: 8:56:44AM

Agency Code: **455** Agency: **Railroad Commission**

OIL-FIELD CLEANUP ADVISORY COMMITTEE

Statutory Authorization: Tex. Nat. Res. Code Sec. 91.1135
 Number of Members: 10
 Committee Status: Ongoing
 Date Created: 09/01/2001
 Date to Be Abolished:

Strategy (Strategies): 1-1-1 ENERGY RESOURCE DEVELOPMENT
 3-1-1 OIL/GAS MONITOR & INSPECTIONS
 3-2-1 OIL&GAS WELL PLUGGING & REMEDIATION
 4-1-1 PUBLIC INFORMATION AND SERVICES

Advisory Committee Costs	Expended Exp 2017	Estimated Est 2018	Budgeted Bud 2019	Requested BL 2020	Requested BL 2021
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Method of Financing

Meetings Per Fiscal Year	0	0	0	0	0
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6.F.a. Advisory Committee Supporting Schedule ~ Part A

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
Time: 8:56:44AM

Agency Code: 455 Agency: **Railroad Commission**

Description and Justification for Continuation/Consequences of Abolishing

The Oil-Field Advisory Committee is a 10-member group that meets at least quarterly to monitor the effectiveness of the Oil Field Cleanup Fund, receive information about rules proposed by the Commission relating to the fund, and review recommendations for legislation proposed by the Commission.

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
Time: 8:56:44AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ <u>Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
1 Across the Board 2.5%									
Category: Across the Board Reductions									
Item Comment: The Railroad Commission used the "Across the Board Reduction" methodology in the Base Reduction Schedule.									
Strategy: 1-1-1 Promote Energy Resource Development Opportunities									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$110,135	\$110,135	\$220,270			
General Revenue Funds Total	\$0	\$0	\$0	\$110,135	\$110,135	\$220,270			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$328,140	\$317,574	\$645,714			
Gr Dedicated Total	\$0	\$0	\$0	\$328,140	\$317,574	\$645,714			
Strategy: 2-1-1 Ensure Pipeline Safety									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$71,341	\$69,218	\$140,559			
General Revenue Funds Total	\$0	\$0	\$0	\$71,341	\$69,218	\$140,559			

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
Time: 8:56:44AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$143,935	\$124,710	\$268,645			
Gr Dedicated Total	\$0	\$0	\$0	\$143,935	\$124,710	\$268,645			
Strategy: 2-1-2 Pipeline Damage Prevention									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$9,623	\$9,623	\$19,246			
General Revenue Funds Total	\$0	\$0	\$0	\$9,623	\$9,623	\$19,246			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$8,929	\$8,929	\$17,858			
Gr Dedicated Total	\$0	\$0	\$0	\$8,929	\$8,929	\$17,858			

Strategy: 2-2-1 Regulate Alternative Fuel Resources

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
Time: 8:56:44AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$39,089	\$39,646	\$78,735			
General Revenue Funds Total	\$0	\$0	\$0	\$39,089	\$39,646	\$78,735			
Strategy: 3-1-1 Oil and Gas Monitoring and Inspections									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$169,325	\$169,325	\$338,650			
General Revenue Funds Total	\$0	\$0	\$0	\$169,325	\$169,325	\$338,650			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$537,630	\$529,083	\$1,066,713			
Gr Dedicated Total	\$0	\$0	\$0	\$537,630	\$529,083	\$1,066,713			

Strategy: 3-1-2 Surface Mining Monitoring and Inspections

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
Time: 8:56:44AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$53,482	\$53,482	\$106,964			
General Revenue Funds Total	\$0	\$0	\$0	\$53,482	\$53,482	\$106,964			
Strategy: 3-2-1 Oil and Gas Well Plugging and Remediation									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$200,649	\$200,649	\$401,298			
General Revenue Funds Total	\$0	\$0	\$0	\$200,649	\$200,649	\$401,298			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$693,868	\$611,932	\$1,305,800			
Gr Dedicated Total	\$0	\$0	\$0	\$693,868	\$611,932	\$1,305,800			

Strategy: 3-2-2 Surface Mining Reclamation

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
Time: 8:56:44AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$45,658	\$42,357	\$88,015			
General Revenue Funds Total	\$0	\$0	\$0	\$45,658	\$42,357	\$88,015			
Strategy: 3-3-1 Ensure Fair Rates and Compliance to Rate Structures									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$51,382	\$51,382	\$102,764			
General Revenue Funds Total	\$0	\$0	\$0	\$51,382	\$51,382	\$102,764			
Strategy: 4-1-1 Public Information and Services									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$15,516	\$15,516	\$31,032			
General Revenue Funds Total	\$0	\$0	\$0	\$15,516	\$15,516	\$31,032			

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
Time: 8:56:44AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$36,751	\$36,751	\$73,502			
Gr Dedicated Total	\$0	\$0	\$0	\$36,751	\$36,751	\$73,502			
Item Total	\$0	\$0	\$0	\$2,515,453	\$2,390,312	\$4,905,765			

FTE Reductions (From FY 2020 and FY 2021 Base Request)

2 Across the Board 2.5%

Category: Across the Board Reductions

Item Comment: The Railroad Commission used the "Across the Board Reduction" methodology in the Base Reduction Schedule.

Strategy: 1-1-1 Promote Energy Resource Development Opportunities

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$110,135	\$110,134	\$220,269			
General Revenue Funds Total	\$0	\$0	\$0	\$110,135	\$110,134	\$220,269			

Gr Dedicated

5155 Oil & Gas Regulation	\$0	\$0	\$0	\$328,140	\$317,575	\$645,715			
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6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
Time: 8:56:44AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
Gr Dedicated Total	\$0	\$0	\$0	\$328,140	\$317,575	\$645,715			
Strategy: 2-1-1 Ensure Pipeline Safety									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$71,341	\$69,218	\$140,559			
General Revenue Funds Total	\$0	\$0	\$0	\$71,341	\$69,218	\$140,559			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$143,935	\$124,710	\$268,645			
Gr Dedicated Total	\$0	\$0	\$0	\$143,935	\$124,710	\$268,645			
Strategy: 2-1-2 Pipeline Damage Prevention									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$9,623	\$9,623	\$19,246			
General Revenue Funds Total	\$0	\$0	\$0	\$9,623	\$9,623	\$19,246			

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
Time: 8:56:44AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$8,929	\$8,929	\$17,858			
Gr Dedicated Total	\$0	\$0	\$0	\$8,929	\$8,929	\$17,858			
Strategy: 2-2-1 Regulate Alternative Fuel Resources									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$39,089	\$39,646	\$78,735			
General Revenue Funds Total	\$0	\$0	\$0	\$39,089	\$39,646	\$78,735			
Strategy: 3-1-1 Oil and Gas Monitoring and Inspections									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$169,325	\$169,325	\$338,650			
General Revenue Funds Total	\$0	\$0	\$0	\$169,325	\$169,325	\$338,650			

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
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Date: 8/17/2018
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Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$537,630	\$529,083	\$1,066,713			
Gr Dedicated Total	\$0	\$0	\$0	\$537,630	\$529,083	\$1,066,713			
Strategy: 3-1-2 Surface Mining Monitoring and Inspections									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$53,482	\$53,482	\$106,964			
General Revenue Funds Total	\$0	\$0	\$0	\$53,482	\$53,482	\$106,964			
Strategy: 3-2-1 Oil and Gas Well Plugging and Remediation									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$200,649	\$200,649	\$401,298			
General Revenue Funds Total	\$0	\$0	\$0	\$200,649	\$200,649	\$401,298			

6.I. Percent Biennial Base Reduction Options

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86th Regular Session, Agency Submission, Version 1
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Date: 8/17/2018
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Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$693,868	\$611,932	\$1,305,800			
Gr Dedicated Total	\$0	\$0	\$0	\$693,868	\$611,932	\$1,305,800			
Strategy: 3-2-2 Surface Mining Reclamation									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$45,658	\$42,357	\$88,015			
General Revenue Funds Total	\$0	\$0	\$0	\$45,658	\$42,357	\$88,015			
Strategy: 3-3-1 Ensure Fair Rates and Compliance to Rate Structures									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$51,382	\$51,382	\$102,764			
General Revenue Funds Total	\$0	\$0	\$0	\$51,382	\$51,382	\$102,764			
Strategy: 4-1-1 Public Information and Services									

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
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Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$15,516	\$15,516	\$31,032			
General Revenue Funds Total	\$0	\$0	\$0	\$15,516	\$15,516	\$31,032			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$36,751	\$36,751	\$73,502			
Gr Dedicated Total	\$0	\$0	\$0	\$36,751	\$36,751	\$73,502			
Item Total	\$0	\$0	\$0	\$2,515,453	\$2,390,312	\$4,905,765			

FTE Reductions (From FY 2020 and FY 2021 Base Request)

3 Across the Board 2.5%

Category: Across the Board Reductions

Item Comment: The Railroad Commission used the "Across the Board Reduction" methodology in the Base Reduction Schedule.

Strategy: 1-1-1 Promote Energy Resource Development Opportunities

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$110,135	\$110,135	\$220,270			
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6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
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Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ <u>Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
General Revenue Funds Total	\$0	\$0	\$0	\$110,135	\$110,135	\$220,270			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$328,140	\$317,574	\$645,714			
Gr Dedicated Total	\$0	\$0	\$0	\$328,140	\$317,574	\$645,714			
Strategy: 2-1-1 Ensure Pipeline Safety									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$71,341	\$69,218	\$140,559			
General Revenue Funds Total	\$0	\$0	\$0	\$71,341	\$69,218	\$140,559			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$143,935	\$124,710	\$268,645			
Gr Dedicated Total	\$0	\$0	\$0	\$143,935	\$124,710	\$268,645			
Strategy: 2-1-2 Pipeline Damage Prevention									

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
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Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$9,623	\$9,623	\$19,246			
General Revenue Funds Total	\$0	\$0	\$0	\$9,623	\$9,623	\$19,246			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$8,929	\$8,929	\$17,858			
Gr Dedicated Total	\$0	\$0	\$0	\$8,929	\$8,929	\$17,858			
Strategy: 2-2-1 Regulate Alternative Fuel Resources									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$39,089	\$39,646	\$78,735			
General Revenue Funds Total	\$0	\$0	\$0	\$39,089	\$39,646	\$78,735			

Strategy: 3-1-1 Oil and Gas Monitoring and Inspections

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
Time: 8:56:44AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$169,325	\$169,325	\$338,650			
General Revenue Funds Total	\$0	\$0	\$0	\$169,325	\$169,325	\$338,650			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$537,630	\$529,083	\$1,066,713			
Gr Dedicated Total	\$0	\$0	\$0	\$537,630	\$529,083	\$1,066,713			
Strategy: 3-1-2 Surface Mining Monitoring and Inspections									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$53,482	\$53,482	\$106,964			
General Revenue Funds Total	\$0	\$0	\$0	\$53,482	\$53,482	\$106,964			
Strategy: 3-2-1 Oil and Gas Well Plugging and Remediation									

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
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Date: 8/17/2018
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Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$200,649	\$200,649	\$401,298			
General Revenue Funds Total	\$0	\$0	\$0	\$200,649	\$200,649	\$401,298			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$693,868	\$611,932	\$1,305,800			
Gr Dedicated Total	\$0	\$0	\$0	\$693,868	\$611,932	\$1,305,800			
Strategy: 3-2-2 Surface Mining Reclamation									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$45,658	\$42,357	\$88,015			
General Revenue Funds Total	\$0	\$0	\$0	\$45,658	\$42,357	\$88,015			
Strategy: 3-3-1 Ensure Fair Rates and Compliance to Rate Structures									

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
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Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$51,382	\$51,382	\$102,764			
General Revenue Funds Total	\$0	\$0	\$0	\$51,382	\$51,382	\$102,764			
Strategy: 4-1-1 Public Information and Services									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$15,516	\$15,516	\$31,032			
General Revenue Funds Total	\$0	\$0	\$0	\$15,516	\$15,516	\$31,032			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$36,751	\$36,751	\$73,502			
Gr Dedicated Total	\$0	\$0	\$0	\$36,751	\$36,751	\$73,502			
Item Total	\$0	\$0	\$0	\$2,515,453	\$2,390,312	\$4,905,765			

FTE Reductions (From FY 2020 and FY 2021 Base Request)

4 Across the Board 2.5%

6.I. Percent Biennial Base Reduction Options

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86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
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Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ <u>Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
Category: Across the Board Reductions									
Item Comment: The Railroad Commission used the "Across the Board Reduction" methodology in the Base Reduction Schedule.									
Strategy: 1-1-1 Promote Energy Resource Development Opportunities									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$110,135	\$110,134	\$220,269			
General Revenue Funds Total	\$0	\$0	\$0	\$110,135	\$110,134	\$220,269			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$328,140	\$317,575	\$645,715			
Gr Dedicated Total	\$0	\$0	\$0	\$328,140	\$317,575	\$645,715			
Strategy: 2-1-1 Ensure Pipeline Safety									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$71,341	\$69,218	\$140,559			
General Revenue Funds Total	\$0	\$0	\$0	\$71,341	\$69,218	\$140,559			

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
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Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$143,935	\$124,710	\$268,645			
Gr Dedicated Total	\$0	\$0	\$0	\$143,935	\$124,710	\$268,645			
Strategy: 2-1-2 Pipeline Damage Prevention									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$9,623	\$9,623	\$19,246			
General Revenue Funds Total	\$0	\$0	\$0	\$9,623	\$9,623	\$19,246			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$8,929	\$8,929	\$17,858			
Gr Dedicated Total	\$0	\$0	\$0	\$8,929	\$8,929	\$17,858			

Strategy: 2-2-1 Regulate Alternative Fuel Resources

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
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Date: 8/17/2018
Time: 8:56:44AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$39,089	\$39,646	\$78,735			
General Revenue Funds Total	\$0	\$0	\$0	\$39,089	\$39,646	\$78,735			
Strategy: 3-1-1 Oil and Gas Monitoring and Inspections									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$169,325	\$169,325	\$338,650			
General Revenue Funds Total	\$0	\$0	\$0	\$169,325	\$169,325	\$338,650			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$537,630	\$529,083	\$1,066,713			
Gr Dedicated Total	\$0	\$0	\$0	\$537,630	\$529,083	\$1,066,713			

Strategy: 3-1-2 Surface Mining Monitoring and Inspections

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2018
Time: 8:56:44AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$53,482	\$53,482	\$106,964			
General Revenue Funds Total	\$0	\$0	\$0	\$53,482	\$53,482	\$106,964			
Strategy: 3-2-1 Oil and Gas Well Plugging and Remediation									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$200,649	\$200,649	\$401,298			
General Revenue Funds Total	\$0	\$0	\$0	\$200,649	\$200,649	\$401,298			
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$693,868	\$611,932	\$1,305,800			
Gr Dedicated Total	\$0	\$0	\$0	\$693,868	\$611,932	\$1,305,800			

Strategy: 3-2-2 Surface Mining Reclamation

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/17/2018
Time: 8:56:44AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$45,658	\$42,359	\$88,017			
General Revenue Funds Total	\$0	\$0	\$0	\$45,658	\$42,359	\$88,017			
Strategy: 3-3-1 Ensure Fair Rates and Compliance to Rate Structures									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$51,382	\$51,382	\$102,764			
General Revenue Funds Total	\$0	\$0	\$0	\$51,382	\$51,382	\$102,764			
Strategy: 4-1-1 Public Information and Services									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$15,516	\$15,516	\$31,032			
General Revenue Funds Total	\$0	\$0	\$0	\$15,516	\$15,516	\$31,032			

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/17/2018
Time: 8:56:44AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>Gr Dedicated</u>									
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$36,751	\$36,751	\$73,502			
Gr Dedicated Total	\$0	\$0	\$0	\$36,751	\$36,751	\$73,502			
Item Total	\$0	\$0	\$0	\$2,515,453	\$2,390,314	\$4,905,767			
FTE Reductions (From FY 2020 and FY 2021 Base Request)									
AGENCY TOTALS									
General Revenue Total				\$3,064,800	\$3,045,332	\$6,110,132			\$6,110,132
GR Dedicated Total				\$6,997,012	\$6,515,918	\$13,512,930			
Agency Grand Total	\$0	\$0	\$0	\$10,061,812	\$9,561,250	\$19,623,062			\$6,110,132
Difference, Options Total Less Target						\$13,512,930			
Agency FTE Reductions (From FY 2020 and FY 2021 Base Request)									
Article Total				\$10,061,812	\$9,561,250	\$19,623,062			
Statewide Total				\$10,061,812	\$9,561,250	\$19,623,062			

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
1-1-1	Promote Energy Resource Development Opportunities					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$1,931,692	\$ 2,027,557	\$ 2,027,557	\$ 2,027,557	\$ 2,027,557
1002	OTHER PERSONNEL COSTS	73,934	49,224	49,224	49,224	49,224
2001	PROFESSIONAL FEES AND SERVICES	90,268	155,471	155,471	155,471	155,471
2002	FUELS AND LUBRICANTS	282	812	812	812	812
2003	CONSUMABLE SUPPLIES	6,273	2,258	2,258	2,258	2,258
2004	UTILITIES	2,286	4,087	4,087	4,087	4,087
2005	TRAVEL	10,180	16,651	16,651	16,651	16,651
2006	RENT - BUILDING	739	1,304	1,304	1,304	1,304
2007	RENT - MACHINE AND OTHER	5,360	6,007	6,007	6,007	6,007
2009	OTHER OPERATING EXPENSE	104,063	96,602	96,602	96,602	96,602
Total, Objects of Expense		\$2,225,077	\$2,359,973	\$2,359,973	\$2,359,973	\$2,359,973
METHOD OF FINANCING:						
1	General Revenue Fund	696,102	2,359,973	2,359,973	2,359,973	2,359,973
5155	Oil & Gas Regulation	1,528,975	0	0	0	0
Total, Method of Financing		\$2,225,077	\$2,359,973	\$2,359,973	\$2,359,973	\$2,359,973
FULL TIME EQUIVALENT POSITIONS		25.7	26.9	26.9	26.9	26.9

7.A. Indirect Administrative and Support Costs

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Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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1-1-1 Promote Energy Resource Development Opportunities

Method of Allocation

Percentage of budget.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2-1-1	Ensure Pipeline Safety					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$1,340,711	\$ 1,407,248	\$ 1,407,248	\$ 1,407,248	\$ 1,407,248
1002	OTHER PERSONNEL COSTS	51,315	34,165	34,165	34,165	34,165
2001	PROFESSIONAL FEES AND SERVICES	62,651	107,907	107,907	107,907	107,907
2002	FUELS AND LUBRICANTS	196	563	563	563	563
2003	CONSUMABLE SUPPLIES	4,354	1,567	1,567	1,567	1,567
2004	UTILITIES	1,587	2,836	2,836	2,836	2,836
2005	TRAVEL	7,066	11,557	11,557	11,557	11,557
2006	RENT - BUILDING	513	905	905	905	905
2007	RENT - MACHINE AND OTHER	3,720	4,169	4,169	4,169	4,169
2009	OTHER OPERATING EXPENSE	72,226	67,048	67,048	67,048	67,048
Total, Objects of Expense		\$1,544,339	\$1,637,965	\$1,637,965	\$1,637,965	\$1,637,965
METHOD OF FINANCING:						
1	General Revenue Fund	1,544,339	1,637,965	1,637,965	1,637,965	1,637,965
Total, Method of Financing		\$1,544,339	\$1,637,965	\$1,637,965	\$1,637,965	\$1,637,965
FULL TIME EQUIVALENT POSITIONS		17.8	18.6	18.6	18.6	18.6

Method of Allocation

7.A. Indirect Administrative and Support Costs

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Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2-1-1 Ensure Pipeline Safety					

Percentage of budget.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2-1-2	Pipeline Damage Prevention					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$124,104	\$ 130,263	\$ 130,263	\$ 130,263	\$ 130,263
1002	OTHER PERSONNEL COSTS	4,750	3,162	3,162	3,162	3,162
2001	PROFESSIONAL FEES AND SERVICES	5,799	9,988	9,988	9,988	9,988
2002	FUELS AND LUBRICANTS	18	52	52	52	52
2003	CONSUMABLE SUPPLIES	403	145	145	145	145
2004	UTILITIES	147	263	263	263	263
2005	TRAVEL	654	1,070	1,070	1,070	1,070
2006	RENT - BUILDING	47	84	84	84	84
2007	RENT - MACHINE AND OTHER	344	386	386	386	386
2009	OTHER OPERATING EXPENSE	6,686	6,206	6,206	6,206	6,206
Total, Objects of Expense		\$142,952	\$151,619	\$151,619	\$151,619	\$151,619
METHOD OF FINANCING:						
1	General Revenue Fund	142,952	151,619	151,619	151,619	151,619
Total, Method of Financing		\$142,952	\$151,619	\$151,619	\$151,619	\$151,619
FULL TIME EQUIVALENT POSITIONS		1.7	1.7	1.7	1.7	1.7

Method of Allocation

7.A. Indirect Administrative and Support Costs

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Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2-1-2 Pipeline Damage Prevention					

Percentage of budget.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2-2-1	Regulate Alternative Fuel Resources					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$259,620	\$ 272,505	\$ 272,505	\$ 272,505	\$ 272,505
1002	OTHER PERSONNEL COSTS	9,937	6,616	6,616	6,616	6,616
2001	PROFESSIONAL FEES AND SERVICES	12,132	20,895	20,895	20,895	20,895
2002	FUELS AND LUBRICANTS	38	109	109	109	109
2003	CONSUMABLE SUPPLIES	843	303	303	303	303
2004	UTILITIES	307	549	549	549	549
2005	TRAVEL	1,368	2,238	2,238	2,238	2,238
2006	RENT - BUILDING	99	175	175	175	175
2007	RENT - MACHINE AND OTHER	720	807	807	807	807
2009	OTHER OPERATING EXPENSE	13,986	12,983	12,983	12,983	12,983
Total, Objects of Expense		\$299,050	\$317,180	\$317,180	\$317,180	\$317,180
METHOD OF FINANCING:						
1	General Revenue Fund	299,050	317,180	317,180	317,180	317,180
Total, Method of Financing		\$299,050	\$317,180	\$317,180	\$317,180	\$317,180
FULL TIME EQUIVALENT POSITIONS		3.5	3.6	3.6	3.6	3.6

Method of Allocation

7.A. Indirect Administrative and Support Costs

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Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2-2-1 Regulate Alternative Fuel Resources					

Percentage of budget.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
3-1-1	Oil and Gas Monitoring and Inspections					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$2,969,850	\$ 3,117,237	\$ 3,117,237	\$ 3,117,237	\$ 3,117,237
1002	OTHER PERSONNEL COSTS	113,669	75,679	75,679	75,679	75,679
2001	PROFESSIONAL FEES AND SERVICES	138,781	239,027	239,027	239,027	239,027
2002	FUELS AND LUBRICANTS	434	1,248	1,248	1,248	1,248
2003	CONSUMABLE SUPPLIES	9,645	3,471	3,471	3,471	3,471
2004	UTILITIES	3,514	6,283	6,283	6,283	6,283
2005	TRAVEL	15,651	25,600	25,600	25,600	25,600
2006	RENT - BUILDING	1,136	2,005	2,005	2,005	2,005
2007	RENT - MACHINE AND OTHER	8,241	9,235	9,235	9,235	9,235
2009	OTHER OPERATING EXPENSE	159,990	148,520	148,520	148,520	148,520
Total, Objects of Expense		\$3,420,911	\$3,628,305	\$3,628,305	\$3,628,305	\$3,628,305
METHOD OF FINANCING:						
1	General Revenue Fund	1,070,214	3,628,305	3,628,305	3,628,305	3,628,305
5155	Oil & Gas Regulation	2,350,697	0	0	0	0
Total, Method of Financing		\$3,420,911	\$3,628,305	\$3,628,305	\$3,628,305	\$3,628,305
FULL TIME EQUIVALENT POSITIONS		39.5	41.3	41.3	41.3	41.3

7.A. Indirect Administrative and Support Costs

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Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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3-1-1 Oil and Gas Monitoring and Inspections

Method of Allocation

Percentage of budget

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
3-1-2	Surface Mining Monitoring and Inspections					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$369,069	\$ 387,386	\$ 387,386	\$ 387,386	\$ 387,386
1002	OTHER PERSONNEL COSTS	14,126	9,405	9,405	9,405	9,405
2001	PROFESSIONAL FEES AND SERVICES	17,247	29,704	29,704	29,704	29,704
2002	FUELS AND LUBRICANTS	54	155	155	155	155
2003	CONSUMABLE SUPPLIES	1,199	431	431	431	431
2004	UTILITIES	437	781	781	781	781
2005	TRAVEL	1,945	3,181	3,181	3,181	3,181
2006	RENT - BUILDING	141	249	249	249	249
2007	RENT - MACHINE AND OTHER	1,024	1,148	1,148	1,148	1,148
2009	OTHER OPERATING EXPENSE	19,882	18,457	18,457	18,457	18,457
Total, Objects of Expense		\$425,124	\$450,897	\$450,897	\$450,897	\$450,897
METHOD OF FINANCING:						
1	General Revenue Fund	425,124	450,897	450,897	450,897	450,897
Total, Method of Financing		\$425,124	\$450,897	\$450,897	\$450,897	\$450,897
FULL TIME EQUIVALENT POSITIONS		4.9	5.1	5.1	5.1	5.1

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Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
3-1-2 Surface Mining Monitoring and Inspections					

Percentage of budget.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
3-2-1	Oil and Gas Well Plugging and Remediation					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$3,519,254	\$ 3,693,907	\$ 3,693,907	\$ 3,693,907	\$ 3,693,907
1002	OTHER PERSONNEL COSTS	134,698	89,680	89,680	89,680	89,680
2001	PROFESSIONAL FEES AND SERVICES	164,456	283,247	283,247	283,247	283,247
2002	FUELS AND LUBRICANTS	514	1,479	1,479	1,479	1,479
2003	CONSUMABLE SUPPLIES	11,429	4,113	4,113	4,113	4,113
2004	UTILITIES	4,164	7,445	7,445	7,445	7,445
2005	TRAVEL	18,547	30,337	30,337	30,337	30,337
2006	RENT - BUILDING	1,346	2,376	2,376	2,376	2,376
2007	RENT - MACHINE AND OTHER	9,765	10,943	10,943	10,943	10,943
2009	OTHER OPERATING EXPENSE	189,588	175,996	175,996	175,996	175,996
Total, Objects of Expense		\$4,053,761	\$4,299,523	\$4,299,523	\$4,299,523	\$4,299,523
METHOD OF FINANCING:						
1	General Revenue Fund	1,268,195	4,299,523	4,299,523	4,299,523	4,299,523
5155	Oil & Gas Regulation	2,785,566	0	0	0	0
Total, Method of Financing		\$4,053,761	\$4,299,523	\$4,299,523	\$4,299,523	\$4,299,523
FULL TIME EQUIVALENT POSITIONS		46.9	48.9	48.9	48.9	48.9

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
3-2-2	Surface Mining Reclamation					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$285,653	\$ 304,792	\$ 304,792	\$ 304,792	\$ 304,792
1002	OTHER PERSONNEL COSTS	14,761	9,827	9,827	9,827	9,827
2001	PROFESSIONAL FEES AND SERVICES	18,022	31,039	31,039	31,039	31,039
2002	FUELS AND LUBRICANTS	56	162	162	162	162
2003	CONSUMABLE SUPPLIES	1,252	451	451	451	451
2004	UTILITIES	456	816	816	816	816
2005	TRAVEL	2,032	3,324	3,324	3,324	3,324
2006	RENT - BUILDING	147	260	260	260	260
2007	RENT - MACHINE AND OTHER	1,070	1,199	1,199	1,199	1,199
2009	OTHER OPERATING EXPENSE	20,776	19,286	19,286	19,286	19,286
Total, Objects of Expense		\$344,225	\$371,156	\$371,156	\$371,156	\$371,156
METHOD OF FINANCING:						
1	General Revenue Fund	344,225	371,156	371,156	371,156	371,156
Total, Method of Financing		\$344,225	\$371,156	\$371,156	\$371,156	\$371,156
FULL TIME EQUIVALENT POSITIONS		5.1	5.4	5.4	5.4	5.4

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Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
3-2-2 Surface Mining Reclamation					

Percentage of budget.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
3-3-1	Ensure Fair Rates and Compliance to Rate Structures					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$292,452	\$ 306,966	\$ 306,966	\$ 306,966	\$ 306,966
1002	OTHER PERSONNEL COSTS	11,193	7,452	7,452	7,452	7,452
2001	PROFESSIONAL FEES AND SERVICES	13,666	23,538	23,538	23,538	23,538
2002	FUELS AND LUBRICANTS	43	123	123	123	123
2003	CONSUMABLE SUPPLIES	950	342	342	342	342
2004	UTILITIES	346	619	619	619	619
2005	TRAVEL	1,541	2,521	2,521	2,521	2,521
2006	RENT - BUILDING	112	197	197	197	197
2007	RENT - MACHINE AND OTHER	811	909	909	909	909
2009	OTHER OPERATING EXPENSE	15,755	14,625	14,625	14,625	14,625
Total, Objects of Expense		\$336,869	\$357,292	\$357,292	\$357,292	\$357,292
METHOD OF FINANCING:						
1	General Revenue Fund	336,869	357,292	357,292	357,292	357,292
Total, Method of Financing		\$336,869	\$357,292	\$357,292	\$357,292	\$357,292
FULL TIME EQUIVALENT POSITIONS		3.9	4.1	4.1	4.1	4.1

Method of Allocation

7.A. Indirect Administrative and Support Costs

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Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
3-3-1 Ensure Fair Rates and Compliance to Rate Structures					

Percentage of budget.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
4-1-1	Public Information and Services					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$272,148	\$ 285,654	\$ 285,654	\$ 285,654	\$ 285,654
1002	OTHER PERSONNEL COSTS	10,416	6,935	6,935	6,935	6,935
2001	PROFESSIONAL FEES AND SERVICES	12,717	21,904	21,904	21,904	21,904
2002	FUELS AND LUBRICANTS	40	114	114	114	114
2003	CONSUMABLE SUPPLIES	884	318	318	318	318
2004	UTILITIES	322	576	576	576	576
2005	TRAVEL	1,434	2,346	2,346	2,346	2,346
2006	RENT - BUILDING	104	184	184	184	184
2007	RENT - MACHINE AND OTHER	755	846	846	846	846
2009	OTHER OPERATING EXPENSE	14,661	13,610	13,610	13,610	13,610
Total, Objects of Expense		\$313,481	\$332,487	\$332,487	\$332,487	\$332,487
METHOD OF FINANCING:						
1	General Revenue Fund	98,071	332,487	332,487	332,487	332,487
5155	Oil & Gas Regulation	215,410	0	0	0	0
Total, Method of Financing		\$313,481	\$332,487	\$332,487	\$332,487	\$332,487
FULL TIME EQUIVALENT POSITIONS		3.6	3.8	3.8	3.8	3.8

7.A. Indirect Administrative and Support Costs

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Exp 2017

Est 2018

Bud 2019

BL 2020

BL 2021

Method of Allocation

Percentage of budget.

7.A. Indirect Administrative and Support Costs

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	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$11,364,553	\$11,933,515	\$11,933,515	\$11,933,515	\$11,933,515
1002 OTHER PERSONNEL COSTS	\$438,799	\$292,145	\$292,145	\$292,145	\$292,145
2001 PROFESSIONAL FEES AND SERVICES	\$535,739	\$922,720	\$922,720	\$922,720	\$922,720
2002 FUELS AND LUBRICANTS	\$1,675	\$4,817	\$4,817	\$4,817	\$4,817
2003 CONSUMABLE SUPPLIES	\$37,232	\$13,399	\$13,399	\$13,399	\$13,399
2004 UTILITIES	\$13,566	\$24,255	\$24,255	\$24,255	\$24,255
2005 TRAVEL	\$60,418	\$98,825	\$98,825	\$98,825	\$98,825
2006 RENT - BUILDING	\$4,384	\$7,739	\$7,739	\$7,739	\$7,739
2007 RENT - MACHINE AND OTHER	\$31,810	\$35,649	\$35,649	\$35,649	\$35,649
2009 OTHER OPERATING EXPENSE	\$617,613	\$573,333	\$573,333	\$573,333	\$573,333
Total, Objects of Expense	\$13,105,789	\$13,906,397	\$13,906,397	\$13,906,397	\$13,906,397
Method of Financing					
1 General Revenue Fund	\$6,225,141	\$13,906,397	\$13,906,397	\$13,906,397	\$13,906,397
5155 Oil & Gas Regulation	\$6,880,648	\$0	\$0	\$0	\$0
Total, Method of Financing	\$13,105,789	\$13,906,397	\$13,906,397	\$13,906,397	\$13,906,397
Full-Time-Equivalent Positions (FTE)	152.6	159.4	159.4	159.4	159.4

Agency code: 455

Agency name: Railroad Commission

Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
1-1-1 Promote Energy Resource Development Opportunities					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$583,510	\$736,883	\$736,883	\$736,883	\$736,883
1002 OTHER PERSONNEL COSTS	22,250	29,304	29,304	29,304	29,304
Total, Objects of Expense	\$605,760	\$766,187	\$766,187	\$766,187	\$766,187
METHOD OF FINANCING:					
5155 Oil & Gas Regulation	605,760	766,187	766,187	766,187	766,187
Total, Method of Financing	\$605,760	\$766,187	\$766,187	\$766,187	\$766,187
FULL-TIME-EQUIVALENT POSITIONS (FTE):	17.0	21.2	21.2	21.2	21.2

DESCRIPTION

The administrative and support costs in this strategy are related to twenty administrative assistants and one and a half executive assistants who work on the development of energy resource opportunities.

Agency code: 455

Agency name: **Railroad Commission**

Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2-1-1 Ensure Pipeline Safety					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$292,771	\$298,249	\$298,249	\$298,249	\$298,249
1002 OTHER PERSONNEL COSTS	10,871	11,084	11,084	11,084	11,084
Total, Objects of Expense	\$303,642	\$309,333	\$309,333	\$309,333	\$309,333
METHOD OF FINANCING:					
555 Federal Funds					
20.700.000 Pipeline Safety	151,821	163,723	163,723	163,723	163,723
5155 Oil & Gas Regulation	151,821	145,610	145,610	145,610	145,610
Total, Method of Financing	\$303,642	\$309,333	\$309,333	\$309,333	\$309,333
FULL-TIME-EQUIVALENT POSITIONS (FTE):	8.0	8.0	8.0	8.0	8.0

DESCRIPTION

The administrative and support costs in this strategy are related to seven and a half administrative assistants, who work on programs to improve pipeline safety.

Agency code: 455

Agency name: **Railroad Commission**

Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
3-1-1 Oil and Gas Monitoring and Inspections					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$967,068	\$997,899	\$997,899	\$997,899	\$997,899
1002 OTHER PERSONNEL COSTS	38,555	32,198	32,198	32,198	32,198
Total, Objects of Expense	\$1,005,623	\$1,030,097	\$1,030,097	\$1,030,097	\$1,030,097
METHOD OF FINANCING:					
5155 Oil & Gas Regulation	1,005,623	1,030,097	1,030,097	1,030,097	1,030,097
Total, Method of Financing	\$1,005,623	\$1,030,097	\$1,030,097	\$1,030,097	\$1,030,097
FULL-TIME-EQUIVALENT POSITIONS (FTE):	27.0	28.2	28.2	28.2	28.2

DESCRIPTION

The administrative and support costs in this strategy are related to twenty eight administrative assistants, who work with Oil and Gas inspectors to reduce environmental violations.

Agency code: 455

Agency name: **Railroad Commission**

Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
3-1-2 Surface Mining Monitoring and Inspections					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$332,281	\$315,900	\$315,900	\$315,900	\$315,900
1002 OTHER PERSONNEL COSTS	17,705	17,939	17,939	17,939	17,939
Total, Objects of Expense	\$349,986	\$333,839	\$333,839	\$333,839	\$333,839
METHOD OF FINANCING:					
1 General Revenue Fund	174,994	166,920	166,920	166,920	166,920
555 Federal Funds					
15.250.000 Regulation of Surface Coa	174,992	166,919	166,919	166,919	166,919
Total, Method of Financing	\$349,986	\$333,839	\$333,839	\$333,839	\$333,839
FULL-TIME-EQUIVALENT POSITIONS (FTE):	8.0	7.0	7.0	7.0	7.0

DESCRIPTION

The administrative and support costs in this strategy are related to five administrative assistants and two executive assistants, who work with surface mining inspectors to reduce environmental violations.

Agency code: 455

Agency name: **Railroad Commission**

Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
3-2-1 Oil and Gas Well Plugging and Remediation					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$187,839	\$441,115	\$441,115	\$441,115	\$441,115
1002 OTHER PERSONNEL COSTS	6,127	15,093	15,093	15,093	15,093
Total, Objects of Expense	\$193,966	\$456,208	\$456,208	\$456,208	\$456,208
METHOD OF FINANCING:					
5155 Oil & Gas Regulation	193,966	456,208	456,208	456,208	456,208
Total, Method of Financing	\$193,966	\$456,208	\$456,208	\$456,208	\$456,208
FULL-TIME-EQUIVALENT POSITIONS (FTE):	5.0	11.5	11.5	11.5	11.5

DESCRIPTION

The administrative and support costs in this strategy are related to eleven administrative assistants and half an executive assistant, who work on processing well plugging requests.

Agency code: 455

Agency name: **Railroad Commission**

Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
3-3-1					
Ensure Fair Rates and Compliance to Rate Structures					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$65,552	\$65,552	\$65,552	\$65,552	\$65,552
1002 OTHER PERSONNEL COSTS	5,064	5,304	5,304	5,304	5,304
Total, Objects of Expense	\$70,616	\$70,856	\$70,856	\$70,856	\$70,856
METHOD OF FINANCING:					
1 General Revenue Fund	35,308	35,428	35,428	35,428	35,428
666 Appropriated Receipts	17,654	17,714	17,714	17,714	17,714
5155 Oil & Gas Regulation	17,654	17,714	17,714	17,714	17,714
Total, Method of Financing	\$70,616	\$70,856	\$70,856	\$70,856	\$70,856
FULL-TIME-EQUIVALENT POSITIONS (FTE):	1.0	1.0	1.0	1.0	1.0
DESCRIPTION					
The administrative and support costs in this strategy are related to one executive assistants, who works with gas utility commerce.					

Agency code: 455

Agency name: **Railroad Commission**

Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
4-1-1 Public Information and Services					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$591,509	\$549,385	\$549,385	\$549,385	\$549,385
1002 OTHER PERSONNEL COSTS	23,277	19,462	19,462	19,462	19,462
Total, Objects of Expense	\$614,786	\$568,847	\$568,847	\$568,847	\$568,847
METHOD OF FINANCING:					
1 General Revenue Fund	614,786	568,847	568,847	568,847	568,847
Total, Method of Financing	\$614,786	\$568,847	\$568,847	\$568,847	\$568,847
FULL-TIME-EQUIVALENT POSITIONS (FTE):	17.0	16.0	16.0	16.0	16.0

DESCRIPTION

The administrative and support costs in this strategy are related to sixteen administrative assistants, who provide copies of Oil & Gas documents to the general public.

Agency code: 455

Agency name: Railroad Commission

	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$3,020,530	\$3,404,983	\$3,404,983	\$3,404,983	\$3,404,983
1002 OTHER PERSONNEL COSTS	\$123,849	\$130,384	\$130,384	\$130,384	\$130,384
Total, Objects of Expense	\$3,144,379	\$3,535,367	\$3,535,367	\$3,535,367	\$3,535,367
Method of Financing					
1 General Revenue Fund	\$825,088	\$771,195	\$771,195	\$771,195	\$771,195
555 Federal Funds	\$326,813	\$330,642	\$330,642	\$330,642	\$330,642
666 Appropriated Receipts	\$17,654	\$17,714	\$17,714	\$17,714	\$17,714
5155 Oil & Gas Regulation	\$1,974,824	\$2,415,816	\$2,415,816	\$2,415,816	\$2,415,816
Total, Method of Financing	\$3,144,379	\$3,535,367	\$3,535,367	\$3,535,367	\$3,535,367
Full-Time-Equivalent Positions (FTE)	83.0	92.9	92.9	92.9	92.9