

JULY 1977

BIENNIAL REVENUE ESTIMATE 1978-1979

Bob Bullock · Comptroller of Public Accounts



BOB BULLOCK
Comptroller

COMPTROLLER OF PUBLIC ACCOUNTS
STATE OF TEXAS
AUSTIN, 78774

July 8, 1977

The Honorable Dolph Briscoe
Governor of Texas

The Honorable Bill Hobby
Lieutenant Governor of Texas

The Honorable Billy Clayton
Speaker of the House

Members of the 65th Legislature

Ladies and Gentlemen:

As the 65th Legislature comes into special session, our state government again finds its bank book blessed with a healthy bottom line balance.

The outlook for the future of that bottom line is always subject to change, and by this estimate I am increasing my last estimate of the money available to the Legislature during the coming two years.

In the few short weeks since my last estimate significant changes have been dictated by state government actions. The changes based on these actions do not reflect any basic change in my forecast of general economic conditions.

The dust has now settled on the accomplishments of the Legislature's regular session and these acts, along with revisions in key public school funds, are major factors in the changes I have made.

I will now certify that \$959.8 million will be available to the Legislature in general revenue funds during the remainder of this 1977 budget year and the 1978-79 budget years. This is an increase of approximately \$60 million in general revenue from my last estimate. This estimate also shows an increase of \$4 million in dedicated funds.

Changes in four basic areas have brought about these changes in the estimate.

First, by a series of new acts, now firmly fixed in law, the Legislature reduced our expected revenue collections for the coming two years. But second, by the same token, in the final appropriations actions the Legislature left a significant amount of money on the table in anticipation of a school finance bill.

Third, since the end of the regular session, the Foundation School Budget Committee has reduced their estimate of the needed support for the Foundation Program by \$15 million from the budgeted estimate used in the appropriations bill.

Finally, the continuing shift of Permanent School Fund investments to higher yielding securities permits me to increase by \$27.5 million my estimate of the earnings the Permanent Fund will provide to the Available Fund during the next two years. This revision is the only change in which general economic conditions have been a factor in my estimate.

Delivery of this estimate fulfills the constitutional requirements of my office on the opening of the called session, but it in no way completes my willingness to work with the leadership of this state and the members of the Legislature on the tasks at hand.

Submitted in compliance with House Bill 5, 57th Legislature, First Called Session.

Sincerely,

BOB BULLOCK
Comptroller of Public Accounts

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ESTIMATED STATE REVENUES FOR THE 1978-1979 BIENNIUM

A number of changes having direct bearing on the amount of money which will come into the state treasury during the next two years have occurred since the Comptroller's last revenue estimate was issued May 25, 1977.

Only one of these several changes, however, dealt with the impact of overall, general economic conditions forecast for Texas during the coming biennium. This dealt with investment income from the Permanent School Fund and is discussed in the following pages.

Many changes in the estimate of funds, however, have been made as a result of changes in the "current laws" which provide the framework of the estimate.

The total effect of all these changes is to increase the estimate of revenues by \$9.5 million during fiscal 1977 and \$54.6 million during the 1978-79 biennium. Total receipts of the state in both general and special funds during the coming biennium are now estimated to be \$16.465 billion.

Table 1 gives a detailed listing of current estimates of state revenues for fiscal 1977, 1978 and 1979, along with the expected rate of growth for each major revenue category. Information about the methods and assumptions used to make each estimate is available on request in the Division of Planning and Research in the Comptroller's office.

Not all the income of the state is available for "general" spending because of statutory and constitutional provisions dedicating certain income to specific purposes. "General" spending in the sense used here refers to those expenditures over which the Legislature has complete discretion.

The current estimate of money left unspent by the Legislature during its regular session and which is still available is \$960 million. The General Fund Summary in Table 2 demonstrates the way this figure is compiled.

The following pages explain the changes in four principal categories: 1) those resulting from legislation affecting revenue collections, 2) those resulting from appropriations changes, 3) revisions in the estimated cost of the Minimum Foundation School Program, and 4) revisions in the estimate of investment income of the permanent School Fund.

Summary tables are included in the narrative and detailed tables are provided at the end of this document to show changes from the last estimate.

TABLE 1
ESTIMATED STATE REVENUES BY SOURCE
FISCAL YEARS 1977, 1978, 1979

	Revenue in Millions			Percent Change from Prior Year			Percent of Total		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
Revenues by Source									
Tax Collections (detail below)	\$4,384.3	\$4,822.4	\$5,296.0	12.0	10.0	9.8	61.0	61.1	61.8
Licenses & Fees	344.2	370.1	385.5	1.2	7.5	4.2	4.8	4.7	4.2
Interest Income	255.1	266.3	287.9	8.9	4.4	8.1	3.5	3.4	3.4
Land Income	224.0	248.3	272.2	-9.1	10.9	9.6	3.1	3.1	3.2
Federal Funds	1,912.4	2,118.9	2,250.1	7.7	10.8	6.2	26.6	26.8	26.3
Other Revenue Sources	<u>67.8</u>	<u>71.4</u>	<u>75.5</u>	<u>-17.7</u>	<u>5.3</u>	<u>5.7</u>	<u>.1</u>	<u>.9</u>	<u>1.1</u>
TOTAL REVENUE	<u><u>\$7,187.8</u></u>	<u><u>\$7,897.4</u></u>	<u><u>\$8,567.2</u></u>	9.0	9.9	8.5	100.0	100.0	100.0
Tax Collections by Major Tax									
Sales	\$1,688.7	\$1,888.6	\$2,102.7	14.2	11.8	11.3	38.5	39.2	39.7
Oil Production	423.1	457.5	500.0	-1.9	8.1	9.3	9.7	9.5	9.4
Natural Gas Production	478.7	548.9	667.9	31.3	14.7	21.7	10.9	11.4	12.6
Motor Fuels	449.9	485.9	495.7	5.3	8.0	2.0	10.3	10.1	9.4
Cigarette and Tobacco	293.4	307.8	322.9	4.9	4.9	4.9	6.7	6.4	6.1
Motor Vehicle Sales and Rental	308.6	324.1	322.7	14.1	5.0	-.4	7.0	6.7	6.1
Corporation Franchise	229.4	247.8	267.6	7.4	8.0	8.0	5.2	5.1	5.1
Alcoholic Beverages	111.4	117.4	123.7	13.1	5.4	5.4	2.5	2.4	2.3
Insurance Occupations	110.6	120.7	129.6	7.9	9.1	7.4	2.5	2.5	2.4
Inheritance	59.2	63.1	66.9	1.4	6.6	6.0	1.4	1.3	1.3
Ad Valorem (Property)	40.2	36.1	40.0	9.5	-10.2	10.8	.9	.7	.8
Utility	67.8	83.2	98.7	19.6	22.7	18.6	1.5	1.7	1.9
Telephone	46.2	52.9	59.9	32.0	14.5	13.2	1.1	1.1	1.1
Other	<u>77.1</u>	<u>88.4</u>	<u>97.7</u>	<u>28.5</u>	<u>14.7</u>	<u>10.5</u>	<u>1.8</u>	<u>2.0</u>	<u>1.8</u>
TOTAL TAX COLLECTIONS	<u><u>\$4,384.3</u></u>	<u><u>\$4,822.4</u></u>	<u><u>\$5,296.0</u></u>	12.0	10.0	9.8	100.0	100.0	100.0

TABLE 2
GENERAL FUND SUMMARY
FISCAL YEARS 1977, 1978, 1979

		<u>(in millions)</u>
Balance, 8-31-76	\$	811.7
Estimated General Revenue, 1977		<u>2,625.2</u>
Total Available, 1977	\$	3,436.9
Less estimated expenditures:		
Foundation School Program	\$ 576.5	
Water Development Bonds	9.6	
Other appropriations, contracts, and grants	<u>2,116.5</u>	
	\$ 2,702.6	
Estimated unexpended balances	<u>188.2</u>	<u>2,514.5*</u>
Estimated Balance, 8-31-77	\$	922.4
Estimated General Revenue, 1978		2,805.9
Estimated General Revenue, 1979		<u>3,088.2</u>
Gross Available, 1978-1979 Biennium	\$	6,816.5
Less estimated expenditures:		
Foundation School Program, 1978		716.3
Foundation School Program, 1979		560.7
Water Development Bonds, 1978		8.8
Water Development Bonds, 1979		8.7
Other appropriations, contracts, and grants		<u>4,562.2</u>
Estimated Available for Certification	\$	<u><u>959.8</u></u>

*Current year expenditures do not sum due to rounding

CHANGES IN LEGISLATION AFFECTING REVENUE COLLECTIONS

Twenty five pieces of legislation passed during the regular session and signed by the Governor have a direct impact on the state's revenue collections. When compared to the legal framework which existed before the session, the net effect of these changes in law is to reduce the amounts available in general revenue by \$366 million over the 1978-1979 biennium.

Table 3 gives a list of these new laws, and shows the effect each one had on revenues. The figures given for each bill are taken from the Legislative Budget Board's Fiscal Notes, with the exception of H.B. 1703, which modified the state's existing taxes on motor vehicle sales and rentals. The fiscal impact of H.B. 1703 had to be adjusted to account for the revised forecast of motor vehicle sales tax revenues in May, after the Fiscal Note was prepared. The revised impact given in Table 3 bears the same relationship to the current motor vehicle sales tax estimate, that the LBB Fiscal Note had to the earlier estimate.

The major items in Table 3 are the allocations to the Teacher's Retirement System and the State Highway Fund made out of the Omnibus Tax Clearance Fund. The authority for these allocations is statutory and effectively dedicates new revenues to those purposes so that it is no longer available for "general" spending.

In addition to these two large changes in statutory allocations, two other major shifts were made. The Department of Agriculture Fund was abolished and all of the revenues going into it were transferred to the General Revenue Fund; and, the receipts from driver's license fees were transferred out of the General Fund and into the Operator's and Chauffeur's License Fund which is used to support the Department of Public Safety.

Other bills listed in Table 3 made changes in tax exemptions, licensing requirements, and fee schedules. The major items in this category were exemptions from the sales tax of movie rentals, newspapers, and magazine subscriptions. Two of the bills listed have no cost associated with them because the Fiscal Note only gave an estimate of "negligible impact." The second part of Table 3 shows the effect of legislation on funds other than General Revenue.

TABLE 3
LEGISLATION PASSED BY THE 65TH LEGISLATURE AFFECTING GENERAL REVENUE

<u>Bill Number</u>	<u>Description</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
HB 694	Sales Tax Exemption for Newspapers and Magazines		- \$ 3,342,000	- \$ 3,649,000
HB 760	Boiler Inspection Fees		+ 362,434	+ 368,305
HB 880	Children in State Hospitals		- 125,000	- 125,000
SB 305	Mobile Home Standards Fees		+ 10,567	+ 10,305
HB 3	Highway Bill--Omnibus Allocation		- 114,659,858	- 145,463,357
HB 1646	Abolish Fund 023; Agriculture Dept. Fees to Fund 001	+ \$ 1,150,000	+ 1,438,326	+ 1,472,372
HB 1703	Motor Vehicle Rental and Sales Tax Administration		+ 9,592,596	+ 9,009,220
HB 1292	Water Development Board Interest Rate		+ 413,320	+ 831,900
SB 110	Sales Tax Exemption on Syringes, Hypodermic Needles		- 137,725	- 145,148
HB 1262	Sales Tax Exemption for Movie Rentals		- 1,674,000	- 1,775,000
SB 1091	Primary Election Fees		+ 450,000	- 0 -
SB 549	Driver Licenses		- 5,695,000	- 5,871,500
HB 190	Exempting Church Buses from Motor Vehicle Sales Tax		- 166,667	- 166,667
HB 1484	Reduce Tax Rate on Natural Tobacco Cigars		- 10,000	- 10,200
HB 612	Teacher's Retirement		- 53,250,000	- 56,250,000
SB 700	Rights of Mentally Retarded Persons		- 450,000	- 695,000
SB 135	Raises Percent of Gross Premiums paid to Worker's Compensation Fund		+ 34,989	+ 130,372
SB 428	Private Investigators and Private Security Agency Fees		+ 407,000	+ 407,000
SB 643	Boxing and Wrestling Licenses		+ 13,775	+ 13,775
SB 1168	Auctioneers Licenses		+ 118,600	+ 124,550
SB 883	Private Employment Agencies		- 7,095	- 7,095
SB 428	Regulating Security Services		+ 407,000	+ 407,000
SB 1161	Notary Public Fees		+ 200,000	+ 200,000
HB 407	Sales Tax Exemption for Emergency Medical Equipment		- - -	- - -
HB 1831	Sales Tax Exemption for Radio and TV Tapes		- - -	- - -
	Totals	<u>+ \$ 1,150,000</u>	<u>- \$ 166,068,738</u>	<u>- \$ 201,183,168</u>

TABLE 3 — Continued
LEGISLATION PASSED BY THE 65TH LEGISLATURE AFFECTING RECEIPTS OF SPECIAL FUNDS

<u>Bill Number</u>	<u>Description</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
HB 1646	Abolish Fund 23; Agriculture Dept. Fees to 001	- \$ 1,150,000	- \$ 1,438,326	- \$ 1,472,372
HB 81	Registration of Vehicles to Transport and Spread Fertilizer		- 146,720	- 140,720
HB 706	Insurance Agents Licenses Fees		+ 465,285	+ 465,285
HB 705	Insurance Agents Licenses Fees		- 8,450	- 7,000
SB 657	Regulation of Dentistry and Dental Hygiene		+ 249,150	+ 249,150
SB 624	Red Drum Fish Permits		- 264,000	- 264,000
SB 549	Operators and Chauffeurs License Fees to 099		+ 5,695,000	+ 5,871,500
	Totals	<u>- \$ 1,150,000</u>	<u>+ \$ 4,551,939</u>	<u>+ \$ 4,701,843</u>

APPROPRIATIONS OF THE 65TH LEGISLATURE

During its regular session, the 65th Legislature appropriated a total of almost \$15.9 billion from all funds for the fiscal years 1977, 1978, and 1979. Of this total, nearly \$9.9 billion was from the "special" funds which make up the majority of the state's accounting system, and \$6.0 billion was from General Revenue.

The "special" funds are all of the state funds except General Revenue. Generally speaking, special funds are used for specific purposes and include agency operating funds, constitutionally dedicated funds, bond service funds, federal funds, and many others. Except for the "major funds" shown in the section of detailed tables, the amounts of money in the special funds have little impact on the amounts available for "general" spending.

Table 4 lists the appropriations bills passed during the session, certified by the Comptroller, and signed by the Governor. House Bill 510, the General Appropriations Bill, is by far the largest of the bills listed in Table 4. This bill, which funds most of the operations of the state government, carried a total price tag of \$15.6 billion, including an estimated \$5.7 billion from the General Revenue Fund. The General Revenue cost of the bill is estimated because it includes the Foundation School Program which has an estimated but open-ended appropriation. For this reason the Appropriations Bill is included in the appropriation totals in the General Fund Summary tables net of the Foundation Program, and the General Revenue cost of that program is estimated and shown separately.

Appropriations out of the special funds made in H.B. 510 are shown in the second part of Table 4.

TABLE 4
CERTIFIED APPROPRIATIONS OUT OF GENERAL REVENUE
65TH LEGISLATURE

<u>Bill Number</u>	<u>Description</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
HB 450	Legislative Council-Transfer			
SB 330	Omnibus Courts Bill	\$ 400,000		
HB 372	District Attorney, 220th District	10,334		
HB 3	Highway Bill		\$ 200,000,000	
SB 536	Public Utilities Commission Supplement	368,013		
SB 336	Higher Education Utilities Supplement	15,799,729		
SB 219	Rural Medical Education	130,000		
SB 679	Department of Corrections Supplement	2,265,000		
SB 1253	Comptroller's Judiciary	4,000		
SB 744	Worker's Compensation	1,700,000		
SB 1275	Attorney General-Workers Compensation		80,560	\$ 87,060
SB 850	Secretary of State-Voter Registration		292,700	152,500
HB 1575	Insurance Claims	304,451		
HB 1799	Energy Development Fund	1,500,000		
HB 1469	Flood Damages-UT, TWU, U of H	1,427,941		
SB 788	Secretary of State Reappropriation		UB	UB
SB 1323	Attorney General Fire Damages	67,000		
HB 2266	Agric. Experiment Station and Animal Health Comm.		210,000	210,000
HB 510	General Appropriations Bill*		2,905,130,580	2,750,502,019
HB 612	Teacher Retirement	60,851,000		
SB 754	Employee's Retirement	19,489,267		
	Totals	\$ 104,316,735	\$ 3,105,713,840	\$ 2,750,951,579

*includes the increased cost of Employee's Retirement resulting from SB 859.

CERTIFIED APPROPRIATIONS OUT OF SPECIAL FUNDS

<u>Bill Number</u>	<u>Description</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
HB 510	General Appropriations Bill		\$ 4,802,873,043	\$ 5,093,038,191

REVISIONS IN THE ESTIMATED COST OF THE FOUNDATION SCHOOL PROGRAM

The appropriation for the Minimum Foundation School Program in the General Appropriations Bill (H.B. 510) includes both fixed and open-ended sums. The dollar appropriations for 11 of the 18 parts of the program are estimated. The priority status of the Foundation School Program in the state financial structure gives special significance to the estimate of costs to be paid by the state. Increases or decreases in the budget for the Foundation Program have an automatic impact on the estimate of funds available for all other spending. To provide a control on these expenditures, a Foundation School Budget Committee composed of the Comptroller, the State Auditor, and the Commissioner of Education reviews budgets prepared by the Texas Education Agency, and makes a public certification of the estimated cost of the program to the state.

As is the case with all estimates, the budgets of the Foundation School Program need to be revised as better information becomes available. The budgets are usually reviewed in the summer of each year, and any needed revisions for the current and following years are made. In the fall prior to a legislative session, the Committee certifies an estimate for the coming biennium which is used to prepare the Comptroller's estimate of funds available for all other purposes. After the session, the Budget Committee recertifies estimates for the coming fiscal years in conformity with legislation and appropriations.

On June 20, 1977, the Foundation School Budget Committee reduced their certified estimate of state funds required to support the Foundation Program during fiscal 1977, 1978, and 1979 by \$105.5 million. More than \$90 million of the revisions in the estimated budget were required by the passage of H.B. 510 which established limits on spending for particular programs at lower levels than were used in the fall. These revisions are accounted for in the section on Appropriations. Changes were also made in the estimated cost of salaries and local fund assignments which reduced the estimated cost to the state \$15 million below what was included in the Appropriations Bill. Tables 5 and 6 show the Foundation Budget revisions compared with the earlier estimates and the Appropriations Bill respectively.

TABLE 5
FOUNDATION SCHOOL PROGRAM BUDGET
COMPARED WITH PRIOR ESTIMATE

<u>ITEM</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Salaries	\$ - 7.7	\$ -13.2	\$ -20.6
Maintenance and Operation	- 1.4	—	—
Transportation	+ 2.0	—	—
Minimum Aid	+ 2.1	—	—
Special Education	- .1	- 4.5	- 6.5
Bilingual Education	- .6	- 2.1	- 2.3
Regional Schools for the Deaf	—	- 2.0	- 4.0
Visually Handicapped	—	- 6.3	- 7.9
Other Programs	- 1.1	- 0.1	- 0.2
Agency Administration	—	- 4.1	- 4.0
Total Cost of Program	<u>\$ - 6.8</u>	<u>\$ -32.3</u>	<u>\$ -45.5</u>
Total Local Funds	<u>- 3.9</u>	<u>- 0.5</u>	<u>+25.3</u>
Balance To Be Paid From State Funds	<u><u>\$ - 2.9</u></u>	<u><u>\$ -31.8</u></u>	<u><u>\$ -70.8</u></u>

TABLE 6
FOUNDATION SCHOOL PROGRAM BUDGET
COMPARED WITH APPROPRIATION BILL

<u>ITEM</u>	<u>1978</u>	(in millions) Fiscal Year	<u>1979</u>
Salaries	<u>\$ + 5.5</u>		<u>\$ + 4.3</u>
Total Cost of Program	<u>+ 5.5</u>		<u>+ 4.3</u>
Total Local Funds	<u>- 0.5</u>		<u>+25.3</u>
Balance to Be Paid From State Funds	<u><u>\$ + 6.0</u></u>		<u><u>\$ -21.0</u></u>

REVISIONS IN ESTIMATED INCOME FROM THE PERMANENT SCHOOL FUND

Over the past year, the investment authorities for the Permanent School Fund have changed the mix of their investment portfolio to emphasize higher yielding securities. The investment income from interest and dividends on the stock and bond holdings of the Permanent Fund are deposited into the Available School Fund for use in supporting the state's system of free public schools. The shifting nature of Permanent School Fund investments has caused an increase in the estimate of investment income to the Available School Fund. Table 7 details these changes. The impact of the changes on the estimated financing of the Foundation School Program is shown in the detailed tables.

TABLE 7

Changes in Available School Fund
Estimates

(in millions)

<u>Revenue</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Interest on Investments	\$+ 6.6	\$+ 5.7	\$+ 4.6
Dividends on Stocks	<u>+ 2.8</u>	<u>+ 3.1</u>	<u>+ 4.7</u>
	\$+ 9.4	\$+ 8.8	\$+ 9.3

DETAILED ESTIMATES OF MAJOR FUND REVENUES 1977 – 1979

GENERAL FUND SUMMARY
FISCAL YEARS 1977, 1978, 1979

Cash Balance September 1, 1976		\$ 811,657,021
Plus: Estimated General Revenue, 1977 (Unappropriated)		<u>2,625,218,585</u>
Total Estimated Available Revenue, 1977		\$ 3,436,875,606
Less: Estimated Expenditures, 1977:		
Foundation School Program (Estimated)	\$ 576,541,840	
Water Development Bonds (Estimated)	9,578,188	
Other Operating Appropriations, Contracts and Grants:		
Prior Year	166,697,071	
Current Year	<u>1,949,808,373</u>	
	2,702,625,472	
Estimated Unexpended Balances	<u>188,164,653</u>	<u>2,514,460,819</u>
Estimated Cash Balance August 31, 1977		\$ 922,414,787
Plus: Estimated General Revenue, 1978 (Unappropriated)		2,805,852,238
Estimated General Revenue, 1979 (Unappropriated)		<u>3,088,251,497</u>
Estimated Gross Available, Biennium		\$ 6,816,518,522
Less: Foundation School Program, 1978 (Estimated)		716,308,547
Foundation School Program, 1979 (Estimated)		560,729,141
Water Development Bonds, 1978 (Estimated)		8,801,650
Water Development Bonds, 1979 (Estimated)		8,711,469
Other Operating Appropriations, Contracts, and Grants		<u>4,562,204,083</u>
Estimated Available for Certification		<u><u>\$ 959,763,632</u></u>

GENERAL REVENUE SUMMARY

FUND 1

		Estimated	
	1977	1978	1979
Inheritance Tax	\$ 59,202,069	\$ 63,065,243	\$ 66,928,418
Public Utilities Gross Receipts Tax	5,711,632	7,139,540	8,210,471
Limited Sales & Use Tax	1,680,775,024	1,879,541,467	2,092,161,606
Hotel and Motel Tax	16,534,808	18,188,289	20,007,118
Tobacco Products Tax	9,627,848	9,818,716	10,019,383
Franchise Tax	229,429,941	247,783,820	267,606,526
Cigarette Tax & Permit Fees	256,041,380	268,838,096	282,273,660
Operators and Chauffeurs License	5,727,167	- 0 -	- 0 -
Support and Maintenance of Patients	20,658,234	21,769,086	23,159,939
Interest on Deposits	55,919,000	48,117,000	54,402,000
Medical Assistance for Patients in State Hospitals and Special Schools	55,498,000	49,948,000	44,956,000
Mixed Beverage Receipts	35,383,200	40,513,800	45,644,400
Excess Priority From Fund 120	166,991,572	115,235,151	140,400,862
Other	27,718,710	35,894,030	32,481,114
Total	<u>\$ 2,625,218,585</u>	<u>\$ 2,805,852,238</u>	<u>\$ 3,088,251,497</u>

ESTIMATE OF MOTOR FUEL RECEIPTS AND ALLOCATIONS
FUND 60

	<u>1977</u>	<u>Estimated 1978</u>	<u>1979</u>
Estimated Gross Receipts:			
Special Fuels	\$ 56,624,533	\$ 61,135,760	\$ 62,358,475
Motor Fuels	<u>393,274,287</u>	<u>424,803,002</u>	<u>433,299,062</u>
Total	\$ 449,898,820	\$ 485,938,762	\$ 495,657,537
Less 1% Enforcement - Transfer to Fund 62	<u>4,498,988</u>	<u>4,859,387</u>	<u>4,956,575</u>
Adjusted Gross Receipts	\$ 445,399,832	\$ 481,079,375	\$ 490,700,962
Less Refunds	<u>9,771,580</u>	<u>10,190,008</u>	<u>10,608,437</u>
Net Motor Fuel	\$ 435,628,252	\$ 470,889,367	\$ 480,092,525
Plus Voided Warrants	10,019	11,758	13,721
Less Transfers:			
Refund Filing Fees - Fund 62	23,773	23,608	23,752
3/4 Unclaimed Aircraft Fuel Refunds - Fund 150	575,618	590,672	605,727
1/4 Unclaimed Aircraft Fuel Refunds - Fund 2	191,872	196,891	201,909
3/4 Unclaimed Motorboat Fuel Refunds - Fund 59	2,119,698	2,151,588	2,174,056
1/4 Unclaimed Motorboat Fuel Refunds - Fund 2	<u>706,566</u>	<u>717,196</u>	<u>724,685</u>
Total Receipts	<u>\$ 432,020,744</u>	<u>\$ 467,221,170</u>	<u>\$ 476,376,117</u>
Allocated as Follows:			
One-Fourth Available School Fund	\$ 108,005,186	\$ 116,805,292	\$ 119,094,029
Board of County and District road Indebtedness:			
Administration	- 0 -	104,300	104,300
Grants to Counties	7,300,000	7,300,000	7,300,000
Principal & Interest on Bonds	<u>- 0 -</u>	<u>85,000</u>	<u>85,000</u>
Balance to Highway Fund 6	\$ 115,305,186	\$ 124,294,592	\$ 126,583,329
	<u>316,715,558</u>	<u>342,926,578</u>	<u>349,792,788</u>
Total Allocations	<u>\$ 432,020,744</u>	<u>\$ 467,221,170</u>	<u>\$ 476,376,117</u>

**OMNIBUS TAX NET RECEIPTS, TRANSFERS, AND ALLOCATIONS
FOR THE FISCAL YEARS 1977, 1978 and 1979**

		Estimated		
		1977	1978	1979
020	Oil Production	\$ 420,948,911	\$ 455,434,289	\$ 497,995,554
022	Natural & Casinghead Gas	478,645,507	548,934,425	667,887,478
024	Sulphur	4,741,763	4,646,928	4,553,989
026	Oil & Gas Regulation	2,107,007	2,064,867	2,023,569
040	Cement	3,623,000	3,623,000	3,623,000
042	Utilities	57,776,760	72,220,950	86,665,094
044	Telephone	40,515,118	45,782,083	51,733,754
046	Oil & Gas Well Servicing	3,810,950	5,030,454	6,206,574
050	Express Companies	- 0 -	- 0 -	- 0 -
052	Carline Companies	- 0 -	- 0 -	- 0 -
056	Admissions	- 0 -	1,916,687	1,974,188
080	Liquor	36,348,504	37,728,638	39,108,773
082	Wine	2,805,000	2,805,000	2,805,000
084	Malt Liquor	1,143,841	1,220,586	1,297,331
087	Telegraph	56,000	56,000	56,000
090	Beer	52,865,251	55,887,232	59,081,961
095	Motor Vehicle Rental	6,555,129	7,291,578	8,028,027
096	Motor Vehicle Sales	302,000,000	316,825,929	314,642,553
155	Insurance Companies Occupation	108,936,791	117,416,374	125,895,956
180	Miscellaneous Occupation	50,000	50,000	50,000
207	Tobacco Tax Permit Fees	269,390	262,350	254,582
210	Liquor Permit Fees	5,461,769	5,797,668	6,154,225
211	Wine & Beer Permit Fees	1,136,716	1,169,644	1,202,572
650	Cigarette Tax	283,300,000	297,500,000	312,400,000
660	Coin Device Machine	1,445,000	1,600,000	1,771,000
Total to Allocate		<u>\$ 1,814,542,407</u>	<u>\$ 1,985,264,682</u>	<u>\$ 2,195,411,180</u>

**OMNIBUS TAX NET RECEIPTS, TRANSFERS AND ALLOCATIONS
FOR THE FISCAL YEARS 1977, 1978 and 1979**

	Estimated		
	1977	1978	1979
Transfers and Enforcement Fees:			
Comptroller's Fund 062	\$ 5,647,563	\$ 6,228,972	\$ 7,096,917
Available School Fund 002	388,200,474	427,355,132	476,310,209
Oil & Gas Enforcement Fund 155	2,107,007	2,064,867	2,023,569
Liquor Act Enforcement Fund 097	10,064,225	11,382,743	12,030,585
Texas Parks Fund 031	15,328,344	16,095,544	16,900,543
General Revenue Fund 001	<u>255,836,066</u>	<u>268,639,691</u>	<u>282,074,137</u>
Subtotal - Transfers and Enforcement	\$ 677,183,679	\$ 731,766,949	\$ 796,435,960
Priority Allocations:			
Farm-to-Market Road Fund 189	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000
Children's Assistance Fund 167	38,616,329	46,415,600	43,150,536
Medical Assistance Fund 166	207,133,791	326,431,670	324,507,878
State Highway Fund 006	- 0 -	114,659,858	145,463,357
Teacher Retirement Payments	208,642,322	290,050,000	309,250,000
Foundation School Fund 193	500,974,715	345,705,454	421,202,587
General Revenue Fund 001	<u>166,991,571</u>	<u>115,235,151</u>	<u>140,400,862</u>
Subtotal - Priority Allocations	\$ <u>1,137,358,728</u>	\$ <u>1,253,497,733</u>	\$ <u>1,398,975,220</u>
Total Allocations	<u>\$ 1,814,542,407</u>	<u>\$ 1,985,264,682</u>	<u>\$ 2,195,411,180</u>

AVAILABLE SCHOOL FUND

SUMMARY OF TRANSACTION

	1977	Estimated 1978	1979
Opening Cash Balance	\$ 17,911,468	\$ 23,482,903	\$ 2,283,346
Receipts:			
Ad Valorem Tax	\$ 1,153,000	\$ 0	\$ 0
Interest on Investments	53,900,000	58,215,900	62,850,000
Dividends on Stocks	25,900,000	28,756,200	31,835,200
Motor Fuel Tax Fund	108,903,625	117,719,379	120,020,623
Omnibus Tax Fund	388,200,474	427,355,132	476,310,209
Other Revenue	3,608,911	3,946,466	4,283,022
Total Receipts	\$ 581,660,010	\$ 635,993,077	\$ 695,299,054
Total Available	\$ 599,577,478	\$ 659,475,980	\$ 697,582,400
Expenditures:			
Transfer to Textbook Fund	\$ 15,701,129	\$ 43,740,034	\$ 20,078,868
Bond Transactions	575,000	300,000	300,000
Per Capita Apportionment:			
2,539,435 ADA @ \$220.45	559,818,446		
2,558,000 ADA @ \$239.70		613,152,600	
2,604,000 ADA @ \$258.30			672,613,200
Total Expenditures	\$ 576,094,575	\$ 657,192,634	\$ 692,992,068
Ending Net Cash Balance	\$ 23,482,903	\$ 2,283,346	\$ 4,590,332

COST OF MINIMUM FOUNDATION PROGRAM

Cost of Programs	Estimated		
	1977	1978	1979
Regular:			
Salaries	\$ 1,358,815,000	\$ 1,386,601,000	\$ 1,407,281,000
Maintenance & Operation	243,010,000	247,380,000	248,095,000
Transportation	49,500,000	51,963,000	54,561,000
Subtotal, Regular Program	\$ 1,651,325,000	\$ 1,685,944,000	\$ 1,709,937,000
Vocational-Technical Education:			
Salaries	\$ 106,880,000	\$ 117,200,000	\$ 124,564,000
Maintenance & Operation	3,520,000	3,709,000	3,869,000
Transportation	550,000	550,000	550,000
Contracts	600,000	800,000	800,000
Subtotal, Vocational-Technical	\$ 111,550,000	\$ 122,259,000	\$ 129,783,000
Special Education:			
Salaries	\$ 201,534,000	\$ 212,576,000	\$ 217,687,000
Other Programs	19,000,000	15,240,000	13,540,650
Transportation	6,000,000	6,324,000	6,703,000
Subtotal, Special Education	\$ 226,534,000	\$ 234,140,000	\$ 237,930,650
Bilingual Education:			
Subtotal, Bilingual Education	\$ 8,700,000	\$ 5,200,000	\$ 5,200,000
Regional Day Schools for the Deaf:			
Subtotal, Regional Programs for the Deaf	\$ 11,772,000	\$ 12,200,000	\$ 12,200,000
Other Programs:			
Pre-school Non-English	\$ 75,000	\$ 75,000	\$ 75,000
Pre-school Deaf	200,000	- 0 -	- 0 -
Incentive Aid	1,650,000	1,800,000	1,800,000
Educational Television	700,000	825,000	825,000
Regional Media Services	2,544,000	2,558,000	2,604,000
Computer Services	2,544,000	2,558,000	2,604,000
Sick Leave	4,650,000	4,650,000	4,650,000
Student Teaching	3,000,000	3,200,000	3,200,000
Educational Service Centers	7,632,000	7,675,000	7,811,000
Driver Education	2,835,000	3,065,000	3,095,000
Compensatory Education	25,200,000	25,400,000	25,400,000
Equalization Aid	50,000,000	60,000,000	60,000,000
Minimum Aid	10,100,000	- 0 -	- 0 -

COST OF MINIMUM FOUNDATION PROGRAM (Continued)

<u>Cost of Programs</u>	<u>Estimated</u>		
	<u>1977</u>	<u>1978</u>	<u>1979</u>
Other Programs: (continued)			
Education for the Gifted	\$ - 0 -	\$ - 0 -	\$ - 0 -
Statewide Program for the Visually Handicapped	- 0 -	2,970,000	2,970,000
Physical Evaluation of School Children	- 0 -	375,000	375,000
Subtotal, Other Programs	\$ 111,330,000	\$ 115,151,000	\$ 115,409,000
Agency Administration	\$ 4,818,000	\$ 4,722,601	\$ 5,043,278
Total Cost of the Program	\$ 2,125,829,000	\$ 2,179,616,601	\$ 2,215,502,928

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FINANCING OF THE MINIMUM FOUNDATION PROGRAM

Cost of Programs	Estimated		
	1977	1978	1979
Total Cost of Program	\$ 2,125,829,000	\$ 2,179,616,601	\$ 2,215,502,928
Local Funds:			
Gross Local Fund Assignment	\$ 561,190,794	\$ 561,129,464	\$ 621,811,632
Less: Credit for Hold Harmless Clauses	32,930,794	- 0 -	- 0 -
Loss to Budget Balance Districts	40,173,000	54,129,464	61,003,632
Net Local Fund Assignment	\$ 488,087,000	\$ 507,000,000	\$ 560,808,000
County Available Funds	734,000	700,000	700,000
Total Local Funds	\$ 488,821,000	\$ 507,700,000	\$ 561,508,000
Balance to be Paid from State Funds	\$ 1,637,008,000	\$ 1,671,916,601	\$ 1,653,994,928
Available School Fund:			
Per Capita Apportionment			
2,539,435 ADA @ \$220.45	559,818,446		
2,558,000 ADA @ \$239.70		613,152,600	
2,604,000 ADA @ \$258.30			672,613,200
Less: County Administration Cost	3,327,000	3,800,000	1,100,000
Net Contribution, Available School Fund	\$ 556,491,446	\$ 609,352,600	\$ 671,513,200
Recoveries of Prior Year's Payments	3,000,000	550,000	550,000
Net Demand on Foundation Fund	\$ 1,077,516,554	\$ 1,062,014,001	\$ 981,931,728
Available from Omnibus Tax Fund	500,974,714	345,705,454	421,202,587
Balance to be Supplied from General Fund	\$ 576,541,840	\$ 716,308,547	\$ 560,729,141

