



# RAILROAD COMMISSION OF TEXAS

LEGISLATIVE  
APPROPRIATIONS  
REQUEST

**FISCAL YEARS 2018 - 2019**



**CHRISTI CRADDICK**  
COMMISSIONER

**DAVID PORTER**  
CHAIRMAN

**RYAN SITTON**  
COMMISSIONER

# **LEGISLATIVE APPROPRIATIONS REQUEST**

**For Fiscal Years 2018 and 2019**

**Submitted to the**

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

**by the**

**Railroad Commission of Texas**

**August 19, 2016**

# Railroad Commission of Texas (455)

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**Agency Function and Operations**

The Railroad Commission of Texas is the state agency with primary regulatory jurisdiction over the oil and natural gas industry, pipeline transporters, the natural gas and hazardous liquid pipeline industry, natural gas utilities, the alternative fuels (LPG/CNG/LNG) industries, coal surface mining, and uranium exploration operations. The Commission exists under provisions of the Texas Constitution and exercises its statutory responsibilities under state and federal laws for regulation and enforcement of the state's energy industries.

The Commission's key functions provide necessary regulation and oversight of the state's energy industries, without which Texas would not have a vital pillar of its vibrant economy. The Commission's main functions are to protect the environment, public safety, and correlative rights of mineral interest owners, prevent waste of natural resources, and assure fair and equitable utility rates in natural gas distribution industries. The Commission accomplishes these functions 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 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.
- Strive to maximize electronic government and to minimize paper transactions by developing technological enhancements that promote efficient regulatory programs and preserve and increase access to public information.

The Railroad Commission recognizes that ensuring the efficiency and effectiveness of its programs is more than allocating and expending resources responsibly. The Commission seeks to further develop systems, workforce, and infrastructure to address complicated and evolving challenges to the state's energy industries. Robust and secure information management systems, collaboration to develop innovative solutions, a highly skilled and diverse workforce, and a commitment to sustainability are the pillars that support of efficiency, transparency, accountability, and effectiveness of RRC programs.

**Organization and Governing Board**

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:

- David Porter: January 5, 2011 – December 31, 2016; Midland, Texas
- Christi Craddick: December 17, 2012 – December 31, 2018; Midland, Texas
- Ryan Sitton: January 5, 2015 – December 31, 2020; Friendswood, Texas

Serving at the discretion of the Commissioners is an Executive Director who implements policies and rules, and manages the Commission's daily operations. Supporting the Executive Director is a management team comprised of a Chief Financial Officer, General Counsel, and Division Directors who oversee various aspects of the agency.

Approximately 60 percent of the Commission's staff is located in the Austin headquarters, with the remaining staff located throughout the state in Commission field offices. Much of the work of the Commission involves on-site inspections of regulated industry facilities. The most cost-effective business model to conduct onsite inspections involves a network of field offices. In addition, many of the field locations serve as public information portals for walk-in customers seeking information not available online.

**Service Responsibilities**

The Commission serves the state through stewardship of natural resources and the environment while supporting enhanced development and economic vitality for the benefit of Texans. Texas continues to lead the nation in oil production, natural gas production, and propane (LPG) production and consumption. The state also maintains its position as the sixth largest coal producer, with Texas leading the nation in construction of gas-fired electric generation. Texas has nearly 432,000 miles of pipeline systems, with more than 217,000 miles of pipeline under the direct safety oversight of the RRC.

The Commission is responsible for ensuring effective use of the state's energy resources through the regulation of almost all phases of the oil and gas exploration and

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production industry. From initial permitting to drill a well to its final plugging, each oil and gas well in the state is monitored and regulated by the RRC. Through its regulation, the RRC protects both adjacent mineral interest owners' interests, and reservoirs by regulating the spacing and density of wells, determining financial assurance, mapping wells for future reference, and evaluating potential impacts to underground fresh water access and ensuring that such activities do not negatively affect surface and subsurface water quality.

The Commission oversees the most extensive state network of pipelines in the nation that are required to gather, transport, and deliver valuable oil and natural gas resources. The RRC has responsibility to ensure that pipeline systems are designed, constructed, operated, and maintained safely. Approximately one-sixth of the total pipeline mileage in the United States is located in Texas. The RRC also regulates the safe transport, storage, distribution, and use of alternative fuels, including LP-gas (LPG), commonly referred to as propane, as well as compressed natural gas (CNG) and liquefied natural gas (LNG). The RRC provides training, continuing education, and licensing for individuals working with these alternative fuels.

The Commission's environmental protection function addresses potential threats to the environment and human health posed by oil and gas industry activity. The RRC works to prevent the degradation of land and water resources by providing environmental protection regulation that considers environmental risk and economic cost to the public and the state's continuing energy requirements, as well as to ensure the timely and safe reclamation and remediation of affected land and water. As another aspect of its environmental protection function, the RRC seeks to prevent adverse effects to the environment associated with surface coal mining operations and to assure that coal mining operations are conducted in a manner that will prevent permanent degradation of land and water resources.

The Commission's consumer protection function provides economic oversight and regulation to ensure that natural gas utilities provide safe and reliable service at just and reasonable rates. More than 4.5 million residential and business customers rely on the RRC to ensure the availability and reliability of natural gas from the consumer who uses natural gas for essential home heating needs to the major manufacturer who uses natural gas as a process fuel. Further, during peak demand periods over half of the electricity generated in Texas is fueled by natural gas.

The Commission collects, maintains, and makes available to the public enormous amounts of information and data. Public access to this data is critical to environmental protection, public safety, and economic security as the Commission's records concern various oil and gas exploration and development issues including field rules, secondary recovery projects, maximum efficient rates of production, determination of responsibility for the proper plugging of abandoned wells, applications to inject water into reservoirs for enhanced oil and gas production, and prevention and control of oil and gas pollution.

#### Budget Request

As directed by the Legislative Budget Board (LBB) and Governor's Office of Budget, Planning and Policy (GOBPP), the baseline budget request of the Commission represents expenditures equal to those of the current biennium. Historically, General Revenue was the primary funding source for the Commission's programs but this changed with the creation of the Oil and Gas Regulation and Cleanup (OGRC) general revenue dedicated fund during the 82nd Legislature (2011). The legislature created the OGRC to support the Commission's oil and gas regulatory activities. General Revenue continues to fund Commission programs in the alternative energy, gas utilities, pipeline safety, and surface mining divisions.

#### 4 Percent Biennial Budget Reduction

The 2018-19 Base Budget includes reductions of \$898,109 from the General Revenue Fund and \$5,387,868 from General Revenue Dedicated Funds (Oil and Gas Regulation and Cleanup Account No. 5155). The Railroad Commission has always practiced conservative fiscal management. In order to respond to state leadership's instructions to reduce General Revenue and General Revenue-Dedicated spending by 4%, we plan to defer consolidating approximately 15 servers to the State Data Center. However, these servers are becoming and will be increasingly costly to maintain and less reliable.

#### 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 2018-19 biennium. The Governor's Office of Budget and Planning and the Legislative Budget Board requested the Commission identify reductions of \$2,155,461 from the General Revenue Fund and \$12,930,883 from General Revenue Dedicated Funds (Oil and Gas Regulation and Cleanup Account No. 5155).

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

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development of information technology projects and from the elimination of General Revenue and General Revenue Dedicated funding for programs which do not directly ensure the economic growth of Texas or protect the health and safety of the citizens of the State.

**Capital Budget**

The RRC's 2018-19 LAR includes the following capital projects in the Base Level Request:

- \$1,414,155 for Technology Replacement and Upgrade
- \$2,038,000 for Vehicle Replacements
- \$17,341,268 for Data Center Services

**Exceptional Items**

The Commission is requesting nine exceptional items to ensure the agency's ability to address priority issues for the 2018-2019 biennium. These items total approximately \$33 million including \$9.2 million in General Revenue Funds, \$21 million from the Oil and Gas Regulation Cleanup Account, \$0.3 million in Appropriated Receipts and \$2.5 million in federal funds for the biennium. The items are presented below in priority order:

**Agency Salary Parity**

As more employees become eligible for retirement in the next biennium, it is becoming increasingly important to retain the institutional knowledge within the Commission. Even with the downturn in the industry, the marketplace for technical and professional hires with oil and gas experience remains very competitive. This, coupled with high turnover rate to other state and federal agencies, is causing significant concerns that the Commission may experience difficulties carrying out its key regulatory functions if we continue to lose talents. The Commission would like to request additional appropriation for pay parities with other state agencies, especially Article VI agencies.

**Docket Management System**

The Commission manages various types of enforcement and administrative law cases. These cases are handled through a combination of manual processes and automated systems. As a result, tracking and sharing of case information is time-consuming and cumbersome. For example, the schedule for contested hearings is manually maintained on a log book. Using a phased approach, this project will implement an agency docket and case management system over the next two to three biennia.

**Inspection Tracking and Reporting System**

The Commission currently uses a variety of systems and formats to capture inspection data. Having separate inspection systems prohibits the Commission from aggregating this data for a consistent view of regulatory compliance. This project is part of the RRC's Information Technology Modernization Program (ITMP) which began in the FY2014-15 biennium.

**Additional Pipeline Safety Inspectors**

The Commission's Pipeline Safety Program is a federally delegated program through the Pipeline and Hazardous Materials Safety Administration (PHMSA). PHMSA authorizes the Commission to regulate intrastate pipelines, including gathering lines. PHMSA also requires the Commission to perform a standard comprehensive inspection of all regulated systems at a minimum of every five years, as well as a specialized program inspection of each operator every five years. In the past three years the total miles of pipeline in Texas has increased by approximately 25,000 miles from 406,867 total miles in 2012 to 431,997 total miles in 2015. In addition, PHMSA recently announced proposed changes to the federal pipeline safety rules. If passed, the proposed changes would increase the amount of jurisdictional pipelines in Texas. The Commission's federal funding level is contingent upon completion of all standard comprehensive inspections and specialized program inspections. Currently the state's pipeline inspection program does not have enough inspectors to meet all of the federal inspection requirements.

**Additional Alternative Fuel Inspectors**

The Commission's Alternative Fuel Safety Department is responsible for monitoring the safe storage, transportation, distribution and use of alternative fuels in Texas. The population growth in Texas has resulted in an increasing number of installations utilizing alternative fuels for residential, industrial, and commercial applications. This growth in the alternative fuel market has resulted in a higher demand for permitting, safety inspections and enforcement activities provided by the Commission. Current staffing level would only allow an inspection frequency of once every four to five years. With the additional inspectors, the Commission will be able to inspect

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all registered sites as frequent as every two and half years. This would reduce the risk of fires and explosions resulting in property loss, deaths or personal injuries due to improperly installed or poorly maintained equipment.

#### Oil & Gas Permitting and Online Filing – Phase 2

This is a continuation of the Oil and Gas Permitting and Online Filing Project from the FY2014-15 biennium. After successfully implementing a platform for permitting and bringing several forms of applications online, the Commission plans to further enhance the online interface.

#### Additional Oil and Gas Inspectors

The price of crude oil experienced a significant drop in the past year. As operators cut back E&P activities to conserve cash, the risks of operator non-compliance also increased. In order to provide reasonable assurance that potential violations are identified and mitigated, the Commission needs to add more inspectors to help prevent non-compliance in a timely manner. The Commission's goal is to inspect every well in the state in the next four to five year. Additional inspectors will target monitoring activities on well integrity tests as well as identifying wells that may potentially become abandoned wells.

#### Alternative Fuels licenses Online Filing – Phase 2

Licensing and regulating alternative fuels industries is a key function of the Commission. The Commission completed Phase one of this project in the FY2014-15 biennium with the design documents of an online filing system for LPG, LNG and CNG licenses and certifications. Phase two of this project is to develop and implement the system. The new system will replace the manual processes and convert the antiquated licensee database.

#### Gas Utilities Online Filing – Phase 2

One of the Commission's primary responsibilities is to regulate the gas utility industry. Gas utilities currently file their tariffs and annual reports on paper. Due to the lack of online payment capabilities, the gas utility taxes are also collected through checks. The Commission completed phase one of this project in the FY2014-15 biennium with the design of an online filing and payment portal. Phase two of this project is to develop and implement this system. The new system will replace the manual processes which are time consuming and prone to errors.

#### Opportunities

In its Strategic Plan for Fiscal Years 2017-2021, the Commission identified five strategic goals that serve as opportunities for the coming biennium.

Protect public safety and the environment through compliance and enforcement strategies using appropriate tools that are effective, efficient, and transparent.

The Railroad Commission reduces the risk of pollution and risk to public safety by addressing noncompliance swiftly, and by taking appropriate enforcement action when rules are violated. The Commission will improve its use of data to manage its enforcement and compliance efforts and assess its performance.

Review current rules and forms to ensure relevance to current technology and industry practice in order to more effectively maximize protection of public safety and the environment while minimizing the cost of compliance for the regulated industries.

As the industries regulated by the Railroad Commission rapidly evolve in their development and use of technology, the Commission will undergo a thorough review of its rules and where determined appropriate, make necessary updates or amendments to achieve higher compliance with Commission rules and improved environmental outcomes. Compliance is likely to be greater when rules are clear and easily understood, and are provided in a user-friendly format.

Enhance collection of, access to and use of data to improve Railroad Commission programs that ensure public safety and environmental protection.

The Railroad Commission continues to expand public access to, and use of its data to encourage participation in Commission activities. Enhanced data access and utilization brings further transparency to Commission activities while improving performance, informing decision-making and increasing efficiency and effectiveness of programs. Integrated strategic, financial, and programmatic data supports evidence-based decision-making that drives business process improvements and more effective and efficient program operations.

Invest in the quality and sustainability of the Railroad Commission's employees through needs assessment and professional development creating the optimal workforce.

The Railroad Commission responds to changing market and economic conditions that affect the industries it regulates in a dynamic manner. To do respond effectively, the Commission must strengthen its human capital and to address challenges in workforce recruitment, development, and retention. The Commission will develop training curricula for all positions and offer instruction in a variety of forums, such as in-person classroom and online training, on-the-job training, and shadow

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assignments.

Encourage public engagement and increase educational outreach to improve understanding of the Commission's role.

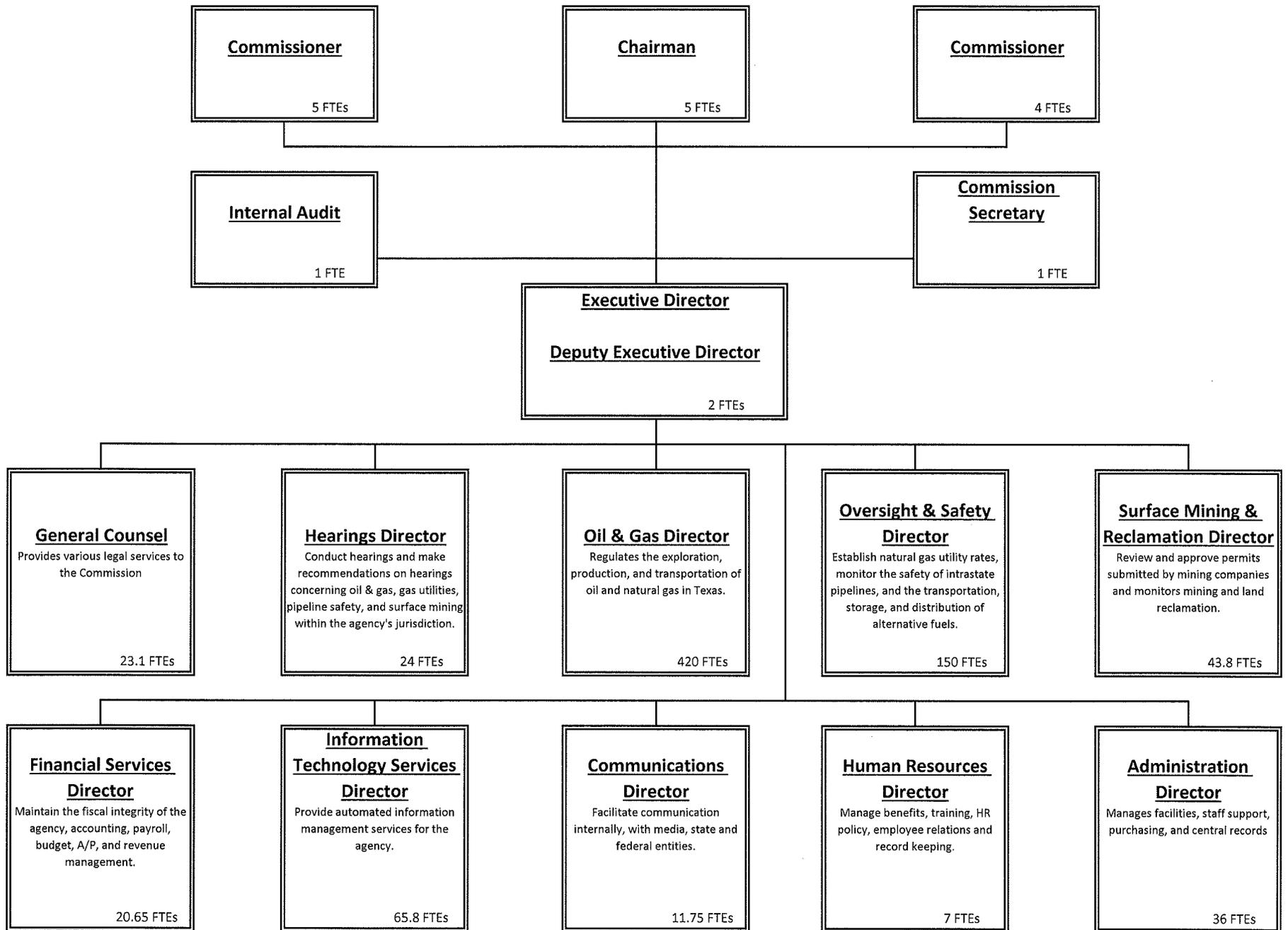
Engagement with the public is a key component of the Railroad Commission's strategic communication plan. The Commission will increase public engagement to actively educate on the responsibilities, processes and actions of the Commission and its jurisdictions.

**External Factors**

While energy prices reached their most recent peak in 2008, recent trends in the fundamentals underlying energy markets shifted. Increases in crude oil production driven by the development of shale oil reserves were initially aided by strong commodity prices, but more recently as demand growth has moderated—notably in China—worldwide oil prices have dropped. This is reflected in the significant change in the spot price of West Texas Intermediate to \$48.66 in 2015 from \$93.17 in 2014.

Natural gas prices have also fallen from the \$4.37 per mcf Henry Hub spot price in 2014 to a 2015 Henry Hub spot price of \$2.62 per mcf. Approximately 76 percent of the Commission's biennial budget is appropriated out of the Oil and Gas Regulation and Cleanup Fund, with revenue streams closely tied to the crude oil market. Given this uncertainty, the Commission needs steady and consistent revenue sources that are less affected by the global market volatilities.

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 must implement 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.



**Budget Overview - Biennial Amounts**  
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Appropriation Years: 2018-19

EXCEPTIONAL  
ITEM  
FUNDS

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	
<b>Goal: 1. Oversee Oil and Gas Resource Development</b>											
1.1.1. Energy Resource Development			31,738,657	27,736,882	838,184	838,184	1,210,850	1,125,788	33,787,691	29,700,854	3,407,653
<b>Total, Goal</b>			<b>31,738,657</b>	<b>27,736,882</b>	<b>838,184</b>	<b>838,184</b>	<b>1,210,850</b>	<b>1,125,788</b>	<b>33,787,691</b>	<b>29,700,854</b>	<b>3,407,653</b>
<b>Goal: 2. Advance Safety Through Training, Monitoring, and Enforcement</b>											
2.1.1. Pipeline Safety	5,664,702	5,996,454	3,558,459	2,729,488	5,385,723	5,405,709	404,008	404,008	15,012,892	14,535,659	6,994,355
2.1.2. Pipeline Damage Prevention	482,005	633,005	637,630	619,478	930,557	916,000	31,802	116,864	2,081,994	2,285,347	624,212
2.2.1. Regulate Alt Fuel Resources	3,866,085	3,365,362					1,364,000	1,364,000	5,230,085	4,729,362	5,021,876
<b>Total, Goal</b>	<b>10,012,792</b>	<b>9,994,821</b>	<b>4,196,089</b>	<b>3,348,966</b>	<b>6,316,280</b>	<b>6,321,709</b>	<b>1,799,810</b>	<b>1,884,872</b>	<b>22,324,971</b>	<b>21,550,368</b>	<b>12,640,443</b>
<b>Goal: 3. Min. Harmful Effects of Energy Prod &amp; Ensure Fair Rates for Consumers</b>											
3.1.1. Oil/Gas Monitor & Inspections			42,944,526	42,267,166			274,686	274,686	43,219,212	42,541,852	11,621,348
3.1.2. Surface Mining Monitoring/Inspect	4,537,551	3,897,526			3,005,571	3,001,142	104,864	104,864	7,647,986	7,003,532	426,134
3.2.1. Oil&Gas Well Plugging & Remediation			52,270,202	52,481,201	224,718	223,718	382,890	382,890	52,877,810	53,087,809	969,424
3.2.2. Surface Mining Reclamation	3,465,658	3,446,590			3,950,000	3,950,000			7,415,658	7,396,590	59,742
3.3.1. Gas Utility Commerce	4,436,717	4,215,672					124,876	124,876	4,561,593	4,340,548	3,832,321
<b>Total, Goal</b>	<b>12,439,926</b>	<b>11,559,788</b>	<b>95,214,728</b>	<b>94,748,367</b>	<b>7,180,289</b>	<b>7,174,860</b>	<b>887,316</b>	<b>887,316</b>	<b>115,722,259</b>	<b>114,370,331</b>	<b>16,908,969</b>
<b>Goal: 4. Public Access to Information and Services</b>											
4.1.1. Public Information And Services			3,547,219	3,474,610			1,000,000	1,000,000	4,547,219	4,474,610	64,499
<b>Total, Goal</b>			<b>3,547,219</b>	<b>3,474,610</b>			<b>1,000,000</b>	<b>1,000,000</b>	<b>4,547,219</b>	<b>4,474,610</b>	<b>64,499</b>
<b>Total, Agency</b>	<b>22,452,718</b>	<b>21,554,609</b>	<b>134,696,693</b>	<b>129,308,825</b>	<b>14,334,753</b>	<b>14,334,753</b>	<b>4,897,976</b>	<b>4,897,976</b>	<b>176,382,140</b>	<b>170,096,163</b>	<b>33,021,564</b>
<b>Total FTEs</b>									<b>820.1</b>	<b>820.1</b>	<b>113.0</b>

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<b>1</b> <u>Oversee Oil and Gas Resource Development</u>					
<b>1</b> <u>Increase Opportunities for Oil and Gas Resource Development</u>					
<b>1 ENERGY RESOURCE DEVELOPMENT</b>	17,619,302	16,951,215	16,836,476	14,940,920	14,759,934
<b>TOTAL, GOAL</b> <b>1</b>	<b>\$17,619,302</b>	<b>\$16,951,215</b>	<b>\$16,836,476</b>	<b>\$14,940,920</b>	<b>\$14,759,934</b>
<b>2</b> <u>Advance Safety Through Training, Monitoring, and Enforcement</u>					
<b>1</b> <u>Improve Pipeline Safety</u>					
<b>1 PIPELINE SAFETY</b>	9,257,619	7,166,078	7,846,814	7,267,830	7,267,829
<b>2 PIPELINE DAMAGE PREVENTION</b>	1,199,118	1,033,373	1,048,621	1,142,674	1,142,673
<b>2</b> <u>Alternative Energy &amp; Safety Through Regulation</u>					
<b>1 REGULATE ALT FUEL RESOURCES</b>	3,790,270	2,670,899	2,559,186	2,364,681	2,364,681
<b>TOTAL, GOAL</b> <b>2</b>	<b>\$14,247,007</b>	<b>\$10,870,350</b>	<b>\$11,454,621</b>	<b>\$10,775,185</b>	<b>\$10,775,183</b>
<b>3</b> <u>Min. Harmful Effects of Energy Prod &amp; Ensure Fair Rates for Consumers</u>					
<b>1</b> <u>Reduce Occurrence of Environmental Violations</u>					

2.A. Summary of Base Request by Strategy

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<b>Goal / Objective / STRATEGY</b>	<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>Req 2018</b>	<b>Req 2019</b>
<b>1 OIL/GAS MONITOR &amp; INSPECTIONS</b>	18,893,970	21,697,303	21,521,909	21,139,926	21,401,926
<b>2 SURFACE MINING MONITORING/INSPECT</b>	3,910,714	3,822,216	3,825,770	3,501,766	3,501,766
<u><b>2</b></u> <i>Identify and Abate Environmental Threats</i>					
<b>1 OIL&amp;GAS WELL PLUGGING &amp; REMEDIATION</b>	24,986,120	26,438,905	26,438,905	26,577,568	26,510,241
<b>2 SURFACE MINING RECLAMATION</b>	3,715,939	3,709,104	3,706,554	3,698,295	3,698,295
<u><b>3</b></u> <i>Maintain Competitive Prices and Adequate Supplies for Consumers</i>					
<b>1 GAS UTILITY COMMERCE</b>	2,574,880	2,295,165	2,266,428	2,170,274	2,170,274
<b>TOTAL, GOAL</b> <b>3</b>	<b>\$54,081,623</b>	<b>\$57,962,693</b>	<b>\$57,759,566</b>	<b>\$57,087,829</b>	<b>\$57,282,502</b>
<u><b>4</b></u> <i>Public Access to Information and Services</i>					
<u><b>1</b></u> <i>Increase Public Access to Information</i>					
<b>1 PUBLIC INFORMATION AND SERVICES</b>	2,037,731	2,276,481	2,270,738	2,244,149	2,230,461
<b>TOTAL, GOAL</b> <b>4</b>	<b>\$2,037,731</b>	<b>\$2,276,481</b>	<b>\$2,270,738</b>	<b>\$2,244,149</b>	<b>\$2,230,461</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$87,985,663</b>	<b>\$88,060,739</b>	<b>\$88,321,401</b>	<b>\$85,048,083</b>	<b>\$85,048,080</b>

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 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*</b>				\$0	\$0
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$87,985,663</b>	<b>\$88,060,739</b>	<b>\$88,321,401</b>	<b>\$85,048,083</b>	<b>\$85,048,080</b>
<u>METHOD OF FINANCING:</u>					
<b>General Revenue Funds:</b>					
1 General Revenue Fund	14,848,216	11,221,881	11,230,837	10,777,305	10,777,304
<b>SUBTOTAL</b>	<b>\$14,848,216</b>	<b>\$11,221,881</b>	<b>\$11,230,837</b>	<b>\$10,777,305</b>	<b>\$10,777,304</b>
<b>General Revenue Dedicated Funds:</b>					
5155 Oil & Gas Regulation	62,827,442	67,170,354	67,526,339	64,654,413	64,654,412
<b>SUBTOTAL</b>	<b>\$62,827,442</b>	<b>\$67,170,354</b>	<b>\$67,526,339</b>	<b>\$64,654,413</b>	<b>\$64,654,412</b>
<b>Federal Funds:</b>					
555 Federal Funds	7,832,657	7,219,516	7,115,237	7,167,377	7,167,376
<b>SUBTOTAL</b>	<b>\$7,832,657</b>	<b>\$7,219,516</b>	<b>\$7,115,237</b>	<b>\$7,167,377</b>	<b>\$7,167,376</b>
<b>Other Funds:</b>					
666 Appropriated Receipts	2,477,348	2,448,988	2,448,988	2,448,988	2,448,988
<b>SUBTOTAL</b>	<b>\$2,477,348</b>	<b>\$2,448,988</b>	<b>\$2,448,988</b>	<b>\$2,448,988</b>	<b>\$2,448,988</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$87,985,663</b>	<b>\$88,060,739</b>	<b>\$88,321,401</b>	<b>\$85,048,083</b>	<b>\$85,048,080</b>

**2.A. Summary of Base Request by Strategy**

8/19/2016 11:36:19AM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

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**455 Railroad Commission**

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<b>Goal / Objective / STRATEGY</b>	<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>Req 2018</b>	<b>Req 2019</b>
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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  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 11:36:20AM

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

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
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**GENERAL REVENUE**

**1** General Revenue Fund

*REGULAR APPROPRIATIONS*

Regular Appropriations from MOF Table (2014-15 GAA)

\$13,434,971	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2016-17 GAA)

\$0	\$12,823,161	\$12,733,986	\$0	\$0
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2018-19 Base Level Request

\$0	\$0	\$0	\$10,777,305	\$10,777,304
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*RIDER APPROPRIATION*

Art IX, Sec 17.08(b), Data Center Increases (2014-15 GAA)

\$54,149	\$0	\$0	\$0	\$0
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Art IX, Sec 18.06, Contingency for HB 7 (2014-15 GAA)

\$(784,740)	\$0	\$0	\$0	\$0
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**Comments:** Surface Casing Determinations

2.B. Summary of Base Request by Method of Finance  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 11:36:20AM

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
Agency code: <b>455</b> Agency name: <b>Railroad Commission</b>					
<b><u>GENERAL REVENUE</u></b>					
Art IX, Sec 6.22, Earned Federal Funds (2014-15 GAA)	\$101,712	\$0	\$0	\$0	\$0
Art IX, Sec 18.31, Contingency for HB 7 (2016-17 GAA)	\$0	\$(1,772,614)	\$(1,674,483)	\$0	\$0
<b>Comments:</b> Pipeline GR for OGRC Fund Swap					
<i>TRANSFERS</i>					
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)	\$326,685	\$0	\$0	\$0	\$0
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17 GAA)	\$0	\$171,334	\$171,334	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2014-15 GAA)	\$(1,997,726)	\$0	\$0	\$0	\$0
<b>Comments:</b> GS and LPG Online Filing projects and a small amount of Regular Approp.					
<i>UNEXPENDED BALANCES AUTHORITY</i>					

**2.B. Summary of Base Request by Method of Finance**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 11:36:20AM

Agency code: <b>455</b>		Agency name: <b>Railroad Commission</b>				
<b>METHOD OF FINANCING</b>		<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>Req 2018</b>	<b>Req 2019</b>
<b><u>GENERAL REVENUE</u></b>						
Art VI-56, Rider 4,UB Between Fiscal Years Within the Biennium(2014-15 GAA)		\$3,713,165	\$0	\$0	\$0	\$0
<b>Comments:</b> Regular Approp. plus Rider 2 Capital						
<b>TOTAL,</b>	<b>General Revenue Fund</b>	<b>\$14,848,216</b>	<b>\$11,221,881</b>	<b>\$11,230,837</b>	<b>\$10,777,305</b>	<b>\$10,777,304</b>
<b>TOTAL, ALL</b>	<b>GENERAL REVENUE</b>	<b>\$14,848,216</b>	<b>\$11,221,881</b>	<b>\$11,230,837</b>	<b>\$10,777,305</b>	<b>\$10,777,304</b>
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>						
<b><u>101</u></b> GR Dedicated - Alternative Fuels Research and Education Account No. 101						
<i>REGULAR APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2014-15 GAA)		\$931,688	\$0	\$0	\$0	\$0
<i>RIDER APPROPRIATION</i>						
Art IX, Sec 18.06(d), Contingency for HB 7 (2014-15 GAA)		\$(931,688)	\$0	\$0	\$0	\$0
<b>Comments:</b> AFRED Fund Replacement With Fund 5155						
<b>TOTAL,</b>	<b>GR Dedicated - Alternative Fuels Research and Education Account No. 101</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

2.B. Summary of Base Request by Method of Finance  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 11:36:20AM

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

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
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**GENERAL REVENUE FUND - DEDICATED**

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

*REGULAR APPROPRIATIONS*

Regular Appropriations from MOF Table (2014-15 GAA)

\$55,495,037	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2016-17 GAA)

\$0	\$64,763,060	\$65,217,176	\$0	\$0
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2018-19 Base Level Request

\$0	\$0	\$0	\$64,654,413	\$64,654,412
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*RIDER APPROPRIATION*

Art IX, Sec 18.31, Contingency for HB7 (2016-17 GAA)

\$0	\$1,772,614	\$1,674,483	\$0	\$0
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Art IX, Sec 17.08(b), Data Center Increases (2014-15 GAA)

\$216,263	\$0	\$0	\$0	\$0
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Art IX, Sec 18.06(d), Contingency for HB 7 (2014-15 GAA)

\$931,688	\$0	\$0	\$0	\$0
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**2.B. Summary of Base Request by Method of Finance**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 11:36:20AM

Agency code: <b>455</b>	Agency name: <b>Railroad Commission</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>Req 2018</b>	<b>Req 2019</b>
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>					
<b>Comments:</b> Fund 0101 Replacement With Fund 5155					
Art IX, Sec 18.06, Contingency for HB 7 (2014-15 GAA)	\$784,740	\$0	\$0	\$0	\$0
<b>Comments:</b> Surface Casing Determinations (2014-15)					
<i>TRANSFERS</i>					
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)	\$259,745	\$0	\$0	\$0	\$0
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17)	\$0	\$634,680	\$634,680	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2014-15 GAA)	\$(5,481,423)	\$0	\$0	\$0	\$0
HB 1025, Sec. 23, (A)(B)83rd Leg, Regular Session	\$(4,165,667)	\$0	\$0	\$0	\$0
<b>Comments:</b> IT Modernization					

2.B. Summary of Base Request by Method of Finance  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 11:36:20AM

Agency code: 455		Agency name: Railroad Commission				
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>						
<i>UNEXPENDED BALANCES AUTHORITY</i>						
	Art VI-56, Rider 4, UB Between Fiscal Years Within the Biennium (2014-15 GAA)	\$2,057,321	\$0	\$0	\$0	\$0
	HB 1025, Sec. 23, (A)(B)83rd Leg, Regular Session	\$12,729,738	\$0	\$0	\$0	\$0
	<b>Comments:</b> IT Modernization					
<b>TOTAL,</b>	<b>GR Dedicated - Oil and Gas Regulation and Cleanup Account No. 5155</b>	<b>\$62,827,442</b>	<b>\$67,170,354</b>	<b>\$67,526,339</b>	<b>\$64,654,413</b>	<b>\$64,654,412</b>
<b>TOTAL, ALL</b>	<b>GENERAL REVENUE FUND - DEDICATED</b>	<b>\$62,827,442</b>	<b>\$67,170,354</b>	<b>\$67,526,339</b>	<b>\$64,654,413</b>	<b>\$64,654,412</b>
<b>TOTAL,</b>	<b>GR &amp; GR-DEDICATED FUNDS</b>	<b>\$77,675,658</b>	<b>\$78,392,235</b>	<b>\$78,757,176</b>	<b>\$75,431,718</b>	<b>\$75,431,716</b>

**FEDERAL FUNDS**

555 Federal Funds

*REGULAR APPROPRIATIONS*

Regular Appropriations From MOF Table (2014-15 GAA)

		\$6,616,246	\$0	\$0	\$0	\$0
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2.B. Summary of Base Request by Method of Finance  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 11:36:20AM

Agency code: 455		Agency name: Railroad Commission				
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<b><u>FEDERAL FUNDS</u></b>						
Regular Appropriations from MOF Table (2016-17 GAA)		\$0	\$7,141,756	\$7,037,477	\$0	\$0
2018-19 Base Level Request		\$0	\$0	\$0	\$7,167,377	\$7,167,376
<i>RIDER APPROPRIATION</i>						
Art IX, Sec 8.02, Federal Funds/Block Grants (2014-15 GAA)		\$1,197,952	\$0	\$0	\$0	\$0
<i>TRANSFERS</i>						
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)		\$18,459	\$0	\$0	\$0	\$0
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17)		\$0	\$77,760	\$77,760	\$0	\$0
<b>TOTAL,</b>	<b>Federal Funds</b>	<b>\$7,832,657</b>	<b>\$7,219,516</b>	<b>\$7,115,237</b>	<b>\$7,167,377</b>	<b>\$7,167,376</b>
<b>TOTAL, ALL</b>	<b>FEDERAL FUNDS</b>	<b>\$7,832,657</b>	<b>\$7,219,516</b>	<b>\$7,115,237</b>	<b>\$7,167,377</b>	<b>\$7,167,376</b>

2.B. Summary of Base Request by Method of Finance  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 11:36:20AM

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

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
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**OTHER FUNDS**

**666** Appropriated Receipts

*REGULAR APPROPRIATIONS*

Regular Appropriations from MOF Table (2014-15 GAA)

\$2,072,158	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2016-17 GAA)

\$0	\$2,406,457	\$2,406,457	\$0	\$0
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*RIDER APPROPRIATION*

Art IX, Sec 17.08(b), Data Center Increases (2014-15 GAA)

\$3,938	\$0	\$0	\$0	\$0
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Art IX, Sec 8.08, Seminars and Conferences (2014-15 GAA)

\$139,005	\$0	\$0	\$0	\$0
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Art IX, Sec 8.07, Seminars and Conference (2016-17 GAA)

\$0	\$0	\$0	\$0	\$0
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**Comments:** Oil & Gas Seminars was included in the Regular Appns. for 2016-2017

2.B. Summary of Base Request by Method of Finance  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 11:36:20AM

Agency code: 455		Agency name: Railroad Commission				
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<b><u>OTHER FUNDS</u></b>						
2018-19 Base Level Request		\$0	\$0	\$0	\$2,448,988	\$2,448,988
<i>TRANSFERS</i>						
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)		\$18,459	\$0	\$0	\$0	\$0
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17)		\$0	\$42,531	\$42,531	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2014-15 GAA)		\$(353,155)	\$0	\$0	\$0	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>						
Art VI-56, Rider 4,UB Between Fiscal Years Within the Biennium (2014-15 GAA)		\$596,943	\$0	\$0	\$0	\$0
<b>TOTAL,</b>	<b>Appropriated Receipts</b>	<b>\$2,477,348</b>	<b>\$2,448,988</b>	<b>\$2,448,988</b>	<b>\$2,448,988</b>	<b>\$2,448,988</b>
<b>TOTAL, ALL</b>	<b>OTHER FUNDS</b>	<b>\$2,477,348</b>	<b>\$2,448,988</b>	<b>\$2,448,988</b>	<b>\$2,448,988</b>	<b>\$2,448,988</b>

**2.B. Summary of Base Request by Method of Finance**

8/19/2016 11:36:20AM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
Agency code: <b>455</b>	Agency name: <b>Railroad Commission</b>				
<b>GRAND TOTAL</b>	<b>\$87,985,663</b>	<b>\$88,060,739</b>	<b>\$88,321,401</b>	<b>\$85,048,083</b>	<b>\$85,048,080</b>
<b>FULL-TIME-EQUIVALENT POSITIONS</b>					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2014-15 GAA)	796.1	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2016-17 GAA)	0.0	820.1	820.1	820.1	820.1
RIDER APPROPRIATION					
83rd Leg., HB1025, Additional FTEs for IT Projects	11.0	0.0	0.0	0.0	0.0
LAPSED APPROPRIATIONS					
Regular Appropriations from MOF Table (2014-15 GAA)	(42.7)	0.0	0.0	0.0	0.0
<b>TOTAL, ADJUSTED FTES</b>	<b>764.4</b>	<b>820.1</b>	<b>820.1</b>	<b>820.1</b>	<b>820.1</b>
<b>NUMBER OF 100% FEDERALLY FUNDED FTES</b>					
	<b>6.0</b>	<b>5.8</b>	<b>5.8</b>	<b>5.8</b>	<b>5.8</b>

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

8/19/2016 11:36:20AM

85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

455 Railroad Commission

OBJECT OF EXPENSE	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1001 SALARIES AND WAGES	\$40,470,117	\$42,646,353	\$42,646,353	\$42,646,354	\$42,646,354
1002 OTHER PERSONNEL COSTS	\$1,770,801	\$1,871,098	\$1,871,109	\$1,871,108	\$1,871,108
2001 PROFESSIONAL FEES AND SERVICES	\$21,551,116	\$18,380,089	\$18,820,235	\$14,319,390	\$14,138,404
2002 FUELS AND LUBRICANTS	\$889,163	\$1,135,801	\$1,135,801	\$1,135,801	\$1,135,801
2003 CONSUMABLE SUPPLIES	\$202,759	\$220,482	\$221,727	\$221,727	\$221,727
2004 UTILITIES	\$314,968	\$437,292	\$437,291	\$437,291	\$437,291
2005 TRAVEL	\$582,721	\$678,788	\$691,258	\$1,044,603	\$1,044,603
2006 RENT - BUILDING	\$540,302	\$613,859	\$614,160	\$614,161	\$614,161
2007 RENT - MACHINE AND OTHER	\$188,982	\$190,603	\$190,567	\$190,567	\$190,567
2009 OTHER OPERATING EXPENSE	\$20,630,359	\$20,924,253	\$20,990,900	\$21,755,081	\$21,522,064
4000 GRANTS	\$328,494	\$100,425	\$0	\$0	\$0
5000 CAPITAL EXPENDITURES	\$515,881	\$861,696	\$702,000	\$812,000	\$1,226,000
<b>OOE Total (Excluding Riders)</b>	<b>\$87,985,663</b>	<b>\$88,060,739</b>	<b>\$88,321,401</b>	<b>\$85,048,083</b>	<b>\$85,048,080</b>
<b>OOE Total (Riders)</b>					
<b>Grand Total</b>	<b>\$87,985,663</b>	<b>\$88,060,739</b>	<b>\$88,321,401</b>	<b>\$85,048,083</b>	<b>\$85,048,080</b>

**2.D. Summary of Base Request Objective Outcomes**  
85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation system of Texas (ABEST)

8/19/2016 11:36:21AM

**455 Railroad Commission**

Goal/ Objective / Outcome	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1 <i>Oversee Oil and Gas Resource Development</i> 1 <i>Increase Opportunities for Oil and Gas Resource Development</i>					
<b>KEY            1    Percent of Oil and Gas Wells that Are Active</b>					
	78.50%	77.00%	77.00%	77.00%	77.00%
2 <i>Advance Safety Through Training, Monitoring, and Enforcement</i> 1 <i>Improve Pipeline Safety</i>					
<b>KEY            1    Average Number of Safety Violations</b>					
	1.37	1.45	1.50	1.55	1.60
2 <i>Alternative Energy &amp; Safety Through Regulation</i> 1 <b>Average Number of LPG/CNG/LNG Violations</b>					
	1.33	1.30	1.20	1.30	1.30
2 <b>Percent of LPG/CNG/LNG Inspections W/ Non-compliance Items</b>					
	75.00%	80.00%	85.00%	90.00%	95.00%
3 <i>Min. Harmful Effects of Energy Prod &amp; Ensure Fair Rates for Consumers</i> 1 <i>Reduce Occurrence of Environmental Violations</i>					
<b>KEY            1    Percent of Oil and Gas Inspections that Identify Violations</b>					
	14.30%	14.00%	14.00%	14.00%	14.00%
2 <i>Identify and Abate Environmental Threats</i> 1 <b>Percent of Known Orphaned Wells Plugged W/Use of State-Managed Funds</b>					
	7.10	6.30	6.00	14.50	14.50
2 <b>% Pollution Sites Inves., Assessed, Cleaned w/State-Managed Funds</b>					
	13.10	10.50	10.00	9.00	9.00
3 <i>Maintain Competitive Prices and Adequate Supplies for Consumers</i> 1 <b>Average Texas Residential Gas Price as a Percent of National Gas Price</b>					
	1.00	1.03	1.03	1.03	1.03

**2.E. Summary of Exceptional Items Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016  
 TIME : 11:36:21AM

Agency code: 455

Agency name: **Railroad Commission**

Priority	Item	2018			2019			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Salary Parity	\$1,362,208	\$1,362,208		\$1,430,319	\$1,430,319		\$2,792,527	\$2,792,527
2	Docket Management System	\$1,767,489	\$1,767,489	6.0	\$3,209,226	\$3,209,226	15.0	\$4,976,715	\$4,976,715
3	Inspection Track/Report System	\$1,194,007	\$1,194,007	1.0	\$2,210,266	\$2,210,266	10.0	\$3,404,273	\$3,404,273
4	Pipeline Safety Inspectors	\$1,588,397	\$3,176,794	30.0	\$934,437	\$1,868,874	30.0	\$2,522,834	\$5,045,668
5	Alternative Fuel Inspectors	\$1,392,586	\$1,392,586	13.0	\$739,573	\$739,573	13.0	\$2,132,159	\$2,132,159
6	O&G Permitting/Online File	\$2,133,377	\$2,133,377	5.0	\$3,726,418	\$3,726,418	15.0	\$5,859,795	\$5,859,795
7	Oil & Gas Inspectors	\$1,836,587	\$1,836,587	21.0	\$1,218,323	\$1,218,323	21.0	\$3,054,910	\$3,054,910
8	Alternative Fuels Online Filing	\$673,066	\$791,842	1.0	\$1,277,576	\$1,503,030	4.0	\$1,950,642	\$2,294,872
9	Gas Utilities Online Filing	\$1,232,501	\$1,232,501	3.0	\$2,228,144	\$2,228,144	5.0	\$3,460,645	\$3,460,645
<b>Total, Exceptional Items Request</b>		<b>\$13,180,218</b>	<b>\$14,887,391</b>	<b>80.0</b>	<b>\$16,974,282</b>	<b>\$18,134,173</b>	<b>113.0</b>	<b>\$30,154,500</b>	<b>\$33,021,564</b>

**Method of Financing**

General Revenue	\$3,917,956	\$3,917,956		\$5,235,348	\$5,235,348		\$9,153,304	\$9,153,304
General Revenue - Dedicated	9,262,262	9,262,262		11,738,934	11,738,934		21,001,196	21,001,196
Federal Funds		1,588,397			934,437			2,522,834
Other Funds		118,776			225,454			344,230
	<b>\$13,180,218</b>	<b>\$14,887,391</b>		<b>\$16,974,282</b>	<b>\$18,134,173</b>		<b>\$30,154,500</b>	<b>\$33,021,564</b>

**Full Time Equivalent Positions**

**80.0**

**113.0**

**2.E. Summary of Exceptional Items Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016  
 TIME : 11:36:21AM

Agency code: 455

Agency name: **Railroad Commission**

Priority	Item	2018			2019			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
	<b>Number of 100% Federally Funded FTEs</b>			<b>15.0</b>			<b>15.0</b>		

**2.F. Summary of Total Request by Strategy**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/19/2016

TIME : 11:36:22AM

Agency code: 455 Agency name: Railroad Commission

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
<b>1</b> Oversee Oil and Gas Resource Development						
<i>1 Increase Opportunities for Oil and Gas Resource Development</i>						
<b>1</b> ENERGY RESOURCE DEVELOPMENT	\$14,940,920	\$14,759,934	\$1,301,393	\$2,106,260	\$16,242,313	\$16,866,194
<b>TOTAL, GOAL 1</b>	<b>\$14,940,920</b>	<b>\$14,759,934</b>	<b>\$1,301,393</b>	<b>\$2,106,260</b>	<b>\$16,242,313</b>	<b>\$16,866,194</b>
<b>2</b> Advance Safety Through Training, Monitoring, and Enforcement						
<i>1 Improve Pipeline Safety</i>						
<b>1</b> PIPELINE SAFETY	7,267,830	7,267,829	3,880,863	3,113,492	11,148,693	10,381,321
<b>2</b> PIPELINE DAMAGE PREVENTION	1,142,674	1,142,673	292,794	331,418	1,435,468	1,474,091
<i>2 Alternative Energy &amp; Safety Through Regulation</i>						
<b>1</b> REGULATE ALT FUEL RESOURCES	2,364,681	2,364,681	2,334,006	2,687,870	4,698,687	5,052,551
<b>TOTAL, GOAL 2</b>	<b>\$10,775,185</b>	<b>\$10,775,183</b>	<b>\$6,507,663</b>	<b>\$6,132,780</b>	<b>\$17,282,848</b>	<b>\$16,907,963</b>
<b>3</b> Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consum						
<i>1 Reduce Occurrence of Environmental Violations</i>						
<b>1</b> OIL/GAS MONITOR & INSPECTIONS	21,139,926	21,401,926	5,001,645	6,619,703	26,141,571	28,021,629
<b>2</b> SURFACE MINING MONITORING/INSPECT	3,501,766	3,501,766	168,259	257,875	3,670,025	3,759,641
<i>2 Identify and Abate Environmental Threats</i>						
<b>1</b> OIL&GAS WELL PLUGGING & REMEDIATION	26,577,568	26,510,241	473,539	495,885	27,051,107	27,006,126
<b>2</b> SURFACE MINING RECLAMATION	3,698,295	3,698,295	29,142	30,600	3,727,437	3,728,895
<i>3 Maintain Competitive Prices and Adequate Supplies for Consumers</i>						
<b>1</b> GAS UTILITY COMMERCE	2,170,274	2,170,274	1,374,196	2,458,125	3,544,470	4,628,399
<b>TOTAL, GOAL 3</b>	<b>\$57,087,829</b>	<b>\$57,282,502</b>	<b>\$7,046,781</b>	<b>\$9,862,188</b>	<b>\$64,134,610</b>	<b>\$67,144,690</b>

**2.F. Summary of Total Request by Strategy**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/19/2016  
 TIME : 11:36:22AM

Agency code: 455 Agency name: Railroad Commission

<b>Goal/Objective/STRATEGY</b>	<b>Base 2018</b>	<b>Base 2019</b>	<b>Exceptional 2018</b>	<b>Exceptional 2019</b>	<b>Total Request 2018</b>	<b>Total Request 2019</b>
<b>4</b> Public Access to Information and Services						
<b>1</b> <i>Increase Public Access to Information</i>						
<b>1</b> PUBLIC INFORMATION AND SERVICES	\$2,244,149	\$2,230,461	\$31,554	\$32,945	\$2,275,703	\$2,263,406
<b>TOTAL, GOAL 4</b>	<b>\$2,244,149</b>	<b>\$2,230,461</b>	<b>\$31,554</b>	<b>\$32,945</b>	<b>\$2,275,703</b>	<b>\$2,263,406</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$85,048,083</b>	<b>\$85,048,080</b>	<b>\$14,887,391</b>	<b>\$18,134,173</b>	<b>\$99,935,474</b>	<b>\$103,182,253</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST</b>						
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$85,048,083</b>	<b>\$85,048,080</b>	<b>\$14,887,391</b>	<b>\$18,134,173</b>	<b>\$99,935,474</b>	<b>\$103,182,253</b>

**2.F. Summary of Total Request by Strategy**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/19/2016  
 TIME : 11:36:22AM

Agency code: 455 Agency name: Railroad Commission

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
<b>General Revenue Funds:</b>						
1 General Revenue Fund	\$10,777,305	\$10,777,304	\$3,917,956	\$5,235,348	\$14,695,261	\$16,012,652
	<b>\$10,777,305</b>	<b>\$10,777,304</b>	<b>\$3,917,956</b>	<b>\$5,235,348</b>	<b>\$14,695,261</b>	<b>\$16,012,652</b>
<b>General Revenue Dedicated Funds:</b>						
5155 Oil & Gas Regulation	64,654,413	64,654,412	9,262,262	11,738,934	73,916,675	76,393,346
	<b>\$64,654,413</b>	<b>\$64,654,412</b>	<b>\$9,262,262</b>	<b>\$11,738,934</b>	<b>\$73,916,675</b>	<b>\$76,393,346</b>
<b>Federal Funds:</b>						
555 Federal Funds	7,167,377	7,167,376	1,588,397	934,437	8,755,774	8,101,813
	<b>\$7,167,377</b>	<b>\$7,167,376</b>	<b>\$1,588,397</b>	<b>\$934,437</b>	<b>\$8,755,774</b>	<b>\$8,101,813</b>
<b>Other Funds:</b>						
666 Appropriated Receipts	2,448,988	2,448,988	118,776	225,454	2,567,764	2,674,442
	<b>\$2,448,988</b>	<b>\$2,448,988</b>	<b>\$118,776</b>	<b>\$225,454</b>	<b>\$2,567,764</b>	<b>\$2,674,442</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$85,048,083</b>	<b>\$85,048,080</b>	<b>\$14,887,391</b>	<b>\$18,134,173</b>	<b>\$99,935,474</b>	<b>\$103,182,253</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>820.1</b>	<b>820.1</b>	<b>80.0</b>	<b>113.0</b>	<b>900.1</b>	<b>933.1</b>

**2.G. Summary of Total Request Objective Outcomes**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/19/2016  
 Time: 11:36:22AM

Agency code: 455

Agency name: **Railroad Commission**

Goal/ Objective / Outcome

		BL 2018	BL 2019	Excp 2018	Excp 2019	Total Request 2018	Total Request 2019
1	Oversee Oil and Gas Resource Development						
1	<i>Increase Opportunities for Oil and Gas Resource Development</i>						
<b>KEY</b>	<b>1 Percent of Oil and Gas Wells that Are Active</b>						
		77.00%	77.00%			77.00%	77.00%
2	Advance Safety Through Training, Monitoring, and Enforcement						
1	<i>Improve Pipeline Safety</i>						
<b>KEY</b>	<b>1 Average Number of Safety Violations</b>						
		1.55	1.60			1.55	1.60
2	<i>Alternative Energy &amp; Safety Through Regulation</i>						
	<b>1 Average Number of LPG/CNG/LNG Violations</b>						
		1.30	1.30			1.30	1.30
	<b>2 Percent of LPG/CNG/LNG Inspections W/ Non-compliance Items</b>						
		90.00%	95.00%			90.00%	95.00%
3	Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers						
1	<i>Reduce Occurrence of Environmental Violations</i>						
<b>KEY</b>	<b>1 Percent of Oil and Gas Inspections that Identify Violations</b>						
		14.00%	14.00%			14.00%	14.00%
2	<i>Identify and Abate Environmental Threats</i>						
	<b>1 Percent of Known Orphaned Wells Plugged W/Use of State-Managed Funds</b>						
		14.50	14.50			14.50	14.50

**2.G. Summary of Total Request Objective Outcomes**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/19/2016  
 Time: 11:36:22AM

Agency code: 455

Agency name: **Railroad Commission**

Goal/ Objective / Outcome

	<b>BL 2018</b>	<b>BL 2019</b>	<b>Excp 2018</b>	<b>Excp 2019</b>	<b>Total Request 2018</b>	<b>Total Request 2019</b>
<b>2 % Pollution Sites Inves., Assessed, Cleaned w/State-Managed Funds</b>						
	9.00	9.00			9.00	9.00
<b>3 Maintain Competitive Prices and Adequate Supplies for Consumers</b>						
<b>1 Average Texas Residential Gas Price as a Percent of National Gas Price</b>						
	1.03	1.03			1.03	1.03

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>Output Measures:</b>						
	1 Number of Organizations Permitted or Renewed	8,853.00	8,400.00	8,100.00	8,500.00	8,500.00
KEY 2	Number of Drilling Permit Applications Processed	21,245.00	10,500.00	12,000.00	15,000.00	15,000.00
KEY 3	Number of Wells Monitored	432,461.00	436,500.00	480,000.00	440,000.00	440,000.00
<b>Efficiency Measures:</b>						
	1 Average Number of Cases Completed Per Examiner	146.00	100.00	100.00	100.00	100.00
KEY 2	Average Number of Wells Monitored Per Analyst	25,977.00	29,000.00	25,250.00	27,000.00	26,500.00
	3 Percent Permit Applications Processed Within Time Frames	91.00 %	77.00 %	90.00 %	90.00 %	90.00 %
KEY 4	Average Number of Days to Process a Drilling Permit	7.50	3.00	3.00	3.00	3.00
<b>Explanatory/Input Measures:</b>						
	1 Number of Active Oil and Gas Rigs	613.00	260.00	450.00	600.00	600.00
	2 Oil Produced from Leases W/C02 Injection Wells for Tertiary Recovery	88,872,422.00	88,365,597.00	94,000,000.00	94,000,000.00	94,000,000.00
	3 Volume of CO2 Stored Underground	0.00	0.00	0.00	0.00	0.00
	4 Annual Calendar Year Production of Texas Crude Oil	960,989,368.00	1,100,000,000.00	1,305,000,000.00	1,100,000,000.00	1,100,000,000.00
	5 Annual Calendar Year Production of Texas Natural Gas	6,556,015,412.00	8,650,000,000.00	8,250,000,000.00	8,650,000,000.00	8,650,000,000.00

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
6	Number of Horizontal Drilling Permits Applications Processed	11,437.00	6,000.00	7,000.00	9,750.00	9,750.00
7	Number of Vertical Drilling Permit Applications Processed	9,738.00	4,500.00	5,000.00	5,250.00	5,250.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$7,889,958	\$8,413,330	\$8,413,330	\$8,413,330	\$8,413,330
1002	OTHER PERSONNEL COSTS	\$407,326	\$407,348	\$407,349	\$407,349	\$407,349
2001	PROFESSIONAL FEES AND SERVICES	\$8,608,084	\$7,313,365	\$7,204,531	\$5,200,597	\$5,019,611
2002	FUELS AND LUBRICANTS	\$50	\$300	\$300	\$300	\$300
2003	CONSUMABLE SUPPLIES	\$33,516	\$32,650	\$33,895	\$33,895	\$33,895
2004	UTILITIES	\$293	\$25	\$25	\$25	\$25
2005	TRAVEL	\$8,719	\$8,691	\$8,859	\$8,859	\$8,859
2006	RENT - BUILDING	\$230	\$232	\$232	\$232	\$232
2007	RENT - MACHINE AND OTHER	\$38,544	\$33,962	\$33,975	\$33,975	\$33,975
2009	OTHER OPERATING EXPENSE	\$632,582	\$741,312	\$733,980	\$842,358	\$842,358
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$17,619,302</b>	<b>\$16,951,215</b>	<b>\$16,836,476</b>	<b>\$14,940,920</b>	<b>\$14,759,934</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$16,630,506	\$15,926,698	\$15,811,959	\$13,958,934	\$13,777,948

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$16,630,506</b>	<b>\$15,926,698</b>	<b>\$15,811,959</b>	<b>\$13,958,934</b>	<b>\$13,777,948</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	66.433.000 State Underground Water S	\$475,916	\$419,092	\$419,092	\$419,092	\$419,092
CFDA Subtotal, Fund	555	\$475,916	\$419,092	\$419,092	\$419,092	\$419,092
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$475,916</b>	<b>\$419,092</b>	<b>\$419,092</b>	<b>\$419,092</b>	<b>\$419,092</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$512,880	\$605,425	\$605,425	\$562,894	\$562,894
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$512,880</b>	<b>\$605,425</b>	<b>\$605,425</b>	<b>\$562,894</b>	<b>\$562,894</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$14,940,920</b>	<b>\$14,759,934</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$17,619,302</b>	<b>\$16,951,215</b>	<b>\$16,836,476</b>	<b>\$14,940,920</b>	<b>\$14,759,934</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>149.0</b>	<b>157.8</b>	<b>157.8</b>	<b>157.8</b>	<b>157.8</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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The Texas Natural Resource Code Annotated Title 3 authorizes activities associated with Energy Resource Development, which include issuing drilling permits; making groundwater advisory determinations; processing completion reports; issuing production allowables; maintaining accurate maps; conducting applicable rule reviews; and processing exceptions to various statewide rules. These activities ensure that investment capital continues to support exploration and development by providing efficient regulation and implementation of production incentives. Success in this effort ensures that new wells are drilled, reworked and/or recompleted, correlative rights are protected, and opportunities for development of oil and gas resources are maximized.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External factors impacting the strategy include commodity prices. Beginning in the last quarter of 2014, oil prices dropped precipitously. As a consequence, drilling activity declined from FY2014 levels and is not expected to increase until prices stabilize. Other agency activities, however, such as production reporting and various maintenance processes, remain at high levels due to the existing inventory of active wells. As of June 1, 2016, there were 435,877 wells carried on the Commission's oil and gas schedules and that number continues to grow as completion reports are processed.

Internal factors impacting this strategy include the reduction in revenues related to low oil prices and the resulting shortage of funds needed to hire, train, and retain a professional workforce. This problem 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 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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$33,787,691	\$29,700,854	\$(4,086,837)	\$(4,001,775)	The decrease is due to the 4% reduction and a reallocation of about \$210k to plugging. The funding is OGRC and there are no FTEs changes.
			\$(85,062)	The decrease between bienniums is due to lower than expected A/R collections and there are no FTEs involved.
			<u>\$(4,086,837)</u>	<b>Total of Explanation of Biennial Change</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>Output Measures:</b>						
KEY 1	Number of Pipeline Safety Inspections Performed	3,477.00	2,760.00	2,995.00	3,200.00	3,200.00
2	Number of Pipeline Safety Violations Identified through Inspections	2,252.00	1,817.00	1,875.00	1,975.00	2,200.00
3	# Pipeline Accident Investigations & Special Investigations	421.00	560.00	570.00	580.00	590.00
<b>Efficiency Measures:</b>						
KEY 1	Average Number of Pipeline Field Inspections Per Field Inspector	127.00	100.00	100.00	105.00	105.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$4,213,114	\$4,400,611	\$4,400,611	\$4,400,611	\$4,400,611
1002	OTHER PERSONNEL COSTS	\$152,073	\$178,041	\$178,051	\$178,051	\$178,051
2001	PROFESSIONAL FEES AND SERVICES	\$3,568,165	\$1,287,643	\$1,936,635	\$1,187,643	\$1,187,643
2002	FUELS AND LUBRICANTS	\$109,632	\$140,453	\$140,453	\$140,453	\$140,453
2003	CONSUMABLE SUPPLIES	\$14,206	\$15,285	\$15,285	\$15,285	\$15,285
2004	UTILITIES	\$47,971	\$75,935	\$75,934	\$75,934	\$75,934
2005	TRAVEL	\$345,414	\$410,241	\$410,241	\$760,241	\$760,241
2006	RENT - BUILDING	\$37,843	\$40,236	\$40,236	\$40,236	\$40,236
2007	RENT - MACHINE AND OTHER	\$13,919	\$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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2009	OTHER OPERATING EXPENSE	\$356,961	\$350,330	\$382,065	\$358,141	\$276,140
5000	CAPITAL EXPENDITURES	\$398,321	\$244,068	\$244,068	\$88,000	\$170,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$9,257,619</b>	<b>\$7,166,078</b>	<b>\$7,846,814</b>	<b>\$7,267,830</b>	<b>\$7,267,829</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$6,552,368	\$2,784,343	\$2,880,359	\$2,998,227	\$2,998,227
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$6,552,368</b>	<b>\$2,784,343</b>	<b>\$2,880,359</b>	<b>\$2,998,227</b>	<b>\$2,998,227</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$0	\$1,444,723	\$2,113,736	\$1,364,744	\$1,364,744
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$0</b>	<b>\$1,444,723</b>	<b>\$2,113,736</b>	<b>\$1,364,744</b>	<b>\$1,364,744</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	20.700.000 Pipeline Safety	\$2,509,635	\$2,735,008	\$2,650,715	\$2,702,855	\$2,702,854
CFDA Subtotal, Fund	555	\$2,509,635	\$2,735,008	\$2,650,715	\$2,702,855	\$2,702,854
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$2,509,635</b>	<b>\$2,735,008</b>	<b>\$2,650,715</b>	<b>\$2,702,855</b>	<b>\$2,702,854</b>

**Method of Financing:**

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
666	Appropriated Receipts	\$195,616	\$202,004	\$202,004	\$202,004	\$202,004
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$195,616</b>	<b>\$202,004</b>	<b>\$202,004</b>	<b>\$202,004</b>	<b>\$202,004</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$7,267,830</b>	<b>\$7,267,829</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$9,257,619</b>	<b>\$7,166,078</b>	<b>\$7,846,814</b>	<b>\$7,267,830</b>	<b>\$7,267,829</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>79.6</b>	<b>102.6</b>	<b>102.6</b>	<b>102.6</b>	<b>102.6</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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.

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$15,012,892	\$14,535,659	\$(477,233)	\$(828,971)	The decrease is due to the 4% reduction. The funding is OGRC and no FTEs are involved.
			\$331,752	The increase is due to an increase in activity. The funding is GR and no FTEs are involved.
			\$19,986	The increase is due to estimated Federal Funds.
			<u>\$(477,233)</u>	<b>Total of Explanation of Biennial Change</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>Output Measures:</b>						
KEY 1	Number of Excavation Damage Enforcement Cases Completed	6,786.00	4,372.00	4,000.00	4,000.00	4,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$798,047	\$830,755	\$830,755	\$830,755	\$830,755
1002	OTHER PERSONNEL COSTS	\$24,994	\$24,212	\$24,212	\$24,212	\$24,212
2001	PROFESSIONAL FEES AND SERVICES	\$309,617	\$98,993	\$98,993	\$98,993	\$98,993
2002	FUELS AND LUBRICANTS	\$0	\$500	\$500	\$500	\$500
2003	CONSUMABLE SUPPLIES	\$1,151	\$2,358	\$2,358	\$2,358	\$2,358
2004	UTILITIES	\$3,018	\$5,058	\$5,058	\$5,058	\$5,058
2005	TRAVEL	\$9,659	\$10,956	\$10,956	\$10,956	\$10,956
2006	RENT - BUILDING	\$428	\$1,003	\$1,003	\$1,003	\$1,003
2007	RENT - MACHINE AND OTHER	\$5,242	\$5,250	\$5,250	\$5,250	\$5,250
2009	OTHER OPERATING EXPENSE	\$46,962	\$54,288	\$69,536	\$163,589	\$163,588
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,199,118</b>	<b>\$1,033,373</b>	<b>\$1,048,621</b>	<b>\$1,142,674</b>	<b>\$1,142,673</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$859,262	\$217,024	\$264,981	\$316,503	\$316,502

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$859,262</b>	<b>\$217,024</b>	<b>\$264,981</b>	<b>\$316,503</b>	<b>\$316,502</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$0	\$327,891	\$309,739	\$309,739	\$309,739
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$0</b>	<b>\$327,891</b>	<b>\$309,739</b>	<b>\$309,739</b>	<b>\$309,739</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	20.700.000 Pipeline Safety	\$323,955	\$472,557	\$458,000	\$458,000	\$458,000
CFDA Subtotal, Fund	555	\$323,955	\$472,557	\$458,000	\$458,000	\$458,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$323,955</b>	<b>\$472,557</b>	<b>\$458,000</b>	<b>\$458,000</b>	<b>\$458,000</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$15,901	\$15,901	\$15,901	\$58,432	\$58,432
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$15,901</b>	<b>\$15,901</b>	<b>\$15,901</b>	<b>\$58,432</b>	<b>\$58,432</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$1,142,674</b>	<b>\$1,142,673</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,199,118</b>	<b>\$1,033,373</b>	<b>\$1,048,621</b>	<b>\$1,142,674</b>	<b>\$1,142,673</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>15.1</b>	<b>15.6</b>	<b>15.6</b>	<b>15.6</b>	<b>15.6</b>

**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. The federal Pipeline Safety Act allows state assumption of the intrastate regulatory and enforcement responsibilities through this partnership.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**



**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$2,081,994	\$2,285,347	\$203,353	\$151,000	The increase is due an increase in activity. The funding is GR and no FTEs are involved.
			\$85,062	The increase is due to an increase in A/R collections and no FTE's are involved.
			\$(14,557)	The decrease is due to estimated Federal Funding levels and no FTEs are involved.
			\$(18,152)	The decrease is due to the 4% reduction. The funding is OGRC and there are no FTEs changes.
			<b>\$203,353</b>	<b>Total of Explanation of Biennial Change</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>Output Measures:</b>						
KEY 1	# of LPG/LNG/CNG Safety Inspections Performed	16,642.00	17,000.00	16,000.00	17,000.00	17,000.00
2	# of LPG/LNG/CNG Safety Violations Identified through Inspection	15,536.00	16,000.00	15,000.00	16,000.00	16,000.00
3	Number of LPG/CNG/LNG Investigations	204.00	250.00	200.00	200.00	200.00
4	Number of LPG/CNG/LNG Exams Administered	32,631.00	34,000.00	34,000.00	34,000.00	34,000.00
5	# Training Hours Provided to LP-gas Licensees and Certificate Holders	2,704.00	2,100.00	2,300.00	2,500.00	2,500.00
<b>Efficiency Measures:</b>						
1	Average Number of LPG/CNG/LNG Safety Inspections Per Inspector	1,481.00	1,533.00	1,300.00	1,500.00	1,500.00
2	Percent of LPG/CNG/LNG Reports Processed W/ in 30 Days	50.00 %	50.00 %	85.00 %	90.00 %	95.00 %
3	Percentage of Applications to Install LPG/CNG/LNG Facility Processed	85.00 %	95.00 %	85.00 %	90.00 %	95.00 %
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,976,196	\$1,857,190	\$1,857,190	\$1,857,191	\$1,857,191
1002	OTHER PERSONNEL COSTS	\$133,967	\$143,268	\$143,268	\$143,267	\$143,267
2001	PROFESSIONAL FEES AND SERVICES	\$973,817	\$129,191	\$129,188	\$27,410	\$27,410

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2002	FUELS AND LUBRICANTS	\$51,246	\$51,338	\$51,338	\$51,338	\$51,338
2003	CONSUMABLE SUPPLIES	\$8,606	\$10,289	\$10,289	\$10,289	\$10,289
2004	UTILITIES	\$25,578	\$28,498	\$28,498	\$28,498	\$28,498
2005	TRAVEL	\$83,125	\$85,474	\$85,474	\$88,819	\$88,819
2006	RENT - BUILDING	\$512	\$2,004	\$2,004	\$2,004	\$2,004
2007	RENT - MACHINE AND OTHER	\$6,170	\$5,337	\$5,337	\$5,337	\$5,337
2009	OTHER OPERATING EXPENSE	\$116,220	\$169,231	\$157,946	\$150,528	\$150,528
4000	GRANTS	\$328,494	\$100,425	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$86,339	\$88,654	\$88,654	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,790,270</b>	<b>\$2,670,899</b>	<b>\$2,559,186</b>	<b>\$2,364,681</b>	<b>\$2,364,681</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$2,071,604	\$1,988,899	\$1,877,186	\$1,682,681	\$1,682,681
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$2,071,604</b>	<b>\$1,988,899</b>	<b>\$1,877,186</b>	<b>\$1,682,681</b>	<b>\$1,682,681</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$921,348	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$921,348</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$797,318	\$682,000	\$682,000	\$682,000	\$682,000
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$797,318</b>	<b>\$682,000</b>	<b>\$682,000</b>	<b>\$682,000</b>	<b>\$682,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$2,364,681</b>	<b>\$2,364,681</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$3,790,270</b>	<b>\$2,670,899</b>	<b>\$2,559,186</b>	<b>\$2,364,681</b>	<b>\$2,364,681</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>37.3</b>	<b>34.9</b>	<b>34.9</b>	<b>34.9</b>	<b>34.9</b>

**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 5,700 licenses; registers approximately 5,400 transport cargo tank vehicles, and cylinder delivery units; certifies or registers approximately 21,700 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 for the alternative fuels industries, the department investigates accidents and complaints involving alternative fuels; responds to emergencies; presents alternative fuel safety training to emergency responders; and performs more than 16,600 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.

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$5,230,085	\$4,729,362	\$(500,723)	\$(500,723)	The decrease is due to the 4% reduction and a reallocation of about \$50k. The funding is GR and no FTEs are involved.
			<b>\$(500,723)</b>	<b>Total of Explanation of Biennial Change</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>Output Measures:</b>						
KEY 1	Number of Oil and Gas Facility Inspections Performed	134,484.00	125,000.00	118,800.00	130,000.00	130,000.00
	2 Number of Enforcement Referrals for Legal Action	429.00	300.00	300.00	300.00	300.00
KEY 3	# Oil & Gas Environmental Permit Applications & Reports Processed	107,341.00	108,919.00	106,000.00	110,000.00	110,000.00
	4 # of Actions Initiated through Issuance of Severance/Seal Orders (HQ)	24,994.00	75,000.00	60,000.00	60,000.00	60,000.00
	5 Number of District-initiated Issuance of Severance/seal Orders	586.00	550.00	600.00	600.00	600.00
	6 Number of Oil and Gas Inspections with No Violation	92,189.00	87,500.00	87,500.00	91,000.00	91,000.00
	7 Percent of Wells not Inspected in Last Five Years	65.00 %	65.00 %	50.00 %	35.00 %	20.00 %
<b>Efficiency Measures:</b>						
KEY 1	Avg # of Oil and Gas Facility Inspections Performed/District Staff	899.00	850.00	900.00	950.00	950.00
	2 Percent of Total Well Population Inspected	20.00 %	22.30 %	22.50 %	22.50 %	22.50 %
<b>Explanatory/Input Measures:</b>						
KEY 1	# of Oil/Gas Wells and Other Related Facilities Subject to Regulation	460,956.00	463,085.00	508,304.00	468,000.00	468,000.00
	2 Number of Statewide Rule Violations	15,056.00	33,075.00	32,500.00	32,500.00	32,500.00

**455 Railroad Commission**

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

OBJECTIVE: 1 Reduce Occurrence of Environmental Violations

Service Categories:

STRATEGY: 1 Oil and Gas Monitoring and Inspections

Service: 36

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
3	Number of Major Statewide Rule Violations	500.00	500.00	500.00	500.00	500.00
4	Percent of Violations Corrected Within 90 Days	72.00 %	70.00 %	70.00 %	80.00 %	80.00 %
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$14,324,666	\$14,911,765	\$14,911,765	\$14,911,765	\$14,911,765
1002	OTHER PERSONNEL COSTS	\$619,270	\$662,263	\$662,263	\$662,263	\$662,263
2001	PROFESSIONAL FEES AND SERVICES	\$2,123,359	\$4,211,492	\$4,131,492	\$3,137,105	\$3,137,105
2002	FUELS AND LUBRICANTS	\$140,572	\$150,500	\$150,500	\$150,500	\$150,500
2003	CONSUMABLE SUPPLIES	\$54,340	\$55,738	\$55,738	\$55,738	\$55,738
2004	UTILITIES	\$154,415	\$177,988	\$177,988	\$177,988	\$177,988
2005	TRAVEL	\$53,796	\$55,484	\$55,485	\$55,485	\$55,485
2006	RENT - BUILDING	\$322,832	\$352,175	\$352,175	\$352,175	\$352,175
2007	RENT - MACHINE AND OTHER	\$56,846	\$53,204	\$53,204	\$53,204	\$53,204
2009	OTHER OPERATING EXPENSE	\$1,043,874	\$762,494	\$676,795	\$859,703	\$789,703
5000	CAPITAL EXPENDITURES	\$0	\$304,200	\$294,504	\$724,000	\$1,056,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$18,893,970</b>	<b>\$21,697,303</b>	<b>\$21,521,909</b>	<b>\$21,139,926</b>	<b>\$21,401,926</b>

**Method of Financing:**

1	General Revenue Fund	\$0	\$0	\$0	\$0	\$0
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**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$18,877,218	\$21,559,960	\$21,384,566	\$21,002,583	\$21,264,583
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$18,877,218</b>	<b>\$21,559,960</b>	<b>\$21,384,566</b>	<b>\$21,002,583</b>	<b>\$21,264,583</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$16,752	\$137,343	\$137,343	\$137,343	\$137,343
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$16,752</b>	<b>\$137,343</b>	<b>\$137,343</b>	<b>\$137,343</b>	<b>\$137,343</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$21,139,926</b>	<b>\$21,401,926</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$18,893,970</b>	<b>\$21,697,303</b>	<b>\$21,521,909</b>	<b>\$21,139,926</b>	<b>\$21,401,926</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>270.6</b>	<b>279.8</b>	<b>279.8</b>	<b>279.8</b>	<b>279.8</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

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.

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External factors impacting the strategy include commodity prices. Beginning in the last quarter of 2014, oil prices dropped precipitously. As a consequence, drilling activity declined from FY2014 levels and is not expected to increase until prices stabilize. Other agency activities, however, such as inspections and various maintenance processes, remain at high levels due to the existing inventory of active wells. As of June 1, 2016, there were 435,877 wells carried on the Commission's oil and gas schedules and that number continues to grow as completion reports are processed.

Internal factors impacting this strategy include the reduction in revenues related to low oil prices and the resulting shortage of funds needed to hire, train, and retain a professional workforce. This problem 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>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$43,219,212	\$42,541,852	\$(677,360)	\$(677,360)	The decrease is due to the 4% reduction. The funding is OGRC and no FTEs are involved.
			<b>\$(677,360)</b>	<b>Total of Explanation of Biennial Change</b>

**455 Railroad Commission**

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

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>Output Measures:</b>						
KEY 1	Number of Coal Mining Inspections Performed	490.00	500.00	500.00	500.00	500.00
2	Number of Coal Mining Permit Actions Processed	643.00	550.00	550.00	550.00	550.00
3	Percent of Uranium Exploration Sites Inspected Monthly	80.00 %	95.00 %	95.00 %	95.00 %	95.00 %
<b>Efficiency Measures:</b>						
1	Average # Days to Process Uranium Exploration Permitting Actions	30.00	30.00	30.00	30.00	30.00
2	Percent of Coal Permitting Actions Within Statutory Time Frames	89.00 %	90.00 %	90.00 %	90.00 %	90.00 %
<b>Explanatory/Input Measures:</b>						
1	Annual Calendar Year Production of Texas Lignite Coal	43,633,881.00	38,000,000.00	38,000,000.00	38,000,000.00	38,000,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$2,899,518	\$3,024,946	\$3,024,946	\$3,024,946	\$3,024,946
1002	OTHER PERSONNEL COSTS	\$108,399	\$108,923	\$108,923	\$108,923	\$108,923
2001	PROFESSIONAL FEES AND SERVICES	\$679,413	\$282,984	\$282,975	\$35,699	\$35,699
2002	FUELS AND LUBRICANTS	\$10,300	\$55,043	\$55,043	\$55,043	\$55,043
2003	CONSUMABLE SUPPLIES	\$14,725	\$20,636	\$20,636	\$20,636	\$20,636
2004	UTILITIES	\$5,192	\$30,100	\$30,100	\$30,100	\$30,100

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2005	TRAVEL	\$28,792	\$52,879	\$59,180	\$59,180	\$59,180
2006	RENT - BUILDING	\$19,303	\$30,131	\$30,131	\$30,132	\$30,132
2007	RENT - MACHINE AND OTHER	\$4,296	\$5,887	\$5,887	\$5,887	\$5,887
2009	OTHER OPERATING EXPENSE	\$109,555	\$135,913	\$133,175	\$131,220	\$131,220
5000	CAPITAL EXPENDITURES	\$31,221	\$74,774	\$74,774	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,910,714</b>	<b>\$3,822,216</b>	<b>\$3,825,770</b>	<b>\$3,501,766</b>	<b>\$3,501,766</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$2,650,605	\$2,264,784	\$2,272,767	\$1,948,763	\$1,948,763
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$2,650,605</b>	<b>\$2,264,784</b>	<b>\$2,272,767</b>	<b>\$1,948,763</b>	<b>\$1,948,763</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$0	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	15.250.000 Regulation of Surface Coa	\$1,203,401	\$1,505,000	\$1,500,571	\$1,500,571	\$1,500,571
CFDA Subtotal, Fund	555	\$1,203,401	\$1,505,000	\$1,500,571	\$1,500,571	\$1,500,571

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$1,203,401</b>	<b>\$1,505,000</b>	<b>\$1,500,571</b>	<b>\$1,500,571</b>	<b>\$1,500,571</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$56,708	\$52,432	\$52,432	\$52,432	\$52,432
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$56,708</b>	<b>\$52,432</b>	<b>\$52,432</b>	<b>\$52,432</b>	<b>\$52,432</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$3,501,766</b>	<b>\$3,501,766</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$3,910,714</b>	<b>\$3,822,216</b>	<b>\$3,825,770</b>	<b>\$3,501,766</b>	<b>\$3,501,766</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>54.8</b>	<b>56.8</b>	<b>56.8</b>	<b>56.8</b>	<b>56.8</b>

**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.

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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.

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$7,647,986	\$7,003,532	\$(644,454)	\$(640,025)	The decrease is due to the 4% reduction and a reallocation of about \$50k. The funding is GR and no FTEs are involved.
			\$(4,429)	The decrease is due to estimated Federal Funds and no FTEs are involved.
			<u>\$(644,454)</u>	<b>Total of Explanation of Biennial Change</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>Output Measures:</b>						
KEY 1	# Abandoned Sites Investigated, Assessed or Cleaned Up w/State Funds	252.00	215.00	200.00	188.00	188.00
2	Number of Orphaned Wells Plugged with the Use of State-Managed Funds	692.00	550.00	875.00	960.00	960.00
3	Tot Aggr Plugging Depth of Orphaned Wells Plugged Use of State Funds	1,187,312.00	1,174,650.00	1,671,250.00	1,920,000.00	1,920,000.00
<b>Efficiency Measures:</b>						
1	Avg Number of Days to Complete State-Managed Abandoned Site Clean-up	125.19	150.00	150.00	150.00	150.00
2	Avg # Days to Plug an Orphaned Well W/ Use of State-Managed Funds	52.00	55.00	75.00	75.00	75.00
<b>Explanatory/Input Measures:</b>						
1	# of Abandoned Sites that Are Candidates for State-Managed Cleanup	1,922.00	2,042.00	2,000.00	2,000.00	2,000.00
2	Number of Complex Operator-initiated Cleanups	573.00	535.00	600.00	525.00	525.00
3	Number of Orphaned Wells Approved for Plugging	733.00	800.00	800.00	1,000.00	1,000.00
4	# of Known Orphaned Wells in Non-compliance w/Commission Plugging Rule	9,715.00	9,838.00	9,000.00	9,275.00	8,800.00

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
	5 # Wells Plugged by Operators without Use of State-Managed Funds	7,763.00	8,400.00	5,200.00	6,200.00	6,200.00
	6 Percent Active Well Operators with Inactive Wells	44.00 %	39.00 %	42.00 %	40.00 %	40.00 %
	7 Number of Shut-in/Inactive Wells	115,365.00	116,350.00	110,000.00	110,000.00	110,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$4,921,589	\$5,626,043	\$5,626,043	\$5,626,043	\$5,626,043
1002	OTHER PERSONNEL COSTS	\$153,166	\$163,907	\$163,907	\$163,907	\$163,907
2001	PROFESSIONAL FEES AND SERVICES	\$1,502,205	\$1,704,225	\$1,704,225	\$1,429,196	\$1,432,885
2002	FUELS AND LUBRICANTS	\$568,831	\$712,352	\$712,352	\$712,352	\$712,352
2003	CONSUMABLE SUPPLIES	\$20,816	\$22,968	\$22,968	\$22,968	\$22,968
2004	UTILITIES	\$72,733	\$101,411	\$101,411	\$101,411	\$101,411
2005	TRAVEL	\$18,660	\$19,890	\$25,890	\$25,890	\$25,890
2006	RENT - BUILDING	\$99,658	\$120,669	\$120,970	\$120,970	\$120,970
2007	RENT - MACHINE AND OTHER	\$23,968	\$23,367	\$23,367	\$23,367	\$23,367
2009	OTHER OPERATING EXPENSE	\$17,604,494	\$17,944,073	\$17,937,772	\$18,351,464	\$18,280,448
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$24,986,120</b>	<b>\$26,438,905</b>	<b>\$26,438,905</b>	<b>\$26,577,568</b>	<b>\$26,510,241</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
5155	Oil & Gas Regulation	\$24,639,229	\$26,134,601	\$26,135,601	\$26,274,264	\$26,206,937
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$24,639,229</b>	<b>\$26,134,601</b>	<b>\$26,135,601</b>	<b>\$26,274,264</b>	<b>\$26,206,937</b>
<b>Method of Financing:</b>						
555	Federal Funds					
66.460.000	Nonpoint Source Implement	\$213,571	\$0	\$0	\$0	\$0
66.817.000	State and Tribal Response Program	\$78,615	\$112,859	\$111,859	\$111,859	\$111,859
CFDA Subtotal, Fund	555	\$292,186	\$112,859	\$111,859	\$111,859	\$111,859
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$292,186</b>	<b>\$112,859</b>	<b>\$111,859</b>	<b>\$111,859</b>	<b>\$111,859</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$54,705	\$191,445	\$191,445	\$191,445	\$191,445
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$54,705</b>	<b>\$191,445</b>	<b>\$191,445</b>	<b>\$191,445</b>	<b>\$191,445</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$26,577,568</b>	<b>\$26,510,241</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$24,986,120</b>	<b>\$26,438,905</b>	<b>\$26,438,905</b>	<b>\$26,577,568</b>	<b>\$26,510,241</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>92.9</b>	<b>105.6</b>	<b>105.6</b>	<b>105.6</b>	<b>105.6</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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**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. These activities also include providing assistance for operator-initiated corrective action and implementing the Commission’s Voluntary Cleanup Program. 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 commodity prices. The current weakness in oil and gas prices has reduced the funds available for state-managed well plugging and site remediation. Another external factor affecting this strategy is 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 reduction in revenues related to low oil prices and the resulting shortage of funds needed to hire, train, and retain qualified professional staff. This problem 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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$52,877,810	\$53,087,809	\$209,999	\$210,999	Shifted \$210k from Monitoring and Inspection to Well Plugging strategy. Funding is all 5155 and no FTEs are involved.
			\$(1,000)	The difference is from estimated Federal Funds and no FTEs are involved.
			<b>\$209,999</b>	<b>Total of Explanation of Biennial Change</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>Explanatory/Input Measures:</b>						
	1 Percent of Abandoned Sites on Which Reclamation Has Been Initiated	0.00 %	80.00 %	85.00 %	90.00 %	95.00 %
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$505,198	\$519,311	\$519,311	\$519,311	\$519,311
1002	OTHER PERSONNEL COSTS	\$44,201	\$46,886	\$46,886	\$46,886	\$46,886
2001	PROFESSIONAL FEES AND SERVICES	\$3,089,502	\$3,009,501	\$3,009,501	\$3,005,023	\$3,005,023
2002	FUELS AND LUBRICANTS	\$8,532	\$25,035	\$25,035	\$25,035	\$25,035
2003	CONSUMABLE SUPPLIES	\$681	\$1,256	\$1,256	\$1,256	\$1,256
2004	UTILITIES	\$2,492	\$15,048	\$15,048	\$15,048	\$15,048
2005	TRAVEL	\$3,924	\$4,400	\$4,400	\$4,400	\$4,400
2007	RENT - MACHINE AND OTHER	\$2,038	\$2,480	\$2,480	\$2,480	\$2,480
2009	OTHER OPERATING EXPENSE	\$59,371	\$85,187	\$82,637	\$78,856	\$78,856
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,715,939</b>	<b>\$3,709,104</b>	<b>\$3,706,554</b>	<b>\$3,698,295</b>	<b>\$3,698,295</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$564,721	\$1,734,104	\$1,731,554	\$1,723,295	\$1,723,295
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$564,721</b>	<b>\$1,734,104</b>	<b>\$1,731,554</b>	<b>\$1,723,295</b>	<b>\$1,723,295</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>Method of Financing:</b>						
555	Federal Funds					
	15.252.000 Abandoned Mine Land Recla	\$3,027,564	\$1,975,000	\$1,975,000	\$1,975,000	\$1,975,000
CFDA Subtotal, Fund	555	\$3,027,564	\$1,975,000	\$1,975,000	\$1,975,000	\$1,975,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$3,027,564</b>	<b>\$1,975,000</b>	<b>\$1,975,000</b>	<b>\$1,975,000</b>	<b>\$1,975,000</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$123,654	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$123,654</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$3,698,295</b>	<b>\$3,698,295</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$3,715,939</b>	<b>\$3,709,104</b>	<b>\$3,706,554</b>	<b>\$3,698,295</b>	<b>\$3,698,295</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>9.5</b>	<b>9.7</b>	<b>9.7</b>	<b>9.7</b>	<b>9.7</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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The Texas Natural Resource Code Annotated Title 4 authorizes the Commission to participate to the fullest extent practicable in the Abandoned Mine Land (AML) program provided by Title IV of the federal Surface Mining Control and Reclamation Act of 1977. Activities associated with Surface Mining Reclamation of abandoned mine lands include identifying, assessing, and prioritizing eligible abandoned mine lands for health, safety, and environmental problems, and, within the funding resources provided, executing reclamation contracts for the highest-priority sites. Success in this effort ensures mine lands are remediated, thereby protecting general public health and the environment.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

This program is part of a national program funded entirely with federal funds awarded by the federal Office of Surface Mining Reclamation and Enforcement (OSM). The annual grant awards are based on the federal fees collected from the active coal mining industry in Texas. External factors impacting this strategy would be the potential loss of federal funding from the OSM, but it is unclear whether this potential loss of federal funding would continue under the next administration. Current budget proposals by OSM would eliminate federal AML funding for states which have certified that all available abandoned coal mine sites have been reclaimed. Texas made this certification in 1993 and currently uses the federal AML funds to reclaim unsafe abandoned uranium and hard rock mines. Internal factors impacting this strategy include aging technology equipment, as well as limited capital funding. Continued capital funding is needed to ensure a standard replacement schedule for end-user computers and related peripheral items.

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$7,415,658	\$7,396,590	\$(19,068)	\$(19,068)	The decrease is due to the 4% reduction. The funding is GR and no FTEs are involved.
			<b>\$(19,068)</b>	<b>Total of Explanation of Biennial Change</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>Output Measures:</b>						
	1 Number of Audits Conducted	139.00	140.00	140.00	140.00	140.00
KEY 2	Number of Gas Utility Dockets Filed	80.00	80.00	60.00	60.00	60.00
	3 Number of Gas Utilitys' Compliance, Tariff and Escalator Filings	137,322.00	160,699.00	130,000.00	130,000.00	130,000.00
<b>Efficiency Measures:</b>						
	1 Average Number of Audits Per Auditor	17.35	17.50	17.50	17.50	17.50
<b>Explanatory/Input Measures:</b>						
	1 Cost of Gas Included in Average Residential Gas Bill	0.99	1.00	1.00	1.00	1.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,762,110	\$1,834,331	\$1,834,331	\$1,834,331	\$1,834,331
1002	OTHER PERSONNEL COSTS	\$78,722	\$84,187	\$84,187	\$84,187	\$84,187
2001	PROFESSIONAL FEES AND SERVICES	\$596,457	\$229,173	\$209,173	\$109,173	\$109,173
2002	FUELS AND LUBRICANTS	\$0	\$280	\$280	\$280	\$280
2003	CONSUMABLE SUPPLIES	\$5,450	\$5,447	\$5,447	\$5,447	\$5,447
2004	UTILITIES	\$3,276	\$3,229	\$3,229	\$3,229	\$3,229
2005	TRAVEL	\$30,632	\$30,773	\$30,773	\$30,773	\$30,773
2006	RENT - BUILDING	\$13,161	\$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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2007	RENT - MACHINE AND OTHER	\$3,990	\$3,555	\$3,506	\$3,506	\$3,506
2009	OTHER OPERATING EXPENSE	\$81,082	\$92,130	\$83,442	\$87,288	\$87,288
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$2,574,880</b>	<b>\$2,295,165</b>	<b>\$2,266,428</b>	<b>\$2,170,274</b>	<b>\$2,170,274</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$2,149,656	\$2,232,727	\$2,203,990	\$2,107,836	\$2,107,836
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$2,149,656</b>	<b>\$2,232,727</b>	<b>\$2,203,990</b>	<b>\$2,107,836</b>	<b>\$2,107,836</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$121,610	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$121,610</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$303,614	\$62,438	\$62,438	\$62,438	\$62,438
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$303,614</b>	<b>\$62,438</b>	<b>\$62,438</b>	<b>\$62,438</b>	<b>\$62,438</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$2,170,274</b>	<b>\$2,170,274</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$2,574,880</b>	<b>\$2,295,165</b>	<b>\$2,266,428</b>	<b>\$2,170,274</b>	<b>\$2,170,274</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>33.3</b>	<b>34.3</b>	<b>34.3</b>	<b>34.3</b>	<b>34.3</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

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. Although the Commission has the authority to allow parties to develop their own negotiated transportation rates, disputes over such rates or terms of service do occur. The Commission has developed procedures, including mediation, to resolve disputes and reduce costs to the state.

**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.

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$4,561,593	\$4,340,548	\$(221,045)	\$(221,045)	The decrease is due to a decrease in activity. The funding is GR and no FTEs are involved.
			<b>\$(221,045)</b>	<b>Total of Explanation of Biennial Change</b>

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>Output Measures:</b>						
KEY 1	Number of Documents Provided to Customers by Info Services	3,806.00	4,265.00	4,500.00	4,275.00	4,275.00
2	Number of Reports Provided to Customers from Electronic Data Records	279,998.00	206,800.00	150,000.00	125,000.00	125,000.00
3	Number of Railroad Commission Records Imaged From Non-digital Formats	2,175,549.00	1,905,000.00	1,800,000.00	1,700,000.00	1,700,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,179,721	\$1,228,071	\$1,228,071	\$1,228,071	\$1,228,071
1002	OTHER PERSONNEL COSTS	\$48,683	\$52,063	\$52,063	\$52,063	\$52,063
2001	PROFESSIONAL FEES AND SERVICES	\$100,497	\$113,522	\$113,522	\$88,551	\$84,862
2003	CONSUMABLE SUPPLIES	\$49,268	\$53,855	\$53,855	\$53,855	\$53,855
2006	RENT - BUILDING	\$46,335	\$55,349	\$55,349	\$55,349	\$55,349
2007	RENT - MACHINE AND OTHER	\$33,969	\$34,326	\$34,326	\$34,326	\$34,326
2009	OTHER OPERATING EXPENSE	\$579,258	\$589,295	\$733,552	\$731,934	\$721,935
5000	CAPITAL EXPENDITURES	\$0	\$150,000	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$2,037,731</b>	<b>\$2,276,481</b>	<b>\$2,270,738</b>	<b>\$2,244,149</b>	<b>\$2,230,461</b>

**Method of Financing:**

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
5155	Oil & Gas Regulation	\$1,637,531	\$1,776,481	\$1,770,738	\$1,744,149	\$1,730,461
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$1,637,531</b>	<b>\$1,776,481</b>	<b>\$1,770,738</b>	<b>\$1,744,149</b>	<b>\$1,730,461</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$400,200	\$500,000	\$500,000	\$500,000	\$500,000
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$400,200</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$2,244,149</b>	<b>\$2,230,461</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$2,037,731</b>	<b>\$2,276,481</b>	<b>\$2,270,738</b>	<b>\$2,244,149</b>	<b>\$2,230,461</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>22.3</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>

**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:**

**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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$4,547,219	\$4,474,610	\$(72,609)	\$(72,609)	The decrease is due to the 4% reduction. The funding is OGRC and no FTEs are involved.
			<b>\$(72,609)</b>	<b>Total of Explanation of Biennial Change</b>

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**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$87,985,663</b>	<b>\$88,060,739</b>	<b>\$88,321,401</b>	<b>\$85,048,083</b>	<b>\$85,048,080</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>				<b>\$85,048,083</b>	<b>\$85,048,080</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>	<b>\$87,985,663</b>	<b>\$88,060,739</b>	<b>\$88,321,401</b>	<b>\$85,048,083</b>	<b>\$85,048,080</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>764.4</b>	<b>820.1</b>	<b>820.1</b>	<b>820.1</b>	<b>820.1</b>

**3.A.1. PROGRAM-LEVEL REQUEST SCHEDULE**  
85th Regular Session, Agency Submission, Version 1

Agency Code: 455		Agency: Railroad Commission of Texas				Prepared By:					
Date:						16-17	Requested	Requested	Biennial Total	Biennial Difference	
Goal	Goal Name	Strategy	Strategy Name	Program	Program Name	Base	2018	2019	18-19	\$	%
A	Energy Resources	A.1.1.	Energy Resources Development		Administrative Compliance	\$16,181,311	\$7,155,377	\$7,068,701	\$14,224,078	(\$1,957,233)	-12.1%
A	Energy Resources	A.1.1.	Energy Resources Development		Groundwater Advisory Unit	\$1,975,268	\$873,464	\$862,883	\$1,736,347	(\$238,921)	-12.1%
A	Energy Resources	A.1.1.	Energy Resources Development		Technical Permitting	\$15,631,112	\$6,912,079	\$6,828,350	\$13,740,429	(\$1,890,683)	-12.1%
						<b>\$33,787,691</b>	<b>\$14,940,920</b>	<b>\$14,759,934</b>	<b>\$29,700,854</b>	<b>(\$4,086,837)</b>	
B	Safety Programs	B.1.1.	Pipeline Safety		Pipeline Safety/Inspections	\$15,012,892	\$7,267,830	\$7,267,829	\$14,535,659	(\$477,233)	-3.2%
B	Safety Programs	B.1.2.	Pipeline Damage Prevention		Underground Damage Prevention	\$2,081,994	\$1,142,674	\$1,142,673	\$2,285,347	\$203,353	9.8%
B	Safety Programs	B.2.1.	Regulate Alternative Fuel Resources		Alt. Fuels Training	\$1,788,000	\$894,000	\$894,000	\$1,788,000	\$0	0.0%
B	Safety Programs	B.2.1.	Regulate Alternative Fuel Resources		Alt. Fuels Licensing & Regulation	\$3,442,085	\$1,470,681	\$1,470,681	\$2,941,362	(\$500,723)	-14.5%
						<b>\$5,230,085</b>	<b>\$2,364,681</b>	<b>\$2,364,681</b>	<b>\$4,729,362</b>	<b>(\$500,723)</b>	
C	Environmental & Consumer Protection	C.1.1.	O&G Monitoring & Inspections		O&G Monitoring & Inspections	\$43,219,212	\$21,139,926	\$21,401,926	\$42,541,852	(\$677,360)	-1.6%
C	Environmental & Consumer Protection	C.1.2.	Surface Mining Mon. & Inspections		Coal and Uranium Mining Applications & Permits	\$3,431,761	\$1,393,653	\$1,393,654	\$2,787,307	(\$644,454)	-18.8%
C	Environmental & Consumer Protection	C.1.2.	Surface Mining Mon. & Inspections		Coal Mining Inspections & Enforcement	\$4,216,225	\$2,108,113	\$2,108,112	\$4,216,225	\$0	0.0%
						<b>\$7,647,986</b>	<b>\$3,501,766</b>	<b>\$3,501,766</b>	<b>\$7,003,532</b>	<b>(\$644,454)</b>	
C	Environmental & Consumer Protection	C.2.1.	O&G Plugging & Remediation		O&G Well Plugging	\$39,184,816	\$19,731,071	\$19,663,744	\$39,394,815	\$209,999	0.5%
C	Environmental & Consumer Protection	C.2.1.	O&G Plugging & Remediation		Operator Cleanup	\$2,139,618	\$1,069,809	\$1,069,809	\$2,139,618	\$0	0.0%
C	Environmental & Consumer Protection	C.2.1.	O&G Plugging & Remediation		O&G Site Remediation	\$11,213,056	\$5,606,528	\$5,606,528	\$11,213,056	\$0	0.0%
C	Environmental & Consumer Protection	C.2.1.	O&G Plugging & Remediation		Voluntary Cleanup (VCP)/Brownfields Response	\$340,320	\$170,160	\$170,160	\$340,320	\$0	0.0%
						<b>\$52,877,810</b>	<b>\$26,577,568</b>	<b>\$26,510,241</b>	<b>\$53,087,809</b>	<b>\$209,999</b>	<b>0.4%</b>
C	Environmental & Consumer Protection	C.2.2.	Surface Mining Reclamation		Surface Mining Reclamation	\$7,415,658	\$3,698,295	\$3,698,295	\$7,396,590	(\$19,068)	-0.3%
C	Environmental & Consumer Protection	C.3.1.	Gas Utility Commerce		Gas Utility Audit	\$2,617,606	\$1,245,381	\$1,245,381	\$2,490,762	(\$126,844)	-4.8%
C	Environmental & Consumer Protection	C.3.1.	Gas Utility Commerce		Gas Utility Market Oversight	\$1,943,987	\$924,893	\$924,893	\$1,849,786	(\$94,201)	-4.8%
						<b>\$4,561,593</b>	<b>\$2,170,274</b>	<b>\$2,170,274</b>	<b>\$4,340,548</b>	<b>(\$221,045)</b>	
D	Public Access to Info. And Services	D.1.1.	Public Information & Services		Public Information & Services	\$4,547,219	\$2,244,149	\$2,230,461	\$4,474,610	(\$72,609)	-1.6%
						<b>\$176,382,140</b>	<b>\$85,048,083</b>	<b>\$85,048,080</b>	<b>\$170,096,163</b>	<b>-\$6,285,977</b>	<b>-3.6%</b>

### 3.B. Rider Revisions and Additions Request

<b>Agency Code:</b> 455		<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> Wei Wang	<b>Date:</b> 8/19/2016	<b>Request Level:</b> Baseline																																																																																																																																												
<b>Current Rider Number</b>	<b>Page Number in 2016-17 GAA</b>	<b>Proposed Rider Language</b>																																																																																																																																															
1	VI-48	<p><b>Performance Measure Targets.</b> 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="text-align: center;">2016</th> <th style="text-align: center;"><u>2018</u></th> <th style="text-align: center;">2017</th> <th style="text-align: center;">2019</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>A. Goal: ENERGY RESOURCES</b></td> </tr> <tr> <td colspan="5"><b>Outcome (Results/Impact):</b></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>77%</u></td> <td style="text-align: center;">77%</td> <td style="text-align: center;"><u>77%</u></td> </tr> <tr> <td colspan="5"><b>A.1.1. Strategy: ENERGY RESOURCE DEVELOPMENT</b></td> </tr> <tr> <td colspan="5"><b>Output (Volume):</b></td> </tr> <tr> <td>Number of Drilling Permit Applications Processed</td> <td style="text-align: center;">27,000</td> <td style="text-align: center;"><u>15,000</u></td> <td style="text-align: center;">27,000</td> <td style="text-align: center;"><u>15,000</u></td> </tr> <tr> <td>Number of Wells Monitored</td> <td style="text-align: center;">460,000</td> <td style="text-align: center;"><u>440,000</u></td> <td style="text-align: center;">480,000</td> <td style="text-align: center;"><u>440,000</u></td> </tr> <tr> <td colspan="5"><b>Efficiencies:</b></td> </tr> <tr> <td>Average Number of Wells Monitored Per Analyst</td> <td style="text-align: center;">24,250</td> <td style="text-align: center;"><u>27,000</u></td> <td style="text-align: center;">25,250</td> <td style="text-align: center;"><u>26,500</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>B. Goal: PIPELINE SAFETY PROGRAMS</b></td> </tr> <tr> <td colspan="5"><b>Outcome (Results/Impact):</b></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;">1.85</td> <td style="text-align: center;"><u>1.55</u></td> <td style="text-align: center;">1.85</td> <td style="text-align: center;"><u>1.60</u></td> </tr> <tr> <td colspan="5"><b>B.1.1. Strategy: PIPELINE SAFETY</b></td> </tr> <tr> <td colspan="5"><b>Output (Volume):</b></td> </tr> <tr> <td>Number of Pipeline Safety Inspections Performed</td> <td style="text-align: center;">2,400</td> <td style="text-align: center;"><u>3,200</u></td> <td style="text-align: center;">2,995</td> <td style="text-align: center;"><u>3,300</u></td> </tr> <tr> <td colspan="5"><b>Efficiencies:</b></td> </tr> <tr> <td>Average Number of Pipeline Field Inspections per Field Inspector</td> <td style="text-align: center;">100</td> <td style="text-align: center;"><u>105</u></td> <td style="text-align: center;">100</td> <td style="text-align: center;"><u>105</u></td> </tr> <tr> <td colspan="5"><b>B.1.2. Strategy: PIPELINE DAMAGE PREVENTION</b></td> </tr> <tr> <td colspan="5"><b>Output (Volume)</b></td> </tr> <tr> <td>Number of Excavation Damage Enforcement Cases Completed</td> <td style="text-align: center;">4,200</td> <td style="text-align: center;"><u>4,000</u></td> <td style="text-align: center;">4,200</td> <td style="text-align: center;"><u>4,000</u></td> </tr> <tr> <td colspan="5"><b>B.2.1. Strategy: REGULATE ALTERNATIVE ENERGY</b></td> </tr> <tr> <td colspan="5"><b>Output (Volume)</b></td> </tr> <tr> <td>Number of LPG/CNG/LNG Safety Inspections Performed</td> <td style="text-align: center;">14,025</td> <td style="text-align: center;"><u>17,000</u></td> <td style="text-align: center;">14,300</td> <td style="text-align: center;"><u>17,000</u></td> </tr> <tr> <td colspan="5"><b>C. 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Strategy: ENERGY RESOURCE DEVELOPMENT</b>					<b>Output (Volume):</b>					Number of Drilling Permit Applications Processed	27,000	<u>15,000</u>	27,000	<u>15,000</u>	Number of Wells Monitored	460,000	<u>440,000</u>	480,000	<u>440,000</u>	<b>Efficiencies:</b>					Average Number of Wells Monitored Per Analyst	24,250	<u>27,000</u>	25,250	<u>26,500</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>B. Goal: PIPELINE SAFETY PROGRAMS</b>					<b>Outcome (Results/Impact):</b>					Average Number of Pipeline Safety Violations Per Equivalent 100 Miles of Pipe Identified through Inspections	1.85	<u>1.55</u>	1.85	<u>1.60</u>	<b>B.1.1. Strategy: PIPELINE SAFETY</b>					<b>Output (Volume):</b>					Number of Pipeline Safety Inspections Performed	2,400	<u>3,200</u>	2,995	<u>3,300</u>	<b>Efficiencies:</b>					Average Number of Pipeline Field Inspections per Field Inspector	100	<u>105</u>	100	<u>105</u>	<b>B.1.2. Strategy: PIPELINE DAMAGE PREVENTION</b>					<b>Output (Volume)</b>					Number of Excavation Damage Enforcement Cases Completed	4,200	<u>4,000</u>	4,200	<u>4,000</u>	<b>B.2.1. Strategy: REGULATE ALTERNATIVE ENERGY</b>					<b>Output (Volume)</b>					Number of LPG/CNG/LNG Safety Inspections Performed	14,025	<u>17,000</u>	14,300	<u>17,000</u>	<b>C. Goal: ENVIRONMENTAL AND CONSUMER PROTECTION</b>					<b>Outcome (Results/Impact):</b>					Percentage of Oil and Gas Facility Inspections That Identify Environmental Violations	14%	<u>14%</u>	14%	<u>14%</u>
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### 3.B. Rider Revisions and Additions Request

Agency Code: 455		Agency Name: Railroad Commission of Texas	Prepared By: Wei Wang	Date: 8/19/2016	Request Level: Baseline	
Current Rider Number	Page Number in 2016-17 GAA	Proposed Rider Language				
		Percentage of Known Orphaned Wells Plugged with the Use of State-Managed Funds	6%	<u>15%</u>	6%	<u>15%</u>
		<b>C.1.1. Strategy: OIL/GAS MONITOR &amp; INSPECTIONS</b>				
		<b>Output (Volume):</b>				
		Number of Oil and Gas Facility Inspections Performed	<del>118,800</del>	<u>130,000</u>	<del>118,800</del>	<u>130,000</u>
		Number of Oil and Gas Environmental Permit Applications and Reports Processed	<del>105,500</del>	<u>110,000</u>	<del>106,000</del>	<u>110,000</u>
		<b>Efficiencies:</b>				
		Average Number of Oil and Gas Facility Inspections Performed Per District Office Staff	900	<u>950</u>	900	<u>950</u>
		<b>Explanatory:</b>				
		Number of Oil and Gas Wells and Other Related Facilities Subject to Regulation	<del>488,304</del>	<u>468,000</u>	<del>508,304</del>	<u>468,000</u>
		<b>C.1.2. Strategy: SURFACE MINING MONITORING/INSPECT</b>				
		<b>Output (Volume):</b>				
		Number of Coal Mining Inspections Performed	500	<u>500</u>	500	<u>500</u>
		<b>C.2.1. Strategy: OIL AND GAS REMEDIATION</b>				
		<b>Output (Volume):</b>				
		Number of Abandoned Pollution Sites Investigated, Assessed, or Cleaned Up with the Use of State-Managed Funds	200	<u>188</u>	200	<u>188</u>
		<b>C.2.2. Strategy: OIL AND GAS WELL PLUGGING</b>				
		<b>Output (Volume)</b>				
		Number of Orphaned Wells Plugged with the Use of State-Managed Funds	875	<u>960</u>	875	<u>960</u>
		Total Aggregate Plugging Depth of Orphaned Wells Plugged with the Use of State Managed Funds (in Linear Feet)	<del>1,671,250</del>	<u>1,920,000</u>	<del>1,671,250</del>	<u>1,920,000</u>
		<b>C.3.1. Strategy: GAS UTILITY COMPLIANCE</b>				
		<b>Output (Volume):</b>				
		Number of Gas Utility Dockets Filed	80	<u>60</u>	80	<u>60</u>
		<b>D. Goal: PUBLIC ACCESS TO INFO AND SERVICES</b>				
		<b>D.1.1 Strategy: PUBLIC INFORMATION AND SERVICES</b>				
		<b>Output (Volume):</b>				
		Number of Documents Provided to Customers by Information Services	<del>349,650</del>	<u>125,000</u>	<del>286,710</del>	<u>125,000</u>
		<i>Updated to reflect strategy changes and new performance measure goals for the 2018-2019 biennium.</i>				

### 3.B. Rider Revisions and Additions Request

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2	VI-50	<p><b>Capital Budget.</b> 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="text-align: right; width: 10%;">2016</th> <th style="text-align: right; width: 10%;">2018</th> <th style="text-align: right; width: 10%;">2017</th> <th style="text-align: right; width: 10%;">2019</th> </tr> </thead> <tbody> <tr> <td>a. 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Acquisition of Information Resource Technologies					(1) Technology Replacement and Upgrade	\$ <del>199,755</del>	\$ 199,755	\$ _____	\$ _____	(2) PC and Laptop Leasing Leasing	\$ <del>241,080</del>	\$ 428,200	\$ <del>217,200</del>	\$ 428,200	(3) Software Licenses and Services	\$ <del>179,000</del>	\$ 179,000	\$ <del>179,000</del>	\$ 179,000	Total, Acquisition of Information Resource Technologies	\$ <del>619,835</del>	\$ 806,955	\$ <del>396,200</del>	\$ 607,200	b. Transportation Items					(1) Vehicle Replacements	\$ <del>711,696</del>	\$ 812,000	\$ <del>702,000</del>	\$ 1,226,000	c. Acquisition of Capital Equipment and Items					<del>(1) Microfiche Reader Printers</del>	\$ <del>150,000</del>	\$ _____	\$ _____	\$ _____	d. Data Center Consolidation					(1) Data Center Services	\$ <del>9,042,185</del>	\$ 5,712,077	\$ <del>8,697,203</del>	\$ 5,343,214	Total, Capital Budget	\$ <del>10,523,716</del>	\$ 7,331,032	\$ <del>9,795,403</del>	\$ 7,176,414	Method of Financing (Capital Budget):					General Revenue Fund	\$ <del>2,024,667</del>	\$ 1,188,832	\$ <del>1,916,844</del>	\$ 1,205,988	GR Dedicated – Oil and Gas Regulation and Cleanup Account No. 5155	\$ <del>8,387,939</del>	\$ 6,142,200	\$ <del>7,874,479</del>	\$ 5,970,426	Federal Funds	\$ <del>111,110</del>	\$ _____	\$ <del>4,080</del>	\$ _____	Total, Method of Financing	\$ <del>10,523,716</del>	\$ 7,331,032	\$ <del>9,795,403</del>	\$ 7,176,414
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### 3.B. Rider Revisions and Additions Request

<b>Agency Code:</b> 455		<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> Wei Wang	<b>Date:</b> 8/19/2016	<b>Request Level:</b> Baseline
<b>Current Rider Number</b>	<b>Page Number in 2016-17 GAA</b>	<b>Proposed Rider Language</b>			
3	VI-50	<p><b>Appropriations Limited to Revenue Collections and Contingent Revenue: LPG/CNG/LNG Fees.</b> Revenues collected pursuant to Natural Resources Code §§113.082, 113.090, 113.093, 113.094, 113.131, 116.032, 116.034, and 116.072 and deposited in the General Revenue Fund (Revenue Object Codes 3035 and 3246) shall cover, at a minimum, the cost of the appropriations made above for the LP Gas Program and Alternative Fuels Licensing Program in Strategy B.2.1, Regulate Alternative Energy Resources (\$354,618 in fiscal year <del>2016</del> 2018 and \$400,181 in fiscal year <del>2017</del> 2019).</p> <p>This appropriation is contingent upon the Railroad Commission assessing fees sufficient to generate, during the <del>2016-17</del> 2018-19 biennium, revenue to cover the General Revenue appropriations in B.2.1, Regulate Alternative Energy Resources' as well as "Other direct and indirect costs" for the program appropriated elsewhere in this Act. "Other direct and indirect" costs are estimated to be \$87,635 in fiscal year <del>2016</del> 2018 and \$95,369 in fiscal year <del>2017</del> 2019. 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>In addition to amounts appropriated above, any revenues collected by the Commission (Revenue Object Codes 3035 and 3246) and deposited in the General Revenue Fund in excess of the Comptroller's Biennial Revenue Estimate are appropriated to the Railroad Commission each fiscal year.</p> <p><i>This rider has been updated for the 2018-19 biennium. The Commission assessed sufficient fees to generate revenue to cover these appropriations in the 2016-17 and prior bienniums.</i></p>			
4	VI-50	<p><b>Fee Appropriation: Liquid Propane (LP) Gas Training and Examination Renewal Fees.</b> Included in amounts appropriated above in Strategy <del>A.2.1, Promote Alternative Energy Resources</del> B.2.1, Regulate Alternative Energy Sources, is \$1,123,500 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, <del>2015</del> 2017, are hereby appropriated to the Commission for the same purpose.</p> <p><i>This rider has been updated for the 2018-19 biennium.</i></p>			

### 3.B. Rider Revisions and Additions Request

<b>Agency Code:</b> 455		<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> Wei Wang	<b>Date:</b> 8/19/2016	<b>Request Level:</b> Baseline
<b>Current Rider Number</b>	<b>Page Number in 2016-17 GAA</b>	<b>Proposed Rider Language</b>			
5	VI-51	<p><b>Appropriation Limited to Revenue Collections: Surface Mining Permits and Contingency Appropriation for Fee Increase.</b> Included in the amounts appropriated above is \$2,205,318 in fiscal year <del>2016</del> <u>2018</u> and \$2,027,398 in fiscal year <del>2017</del> <u>2019</u> in Strategy C.1.2, Surface Mining Monitoring and Inspections, from surface mining fee revenues deposited to the General Revenue Fund to cover the cost of permitting and inspecting coal mining facilities.</p> <p>This appropriation is contingent upon the Railroad Commission assessing fees sufficient to generate, during the <del>2016-17</del> <u>2018-19</u> biennium, revenue to cover the General Revenue appropriations for the Surface Mining Program as well as "Other direct and indirect costs" for the program appropriated elsewhere in this Act. "Other direct and indirect costs" are estimated to be \$498,046 in fiscal year <del>2016</del> <u>2018</u> and \$509,691 in fiscal year <del>2017</del> <u>2019</u>. 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>In addition to amounts appropriated above, any revenues received from surface mining fees deposited to the credit of the General Revenue Fund (Revenue Object Code No. 3329) in excess of the Comptroller's Biennial Revenue Estimate each fiscal year are appropriated to the Railroad Commission in the <del>2016-17</del> <u>2018-19</u> biennium for the same purposes.</p> <p><i>The agency has complied with the free provisions of this rider and has updated the rider for the 2018-19 biennium.</i></p>			
6	VI-51	<p><b>Appropriation Limited to Revenue Collections for Pipeline Safety Fees.</b> Included in the amounts appropriated above are revenues from fees assessed on pipelines and pipeline facilities and deposited in the General Revenue-Dedicated Oil and Gas Regulation and Cleanup Account No. 5155 (Revenue Object Code 3553) pursuant to Utilities Code, §121.211 (estimated to be \$1,772,614 in fiscal year <del>2016</del> <u>2018</u> and \$3,218,262 in fiscal year <del>2017</del> <u>2019</u>). These funds shall be used to operate programs in Strategy B.1.1., Pipeline Safety and Strategy B.1.2, Pipeline Damage Prevention. The Railroad Commission is authorized to transfer appropriations made pursuant to this provision to the appropriate strategy items.</p> <p>These appropriations are contingent upon the Railroad Commission assessing fees sufficient to generate, during the <del>2016-17</del> <u>2018-19</u> biennium, revenue to cover, at a minimum the General Revenue appropriations for the Pipeline Safety program and the underground pipeline damage prevention program as well as "Other direct and indirect costs" for the programs, appropriated elsewhere in this Act. "Other direct and indirect costs" are estimated to be \$808,824 in fiscal year <del>2016</del> <u>2017</u> and \$842,139 in fiscal year <del>2017</del> <u>2019</u>. 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 the Comptroller of Public Accounts to reduce the appropriation authority provided above to be within the amount of revenue expected to be available.</p> <p>In addition to amounts appropriated above, any revenues received from pipeline safety fees deposited in the General Revenue-Dedicated Oil and Gas Regulation and Cleanup No. 5155 (Revenue Object Code No. 3553) in excess of the Comptroller's Biennial Revenue Estimate for each fiscal year are appropriated for the <del>2016-17</del> <u>2018-19</u>-biennium for the same purpose.</p> <p><i>This rider has been updated for the 2018-19 biennium. The Commission has consistently demonstrated to the Comptroller that sufficient fees are available to cover these appropriations in the 2016-17 and previous bienniums.</i></p>			

### 3.B. Rider Revisions and Additions Request

<b>Agency Code:</b> 455		<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> Wei Wang	<b>Date:</b> 8/19/2016	<b>Request Level:</b> Baseline
<b>Current Rider Number</b>	<b>Page Number in 2016-17 GAA</b>	<b>Proposed Rider Language</b>			
7	VI-51	<p><b>Capital Budget Expenditures: Federal Funds and Appropriated Receipts.</b> 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 hereby 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. <del>The RRC shall notify the Legislative Budget Board and the Governor upon receipt of such funds, of the amount received and items to be purchased.</del></p> <p><i>The amount of federal funds received and used for Capital Budget purposes are already reported in the Annual Operating Budget and the Legislative Appropriations Request.</i></p>			
8	VI-51	<p><b>Appropriation: Uranium Mining Regulatory Program.</b> Included in amounts appropriated above out of the General Revenue Fund in Strategy C.1.2, Surface Mining Monitoring and Inspections, is \$205,204 in fiscal year <del>2016</del> <u>2018</u> and \$204,139 in fiscal year <del>2017</del> <u>2019</u> for the uranium mining regulatory program. These appropriations are contingent upon the Railroad Commission assessing fees sufficient to generate, during the <del>2016-17</del> <u>2018-19</u> biennium, revenue to cover, at a minimum the General Revenue appropriations for the Uranium Mining Regulatory program as well as "Other direct and indirect costs" for the program, appropriated elsewhere in this Act. "Other direct and indirect costs" are estimated to be \$52,751 in fiscal year <del>2016</del> <u>2018</u> and \$54,316 in fiscal year <del>2017</del> <u>2019</u>. 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 the Comptroller of Public Accounts to reduce the appropriation authority provided above to be within the amount of revenue expected to be available</p> <p><i>This rider has been updated for the 2018-19 biennium.</i></p>			
9	VI-52	<p><b>Appropriation: Anthropogenic Carbon Dioxide Storage Trust Fund Revenues.</b> 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 <del>2016-17</del> <u>2018-19</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 2018-19 biennium</i></p>			
10	VI-52	<p><b>Oil and Gas Division Permitting Efficiencies.</b> 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>			

### 3.B. Rider Revisions and Additions Request

<b>Agency Code:</b> 455		<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> Wei Wang	<b>Date:</b> 8/19/2016	<b>Request Level:</b> Baseline
<b>Current Rider Number</b>	<b>Page Number in 2016-17 GAA</b>	<b>Proposed Rider Language</b>			
11	VI-52	<p><b>Enforcement and Compliance Data and Public Information.</b> 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>No change.</i></p>			
12	VI-52	<p><del><b>High-Cost Housing Salary Supplement.</b> Out of funds appropriated above, the Railroad Commission is hereby authorized to pay a salary supplement, not to exceed \$1,200 per month, to each Commission employee whose duty station is located in an area of the state in which the high cost of living is causing excessive employee turnover, as determined by the Commission. This salary supplement shall be in addition to the maximum salary rate authorized for that position elsewhere in this Act. In the event that an employee so assigned works on a less than full-time basis, the maximum salary supplement shall be set on a basis proportionate to the number of hours worked.</del></p> <p><i>This Rider is no longer needed.</i></p>			
13	VI-52	<p><del><b>Appropriations: Pipeline Safety—Specialized Inspections.</b> Amounts appropriated above in Strategy B.1.1., Ensure Pipeline Safety, include \$760,558 in fiscal year 2016 and \$601,177 in fiscal year 2017 from General Revenue, and \$507,051 in fiscal year 2016 and \$402,772 in fiscal year 2017 from Federal Funds, including 20.0 FTEs, for the purpose of conducting safety evaluations of pipeline operators.</del></p> <p><i>This rider is no longer needed.</i></p>			
14	VI-52	<p><b>Transfer Authority.</b> Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Texas Railroad Commission is hereby authorized to direct agency resources and transfer such amounts appropriated above between appropriation line items.</p> <p><i>No change.</i></p>			

### 3.B. Rider Revisions and Additions Request

<b>Agency Code:</b> 455		<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> Wei Wang	<b>Date:</b> 8/19/2016	<b>Request Level:</b> Baseline
<b>Current Rider Number</b>	<b>Page Number in 2016-17 GAA</b>	<b>Proposed Rider Language</b>			
15	VI-52	<p><b>Appropriation: Unexpended Balances Between Fiscal Years within the Biennium.</b> Any unexpended balances as of August 31, <del>2016-2018</del>, in the appropriations made herein to the Railroad Commission are hereby appropriated for the same purposes for the fiscal year beginning September 1, <del>2017</del> 2019.</p> <p><i>This rider has been updated for the 2018-19 biennium.</i></p>			
New	New	<p><b>Appropriations: Oil and Gas Regulation and Cleanup Account Fees.</b> In addition to the amounts appropriated above, there is hereby appropriated to the Commission any fees collected and deposited to the credit of the Oil and Gas Regulation and Cleanup Account No. 5155, in excess of amounts for the applicable object codes contained in the <u>Comptroller of Public Accounts' Biennial Revenue Estimate for 2018 -19.</u></p> <p><i>This rider would appropriate fee revenue collected to the credit of the Oil and Gas Regulation and Cleanup Account above the amounts contained in the Comptroller's Biennial Revenue Estimate.</i></p>			

**4.A. Exceptional Item Request Schedule**  
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Agency name: **Railroad Commission**

CODE	DESCRIPTION	Excp 2018	Excp 2019
	<b>Item Name:</b> Salary Parity		
	<b>Item Priority:</b> 1		
	<b>IT Component:</b> No		
	<b>Anticipated Out-year Costs:</b> No		
	<b>Involve Contracts &gt; \$50,000:</b> No		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	01-01-01 Promote Energy Resource Development Opportunities		
	02-01-01 Ensure Pipeline Safety		
	02-01-02 Pipeline Damage Prevention		
	02-02-01 Regulate Alternative Fuel Resources		
	03-01-01 Oil and Gas Monitoring and Inspections		
	03-01-02 Surface Mining Monitoring and Inspections		
	03-02-01 Oil and Gas Well Plugging and Remediation		
	03-02-02 Surface Mining Reclamation		
	03-03-01 Ensure Fair Rates and Compliance to Rate Structures		
	04-01-01 Public Information and Services		
 <b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	1,362,208	1,430,319
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,362,208</b>	<b>\$1,430,319</b>
 <b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	182,254	191,367
5155	Oil & Gas Regulation	1,179,954	1,238,952
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,362,208</b>	<b>\$1,430,319</b>

**DESCRIPTION / JUSTIFICATION:**

As more employees become eligible for retirement in the next biennium, it is becoming increasingly important to retain the institutional knowledge within the Commission. Even with the downturn in the industry, the marketplace for technical and professional hires with oil and gas experience remains very competitive. This, coupled with high turnover rate to other state and federal agencies, is causing significant concerns that the Commission may experience difficulties carrying out its key regulatory functions if we continue to lose talents. Results of exit interviews confirmed that low pay is a main reason when employees leave the Commission for other state or federal jobs, especially for employees under the age of 40. The Commission would like to request additional appropriation for pay parities with other state agencies, especially Article VI agencies.

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Agency code: 455

Agency name:

**Railroad Commission**

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**CODE DESCRIPTION**

**Excp 2018**

**Excp 2019**

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**EXTERNAL/INTERNAL FACTORS:**

Internal Factors:

As more employees of the workforce become eligible for retirement in the next two years, it is becoming increasingly critical that the Commission retains and trains its employees. However, due to the funding constraints, the Commission does not always have means to remain competitive with other state or federal agencies. Turnover rate to other state and federal agencies remain high.

External Factors:

The Commission continues to experience high turnover to other state and federal agencies. Higher pay is often the reason cited for employee departures. While the market volatilities increased during the past few years, it is still difficult to hire trained inspectors and engineers due to less competitive salaries. In addition, other agencies that are not affected by the industry downturn become more attractive to applicants for pay and job security reasons.

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Agency name: **Railroad Commission**

CODE	DESCRIPTION	Excp 2018	Excp 2019
	<b>Item Name:</b> Docket Management System		
	<b>Item Priority:</b> 2		
	<b>IT Component:</b> Yes		
	<b>Anticipated Out-year Costs:</b> Yes		
	<b>Involve Contracts &gt; \$50,000:</b> Yes		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	02-01-01 Ensure Pipeline Safety		
	02-01-02 Pipeline Damage Prevention		
	02-02-01 Regulate Alternative Fuel Resources		
	03-01-01 Oil and Gas Monitoring and Inspections		
	03-01-02 Surface Mining Monitoring and Inspections		
	03-03-01 Ensure Fair Rates and Compliance to Rate Structures		

**OBJECTS OF EXPENSE:**

1001	SALARIES AND WAGES	380,460	1,104,412
1002	OTHER PERSONNEL COSTS	5,707	16,567
2001	PROFESSIONAL FEES AND SERVICES	1,323,770	1,985,653
2009	OTHER OPERATING EXPENSE	57,552	102,594
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,767,489</b>	<b>\$3,209,226</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	318,148	577,661
5155	Oil & Gas Regulation	1,449,341	2,631,565
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,767,489</b>	<b>\$3,209,226</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

6.00	15.00
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**DESCRIPTION / JUSTIFICATION:**

The Railroad Commission manages various types of enforcement and administrative law cases that are handled through a combination of manual processes and automated systems. As a result, tracking and sharing of case information is time-consuming and cumbersome. For example, the schedule for contested hearings is manually maintained on a log book.

Using a phased-in approach, this project will implement an agency docket and case management system over the next two to three biennia. In the FY2018-19 biennium, the Commission plans to:

1. Implement an expandable framework to accommodate the spectrum of enforcement, administrative, and other types of docketed items.
2. Bring a selected group of prioritized docket types onto the new framework, and,
3. Implement searchable public access to data, such as final orders, to improve transparency.

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**EXTERNAL/INTERNAL FACTORS:**

Internal Factors:

Staff maintains paper files of hearings and enforcement cases. Which makes reporting and managing the case files extremely difficult and time-consuming. For example, when Commission receives requests for enforcement related statistics, employees have to manually count the applicable cases.

Due to the lack of a case management system, hearings are scheduled manually. Which causes challenges when hearings need to be re-scheduled. Without an electronic tracking system, managing hearing examiners' workload is also difficult.

External Factors:

Parties to cases must file paper documents with the Commission currently. Industry, legislators, and the general public want better visibility into docket and enforcement data.

The Sunset Commission Staff Report published in May 2016 concluded the Commission has "Inadequate systems to support hearings". Recent changes to the Administrative Procedures Act require tracking of addition information which is not collected in current processes.

**DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:**

The Railroad Commission manages various cases including enforcement, hearings, and other matters that are handled administratively through a variety of manual processes and automated systems. Tracking and sharing case information is time-consuming and awkward. The schedule for contested hearings is manually maintained.

Using a phased approach, this project will implement an agency docket and case management system over the next two to three biennia. In this biennium, an expandable framework will be implemented that can accommodate the spectrum of enforcement, administrative, and other types of docketed items handled by RRC staff. Prioritized docket types will be identified for the initial implementation. Searchable public access to data, such as final orders, will be provided to support agency data transparency goals.

**IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?**

NEW

**PROPOSED SOFTWARE EXAMPLES (Client-side, server-side, Midrange and Mainframe)**

Potential software environment includes Oracle WebLogic, Oracle Database Server, Oracle Business Intelligence, and ESRI ArcGIS. See submitted business case for more detail.

**PROPOSED HARDWARE EXAMPLES (Desktop, Laptop, Tablets, Servers, Mainframes, Printers and Monitors )**

Potential hardware environment includes Linux and Windows servers. See submitted business case for more detail.

**DEVELOPMENT COST AND OTHER COSTS**

Total Business Case Cost: \$11,430,225; Total Project Costs: \$8,409,477; Total Non-Project/Operational Costs: \$3,020,748 See submitted business case workbook for more detail.

**TYPE OF PROJECT**

Licensing / Permitting / Monitoring / Enforcement

**ALTERNATIVE ANALYSIS**

RRC plans to implement this project in the IT Modernization platform developed during the FY14-15 biennium. A closeness of fit analysis will be completed to the new

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platform. If the project's requirements as documented reveal that the platform does not provide the expected benefits, RRC will consider commercially available products or custom development. Partial funding of this project will affect the scope of functionality that can be implemented. See submitted business for more detail.

**ESTIMATED IT COST**

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total Over Life of Project</b>
\$0	\$0	\$3,244,054	\$5,165,423	\$0	\$0	\$0	\$8,409,477

**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

Anticipated out-year costs represent ongoing maintenance costs for the implemented system. See submitted business case workbook for more detail.

**ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:**

<b>2020</b>	<b>2021</b>	<b>2022</b>
\$763,570	\$763,570	\$341,915

**APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM :** 33.00%

**CONTRACT DESCRIPTION :**

Contracted professional services will be sought either through a request for proposal mechanism or staff augmentation. The type of contract vehicle will be determined based on the results of alternatives analysis. Contract would expire at the end of the biennium funding period. All DCS contract costs for this project are included. See submitted business case workbook for more detail.

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Agency name: **Railroad Commission**

CODE	DESCRIPTION	Excp 2018	Excp 2019
	<b>Item Name:</b> Inspection Tracking and Reporting System		
	<b>Item Priority:</b> 3		
	<b>IT Component:</b> Yes		
	<b>Anticipated Out-year Costs:</b> Yes		
	<b>Involve Contracts &gt; \$50,000:</b> Yes		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	02-01-01 Ensure Pipeline Safety		
	02-02-01 Regulate Alternative Fuel Resources		
	03-01-01 Oil and Gas Monitoring and Inspections		
 <b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	85,139	687,025
1002	OTHER PERSONNEL COSTS	1,279	10,307
2001	PROFESSIONAL FEES AND SERVICES	1,089,739	1,444,539
2009	OTHER OPERATING EXPENSE	17,850	68,395
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$1,194,007</b>	<b>\$2,210,266</b>
 <b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	119,401	221,027
5155	Oil & Gas Regulation	1,074,606	1,989,239
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$1,194,007</b>	<b>\$2,210,266</b>
	<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>	1.00	10.00

**DESCRIPTION / JUSTIFICATION:**

Across the Commission, inspection data is currently captured in a variety of systems and formats. Having separate inspection systems prohibits the Commission from aggregating inspection and other compliance data. As a result, the current systems do not provide a consistent view of regulatory compliance.

This project is part of the RRC's Information Technology Modernization Program (ITMP) the begun in the FY2014-15 biennium. Additional application development and improvements will be phased in over the next two to three biennia, based on availability of funding.

In the FY2018-19 biennium, the Commission plans to expand the inspection system implemented during the FY 14/15 biennium with the following capabilities:

- Continue to streamline oil and gas inspections,
- Add additional inspection types such as pipeline evaluations,
- Include operator access to view inspection results and compliance information, and
- Establish public searchable access to inspection and violation data.

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The Commission requests 6 FTEs for application development.

**EXTERNAL/INTERNAL FACTORS:**

Internal Factors:

Several disparate systems are used to track and manage inspections across the Commission. Gathering agency-wide inspection and violation metrics can be difficult.

External Factors:

Operators must wait until a Notice of Violations is received by mail to address violations. Industry asked for robust online reporting opportunities. The legislature and other stakeholders also asked for more robust access to inspection data.

The Sunset Commission Staff report published in May 2016 recommended additional improvements to inspection, review, and notification processes, including the ability to capture additional data related to inspection activities.

**DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:**

Across the Railroad Commission, inspection data is captured in a variety of systems and formats. Having separate inspection systems does not allow the Commission to aggregate inspection and other compliance data, identify process efficiencies and provide a consistent view of regulatory compliance.

This project is part of the RRC's Information Technology Modernization Program (ITMP). These improvements will be phased in over the next two to three biennia, based on availability of funding and other business factors.

In this biennium the project will expand the inspection system developed during the FY 14/15 biennium with the following capabilities:

- Increased efficiency for oil and gas inspections,
- Support for additional inspection types such as pipeline evaluations,
- Operator access to view inspection results and provide compliance information, and
- Public searchable access to inspection and violation data.

**IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?**

NEW

**PROPOSED SOFTWARE EXAMPLES (Client-side, server-side, Midrange and Mainframe)**

Potential software environment includes Oracle WebLogic, Oracle Database Server, Oracle Business Intelligence, and ESRI ArcGIS. See submitted business case for more detail.

**PROPOSED HARDWARE EXAMPLES (Desktop, Laptop, Tablets, Servers, Mainframes, Printers and Monitors )**

Potential hardware environment includes Linux and Windows servers. See submitted business case for more detail.

**DEVELOPMENT COST AND OTHER COSTS**

Total Business Case Cost: \$8,343,288; Total Project Costs: \$5,685,812; Total Non-Project/Operational Costs: \$2,657,476 See submitted business case workbook for more detail.

**TYPE OF PROJECT**

Licensing / Permitting / Monitoring / Enforcement

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**ALTERNATIVE ANALYSIS**

RRC plans to implement this project in the IT Modernization platform developed during the FY14-15 biennium. A closeness of fit analysis will be completed to the new platform. If the project's requirements as documented reveal that the platform does not provide the expected benefits, RRC will consider commercially available products or custom development. Partial funding of this project will affect the scope of functionality that can be implemented. See submitted business for more detail.

**ESTIMATED IT COST**

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total Over Life of Project</b>
\$0	\$0	\$2,161,494	\$3,524,318	\$0	\$0	\$0	\$5,685,812

**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

Anticipated out-year costs represent ongoing maintenance costs for the implemented system. See submitted business case workbook for more detail.

**ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:**

<b>2020</b>	<b>2021</b>	<b>2022</b>
\$731,135	\$731,135	\$471,655

**APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM :** 31.00%

**CONTRACT DESCRIPTION :**

Contracted professional services will be sought either through a request for proposal mechanism or staff augmentation. The type of contract vehicle will be determined based on the results of alternatives analysis. Contract would expire at the end of the biennium funding period. All DCS contract costs for this project are included. See submitted business case workbook for more detail.

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CODE	DESCRIPTION	Excp 2018	Excp 2019
	<b>Item Name:</b> Additional Pipeline Safety Inspectors <b>Item Priority:</b> 4 <b>IT Component:</b> No <b>Anticipated Out-year Costs:</b> No <b>Involve Contracts &gt; \$50,000:</b> No <b>Includes Funding for the Following Strategy or Strategies:</b> 02-01-01 Ensure Pipeline Safety		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	1,287,219	1,287,219
1002	OTHER PERSONNEL COSTS	19,309	19,309
2005	TRAVEL	350,000	350,000
2009	OTHER OPERATING EXPENSE	759,560	212,346
5000	CAPITAL EXPENDITURES	760,706	0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,176,794</b>	<b>\$1,868,874</b>
<b>METHOD OF FINANCING:</b>			
555	Federal Funds		
20.700.000	Pipeline Safety	1,588,397	934,437
5155	Oil & Gas Regulation	1,588,397	934,437
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$3,176,794</b>	<b>\$1,868,874</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		30.00	30.00

**DESCRIPTION / JUSTIFICATION:**

The Commission's Pipeline Safety Program is a federally delegated program through the Pipeline and Hazardous Materials Safety Administration (PHMSA). PHMSA authorizes the Commission to regulate intrastate pipelines, including gathering lines. PHMSA also requires the Commission to perform a standard comprehensive inspection of all regulated systems at a minimum of every five years, as well as a specialized program inspection of each operator every five years. In the past three years the total miles of pipeline in Texas has increased by approximately 25,000 miles from 406,867 total miles in 2012 to 431,997 total miles in 2015. In addition, PHMSA recently announced proposed changes to the federal pipeline safety rules. If passed, the proposed changes would increase the amount of jurisdictional pipelines in Texas. The Commission's federal funding level is contingent upon completion of all standard comprehensive inspections and specialized program inspections. Currently the state's pipeline inspection program does not have enough inspectors to meet all of the federal inspection requirements.

**EXTERNAL/INTERNAL FACTORS:**

**Internal Factors:**

With the population of the state of Texas growing each year, additional utilities and pipelines are needed which in turn means more pipeline safety evaluations. In the past three years the total miles of pipeline in Texas has increased by approximately 25,000 miles from 406,867 total miles in 2012 to 431,997 total miles in 2015. Additionally, the additional inspectors would help the Pipeline Safety department complete all PHMSA required inspections, which in turn would allow for more funding from PHMSA. In

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**CODE    DESCRIPTION**

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recent PHMSA audits, the Commission was cited for not completing all required inspections.

External Factors:

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. PHMSA recently announced proposed changes to the federal pipeline safety rules. If passed, the proposed changes would increase the amount of jurisdictional pipelines in Texas. Public safety is part of the agency's mission. Additional inspectors will help achieve this goal more effectively.

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CODE	DESCRIPTION	Excp 2018	Excp 2019
	<b>Item Name:</b> Additional Alternative Fuel Inspectors <b>Item Priority:</b> 5 <b>IT Component:</b> No <b>Anticipated Out-year Costs:</b> No <b>Involve Contracts &gt; \$50,000:</b> No <b>Includes Funding for the Following Strategy or Strategies:</b> 02-02-01 Regulate Alternative Fuel Resources		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	603,378	603,378
1002	OTHER PERSONNEL COSTS	9,051	9,051
2005	TRAVEL	31,500	34,650
2009	OTHER OPERATING EXPENSE	346,783	92,494
5000	CAPITAL EXPENDITURES	401,874	0
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$1,392,586</b>	<b>\$739,573</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	1,392,586	739,573
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$1,392,586</b>	<b>\$739,573</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		13.00	13.00

**DESCRIPTION / JUSTIFICATION:**

The Commission's Alternative Fuel Safety Department is responsible for public safety involving the safe storage, transportation, distribution and use of alternative fuels in Texas. The population growth in Texas has resulted in an increasing number of installations utilizing alternative fuels for heating, cooking, and industrial/commercial applications. This growth in the alternative fuel market has resulted in a higher demand for permitting, safety inspections and enforcement activities provided by the Commission. Current staffing level would only allow an inspection frequency of once every four to five years. With the additional inspectors, the Commission will be able to inspect all registered sites as frequent as every two and half years. This would reduce the risk of fires and explosions resulting in property loss, deaths or personal injuries due to improperly installed or poorly maintained equipment.

**EXTERNAL/INTERNAL FACTORS:**

**Internal Factors:**

The number of alternative fuel installations in Texas has increased from 63,726 installation in 2012 to 72,726 in 2015. This is an increase of almost 9,000 installations. Additional inspectors are needed so that new installations can be inspected in a timely manner to determine compliance with all regulations.

**External Factors:**

The number of alternative fuel installations continue to increase each year. Without an increase in the number of inspectors, installations will not be inspected within set inspection intervals.

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Given the recent alternative fuel related incidents in the state and nationwide, it is imperative we provide adequate safeguard to public safety through reasonable regulatory activities such as inspections.

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CODE	DESCRIPTION	Excp 2018	Excp 2019
	<b>Item Name:</b> Oil & Gas Permitting & Online Filing - Phase 2		
	<b>Item Priority:</b> 6		
	<b>IT Component:</b> Yes		
	<b>Anticipated Out-year Costs:</b> Yes		
	<b>Involve Contracts &gt; \$50,000:</b> Yes		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	01-01-01 Promote Energy Resource Development Opportunities		
	03-01-01 Oil and Gas Monitoring and Inspections		

**OBJECTS OF EXPENSE:**

1001	SALARIES AND WAGES	352,644	1,021,406
1002	OTHER PERSONNEL COSTS	0	15,327
2001	PROFESSIONAL FEES AND SERVICES	1,724,731	2,587,096
2009	OTHER OPERATING EXPENSE	56,002	102,589
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$2,133,377</b>	<b>\$3,726,418</b>

**METHOD OF FINANCING:**

5155	Oil & Gas Regulation	2,133,377	3,726,418
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$2,133,377</b>	<b>\$3,726,418</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

5.00	15.00
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**DESCRIPTION / JUSTIFICATION:**

While progress has been made to increase online filing opportunities available to the oil and gas industry, many permit applications and other required documents are still filed on paper. Paper submissions must be manually entered by employees and tracked through the approval process. This leads to inefficiencies and unnecessary errors. Key areas of oil and gas data are still stored in older mainframe technologies.

As part of the Commission's Information Technology Modernization Program, this project continues to bring more permit applications online in the FY2018-19 biennium. This is the next phase of the Oil and Gas Online Filing project which first begun in FY 14/15. This project also plans to establish a core set of capabilities to store and maintain key information about underground injection wells, disposal wells and other facilities.

**EXTERNAL/INTERNAL FACTORS:**

**Internal Factors:**

Hard-copy filings are transferred several times between departments throughout processing. Much of the permit information and form data are entered manually into internal software systems. Certain types of permits are also being stored and tracked outside Commission's IT applications therefore information sharing is challenging.

In addition, the Commission relies on certain types of aging systems, such as mainframe, to support many critical components of its oil and gas regulatory programs. These applications are developed using expiring technology and are becoming less reliable. Existing developers with knowledge of this type of technology are approaching

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retirement.

**External Factors:**

For several years, industry has requested to bring more permit applications online. In addition, the proposed Phase 2 would provide easier access to regulatory statistics and further enhance data transparency to legislature, general public, and regulated community. Many other state and federal agencies already utilize some form of online permit application submission and status tracking. As the worldwide leader among energy regulatory agencies, the Commission strives to further improve its IT capabilities as well.

**DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:**

While progress has been made to increase the online filing opportunities available to the oil and gas industry, many permit applications and other required documentation is still filed on paper. Paper submissions must be manually entered and tracked through the approval process, leading to moderate inefficiencies and unnecessary errors. Key areas of oil and gas data are still stored in older mainframe technologies with dwindling numbers of qualified support staff.

As part of the Information Technology Modernization Program, this project plans to continue progress on increasing online filing opportunities for permits and other required documentation in this biennium. This project is the next phase of oil and gas modernization begun in FY 14/15 with a project of the same name. The project also plans to establish a core set of capabilities to store and maintain basic information about wells, including injection and disposal wells, and other facilities of interest to the commission.

**IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?**

NEW

**PROPOSED SOFTWARE EXAMPLES (Client-side, server-side, Midrange and Mainframe)**

Potential software environment includes Oracle WebLogic, Oracle Database Server, Oracle Business Intelligence, and ESRI ArcGIS. See submitted business case for more detail.

**PROPOSED HARDWARE EXAMPLES (Desktop, Laptop, Tablets, Servers, Mainframes, Printers and Monitors )**

Potential hardware environment includes Linux and Windows servers. See submitted business case for more detail.

**DEVELOPMENT COST AND OTHER COSTS**

Total Business Case Cost: \$12,601,518; Total Project Costs: \$9,454,822; Total Non-Project/Operational Costs: \$3,146,696 See submitted business case workbook for more detail.

**TYPE OF PROJECT**

Licensing / Permitting / Monitoring / Enforcement

**ALTERNATIVE ANALYSIS**

RRC plans to implement this project in the IT Modernization platform developed during the FY14-15 biennium. A closeness of fit analysis will be completed to the new platform. If the project's requirements as documented reveal that the platform does not provide the expected benefits, RRC will consider commercially available products or custom development. Partial funding of this project will affect the scope of functionality that can be implemented. See submitted business for more detail.

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<b>ESTIMATED IT COST</b>									
		<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total Over Life of Project</b>
		\$0	\$0	\$3,689,400	\$5,765,422	\$0	\$0	\$0	\$9,454,822

**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

Anticipated out-year costs represent ongoing maintenance costs for the implemented system. See submitted business case workbook for more detail.

**ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:**

<b>2020</b>	<b>2021</b>	<b>2022</b>
\$1,105,485	\$1,105,485	\$212,175

**APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM :** 39.00%

**CONTRACT DESCRIPTION :**

Contracted professional services will be sought either through a request for proposal mechanism or staff augmentation. The type of contract vehicle will be determined based on the results of alternatives analysis. Contract would expire at the end of the biennium funding period. All DCS contract costs for this project are included. See submitted business case workbook for more detail.

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CODE	DESCRIPTION	Excp 2018	Excp 2019
	<b>Item Name:</b> Additional Oil and Gas Inspectors		
	<b>Item Priority:</b> 7		
	<b>IT Component:</b> No		
	<b>Anticipated Out-year Costs:</b> No		
	<b>Involve Contracts &gt; \$50,000:</b> No		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 03-01-01 Oil and Gas Monitoring and Inspections		
 <b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	1,049,208	1,049,208
1002	OTHER PERSONNEL COSTS	15,738	15,738
2009	OTHER OPERATING EXPENSE	214,757	153,377
5000	CAPITAL EXPENDITURES	556,884	0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,836,587</b>	<b>\$1,218,323</b>
 <b>METHOD OF FINANCING:</b>			
5155	Oil & Gas Regulation	1,836,587	1,218,323
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,836,587</b>	<b>\$1,218,323</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		21.00	21.00

**DESCRIPTION / JUSTIFICATION:**

The price of crude oil experienced a significant drop in the past year. As operators cut back E&P activities to conserve cash, the risks of operator non-compliance also increased. In order to provide reasonable assurance that potential violations are identified and mitigated, the Commission needs to add more inspectors to prevent non-compliance before it happens. The Commission's goal is to inspect every well in the state in the next four to five year. Additional inspectors will target monitoring activities on well integrity tests as well as identifying wells that may potentially become abandoned wells.

**EXTERNAL/INTERNAL FACTORS:**

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. Based on dramatic adoption of those technological advances, the daily oil production within the state has doubled from 2009 to just over 2 million bbls per day and is expected to continue to increase as the drilling continues. All areas within our Field Operations sections are strained due to the extraordinary increases in industry activity already seen and further increases will overwhelm existing processing systems.

Significant growth in the Texas oilfield is occurring in areas where Hydrogen Sulfide (H2S) is known to be present and may occur in lethal concentrations. Because of the danger involved, the Commission has adopted specific rules related to the occurrence of H2S at drill sites and throughout the transportation chain. Due to high industry activity and rapid growth with the influx of inexperienced field personnel, the risk of related accidents in the field is a concern. Increasing our regulatory staff would enable the Commission to increase our monitoring of field activities and ensure compliance with the Commission's rules.

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The increased activity level necessitates the expansion of waste disposal operations within the state 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. Further, there is heightened potential for interaction between newly drilled and producing wells and historic wellbores that may be impacted by those operations. These expanded operations require enhanced monitoring and oversight to ensure that pollution does not occur.

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	<b>Item Name:</b>	Alternative Fuels Licenses Online Filing		
	<b>Item Priority:</b>	8		
	<b>IT Component:</b>	Yes		
	<b>Anticipated Out-year Costs:</b>	Yes		
	<b>Involve Contracts &gt; \$50,000:</b>	Yes		
	<b>Includes Funding for the Following Strategy or Strategies:</b>	02-02-01 Regulate Alternative Fuel Resources		
<b>OBJECTS OF EXPENSE:</b>				
1001	SALARIES AND WAGES		80,439	321,756
1002	OTHER PERSONNEL COSTS		1,207	4,827
2001	PROFESSIONAL FEES AND SERVICES		702,256	1,145,786
2009	OTHER OPERATING EXPENSE		7,940	30,661
<b>TOTAL, OBJECT OF EXPENSE</b>			<b>\$791,842</b>	<b>\$1,503,030</b>

**METHOD OF FINANCING:**

1	General Revenue Fund		673,066	1,277,576
666	Appropriated Receipts		118,776	225,454
<b>TOTAL, METHOD OF FINANCING</b>			<b>\$791,842</b>	<b>\$1,503,030</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

	1.00	4.00
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**DESCRIPTION / JUSTIFICATION:**

Applications and renewals for LPG, LNG, and CNG licenses, certifications, and registrations are currently submitted to the Railroad Commission on paper. RRC staff manually enters the data into an antiquated software system. While payments can be submitted online, the process of matching a payment to the corresponding paperwork is time-consuming. Installation completion and inspection/non-compliance processing is also manual. Exams required for certification are developed, administered, graded and tracked by RRC staff manually.

Through this project, industry will be allowed to file required paperwork online. Processing and approval of paperwork by RRC staff will be faster and more efficient. Part of this project includes an electronic version of exams that would be more secure and provide more immediate feedback to testers. This project continues work begun with the FY 14/15 capital project of the same name.

The Commission requests 3 FTE for development and maintenance of the software created by this project.

**EXTERNAL/INTERNAL FACTORS:**

**Internal Factors:**

Manually entering data from thousands of applications, sometimes handwritten, is a time-consuming, error-prone process. GPS coordinates for installation locations must be manually verified by staff.

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A recent internal audit finding requires that exam questions be scrambled and reissued at regular intervals. Currently this involves manual recreation of exams. AFS Instructors are restricted in the locations where training and exams can be given to facilities offered for free by industry and city/county/state buildings. Exams are only administered by AFS staff to maintain security of exam questions and are only administered at locations outside of Austin if classes are conducted to conserve travel expenses. Most exams are administered at the Training Facility (located in Austin) because they are given on a daily basis.

**External Factors:**

Industry has complained that it is difficult to know if all required paperwork has been filed. Operators cannot see the status of paperwork. Having online payment but not online filing is confusing.

Industry must travel, often to Austin, to take exams - incurring additional travel expenses.

Minimal alternative fuel data is available to industry or the general public.

**DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:**

Applications and renewals for LPG, LNG, and CNG licenses, certifications, and registrations are currently submitted to the Railroad Commission on paper. RRC staff manually enters the data into an antiquated software system. While payments can be submitted online, the process of matching a payment to the corresponding paperwork is time-consuming. Installation completion and inspection/non-compliance processing is also manual. Exams required for certification are developed, administered, graded and tracked by RRC staff manually.

Through this project, industry will be allowed to file required paperwork online. Processing and approval of paperwork by RRC staff will be faster and more efficient. Part of this project includes an electronic version of exams that would be more secure and provide more immediate feedback to testers. This project continues work begun with the FY 14/15 capital project of the same name.

**IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?**

NEW

**PROPOSED SOFTWARE EXAMPLES (Client-side, server-side, Midrange and Mainframe)**

Potential software environment includes Oracle WebLogic, Oracle Database Server, Oracle Business Intelligence, and ESRI ArcGIS. See submitted business case for more detail.

**PROPOSED HARDWARE EXAMPLES (Desktop, Laptop, Tablets, Servers, Mainframes, Printers and Monitors )**

Potential hardware environment includes Linux and Windows servers. See submitted business case for more detail.

**DEVELOPMENT COST AND OTHER COSTS**

Total Business Case Cost: \$5,611,130; Total Project Costs: \$3,979,432; Total Non-Project/Operational Costs: \$1,631,698 See submitted business case workbook for more detail.

**TYPE OF PROJECT**

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**ALTERNATIVE ANALYSIS**

RRC plans to implement this project in the IT Modernization platform developed during the FY14-15 biennium. A closeness of fit analysis will be completed to the new platform. If the project's requirements as documented reveal that the platform does not provide the expected benefits, RRC will consider commercially available products or custom development. Partial funding of this project will affect the scope of functionality that can be implemented. See submitted business for more detail.

**ESTIMATED IT COST**

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total Over Life of Project</b>
\$0	\$0	\$1,535,747	\$2,443,685	\$0	\$0	\$0	\$3,979,432

**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

Anticipated out-year costs represent ongoing maintenance costs for the implemented system. See submitted business case workbook for more detail.

**ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:**

<b>2020</b>	<b>2021</b>	<b>2022</b>
\$474,882	\$474,882	\$167,714

**APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM :** 33.00%

**CONTRACT DESCRIPTION :**

Contracted professional services will be sought either through a request for proposal mechanism or staff augmentation. The type of contract vehicle will be determined based on the results of alternatives analysis. Contract would expire at the end of the biennium funding period. All DCS contract costs for this project are included. See submitted business case workbook for more detail.

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	<b>Item Name:</b> Gas Utilities Online Filing - Phase 2 <b>Item Priority:</b> 9 <b>IT Component:</b> Yes <b>Anticipated Out-year Costs:</b> Yes <b>Involve Contracts &gt; \$50,000:</b> Yes <b>Includes Funding for the Following Strategy or Strategies:</b> 03-03-01 Ensure Fair Rates and Compliance to Rate Structures		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	241,317	402,196
1002	OTHER PERSONNEL COSTS	3,620	6,033
2001	PROFESSIONAL FEES AND SERVICES	961,540	1,785,718
2009	OTHER OPERATING EXPENSE	26,024	34,197
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,232,501</b>	<b>\$2,228,144</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	1,232,501	2,228,144
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,232,501</b>	<b>\$2,228,144</b>

<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>	3.00	5.00
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**DESCRIPTION / JUSTIFICATION:**

Gas utilities currently submit their annual reports, tariffs, and quarterly gas utility tax filings through a manual process. RRC personnel then enter the data and review submissions before approval. Payments, which can be large, are received and processed manually as well. If paid online, deposits would be recognized immediately. Gas utility tariffs are submitted through a rigid, antiquated electronic process developed in the late 1990s. Utility operators are often required to submit tariff filings multiple times, due to higher submission errors.

This project will provide online filing and payment capabilities for gas utility annual reports and quarterly utility tax reports. An improved online process for filing gas utility tariffs will be implemented. The design phase of this project is completed in the 2014-15 biennium. This item continues the development of the application. Both Commission staff and utility industry stakeholders will realize substantial efficiency benefits from online filings and a new tariff filing system.

**EXTERNAL/INTERNAL FACTORS:**

**Internal Factors:**

Manually entering data from hundreds of paper annual report and quarterly tax report submissions is a time-consuming and error-prone process. Staff also spends hours assisting industry with training utility personnel and in debugging unsuccessful tariff filings.

**External Factors:**

The gas utility industry has been requesting modernization of these processes, encompassing an online payment of quarterly utility taxes, annual reports, and an improved

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electronic tariff filing system for years. Very little rate comparison data is available to industry and the public in a searchable format. When complete, this project will result in dramatic improvements to data search ability and availability.

**DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:**

Gas utilities currently submit annual reports and quarterly gas utility tax filings (including payment) manually. RRC personnel enter data and review submissions for approval. Payments, which can be large, are received and processed manually. If paid online, deposits would be recognized immediately. Gas utility tariffs are submitted through a rigid, antiquated electronic process developed in the late 1990s. Utility operators are often required to submit tariff filings multiple times, due to higher submission errors.

**IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?**

NEW

**PROPOSED SOFTWARE EXAMPLES (Client-side, server-side, Midrange and Mainframe)**

Potential software environment includes Oracle WebLogic, Oracle Database Server, Oracle Business Intelligence, and ESRI ArcGIS. See submitted business case for more detail.

**PROPOSED HARDWARE EXAMPLES (Desktop, Laptop, Tablets, Servers, Mainframes, Printers and Monitors )**

Potential hardware environment includes Linux and Windows servers. See submitted business case for more detail.

**DEVELOPMENT COST AND OTHER COSTS**

Total Business Case Cost: \$7,088,093; Total Project Costs: \$5,253,369; Total Non-Project/Operational Costs: \$1,834,724 See submitted business case workbook for more detail.

**TYPE OF PROJECT**

Licensing / Permitting / Monitoring / Enforcement

**ALTERNATIVE ANALYSIS**

RRC plans to implement this project in the IT Modernization platform developed during the FY14-15 biennium. A closeness of fit analysis will be completed to the new platform. If the project's requirements as documented reveal that the platform does not provide the expected benefits, RRC will consider commercially available products or custom development. Partial funding of this project will affect the scope of functionality that can be implemented. See submitted business for more detail.

**ESTIMATED IT COST**

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total Over Life of Project</b>
\$0	\$0	\$2,006,944	\$3,246,425	\$0	\$0	\$0	\$5,253,369

**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

Anticipated out-year costs represent ongoing maintenance costs for the implemented system. See submitted business case workbook for more detail.

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<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2018</u>	<u>Excp 2019</u>
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**ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:**

	<u>2020</u>	<u>2021</u>	<u>2022</u>
	\$576,395	\$576,395	\$187,175

**APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM :** 33.00%

**CONTRACT DESCRIPTION :**

Contracted professional services will be sought either through a request for proposal mechanism or staff augmentation. The type of contract vehicle will be determined based on the results of alternatives analysis. Contract would expire at the end of the biennium funding period. All DCS contract costs for this project are included. See submitted business case workbook for more detail.

**4.B. Exceptional Items Strategy Allocation Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:27AM**

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b>	Salary Parity		
<b>Allocation to Strategy:</b>	1-1-1 Promote Energy Resource Development Opportunities		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	234,705	243,051
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$234,705</b>	<b>\$243,051</b>
<b>METHOD OF FINANCING:</b>			
5155	Oil & Gas Regulation	234,705	243,051
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$234,705</b>	<b>\$243,051</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:27AM**

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b>	Salary Parity		
<b>Allocation to Strategy:</b>	2-1-1 Ensure Pipeline Safety		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	71,715	75,300
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$71,715</b>	<b>\$75,300</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	47,373	49,741
5155	Oil & Gas Regulation	24,342	25,559
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$71,715</b>	<b>\$75,300</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:27AM**

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b>	Salary Parity		
<b>Allocation to Strategy:</b>	2-1-2 Pipeline Damage Prevention		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	9,996	10,495
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$9,996</b>	<b>\$10,495</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	4,471	4,694
5155	Oil & Gas Regulation	5,525	5,801
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$9,996</b>	<b>\$10,495</b>

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b>	Salary Parity		
<b>Allocation to Strategy:</b>	2-2-1 Regulate Alternative Fuel Resources		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	30,177	31,686
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$30,177</b>	<b>\$31,686</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	30,177	31,686
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$30,177</b>	<b>\$31,686</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:27AM**

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b>	Salary Parity		
<b>Allocation to Strategy:</b>	3-1-1 Oil and Gas Monitoring and Inspections		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	383,525	407,608
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$383,525</b>	<b>\$407,608</b>
<b>METHOD OF FINANCING:</b>			
5155	Oil & Gas Regulation	383,525	407,608
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$383,525</b>	<b>\$407,608</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:27AM**

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b>	Salary Parity		
<b>Allocation to Strategy:</b>	3-1-2 Surface Mining Monitoring and Inspections		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	62,210	65,321
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$62,210</b>	<b>\$65,321</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	35,446	37,218
5155	Oil & Gas Regulation	26,764	28,103
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$62,210</b>	<b>\$65,321</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:27AM**

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b>	Salary Parity		
<b>Allocation to Strategy:</b>	3-2-1      Oil and Gas Well Plugging and Remediation		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	473,539	495,885
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$473,539</b>	<b>\$495,885</b>
<b>METHOD OF FINANCING:</b>			
5155	Oil & Gas Regulation	473,539	495,885
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$473,539</b>	<b>\$495,885</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:27AM**

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b>	Salary Parity		
<b>Allocation to Strategy:</b>	3-2-2 Surface Mining Reclamation		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	29,142	30,600
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$29,142</b>	<b>\$30,600</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	29,142	30,600
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$29,142</b>	<b>\$30,600</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:27AM**

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b>	Salary Parity		
<b>Allocation to Strategy:</b>	3-3-1      Ensure Fair Rates and Compliance to Rate Structures		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	35,645	37,428
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$35,645</b>	<b>\$37,428</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	35,645	37,428
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$35,645</b>	<b>\$37,428</b>

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b>	Salary Parity		
<b>Allocation to Strategy:</b>	4-1-1 Public Information and Services		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	31,554	32,945
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$31,554</b>	<b>\$32,945</b>
<b>METHOD OF FINANCING:</b>			
5155	Oil & Gas Regulation	31,554	32,945
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$31,554</b>	<b>\$32,945</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:27AM**

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Docket Management System			
<b>Allocation to Strategy:</b> 2-1-1 Ensure Pipeline Safety			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	0	64,165
2001	PROFESSIONAL FEES AND SERVICES	35,350	20
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$35,350</b>	<b>\$64,185</b>
<b>METHOD OF FINANCING:</b>			
5155	Oil & Gas Regulation	35,350	64,185
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$35,350</b>	<b>\$64,185</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		0.0	1.0

**4.B. Exceptional Items Strategy Allocation Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:27AM**

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Docket Management System			
<b>Allocation to Strategy:</b> 2-1-2 Pipeline Damage Prevention			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	282,798	320,923
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$282,798</b>	<b>\$320,923</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	106,049	0
5155	Oil & Gas Regulation	176,749	320,923
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$282,798</b>	<b>\$320,923</b>

Agency code: 455 Agency name: Railroad Commission

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Docket Management System			
<b>Allocation to Strategy:</b> 2-2-1 Regulate Alternative Fuel Resources			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	0	105,969
2001	PROFESSIONAL FEES AND SERVICES	0	86,585
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$0</b>	<b>\$192,554</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	0	192,554
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$0</b>	<b>\$192,554</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		0.0	1.5

**4.B. Exceptional Items Strategy Allocation Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:27AM**

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Docket Management System			
<b>Allocation to Strategy:</b> 3-1-1 Oil and Gas Monitoring and Inspections			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	285,345	828,309
1002	OTHER PERSONNEL COSTS	4,280	12,425
2001	PROFESSIONAL FEES AND SERVICES	899,573	1,303,129
2009	OTHER OPERATING EXPENSE	48,044	102,594
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,237,242</b>	<b>\$2,246,457</b>
<b>METHOD OF FINANCING:</b>			
5155	Oil & Gas Regulation	1,237,242	2,246,457
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,237,242</b>	<b>\$2,246,457</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		4.5	11.0

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Docket Management System			
<b>Allocation to Strategy:</b> 3-1-2 Surface Mining Monitoring and Inspections			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	0	105,969
2001	PROFESSIONAL FEES AND SERVICES	106,049	86,585
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$106,049</b>	<b>\$192,554</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	106,049	192,554
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$106,049</b>	<b>\$192,554</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		0.0	1.5

**4.B. Exceptional Items Strategy Allocation Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:27AM**

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Docket Management System			
<b>Allocation to Strategy:</b> 3-3-1 Ensure Fair Rates and Compliance to Rate Structures			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	95,115	0
1002	OTHER PERSONNEL COSTS	1,427	4,142
2001	PROFESSIONAL FEES AND SERVICES	0	188,411
2009	OTHER OPERATING EXPENSE	9,508	0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$106,050</b>	<b>\$192,553</b>
<b>METHOD OF FINANCING:</b>			
1 General Revenue Fund		106,050	192,553
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$106,050</b>	<b>\$192,553</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		1.5	0.0

**4.B. Exceptional Items Strategy Allocation Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:27AM**

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Inspection Tracking and Reporting System			
<b>Allocation to Strategy:</b> 2-1-1 Ensure Pipeline Safety			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	63,854	515,269
1002	OTHER PERSONNEL COSTS	959	7,730
2001	PROFESSIONAL FEES AND SERVICES	532,191	582,134
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$597,004</b>	<b>\$1,105,133</b>
<b>METHOD OF FINANCING:</b>			
5155	Oil & Gas Regulation	597,004	1,105,133
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$597,004</b>	<b>\$1,105,133</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		0.8	7.5

Agency code: 455 Agency name: Railroad Commission

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Inspection Tracking and Reporting System			
<b>Allocation to Strategy:</b> 2-2-1 Regulate Alternative Fuel Resources			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	21,285	171,756
1002	OTHER PERSONNEL COSTS	320	2,577
2001	PROFESSIONAL FEES AND SERVICES	97,796	46,694
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$119,401</b>	<b>\$221,027</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	119,401	221,027
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$119,401</b>	<b>\$221,027</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		0.2	2.5

**4.B. Exceptional Items Strategy Allocation Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:27AM**

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Inspection Tracking and Reporting System			
<b>Allocation to Strategy:</b> 3-1-1 Oil and Gas Monitoring and Inspections			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	459,752	815,711
2009	OTHER OPERATING EXPENSE	17,850	68,395
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$477,602</b>	<b>\$884,106</b>
<b>METHOD OF FINANCING:</b>			
5155	Oil & Gas Regulation	477,602	884,106
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$477,602</b>	<b>\$884,106</b>

Agency code: 455 Agency name: Railroad Commission

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Additional Pipeline Safety Inspectors			
<b>Allocation to Strategy:</b> 2-1-1 Ensure Pipeline Safety			
<b>STRATEGY IMPACT ON OUTCOME MEASURES:</b>			
	<u>1</u> Average Number of Safety Violations	0.00	0.00
<b>OUTPUT MEASURES:</b>			
	<u>1</u> Number of Pipeline Safety Inspections Performed	2,400.00	2,400.00
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	1,287,219	1,287,219
1002	OTHER PERSONNEL COSTS	19,309	19,309
2005	TRAVEL	350,000	350,000
2009	OTHER OPERATING EXPENSE	759,560	212,346
5000	CAPITAL EXPENDITURES	760,706	0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,176,794</b>	<b>\$1,868,874</b>
<b>METHOD OF FINANCING:</b>			
555	Federal Funds		
	20.700.000 Pipeline Safety	1,588,397	934,437
5155	Oil & Gas Regulation	1,588,397	934,437
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$3,176,794</b>	<b>\$1,868,874</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		30.0	30.0

Agency code: 455 Agency name: Railroad Commission

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Additional Alternative Fuel Inspectors			
<b>Allocation to Strategy:</b> 2-2-1 Regulate Alternative Fuel Resources			
<b>STRATEGY IMPACT ON OUTCOME MEASURES:</b>			
	<u>1</u> Average Number of LPG/CNG/LNG Violations	12,250.00	12,250.00
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	603,378	603,378
1002	OTHER PERSONNEL COSTS	9,051	9,051
2005	TRAVEL	31,500	34,650
2009	OTHER OPERATING EXPENSE	346,783	92,494
5000	CAPITAL EXPENDITURES	401,874	0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,392,586</b>	<b>\$739,573</b>
<b>METHOD OF FINANCING:</b>			
	1 General Revenue Fund	1,392,586	739,573
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,392,586</b>	<b>\$739,573</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		13.0	13.0

Agency code: 455 Agency name: Railroad Commission

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Oil & Gas Permitting & Online Filing - Phase 2			
<b>Allocation to Strategy:</b> 1-1-1 Promote Energy Resource Development Opportunities			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	176,322	510,703
1002	OTHER PERSONNEL COSTS	0	7,666
2001	PROFESSIONAL FEES AND SERVICES	862,365	1,293,548
2009	OTHER OPERATING EXPENSE	28,001	51,292
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,066,688</b>	<b>\$1,863,209</b>
<b>METHOD OF FINANCING:</b>			
5155	Oil & Gas Regulation	1,066,688	1,863,209
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,066,688</b>	<b>\$1,863,209</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		2.5	7.5

**4.B. Exceptional Items Strategy Allocation Schedule**  
 85th Regular Session, Agency Submission, Version 1  
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DATE: **8/19/2016**  
 TIME: **11:36:27AM**

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Oil & Gas Permitting & Online Filing - Phase 2			
<b>Allocation to Strategy:</b> 3-1-1 Oil and Gas Monitoring and Inspections			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	176,322	510,703
1002	OTHER PERSONNEL COSTS	0	7,661
2001	PROFESSIONAL FEES AND SERVICES	862,366	1,293,548
2009	OTHER OPERATING EXPENSE	28,001	51,297
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,066,689</b>	<b>\$1,863,209</b>
<b>METHOD OF FINANCING:</b>			
5155	Oil & Gas Regulation	1,066,689	1,863,209
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,066,689</b>	<b>\$1,863,209</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		2.5	7.5

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Additional Oil and Gas Inspectors			
<b>Allocation to Strategy:</b> 3-1-1 Oil and Gas Monitoring and Inspections			
<b>OUTPUT MEASURES:</b>			
<u>1</u>	Number of Oil and Gas Facility Inspections Performed	10,800.00	10,800.00
<u>5</u>	Number of District-initiated Issuance of Severance/seal Orders	2,500.00	2,500.00
<b>EXPLANATORY/INPUT MEASURES:</b>			
<u>3</u>	Number of Major Statewide Rule Violations	4,675.00	4,675.00
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	1,049,208	1,049,208
1002	OTHER PERSONNEL COSTS	15,738	15,738
2009	OTHER OPERATING EXPENSE	214,757	153,377
5000	CAPITAL EXPENDITURES	556,884	0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,836,587</b>	<b>\$1,218,323</b>
<b>METHOD OF FINANCING:</b>			
5155	Oil & Gas Regulation	1,836,587	1,218,323
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,836,587</b>	<b>\$1,218,323</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		21.0	21.0

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

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Alternative Fuels Licenses Online Filing			
<b>Allocation to Strategy:</b> 2-2-1 Regulate Alternative Fuel Resources			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	80,439	321,756
1002	OTHER PERSONNEL COSTS	1,207	4,827
2001	PROFESSIONAL FEES AND SERVICES	702,256	1,145,786
2009	OTHER OPERATING EXPENSE	7,940	30,661
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$791,842</b>	<b>\$1,503,030</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	673,066	1,277,576
666	Appropriated Receipts	118,776	225,454
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$791,842</b>	<b>\$1,503,030</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		1.0	4.0

Agency code: 455 Agency name: Railroad Commission

Code	Description	Excp 2018	Excp 2019
<b>Item Name:</b> Gas Utilities Online Filing - Phase 2			
<b>Allocation to Strategy:</b> 3-3-1 Ensure Fair Rates and Compliance to Rate Structures			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	241,317	402,196
1002	OTHER PERSONNEL COSTS	3,620	6,033
2001	PROFESSIONAL FEES AND SERVICES	961,540	1,785,718
2009	OTHER OPERATING EXPENSE	26,024	34,197
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,232,501</b>	<b>\$2,228,144</b>
<b>METHOD OF FINANCING:</b>			
1 General Revenue Fund		1,232,501	2,228,144
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,232,501</b>	<b>\$2,228,144</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		3.0	5.0

**4.C. Exceptional Items Strategy Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/19/2016**  
**TIME: 11:36:27AM**

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

GOAL: 1 Oversee Oil and Gas Resource Development  
 OBJECTIVE: 1 Increase Opportunities for Oil and Gas Resource Development  
 STRATEGY: 1 Promote Energy Resource Development Opportunities

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

<b>CODE DESCRIPTION</b>	<b>Excp 2018</b>	<b>Excp 2019</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	411,027	753,754
1002 OTHER PERSONNEL COSTS	0	7,666
2001 PROFESSIONAL FEES AND SERVICES	862,365	1,293,548
2009 OTHER OPERATING EXPENSE	28,001	51,292
<b>Total, Objects of Expense</b>	<b>\$1,301,393</b>	<b>\$2,106,260</b>

**METHOD OF FINANCING:**

5155 Oil & Gas Regulation	1,301,393	2,106,260
<b>Total, Method of Finance</b>	<b>\$1,301,393</b>	<b>\$2,106,260</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

2.5	7.5
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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Salary Parity

Oil & Gas Permitting & Online Filing - Phase 2

**4.C. Exceptional Items Strategy Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/19/2016**  
**TIME: 11:36:27AM**

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

<b>CODE DESCRIPTION</b>	<b>Exp 2018</b>	<b>Exp 2019</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	1,422,788	1,941,953
1002 OTHER PERSONNEL COSTS	20,268	27,039
2001 PROFESSIONAL FEES AND SERVICES	567,541	582,154
2005 TRAVEL	350,000	350,000
2009 OTHER OPERATING EXPENSE	759,560	212,346
5000 CAPITAL EXPENDITURES	760,706	0
<b>Total, Objects of Expense</b>	<b>\$3,880,863</b>	<b>\$3,113,492</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	47,373	49,741
555 Federal Funds		
20.700.000 Pipeline Safety	1,588,397	934,437
5155 Oil & Gas Regulation	2,245,093	2,129,314
<b>Total, Method of Finance</b>	<b>\$3,880,863</b>	<b>\$3,113,492</b>

<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>	30.8	38.5
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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Salary Parity  
 Docket Management System  
 Inspection Tracking and Reporting System  
 Additional Pipeline Safety Inspectors

**4.C. Exceptional Items Strategy Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/19/2016**  
**TIME: 11:36:27AM**

Agency Code: **455** Agency name: **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

<b>CODE DESCRIPTION</b>	<b>Exp 2018</b>	<b>Exp 2019</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	9,996	10,495
2001 PROFESSIONAL FEES AND SERVICES	282,798	320,923
<b>Total, Objects of Expense</b>	<b>\$292,794</b>	<b>\$331,418</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	110,520	4,694
5155 Oil & Gas Regulation	182,274	326,724
<b>Total, Method of Finance</b>	<b>\$292,794</b>	<b>\$331,418</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Salary Parity

Docket Management System

**4.C. Exceptional Items Strategy Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/19/2016**  
**TIME: 11:36:27AM**

Agency Code: **455** Agency name: **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

<b>CODE DESCRIPTION</b>	<b>Exp 2018</b>	<b>Exp 2019</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	735,279	1,234,545
1002 OTHER PERSONNEL COSTS	10,578	16,455
2001 PROFESSIONAL FEES AND SERVICES	800,052	1,279,065
2005 TRAVEL	31,500	34,650
2009 OTHER OPERATING EXPENSE	354,723	123,155
5000 CAPITAL EXPENDITURES	401,874	0
<b>Total, Objects of Expense</b>	<b>\$2,334,006</b>	<b>\$2,687,870</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	2,215,230	2,462,416
666 Appropriated Receipts	118,776	225,454
<b>Total, Method of Finance</b>	<b>\$2,334,006</b>	<b>\$2,687,870</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

14.2	21.0
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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Salary Parity

Docket Management System

Inspection Tracking and Reporting System

Additional Alternative Fuel Inspectors

Alternative Fuels Licenses Online Filing

**4.C. Exceptional Items Strategy Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/19/2016**  
**TIME: 11:36:27AM**

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

<b>CODE DESCRIPTION</b>	<b>Excp 2018</b>	<b>Excp 2019</b>
<b>OBJECTS OF EXPENSE:</b>		
1001 SALARIES AND WAGES	1,894,400	2,795,828
1002 OTHER PERSONNEL COSTS	20,018	35,824
2001 PROFESSIONAL FEES AND SERVICES	2,221,691	3,412,388
2009 OTHER OPERATING EXPENSE	308,652	375,663
5000 CAPITAL EXPENDITURES	556,884	0
<b>Total, Objects of Expense</b>	<b>\$5,001,645</b>	<b>\$6,619,703</b>

**METHOD OF FINANCING:**

5155 Oil & Gas Regulation

5,001,645

6,619,703

**Total, Method of Finance**

**\$5,001,645**

**\$6,619,703**

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

28.0

39.5

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Salary Parity

Docket Management System

Inspection Tracking and Reporting System

Oil & Gas Permitting & Online Filing - Phase 2

Additional Oil and Gas Inspectors

**4.C. Exceptional Items Strategy Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/19/2016**  
**TIME: 11:36:27AM**

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: 2 Surface Mining Monitoring and Inspections

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

<b>CODE DESCRIPTION</b>	<b>Exp 2018</b>	<b>Exp 2019</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	62,210	171,290
2001 PROFESSIONAL FEES AND SERVICES	106,049	86,585
<b>Total, Objects of Expense</b>	<b>\$168,259</b>	<b>\$257,875</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	141,495	229,772
5155 Oil & Gas Regulation	26,764	28,103
<b>Total, Method of Finance</b>	<b>\$168,259</b>	<b>\$257,875</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):** 0.0 1.5

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Salary Parity

Docket Management System

**4.C. Exceptional Items Strategy Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/19/2016**  
**TIME: 11:36:27AM**

Agency Code: **455** Agency name: **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

<b>CODE DESCRIPTION</b>	<b>Excp 2018</b>	<b>Excp 2019</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	473,539	495,885
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<b>Total, Objects of Expense</b>	<b>\$473,539</b>	<b>\$495,885</b>
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**METHOD OF FINANCING:**

5155 Oil & Gas Regulation	473,539	495,885
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<b>Total, Method of Finance</b>	<b>\$473,539</b>	<b>\$495,885</b>
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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Salary Parity

**4.C. Exceptional Items Strategy Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/19/2016**  
**TIME: 11:36:27AM**

Agency Code: **455** Agency name: **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

<b>CODE DESCRIPTION</b>	<b>Exp 2018</b>	<b>Exp 2019</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	29,142	30,600
<b>Total, Objects of Expense</b>	<b>\$29,142</b>	<b>\$30,600</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	29,142	30,600
<b>Total, Method of Finance</b>	<b>\$29,142</b>	<b>\$30,600</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Salary Parity

**4.C. Exceptional Items Strategy Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/19/2016**  
**TIME: 11:36:27AM**

Agency Code: **455** Agency name: **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

STRATEGY: 1 Ensure Fair Rates and Compliance to Rate Structures

Service Categories:

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

<b>CODE DESCRIPTION</b>	<b>Excp 2018</b>	<b>Excp 2019</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	372,077	439,624
1002 OTHER PERSONNEL COSTS	5,047	10,175
2001 PROFESSIONAL FEES AND SERVICES	961,540	1,974,129
2009 OTHER OPERATING EXPENSE	35,532	34,197
<b>Total, Objects of Expense</b>	<b>\$1,374,196</b>	<b>\$2,458,125</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	1,374,196	2,458,125
<b>Total, Method of Finance</b>	<b>\$1,374,196</b>	<b>\$2,458,125</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

4.5	5.0
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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Salary Parity

Docket Management System

Gas Utilities Online Filing - Phase 2

**4.C. Exceptional Items Strategy Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/19/2016**  
**TIME: 11:36:27AM**

Agency Code: **455** Agency name: **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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2018</b>	<b>Excp 2019</b>
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**OBJECTS OF EXPENSE:**

1001	SALARIES AND WAGES	31,554	32,945
	<b>Total, Objects of Expense</b>	<b>\$31,554</b>	<b>\$32,945</b>

**METHOD OF FINANCING:**

5155	Oil & Gas Regulation	31,554	32,945
	<b>Total, Method of Finance</b>	<b>\$31,554</b>	<b>\$32,945</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Salary Parity

**5.A. Capital Budget Project Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME : **11:36:28AM**

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

<b>OOE / TOF / MOF CODE</b>		<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
<b>5005 Acquisition of Information Resource Technologies</b>					
<i>1/1 Technology Replacement and Upgrade</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	2009 OTHER OPERATING EXPENSE	\$199,755	\$0	\$199,755	\$0
Capital Subtotal OOE, Project 1		\$199,755	\$0	\$199,755	\$0
Subtotal OOE, Project 1		<b>\$199,755</b>	<b>\$0</b>	<b>\$199,755</b>	<b>\$0</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General	CA 1 General Revenue Fund	\$64,844	\$0	\$64,844	\$0
General	CA 5155 Oil & Gas Regulation	\$134,911	\$0	\$134,911	\$0
Capital Subtotal TOF, Project 1		\$199,755	\$0	\$199,755	\$0
Subtotal TOF, Project 1		<b>\$199,755</b>	<b>\$0</b>	<b>\$199,755</b>	<b>\$0</b>
<i>2/2 PC and Laptop Leasing</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	2009 OTHER OPERATING EXPENSE	\$241,080	\$217,200	\$428,200	\$428,200
Capital Subtotal OOE, Project 2		\$241,080	\$217,200	\$428,200	\$428,200
Subtotal OOE, Project 2		<b>\$241,080</b>	<b>\$217,200</b>	<b>\$428,200</b>	<b>\$428,200</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General	CA 1 General Revenue Fund	\$101,180	\$101,180	\$72,794	\$72,794

**5.A. Capital Budget Project Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME : **11:36:28AM**

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

<b>OOE / TOF / MOF CODE</b>				<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>	
General	CA	555	Federal Funds	\$0	\$0	\$0	\$0	
General	CA	5155	Oil & Gas Regulation	\$139,900	\$116,020	\$355,406	\$355,406	
Capital Subtotal TOF, Project				2	\$241,080	\$217,200	\$428,200	\$428,200
Subtotal TOF, Project				2	<b>\$241,080</b>	<b>\$217,200</b>	<b>\$428,200</b>	<b>\$428,200</b>

*3/3 Software Licenses and Services*

**OBJECTS OF EXPENSE**

Capital

General	2009	OTHER OPERATING EXPENSE		\$179,000	\$179,000	\$179,000	\$179,000	
Capital Subtotal OOE, Project				3	\$179,000	\$179,000	\$179,000	\$179,000
Subtotal OOE, Project				3	<b>\$179,000</b>	<b>\$179,000</b>	<b>\$179,000</b>	<b>\$179,000</b>

**TYPE OF FINANCING**

Capital

General	CA	1	General Revenue Fund	\$29,779	\$29,779	\$29,779	\$29,779	
General	CA	5155	Oil & Gas Regulation	\$149,221	\$149,221	\$149,221	\$149,221	
Capital Subtotal TOF, Project				3	\$179,000	\$179,000	\$179,000	\$179,000
Subtotal TOF, Project				3	<b>\$179,000</b>	<b>\$179,000</b>	<b>\$179,000</b>	<b>\$179,000</b>

*7/7 Docket Management System*

**OBJECTS OF EXPENSE**

Capital

General	1001	SALARIES AND WAGES		\$0	\$0	\$0	\$0
General	1002	OTHER PERSONNEL COSTS		\$0	\$0	\$0	\$0
General	2001	PROFESSIONAL FEES AND SERVICES		\$0	\$0	\$0	\$0
General	2009	OTHER OPERATING EXPENSE		\$0	\$0	\$0	\$0

**5.A. Capital Budget Project Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME : **11:36:28AM**

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

**OOE / TOF / MOF CODE**

**Est 2016**

**Bud 2017**

**BL 2018**

**BL 2019**

Capital Subtotal OOE, Project 7

\$0

\$0

\$0

\$0

Subtotal OOE, Project 7

**\$0**

**\$0**

**\$0**

**\$0**

**TYPE OF FINANCING**

Capital

General CA 1 General Revenue Fund

\$0

\$0

\$0

\$0

General CA 5155 Oil & Gas Regulation

\$0

\$0

\$0

\$0

Capital Subtotal TOF, Project 7

\$0

\$0

\$0

\$0

Subtotal TOF, Project 7

**\$0**

**\$0**

**\$0**

**\$0**

*8/8 Alternative Fuels Online Filing*

**OBJECTS OF EXPENSE**

Capital

General 1001 SALARIES AND WAGES

\$0

\$0

\$0

\$0

General 1002 OTHER PERSONNEL COSTS

\$0

\$0

\$0

\$0

General 2001 PROFESSIONAL FEES AND SERVICES

\$0

\$0

\$0

\$0

General 2009 OTHER OPERATING EXPENSE

\$0

\$0

\$0

\$0

Capital Subtotal OOE, Project 8

\$0

\$0

\$0

\$0

Subtotal OOE, Project 8

**\$0**

**\$0**

**\$0**

**\$0**

**TYPE OF FINANCING**

Capital

General CA 1 General Revenue Fund

\$0

\$0

\$0

\$0

General CA 666 Appropriated Receipts

\$0

\$0

\$0

\$0

Capital Subtotal TOF, Project 8

\$0

\$0

\$0

\$0

**5.A. Capital Budget Project Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME : **11:36:28AM**

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

<b>OOE / TOF / MOF CODE</b>		<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
Subtotal TOF, Project 8		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>9/9 Gas Utilities Online Filing</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	1001 SALARIES AND WAGES	\$0	\$0	\$0	\$0
General	1002 OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$0
General	2001 PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$0
General	2009 OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$0
Capital Subtotal OOE, Project 9		\$0	\$0	\$0	\$0
Subtotal OOE, Project 9		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General	CA 1 General Revenue Fund	\$0	\$0	\$0	\$0
Capital Subtotal TOF, Project 9		\$0	\$0	\$0	\$0
Subtotal TOF, Project 9		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>10/10 Inspection Tracking and Reporting System</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	1001 SALARIES AND WAGES	\$0	\$0	\$0	\$0
General	1002 OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$0
General	2001 PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$0
General	2009 OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$0
Capital Subtotal OOE, Project 10		\$0	\$0	\$0	\$0

**5.A. Capital Budget Project Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME : **11:36:28AM**

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

**OOE / TOF / MOF CODE**

**Est 2016**

**Bud 2017**

**BL 2018**

**BL 2019**

Subtotal OOE, Project 10

**\$0**

**\$0**

**\$0**

**\$0**

**TYPE OF FINANCING**

Capital

General CA 1 General Revenue Fund

\$0

\$0

\$0

\$0

General CA 5155 Oil & Gas Regulation

\$0

\$0

\$0

\$0

Capital Subtotal TOF, Project 10

\$0

\$0

\$0

\$0

Subtotal TOF, Project 10

**\$0**

**\$0**

**\$0**

**\$0**

*11/11 Oil & Gas Permitting and Online Filing -  
 Phase 2*

**OBJECTS OF EXPENSE**

Capital

General 1001 SALARIES AND WAGES

\$0

\$0

\$0

\$0

General 1002 OTHER PERSONNEL COSTS

\$0

\$0

\$0

\$0

General 2001 PROFESSIONAL FEES AND SERVICES

\$0

\$0

\$0

\$0

General 2009 OTHER OPERATING EXPENSE

\$0

\$0

\$0

\$0

Capital Subtotal OOE, Project 11

\$0

\$0

\$0

\$0

Subtotal OOE, Project 11

**\$0**

**\$0**

**\$0**

**\$0**

**TYPE OF FINANCING**

Capital

General CA 5155 Oil & Gas Regulation

\$0

\$0

\$0

\$0

Capital Subtotal TOF, Project 11

\$0

\$0

\$0

\$0

Subtotal TOF, Project 11

**\$0**

**\$0**

**\$0**

**\$0**

**5.A. Capital Budget Project Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME : **11:36:28AM**

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

<b>OOE / TOF / MOF CODE</b>		<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
Capital Subtotal, Category	5005	\$619,835	\$396,200	\$806,955	\$607,200
Informational Subtotal, Category	5005				
<b>Total, Category</b>	<b>5005</b>	<b>\$619,835</b>	<b>\$396,200</b>	<b>\$806,955</b>	<b>\$607,200</b>
<b>5006 Transportation Items</b>					
<i>4/4 Vehicle Replacements</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	5000 CAPITAL EXPENDITURES	\$711,696	\$702,000	\$812,000	\$1,226,000
	Capital Subtotal OOE, Project	4	\$711,696	\$702,000	\$812,000
	Subtotal OOE, Project	4	<b>\$711,696</b>	<b>\$702,000</b>	<b>\$812,000</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General	CA 1 General Revenue Fund	\$310,018	\$407,496	\$88,000	\$170,000
General	CA 555 Federal Funds	\$97,478	\$0	\$0	\$0
General	CA 5155 Oil & Gas Regulation	\$304,200	\$294,504	\$724,000	\$1,056,000
	Capital Subtotal TOF, Project	4	\$711,696	\$702,000	\$812,000
	Subtotal TOF, Project	4	<b>\$711,696</b>	<b>\$702,000</b>	<b>\$812,000</b>
	Capital Subtotal, Category	5006	\$711,696	\$702,000	\$812,000
	Informational Subtotal, Category	5006			
<b>Total, Category</b>	<b>5006</b>	<b>\$711,696</b>	<b>\$702,000</b>	<b>\$812,000</b>	<b>\$1,226,000</b>

**5007 Acquisition of Capital Equipment and Items**

**5.A. Capital Budget Project Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:28AM**

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

<b>OOE / TOF / MOF CODE</b>		<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
<i>5/5 Microfiche Reader-Printers</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	5000 CAPITAL EXPENDITURES	\$150,000	\$0	\$0	\$0
	Capital Subtotal OOE, Project	5	\$150,000	\$0	\$0
	Subtotal OOE, Project	5	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General	CA 5155 Oil & Gas Regulation	\$150,000	\$0	\$0	\$0
	Capital Subtotal TOF, Project	5	\$150,000	\$0	\$0
	Subtotal TOF, Project	5	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>
	Capital Subtotal, Category	5007	\$150,000	\$0	\$0
	Informational Subtotal, Category	5007			
	<b>Total, Category</b>	<b>5007</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>
<b>7000 Data Center Consolidation</b>					
<i>6/6 Data Center Services (DCS)</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	2001 PROFESSIONAL FEES AND SERVICES	\$9,042,185	\$8,697,203	\$5,712,077	\$5,343,214
	Capital Subtotal OOE, Project	6	\$9,042,185	\$8,697,203	\$5,712,077
	Subtotal OOE, Project	6	<b>\$9,042,185</b>	<b>\$8,697,203</b>	<b>\$5,712,077</b>

**5.A. Capital Budget Project Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME : **11:36:28AM**

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE			Est 2016	Bud 2017	BL 2018	BL 2019	
<b>TYPE OF FINANCING</b>							
<u>Capital</u>							
General	CA	1 General Revenue Fund	\$1,532,478	\$1,382,469	\$933,415	\$933,415	
General	CA	5155 Oil & Gas Regulation	\$7,509,707	\$7,314,734	\$4,778,662	\$4,409,799	
Capital Subtotal TOF, Project			6	\$9,042,185	\$8,697,203	\$5,712,077	\$5,343,214
Subtotal TOF, Project			6	<b>\$9,042,185</b>	<b>\$8,697,203</b>	<b>\$5,712,077</b>	<b>\$5,343,214</b>
Capital Subtotal, Category			7000	\$9,042,185	\$8,697,203	\$5,712,077	\$5,343,214
Informational Subtotal, Category			7000				
<b>Total, Category</b>			<b>7000</b>	<b>\$9,042,185</b>	<b>\$8,697,203</b>	<b>\$5,712,077</b>	<b>\$5,343,214</b>
<b>AGENCY TOTAL -CAPITAL</b>				<b>\$10,523,716</b>	<b>\$9,795,403</b>	<b>\$7,331,032</b>	<b>\$7,176,414</b>
<b>AGENCY TOTAL -INFORMATIONAL</b>							
<b>AGENCY TOTAL</b>				<b>\$10,523,716</b>	<b>\$9,795,403</b>	<b>\$7,331,032</b>	<b>\$7,176,414</b>
<b>METHOD OF FINANCING:</b>							
<u>Capital</u>							
General	1	General Revenue Fund	\$2,038,299	\$1,920,924	\$1,188,832	\$1,205,988	
General	555	Federal Funds	\$97,478	\$0	\$0	\$0	
General	666	Appropriated Receipts	\$0	\$0	\$0	\$0	
General	5155	Oil & Gas Regulation	\$8,387,939	\$7,874,479	\$6,142,200	\$5,970,426	
Total, Method of Financing-Capital			\$10,523,716	\$9,795,403	\$7,331,032	\$7,176,414	
<b>Total, Method of Financing</b>			<b>\$10,523,716</b>	<b>\$9,795,403</b>	<b>\$7,331,032</b>	<b>\$7,176,414</b>	

**5.A. Capital Budget Project Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME : **11:36:28AM**

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

**OOE / TOF / MOF CODE**

**Est 2016**

**Bud 2017**

**BL 2018**

**BL 2019**

**TYPE OF FINANCING:**

Capital

General CA CURRENT APPROPRIATIONS

\$10,523,716

\$9,795,403

\$7,331,032

\$7,176,414

Total, Type of Financing-Capital

\$10,523,716

\$9,795,403

\$7,331,032

\$7,176,414

**Total, Type of Financing**

**\$10,523,716**

**\$9,795,403**

**\$7,331,032**

**\$7,176,414**

**5.B. Capital Budget Project Information**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016  
 TIME: 11:36:28AM

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

**PROJECT DESCRIPTION**

**General Information**

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

<b>Number of Units / Average Unit Cost</b>	0						
<b>Estimated Completion Date</b>	August 31, 2019						
<b>Additional Capital Expenditure Amounts Required</b>	<table border="0"> <tr> <td></td> <td align="center"><b>2020</b></td> <td align="center"><b>2021</b></td> </tr> <tr> <td></td> <td align="center">0</td> <td align="center">0</td> </tr> </table>		<b>2020</b>	<b>2021</b>		0	0
	<b>2020</b>	<b>2021</b>					
	0	0					
<b>Type of Financing</b>	CA CURRENT APPROPRIATIONS						
<b>Projected Useful Life</b>	3 to 4 years						
<b>Estimated/Actual Project Cost</b>	\$199,755						
<b>Length of Financing/ Lease Period</b>	0						

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	2018	2019	2020	2021	Total over project life
	0	0	0	0	0

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

**Explanation:** Replacement and upgrade of equipment used within the agency is needed due to obsolescence, growth and changes in the 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**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016  
 TIME: 11:36:28AM

Agency Code:	<b>455</b>	Agency name:	<b>Railroad Commission</b>
Category Number:	<b>5005</b>	Category Name:	<b>ACQUISITN INFO RES TECH.</b>
Project number:	<b>2</b>	Project Name:	<b>PC and Laptop Leasing</b>

**PROJECT DESCRIPTION**

**General Information**

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

<b>Number of Units / Average Unit Cost</b>	0
<b>Estimated Completion Date</b>	August 31, 2019
<b>Additional Capital Expenditure Amounts Required</b>	
	<b>2020</b>
	0
	<b>2021</b>
	0
<b>Type of Financing</b>	CA CURRENT APPROPRIATIONS
<b>Projected Useful Life</b>	3 to 4 years
<b>Estimated/Actual Project Cost</b>	\$428,200
<b>Length of Financing/ Lease Period</b>	0

<b><u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u></b>					<b>Total over</b>
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>project life</b>
	0	0	0	0	0

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

**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**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016  
 TIME: 11:36:28AM

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

**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.

<b>Number of Units / Average Unit Cost</b>	0
<b>Estimated Completion Date</b>	August 31, 2019
<b>Additional Capital Expenditure Amounts Required</b>	
	<b>2020</b>
	0
	<b>2021</b>
	0
<b>Type of Financing</b>	CA CURRENT APPROPRIATIONS
<b>Projected Useful Life</b>	2 years
<b>Estimated/Actual Project Cost</b>	\$358,000
<b>Length of Financing/ Lease Period</b>	0

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total over project life</b>
	0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

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

**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 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**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016  
 TIME: 11:36:28AM

Agency Code:	<b>455</b>	Agency name:	<b>Railroad Commission</b>
Category Number:	<b>5006</b>	Category Name:	<b>TRANSPORTATION ITEMS</b>
Project number:	<b>4</b>	Project Name:	<b>Vehicle Replacements</b>

**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 2015 and 2016 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. It is anticipated that by the end of fiscal year 2019, the Commission will have approximately 155 vehicles with more than 150,000 miles.

<b>Number of Units / Average Unit Cost</b>	0
<b>Estimated Completion Date</b>	August 31, 2019
<b>Additional Capital Expenditure Amounts Required</b>	
	<b>2020</b>
	0
	<b>2021</b>
	0
<b>Type of Financing</b>	CA CURRENT APPROPRIATIONS
<b>Projected Useful Life</b>	2 years
<b>Estimated/Actual Project Cost</b>	\$2,038,000
<b>Length of Financing/ Lease Period</b>	0

<b><u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u></b>					<b>Total over project life</b>
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>		
0	0	0	0		0

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

**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:** statewide

**Beneficiaries:** Railroad Commission Staff

**Frequency of Use and External Factors Affecting Use:**  
 Assets will be used daily.

**5.B. Capital Budget Project Information**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016  
 TIME: 11:36:28AM

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

**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 as contracted in fiscal years 2018 and 2019. The requested amount represents the Data Center costs necessary to deliver applications and computer services to maintain current operations.

<b>Number of Units / Average Unit Cost</b>	0						
<b>Estimated Completion Date</b>	August 31, 2019						
<b>Additional Capital Expenditure Amounts Required</b>							
	<table border="0"> <tr> <td></td> <td align="center"><b>2020</b></td> <td align="center"><b>2021</b></td> </tr> <tr> <td></td> <td align="right">0</td> <td align="right">0</td> </tr> </table>		<b>2020</b>	<b>2021</b>		0	0
	<b>2020</b>	<b>2021</b>					
	0	0					
<b>Type of Financing</b>	CA CURRENT APPROPRIATIONS						
<b>Projected Useful Life</b>	2 years						
<b>Estimated/Actual Project Cost</b>	\$11,055,291						
<b>Length of Financing/ Lease Period</b>	0						

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total over project life</b>
	0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

<b><u>REVENUE COST FLAG</u></b>	<b><u>MOF CODE</u></b>	<b><u>AVERAGE AMOUNT</u></b>
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**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.

Agency code: 455 Agency name: Railroad Commission

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019	
<b>5005 Acquisition of Information Resource Technologies</b>						
<i>1/1 Technology Replacement and Upgrade</i>						
<b><u>GENERAL BUDGET</u></b>						
Capital	3-1-1	OIL/GAS MONITOR & INSPECTIONS	69,819	0	\$69,819	\$0
	3-1-2	SURFACE MINING MONITORING/INSPECT	14,305	0	14,305	0
	3-2-1	OIL&GAS WELL PLUGGING & REMEDIATION	21,557	0	21,557	0
	3-2-2	SURFACE MINING RECLAMATION	2,549	0	2,549	0
	3-3-1	GAS UTILITY COMMERCE	8,687	0	8,687	0
	2-1-1	PIPELINE SAFETY	23,265	0	23,265	0
	2-1-2	PIPELINE DAMAGE PREVENTION	4,752	0	4,752	0
	2-2-1	REGULATE ALT FUEL RESOURCES	11,286	0	11,286	0
	1-1-1	ENERGY RESOURCE DEVELOPMENT	37,793	0	37,793	0
	4-1-1	PUBLIC INFORMATION AND SERVICES	5,742	0	5,742	0
TOTAL, PROJECT			\$199,755	\$0	\$199,755	\$0

*2/2 PC and Laptop Leasing*

**GENERAL BUDGET**

Capital	3-1-1	OIL/GAS MONITOR & INSPECTIONS	72,500	56,620	98,486	98,486
	3-1-2	SURFACE MINING MONITORING/INSPECT	14,800	14,800	12,846	12,846
	3-2-1	OIL&GAS WELL PLUGGING & REMEDIATION	22,300	22,300	34,256	34,256
	3-2-2	SURFACE MINING RECLAMATION	2,600	2,600	4,282	4,282
	3-3-1	GAS UTILITY COMMERCE	9,000	9,000	12,846	12,846
	2-1-1	PIPELINE SAFETY	58,180	58,180	34,256	34,256

Agency code: 455 Agency name: Railroad Commission

Category Code/Name

Project Sequence/Project Id/Name

	Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
Capital	2-1-2	PIPELINE DAMAGE PREVENTION	4,900	4,900	\$4,282	\$4,282
	2-2-1	REGULATE ALT FUEL RESOURCES	11,700	11,700	4,282	4,282
	1-1-1	ENERGY RESOURCE DEVELOPMENT	39,200	31,200	218,382	218,382
	4-1-1	PUBLIC INFORMATION AND SERVICES	5,900	5,900	4,282	4,282
		TOTAL, PROJECT	\$241,080	\$217,200	\$428,200	\$428,200

3/3 Software Licenses and Services

**GENERAL BUDGET**

Capital	3-1-1	OIL/GAS MONITOR & INSPECTIONS	63,145	63,145	63,145	63,145
	3-1-2	SURFACE MINING MONITORING/INSPECT	8,018	8,018	8,018	8,018
	3-2-1	OIL&GAS WELL PLUGGING & REMEDIATION	66,762	66,762	66,762	66,762
	3-2-2	SURFACE MINING RECLAMATION	1,181	1,181	1,181	1,181
	2-1-1	PIPELINE SAFETY	14,471	14,471	14,471	14,471
	2-1-2	PIPELINE DAMAGE PREVENTION	2,361	2,361	2,361	2,361
	2-2-1	REGULATE ALT FUEL RESOURCES	3,748	3,748	3,748	3,748
	1-1-1	ENERGY RESOURCE DEVELOPMENT	16,953	16,953	16,953	16,953
	4-1-1	PUBLIC INFORMATION AND SERVICES	2,361	2,361	2,361	2,361
		TOTAL, PROJECT	\$179,000	\$179,000	\$179,000	\$179,000

7/7 Docket Management System

**GENERAL BUDGET**

Capital	3-1-1	OIL/GAS MONITOR & INSPECTIONS	0	0	0	0
	3-1-2	SURFACE MINING MONITORING/INSPECT	0	0	0	0

Agency code: 455 Agency name: Railroad Commission

Category Code/Name

Project Sequence/Project Id/Name

	Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
Capital	3-3-1	GAS UTILITY COMMERCE	0	0	\$0	\$0
	2-1-1	PIPELINE SAFETY	0	0	0	0
	2-1-2	PIPELINE DAMAGE PREVENTION	0	0	0	0
	2-2-1	REGULATE ALT FUEL RESOURCES	0	0	0	0
		TOTAL, PROJECT	\$0	\$0	\$0	\$0

8/8 Alternative Fuels Online Filing

**GENERAL BUDGET**

Capital	2-2-1	REGULATE ALT FUEL RESOURCES	0	0	0	0
		TOTAL, PROJECT	\$0	\$0	\$0	\$0

9/9 Gas Utilities Online Filing

**GENERAL BUDGET**

Capital	3-3-1	GAS UTILITY COMMERCE	0	0	0	0
		TOTAL, PROJECT	\$0	\$0	\$0	\$0

10/10 Inspection Tracking & Reporting Sys

**GENERAL BUDGET**

Capital	3-1-1	OIL/GAS MONITOR & INSPECTIONS	0	0	0	0
	2-1-1	PIPELINE SAFETY	0	0	0	0
	2-2-1	REGULATE ALT FUEL RESOURCES	0	0	0	0
		TOTAL, PROJECT	\$0	\$0	\$0	\$0

11/11 Oil & Gas Permitting & Online Filin

Agency code: 455 Agency name: Railroad Commission

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019	
<b>GENERAL BUDGET</b>						
Capital	3-1-1	OIL/GAS MONITOR & INSPECTIONS	0	0	\$0	\$0
	1-1-1	ENERGY RESOURCE DEVELOPMENT	0	0	0	0
TOTAL, PROJECT			\$0	\$0	\$0	\$0

5006 Transportation Items

4/4 Vehicle Replacements

<b>GENERAL BUDGET</b>						
Capital	3-1-1	OIL/GAS MONITOR & INSPECTIONS	304,200	294,504	724,000	1,056,000
	3-1-2	SURFACE MINING MONITORING/INSPECT	74,774	74,774	0	0
	2-1-1	PIPELINE SAFETY	244,068	244,068	88,000	170,000
	2-2-1	REGULATE ALT FUEL RESOURCES	88,654	88,654	0	0
TOTAL, PROJECT			\$711,696	\$702,000	\$812,000	\$1,226,000

5007 Acquisition of Capital Equipment and Items

5/5 Microfiche Reader-Printers

<b>GENERAL BUDGET</b>						
Capital	4-1-1	PUBLIC INFORMATION AND SERVICES	150,000	0	0	0
TOTAL, PROJECT			\$150,000	\$0	\$0	\$0

7000 Data Center Consolidation

6/6 Data Center Services (DCS)

**GENERAL BUDGET**

**5.C. Capital Budget Allocation to Strategies (Baseline)**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**  
 TIME: **11:36:29AM**

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

**Category Code/Name**

*Project Sequence/Project Id/Name*

	<b>Goal/Obj/Str</b>	<b>Strategy Name</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
Capital	3-1-1	OIL/GAS MONITOR & INSPECTIONS	2,063,165	1,983,165	\$1,483,165	\$1,483,165
	3-1-2	SURFACE MINING MONITORING/INSPECT	282,826	252,817	5,541	5,541
	3-2-1	OIL&GAS WELL PLUGGING & REMEDIATION	744,055	744,055	469,026	472,715
	3-2-2	SURFACE MINING RECLAMATION	81,549	81,549	81,549	81,549
	3-3-1	GAS UTILITY COMMERCE	228,140	208,140	108,140	108,140
	2-1-1	PIPELINE SAFETY	744,236	644,236	644,236	644,236
	2-1-2	PIPELINE DAMAGE PREVENTION	93,949	93,949	93,949	93,949
	2-2-1	REGULATE ALT FUEL RESOURCES	101,778	101,778	0	0
	1-1-1	ENERGY RESOURCE DEVELOPMENT	4,588,965	4,473,992	2,737,920	2,369,057
	4-1-1	PUBLIC INFORMATION AND SERVICES	113,522	113,522	88,551	84,862
		<b>TOTAL, PROJECT</b>	<b>\$9,042,185</b>	<b>\$8,697,203</b>	<b>\$5,712,077</b>	<b>\$5,343,214</b>
		<b>TOTAL CAPITAL, ALL PROJECTS</b>	<b>\$10,523,716</b>	<b>\$9,795,403</b>	<b>\$7,331,032</b>	<b>\$7,176,414</b>
		<b>TOTAL INFORMATIONAL, ALL PROJECTS</b>				
		<b>TOTAL, ALL PROJECTS</b>	<b>\$10,523,716</b>	<b>\$9,795,403</b>	<b>\$7,331,032</b>	<b>\$7,176,414</b>



**5.D. Capital Budget Operating and Maintenance Expenses**  
 85th Regular Session, Agency Submission, Version 1  
**Automated Budget and Evaluation System of Texas (ABEST)**

DATE: 8/19/2016  
 TIME: 11:36:30AM

Agency Code:           **455**           Agency name:       **Railroad Commission**  
 Project Number:       **2**            Project name:       **PC and Laptop Leasing**

**Operating Expenses Estimates (For Information Only)**

<b>CODE DESCRIPTION</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>OBJECTS OF EXPENSE:</b>				
2009 OTHER OPERATING EXPENSE	\$241,080	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$241,080</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
1 General Revenue Fund	\$87,548	\$97,100	\$0	\$0
555 Federal Funds				
20.700.000 Pipeline Safety	\$13,632	\$4,080	\$0	\$0
<b>TOTAL, Federal Funds</b>	<b>\$13,632</b>	<b>\$4,080</b>	<b>\$0</b>	<b>\$0</b>
5155 Oil & Gas Regulation	\$139,900	\$116,020	\$0	\$0
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$241,080</b>	<b>\$217,200</b>	<b>\$0</b>	<b>\$0</b>

**OPERATING COSTS DESCRIPTION AND JUSTIFICATION:**



**5.D. Capital Budget Operating and Maintenance Expenses**  
 85th Regular Session, Agency Submission, Version 1  
**Automated Budget and Evaluation System of Texas (ABEST)**

**DATE: 8/19/2016**  
**TIME: 11:36:30AM**

Agency Code:           **455**           Agency name:       **Railroad Commission**  
 Project Number:       **4**            Project name:       **Vehicle Replacements**

**Operating Expenses Estimates (For Information Only)**

<b>CODE DESCRIPTION</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>OBJECTS OF EXPENSE:</b>				
5000 CAPITAL EXPENDITURES	\$812,000	\$1,226,000	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$812,000</b>	<b>\$1,226,000</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
1 General Revenue Fund	\$88,000	\$170,000	\$0	\$0
5155 Oil & Gas Regulation	\$724,000	\$1,056,000	\$0	\$0
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$812,000</b>	<b>\$1,226,000</b>	<b>\$0</b>	<b>\$0</b>

**OPERATING COSTS DESCRIPTION AND JUSTIFICATION:**





**455 Railroad Commission**

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
<i>Project Sequence/Name</i>					
Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>5005 Acquisition of Information Resource Technologies</b>					
<b>1 Technology Replacement and Upgrade</b>					
<b>OOE</b>					
<b>Capital</b>					
<b>1-1-1 ENERGY RESOURCE DEVELOPMENT</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	37,793	0	37,793	0
<b>2-1-1 PIPELINE SAFETY</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	23,265	0	23,265	0
<b>2-1-2 PIPELINE DAMAGE PREVENTION</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	4,752	0	4,752	0
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	11,286	0	11,286	0
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	69,819	0	69,819	0
<b>3-1-2 SURFACE MINING MONITORING/INSPECT</b>					
<b><u>General Budget</u></b>					

**455 Railroad Commission**

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
<b>1 Technology Replacement and Upgrade</b>					
2009	OTHER OPERATING EXPENSE	14,305	0	14,305	0
<b>3-2-1 OIL&amp;GAS WELL PLUGGING &amp; REMEDIATION</b>					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	21,557	0	21,557	0
<b>3-2-2 SURFACE MINING RECLAMATION</b>					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	2,549	0	2,549	0
<b>3-3-1 GAS UTILITY COMMERCE</b>					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	8,687	0	8,687	0
<b>4-1-1 PUBLIC INFORMATION AND SERVICES</b>					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	5,742	0	5,742	0
TOTAL, OOE's		<b>\$199,755</b>	<b>\$0</b>	<b>199,755</b>	<b>0</b>
<b>MOF</b>					
<b>GENERAL REVENUE FUNDS</b>					
<b>Capital</b>					
<b>2-1-1 PIPELINE SAFETY</b>					
<u>General Budget</u>					
1	General Revenue Fund	23,265	0	23,265	0
<b>2-1-2 PIPELINE DAMAGE PREVENTION</b>					

**455 Railroad Commission**

Category Code/Name					
Project Sequence/Name					
Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>1 Technology Replacement and Upgrade</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	4,752	0	4,752	0
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	11,286	0	11,286	0
<b>3-1-2 SURFACE MINING MONITORING/INSPECT</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	14,305	0	14,305	0
<b>3-2-2 SURFACE MINING RECLAMATION</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	2,549	0	2,549	0
<b>3-3-1 GAS UTILITY COMMERCE</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	8,687	0	8,687	0
<b>TOTAL, GENERAL REVENUE FUNDS</b>		<b>\$64,844</b>	<b>\$0</b>	<b>64,844</b>	<b>0</b>
<b>GR DEDICATED</b>					
<b>Capital</b>					
<b>1-1-1 ENERGY RESOURCE DEVELOPMENT</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	37,793	0	37,793	0
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	69,819	0	69,819	0

**455 Railroad Commission**

**Category Code/Name**

*Project Sequence/Name*

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>1 Technology Replacement and Upgrade</b>					
<b>3-2-1 OIL&amp;GAS WELL PLUGGING &amp; REMEDIATION</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	21,557	0	21,557	0
<b>4-1-1 PUBLIC INFORMATION AND SERVICES</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	5,742	0	5,742	0
	<b>TOTAL, GR DEDICATED</b>	<b>\$134,911</b>	<b>\$0</b>	<b>134,911</b>	<b>0</b>
	<b>TOTAL, MOFs</b>	<b>\$199,755</b>	<b>\$0</b>	<b>199,755</b>	<b>0</b>

**455 Railroad Commission**

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
<i>Project Sequence/Name</i>					
Goal/Obj/Str	Strategy Name				
<b>2 PC and Laptop Leasing</b>					
<b>OOE</b>					
<b>Capital</b>					
<b>1-1-1 ENERGY RESOURCE DEVELOPMENT</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	39,200	31,200	218,382	218,382
<b>2-1-1 PIPELINE SAFETY</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	58,180	58,180	34,256	34,256
<b>2-1-2 PIPELINE DAMAGE PREVENTION</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	4,900	4,900	4,282	4,282
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	11,700	11,700	4,282	4,282
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	72,500	56,620	98,486	98,486
<b>3-1-2 SURFACE MINING MONITORING/INSPECT</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	14,800	14,800	12,846	12,846

**455 Railroad Commission**

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
<b>2 PC and Laptop Leasing</b>					
<b>3-2-1 OIL&amp;GAS WELL PLUGGING &amp; REMEDIATION</b>					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	22,300	22,300	34,256	34,256
<b>3-2-2 SURFACE MINING RECLAMATION</b>					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	2,600	2,600	4,282	4,282
<b>3-3-1 GAS UTILITY COMMERCE</b>					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	9,000	9,000	12,846	12,846
<b>4-1-1 PUBLIC INFORMATION AND SERVICES</b>					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	5,900	5,900	4,282	4,282
TOTAL, OOE's		<b>\$241,080</b>	<b>\$217,200</b>	<b>428,200</b>	<b>428,200</b>
<b>MOF</b>					
<b>GENERAL REVENUE FUNDS</b>					
<b>Capital</b>					
<b>2-1-1 PIPELINE SAFETY</b>					
<u>General Budget</u>					
1	General Revenue Fund	58,180	58,180	34,256	34,256
<b>2-1-2 PIPELINE DAMAGE PREVENTION</b>					
<u>General Budget</u>					
1	General Revenue Fund	4,900	4,900	4,282	4,282

**455 Railroad Commission**

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
<b>2 PC and Laptop Leasing</b>					
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					
<u>General Budget</u>					
1	General Revenue Fund	11,700	11,700	4,282	4,282
<b>3-1-2 SURFACE MINING MONITORING/INSPECT</b>					
<u>General Budget</u>					
1	General Revenue Fund	14,800	14,800	12,846	12,846
<b>3-2-2 SURFACE MINING RECLAMATION</b>					
<u>General Budget</u>					
1	General Revenue Fund	2,600	2,600	4,282	4,282
<b>3-3-1 GAS UTILITY COMMERCE</b>					
<u>General Budget</u>					
1	General Revenue Fund	9,000	9,000	12,846	12,846
<b>TOTAL, GENERAL REVENUE FUNDS</b>		<b>\$101,180</b>	<b>\$101,180</b>	<b>72,794</b>	<b>72,794</b>
<b>GR DEDICATED</b>					
<b>Capital</b>					
<b>1-1-1 ENERGY RESOURCE DEVELOPMENT</b>					
<u>General Budget</u>					
5155	Oil & Gas Regulation	39,200	31,200	218,382	218,382
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<u>General Budget</u>					
5155	Oil & Gas Regulation	72,500	56,620	98,486	98,486
<b>3-2-1 OIL&amp;GAS WELL PLUGGING &amp; REMEDIATION</b>					
<u>General Budget</u>					

**455 Railroad Commission**

**Category Code/Name**

*Project Sequence/Name*

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>2 PC and Laptop Leasing</b>					
5155	Oil & Gas Regulation	22,300	22,300	34,256	34,256
<b>4-1-1 PUBLIC INFORMATION AND SERVICES</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	5,900	5,900	4,282	4,282
<b>TOTAL, GR DEDICATED</b>		<b>\$139,900</b>	<b>\$116,020</b>	<b>355,406</b>	<b>355,406</b>
<b>TOTAL, MOFs</b>		<b>\$241,080</b>	<b>\$217,200</b>	<b>428,200</b>	<b>428,200</b>

**455 Railroad Commission**

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
<i>Project Sequence/Name</i>					
Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>3 Software Licenses and Services</b>					
<b>OOE</b>					
<b>Capital</b>					
<b>1-1-1 ENERGY RESOURCE DEVELOPMENT</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	16,953	16,953	16,953	16,953
<b>2-1-1 PIPELINE SAFETY</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	14,471	14,471	14,471	14,471
<b>2-1-2 PIPELINE DAMAGE PREVENTION</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	2,361	2,361	2,361	2,361
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	3,748	3,748	3,748	3,748
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	63,145	63,145	63,145	63,145
<b>3-1-2 SURFACE MINING MONITORING/INSPECT</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	8,018	8,018	8,018	8,018

**455 Railroad Commission**

**Category Code/Name**

*Project Sequence/Name*

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>3 Software Licenses and Services</b>					
<b>3-2-1 OIL&amp;GAS WELL PLUGGING &amp; REMEDIATION</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	66,762	66,762	66,762	66,762
<b>3-2-2 SURFACE MINING RECLAMATION</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	1,181	1,181	1,181	1,181
<b>4-1-1 PUBLIC INFORMATION AND SERVICES</b>					
<b><u>General Budget</u></b>					
2009	OTHER OPERATING EXPENSE	2,361	2,361	2,361	2,361
<b>TOTAL, OOE's</b>		<b>\$179,000</b>	<b>\$179,000</b>	<b>179,000</b>	<b>179,000</b>
<b>MOF</b>					
<b>GENERAL REVENUE FUNDS</b>					
<b>Capital</b>					
<b>2-1-1 PIPELINE SAFETY</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	14,471	14,471	14,471	14,471
<b>2-1-2 PIPELINE DAMAGE PREVENTION</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	2,361	2,361	2,361	2,361
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	3,748	3,748	3,748	3,748

**455 Railroad Commission**

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
<b>3 Software Licenses and Services</b>					
<b>3-1-2 SURFACE MINING MONITORING/INSPECT</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	8,018	8,018	8,018	8,018
<b>3-2-2 SURFACE MINING RECLAMATION</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	1,181	1,181	1,181	1,181
<b>TOTAL, GENERAL REVENUE FUNDS</b>		<b>\$29,779</b>	<b>\$29,779</b>	<b>29,779</b>	<b>29,779</b>
<b>GR DEDICATED</b>					
<b>Capital</b>					
<b>1-1-1 ENERGY RESOURCE DEVELOPMENT</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	16,953	16,953	16,953	16,953
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	63,145	63,145	63,145	63,145
<b>3-2-1 OIL&amp;GAS WELL PLUGGING &amp; REMEDIATION</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	66,762	66,762	66,762	66,762
<b>4-1-1 PUBLIC INFORMATION AND SERVICES</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	2,361	2,361	2,361	2,361
<b>TOTAL, GR DEDICATED</b>		<b>\$149,221</b>	<b>\$149,221</b>	<b>149,221</b>	<b>149,221</b>
<b>TOTAL, MOFs</b>		<b>\$179,000</b>	<b>\$179,000</b>	<b>179,000</b>	<b>179,000</b>

**455 Railroad Commission**

**Category Code/Name**

*Project Sequence/Name*

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>7 Docket Management System</b>					
<b>OOE</b>					
<b>Capital</b>					
<b>2-1-1 PIPELINE SAFETY</b>					
<b><u>General Budget</u></b>					
1001	SALARIES AND WAGES	0	0	0	0
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
<b>2-1-2 PIPELINE DAMAGE PREVENTION</b>					
<b><u>General Budget</u></b>					
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					
<b><u>General Budget</u></b>					
1001	SALARIES AND WAGES	0	0	0	0
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<b><u>General Budget</u></b>					
1001	SALARIES AND WAGES	0	0	0	0
1002	OTHER PERSONNEL COSTS	0	0	0	0
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
2009	OTHER OPERATING EXPENSE	0	0	0	0
<b>3-1-2 SURFACE MINING MONITORING/INSPECT</b>					

**455 Railroad Commission**

**Category Code/Name**

*Project Sequence/Name*

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>7 Docket Management System</b>					
<b><u>General Budget</u></b>					
1001	SALARIES AND WAGES	0	0	0	0
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
<b>3-3-1 GAS UTILITY COMMERCE</b>					
<b><u>General Budget</u></b>					
1001	SALARIES AND WAGES	0	0	0	0
1002	OTHER PERSONNEL COSTS	0	0	0	0
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
2009	OTHER OPERATING EXPENSE	0	0	0	0
<b>TOTAL, OOE's</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>MOF</b>					
<b>GENERAL REVENUE FUNDS</b>					
<b>Capital</b>					
<b>2-1-2 PIPELINE DAMAGE PREVENTION</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	0	0	0	0
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	0	0	0	0
<b>3-1-2 SURFACE MINING MONITORING/INSPECT</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	0	0	0	0

**455 Railroad Commission**

**Category Code/Name**

*Project Sequence/Name*

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>7 Docket Management System</b>					
<b>3-3-1 GAS UTILITY COMMERCE</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	0	0	0	0
<b>TOTAL, GENERAL REVENUE FUNDS</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>GR DEDICATED</b>					
<b>Capital</b>					
<b>2-1-1 PIPELINE SAFETY</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	0	0	0	0
<b>2-1-2 PIPELINE DAMAGE PREVENTION</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	0	0	0	0
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	0	0	0	0
<b>TOTAL, GR DEDICATED</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>TOTAL, MOFs</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>

**455 Railroad Commission**

**Category Code/Name**

*Project Sequence/Name*

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>8 Alternative Fuels Online Filing</b>					
<b>OOE</b>					
<b>Capital</b>					
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					
<b><u>General Budget</u></b>					
1001	SALARIES AND WAGES	0	0	0	0
1002	OTHER PERSONNEL COSTS	0	0	0	0
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
2009	OTHER OPERATING EXPENSE	0	0	0	0
<b>TOTAL, OOE's</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>MOF</b>					
<b>GENERAL REVENUE FUNDS</b>					
<b>Capital</b>					
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	0	0	0	0
<b>TOTAL, GENERAL REVENUE FUNDS</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>OTHER FUNDS</b>					
<b>Capital</b>					
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					
<b><u>General Budget</u></b>					
666	Appropriated Receipts	0	0	0	0
<b>TOTAL, OTHER FUNDS</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>TOTAL, MOF's</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>

**455 Railroad Commission**

**Category Code/Name**

*Project Sequence/Name*

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>9 Gas Utilities Online Filing</b>					
<b>OOE</b>					
<b>Capital</b>					
<b>3-3-1 GAS UTILITY COMMERCE</b>					
<b><u>General Budget</u></b>					
1001	SALARIES AND WAGES	0	0	0	0
1002	OTHER PERSONNEL COSTS	0	0	0	0
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
2009	OTHER OPERATING EXPENSE	0	0	0	0
<b>TOTAL, OOE's</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>MOF</b>					
<b>GENERAL REVENUE FUNDS</b>					
<b>Capital</b>					
<b>3-3-1 GAS UTILITY COMMERCE</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	0	0	0	0
<b>TOTAL, GENERAL REVENUE FUNDS</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>TOTAL, MOF's</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>

455 Railroad Commission

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>10 Inspection Tracking &amp; Reporting Sys</b>					
<b>OOE</b>					
<b>Capital</b>					
<b>2-1-1 PIPELINE SAFETY</b>					
<b><u>General Budget</u></b>					
1001	SALARIES AND WAGES	0	0	0	0
1002	OTHER PERSONNEL COSTS	0	0	0	0
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					
<b><u>General Budget</u></b>					
1001	SALARIES AND WAGES	0	0	0	0
1002	OTHER PERSONNEL COSTS	0	0	0	0
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<b><u>General Budget</u></b>					
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
2009	OTHER OPERATING EXPENSE	0	0	0	0
<b>TOTAL, OOE's</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>MOF</b>					
<b>GENERAL REVENUE FUNDS</b>					
<b>Capital</b>					
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					

**455 Railroad Commission**

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
<b>10 Inspection Tracking &amp; Reporting Sys</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	0	0	0	0
	<b>TOTAL, GENERAL REVENUE FUNDS</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>GR DEDICATED</b>					
<b>Capital</b>					
<b>2-1-1 PIPELINE SAFETY</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	0	0	0	0
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	0	0	0	0
	<b>TOTAL, GR DEDICATED</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
	<b>TOTAL, MOFs</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>

455 Railroad Commission

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>11 Oil &amp; Gas Permitting &amp; Online Filin</b>					
<b>OOE</b>					
<b>Capital</b>					
<b>1-1-1 ENERGY RESOURCE DEVELOPMENT</b>					
<b><u>General Budget</u></b>					
1001	SALARIES AND WAGES	0	0	0	0
1002	OTHER PERSONNEL COSTS	0	0	0	0
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
2009	OTHER OPERATING EXPENSE	0	0	0	0
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<b><u>General Budget</u></b>					
1001	SALARIES AND WAGES	0	0	0	0
1002	OTHER PERSONNEL COSTS	0	0	0	0
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
2009	OTHER OPERATING EXPENSE	0	0	0	0
<b>TOTAL, OOE's</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>MOF</b>					
<b>GR DEDICATED</b>					
<b>Capital</b>					
<b>1-1-1 ENERGY RESOURCE DEVELOPMENT</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	0	0	0	0

**455 Railroad Commission**

**Category Code/Name**

*Project Sequence/Name*

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>11 Oil &amp; Gas Permitting &amp; Online Filin</b>					
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	0	0	0	0
	<b>TOTAL, GR DEDICATED</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
	<b>TOTAL, MOFs</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>

**5006 Transportation Items**

**455 Railroad Commission**

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
<b>4 Vehicle Replacements</b>					
<b>OOE</b>					
<b>Capital</b>					
<b>2-1-1 PIPELINE SAFETY</b>					
<b><u>General Budget</u></b>					
5000	CAPITAL EXPENDITURES	244,068	244,068	88,000	170,000
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					
<b><u>General Budget</u></b>					
5000	CAPITAL EXPENDITURES	88,654	88,654	0	0
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<b><u>General Budget</u></b>					
5000	CAPITAL EXPENDITURES	304,200	294,504	724,000	1,056,000
<b>3-1-2 SURFACE MINING MONITORING/INSPECT</b>					
<b><u>General Budget</u></b>					
5000	CAPITAL EXPENDITURES	74,774	74,774	0	0
<b>TOTAL, OOE's</b>		<b>\$711,696</b>	<b>\$702,000</b>	<b>812,000</b>	<b>1,226,000</b>
<b>MOF</b>					
<b>GENERAL REVENUE FUNDS</b>					
<b>Capital</b>					
<b>2-1-1 PIPELINE SAFETY</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	146,590	244,068	88,000	170,000
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					

**455 Railroad Commission**

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
<b>4 Vehicle Replacements</b>					
<u>General Budget</u>					
1	General Revenue Fund	88,654	88,654	0	0
<b>3-1-2 SURFACE MINING MONITORING/INSPECT</b>					
<u>General Budget</u>					
1	General Revenue Fund	74,774	74,774	0	0
<b>TOTAL, GENERAL REVENUE FUNDS</b>		<b>\$310,018</b>	<b>\$407,496</b>	<b>88,000</b>	<b>170,000</b>
<b>GR DEDICATED</b>					
<b>Capital</b>					
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<u>General Budget</u>					
5155	Oil & Gas Regulation	304,200	294,504	724,000	1,056,000
<b>TOTAL, GR DEDICATED</b>		<b>\$304,200</b>	<b>\$294,504</b>	<b>724,000</b>	<b>1,056,000</b>
<b>FEDERAL FUNDS</b>					
<b>Capital</b>					
<b>2-1-1 PIPELINE SAFETY</b>					
<u>General Budget</u>					
555	Federal Funds	97,478	0	0	0
<b>TOTAL, FEDERAL FUNDS</b>		<b>\$97,478</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>TOTAL, MOFs</b>		<b>\$711,696</b>	<b>\$702,000</b>	<b>812,000</b>	<b>1,226,000</b>

**5007 Acquisition of Capital Equipment and Items**

**455 Railroad Commission**

**Category Code/Name**

*Project Sequence/Name*

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>5 Microfiche Reader-Printers</b>					
<b>OOE</b>					
<b>Capital</b>					
<b>4-1-1 PUBLIC INFORMATION AND SERVICES</b>					
<b><u>General Budget</u></b>					
5000	CAPITAL EXPENDITURES	150,000	0	0	0
<b>TOTAL, OOE</b>		<b>\$150,000</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>MOF</b>					
<b>GR DEDICATED</b>					
<b>Capital</b>					
<b>4-1-1 PUBLIC INFORMATION AND SERVICES</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	150,000	0	0	0
<b>TOTAL, GR DEDICATED</b>		<b>\$150,000</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>TOTAL, MOFs</b>		<b>\$150,000</b>	<b>\$0</b>	<b>0</b>	<b>0</b>

**7000 Data Center Consolidation**

**455 Railroad Commission**

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
<i>Project Sequence/Name</i>					
Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>6 Data Center Services (DCS)</b>					
<b>OOE</b>					
<b>Capital</b>					
<b>1-1-1 ENERGY RESOURCE DEVELOPMENT</b>					
<b><u>General Budget</u></b>					
2001	PROFESSIONAL FEES AND SERVICES	4,588,965	4,473,992	2,737,920	2,369,057
<b>2-1-1 PIPELINE SAFETY</b>					
<b><u>General Budget</u></b>					
2001	PROFESSIONAL FEES AND SERVICES	744,236	644,236	644,236	644,236
<b>2-1-2 PIPELINE DAMAGE PREVENTION</b>					
<b><u>General Budget</u></b>					
2001	PROFESSIONAL FEES AND SERVICES	93,949	93,949	93,949	93,949
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					
<b><u>General Budget</u></b>					
2001	PROFESSIONAL FEES AND SERVICES	101,778	101,778	0	0
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<b><u>General Budget</u></b>					
2001	PROFESSIONAL FEES AND SERVICES	2,063,165	1,983,165	1,483,165	1,483,165
<b>3-1-2 SURFACE MINING MONITORING/INSPECT</b>					
<b><u>General Budget</u></b>					
2001	PROFESSIONAL FEES AND SERVICES	282,826	252,817	5,541	5,541

**455 Railroad Commission**

**Category Code/Name**

*Project Sequence/Name*

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>6 Data Center Services (DCS)</b>					
<b>3-2-1 OIL&amp;GAS WELL PLUGGING &amp; REMEDIATION</b>					
<b><u>General Budget</u></b>					
2001	PROFESSIONAL FEES AND SERVICES	744,055	744,055	469,026	472,715
<b>3-2-2 SURFACE MINING RECLAMATION</b>					
<b><u>General Budget</u></b>					
2001	PROFESSIONAL FEES AND SERVICES	81,549	81,549	81,549	81,549
<b>3-3-1 GAS UTILITY COMMERCE</b>					
<b><u>General Budget</u></b>					
2001	PROFESSIONAL FEES AND SERVICES	228,140	208,140	108,140	108,140
<b>4-1-1 PUBLIC INFORMATION AND SERVICES</b>					
<b><u>General Budget</u></b>					
2001	PROFESSIONAL FEES AND SERVICES	113,522	113,522	88,551	84,862
<b>TOTAL, OOE's</b>		<b>\$9,042,185</b>	<b>\$8,697,203</b>	<b>5,712,077</b>	<b>5,343,214</b>
<b>MOF</b>					
<b>GENERAL REVENUE FUNDS</b>					
<b>Capital</b>					
<b>2-1-1 PIPELINE SAFETY</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	744,236	644,236	644,236	644,236
<b>2-1-2 PIPELINE DAMAGE PREVENTION</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	93,949	93,949	93,949	93,949

**455 Railroad Commission**

**Category Code/Name**

*Project Sequence/Name*

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>6 Data Center Services (DCS)</b>					
<b>2-2-1 REGULATE ALT FUEL RESOURCES</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	101,778	101,778	0	0
<b>3-1-2 SURFACE MINING MONITORING/INSPECT</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	282,826	252,817	5,541	5,541
<b>3-2-2 SURFACE MINING RECLAMATION</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	81,549	81,549	81,549	81,549
<b>3-3-1 GAS UTILITY COMMERCE</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	228,140	208,140	108,140	108,140
<b>TOTAL, GENERAL REVENUE FUNDS</b>		<b>\$1,532,478</b>	<b>\$1,382,469</b>	<b>933,415</b>	<b>933,415</b>
<b>GR DEDICATED</b>					
<b>Capital</b>					
<b>1-1-1 ENERGY RESOURCE DEVELOPMENT</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	4,588,965	4,473,992	2,737,920	2,369,057
<b>3-1-1 OIL/GAS MONITOR &amp; INSPECTIONS</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	2,063,165	1,983,165	1,483,165	1,483,165
<b>3-2-1 OIL&amp;GAS WELL PLUGGING &amp; REMEDIATION</b>					
<b><u>General Budget</u></b>					

**455 Railroad Commission**

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
<i>Project Sequence/Name</i>					
Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
<b>6 Data Center Services (DCS)</b>					
5155	Oil & Gas Regulation	744,055	744,055	469,026	472,715
<b>4-1-1 PUBLIC INFORMATION AND SERVICES</b>					
<b><u>General Budget</u></b>					
5155	Oil & Gas Regulation	113,522	113,522	88,551	84,862
	<b>TOTAL, GR DEDICATED</b>	<b>\$7,509,707</b>	<b>\$7,314,734</b>	<b>4,778,662</b>	<b>4,409,799</b>
	<b>TOTAL, MOFs</b>	<b>\$9,042,185</b>	<b>\$8,697,203</b>	<b>5,712,077</b>	<b>5,343,214</b>

**455 Railroad Commission**

	<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
<b>CAPITAL</b>				
<b><u>General Budget</u></b>				
<b>GENERAL REVENUE FUNDS</b>	\$2,038,299	\$1,920,924	1,188,832	1,205,988
<b>GR DEDICATED</b>	\$8,387,939	\$7,874,479	6,142,200	5,970,426
<b>FEDERAL FUNDS</b>	\$97,478	\$0	0	0
<b>OTHER FUNDS</b>	\$0	\$0	0	0
<b>TOTAL, GENERAL BUDGET</b>	10,523,716	9,795,403	7,331,032	7,176,414
<b>TOTAL, ALL PROJECTS</b>	<b>\$10,523,716</b>	<b>\$9,795,403</b>	<b>7,331,032</b>	<b>7,176,414</b>

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

**A. Fiscal Year 2014 - 2015 HUB Expenditure Information**

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2014			Total Expenditures FY 2014		HUB Expenditures FY 2015			Total Expenditures FY 2015	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	% Goal	% Actual	Diff
11.2%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	0.0%	\$0	\$208
21.1%	Building Construction	0.0 %	100.0%	100.0%	\$44,242	\$44,242	0.0 %	0.0%	0.0%	0.0%	\$0	\$24,912
32.9%	Special Trade	0.0 %	8.9%	8.9%	\$732	\$8,262	0.0 %	2.0%	2.0%	2.0%	\$121	\$6,007
23.7%	Professional Services	20.0 %	4.4%	-15.6%	\$26,340	\$595,154	20.0 %	6.8%	-13.2%	6.8%	\$64,903	\$948,759
26.0%	Other Services	15.0 %	7.5%	-7.5%	\$2,069,780	\$27,649,883	15.0 %	14.3%	-0.7%	14.3%	\$4,032,325	\$28,291,373
21.1%	Commodities	20.0 %	21.9%	1.9%	\$563,692	\$2,572,052	20.0 %	39.8%	19.8%	39.8%	\$921,579	\$2,318,172
	<b>Total Expenditures</b>		<b>8.8%</b>		<b>\$2,704,786</b>	<b>\$30,869,593</b>		<b>15.9%</b>		<b>15.9%</b>	<b>\$5,018,928</b>	<b>\$31,589,431</b>

**B. Assessment of Fiscal Year 2014 - 2015 Efforts to Meet HUB Procurement Goals**

**Attainment:**

The Commission attained or exceeded two of four, of the applicable statewide HUB procurement goals in FY 2014.

The Commission attained or exceeded two of four, of the applicable statewide HUB procurement goals in FY 2015. The Commission experienced an overall HUB expenditure increase of \$1,589,431 from FY14 to FY15.

**Applicability:**

The Heavy Construction and Building Construction categories are not generally applicable to agency operations in FY 2014 or 2015; however a total expenditure of \$44,242 in the Building Construction category was uncharacteristically reported in FY14.

**Factors Affecting Attainment:**

"Two of the six statewide HUB categories, Heavy Construction and Building Construction were not applicable to the Commission in FY14 and FY15. Based on the mission of the Commission, it is unlikely the Commission will expend funds for these purposes.

Other Services: In FY 2014 and 2015 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.

**6.A. Historically Underutilized Business Supporting Schedule**  
85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/19/2016**  
Time: **11:36:31AM**

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

- (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) 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.

**6.C. Federal Funds Supporting Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 11:44:01AM

		<b>455 Railroad Commission</b>				
<b>CFDA NUMBER/ STRATEGY</b>		<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
<b>15.250.000</b>	Regulation of Surface Coa					
3 - 1 - 2	SURFACE MINING MONITORING/INSPECT	1,203,401	1,505,000	1,500,571	1,500,571	1,500,571
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$1,203,401</b>	<b>\$1,505,000</b>	<b>\$1,500,571</b>	<b>\$1,500,571</b>	<b>\$1,500,571</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$1,203,401</b>	<b>\$1,505,000</b>	<b>\$1,500,571</b>	<b>\$1,500,571</b>	<b>\$1,500,571</b>
	<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>15.252.000</b>	Abandoned Mine Land Recla					
3 - 2 - 2	SURFACE MINING RECLAMATION	3,027,564	1,975,000	1,975,000	1,975,000	1,975,000
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$3,027,564</b>	<b>\$1,975,000</b>	<b>\$1,975,000</b>	<b>\$1,975,000</b>	<b>\$1,975,000</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$3,027,564</b>	<b>\$1,975,000</b>	<b>\$1,975,000</b>	<b>\$1,975,000</b>	<b>\$1,975,000</b>
	<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>20.700.000</b>	Pipeline Safety					
2 - 1 - 1	PIPELINE SAFETY	2,509,635	2,735,008	2,650,715	2,702,855	2,702,854
2 - 1 - 2	PIPELINE DAMAGE PREVENTION	323,955	472,557	458,000	458,000	458,000
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$2,833,590</b>	<b>\$3,207,565</b>	<b>\$3,108,715</b>	<b>\$3,160,855</b>	<b>\$3,160,854</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$2,833,590</b>	<b>\$3,207,565</b>	<b>\$3,108,715</b>	<b>\$3,160,855</b>	<b>\$3,160,854</b>
	<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>66.433.000</b>	State Underground Water S					
1 - 1 - 1	ENERGY RESOURCE DEVELOPMENT	475,916	419,092	419,092	419,092	419,092
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$475,916</b>	<b>\$419,092</b>	<b>\$419,092</b>	<b>\$419,092</b>	<b>\$419,092</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$475,916</b>	<b>\$419,092</b>	<b>\$419,092</b>	<b>\$419,092</b>	<b>\$419,092</b>
	<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**6.C. Federal Funds Supporting Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 11:44:01AM

		<b>455 Railroad Commission</b>				
<b>CFDA NUMBER/ STRATEGY</b>		<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
<b>66.460.000</b>	Nonpoint Source Implement					
3 - 2 - 1	OIL&GAS WELL PLUGGING & REMEDIATI	213,571	0	0	0	0
<b>TOTAL, ALL STRATEGIES</b>		<b>\$213,571</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>		0	0	0	0	0
<b>TOTAL, FEDERAL FUNDS</b>		<b>\$213,571</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>ADDL GR FOR EMPL BENEFITS</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>66.817.000</b>	State and Tribal Response Program					
3 - 2 - 1	OIL&GAS WELL PLUGGING & REMEDIATI	78,615	112,859	111,859	111,859	111,859
<b>TOTAL, ALL STRATEGIES</b>		<b>\$78,615</b>	<b>\$112,859</b>	<b>\$111,859</b>	<b>\$111,859</b>	<b>\$111,859</b>
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>		0	0	0	0	0
<b>TOTAL, FEDERAL FUNDS</b>		<b>\$78,615</b>	<b>\$112,859</b>	<b>\$111,859</b>	<b>\$111,859</b>	<b>\$111,859</b>
<b>ADDL GR FOR EMPL BENEFITS</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

		<b>455 Railroad Commission</b>				
<b>CFDA NUMBER/ STRATEGY</b>		<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
 <b><u>SUMMARY LISTING OF FEDERAL PROGRAM AMOUNTS</u></b>						
15.250.000	Regulation of Surface Coa	1,203,401	1,505,000	1,500,571	1,500,571	1,500,571
15.252.000	Abandoned Mine Land Recla	3,027,564	1,975,000	1,975,000	1,975,000	1,975,000
20.700.000	Pipeline Safety	2,833,590	3,207,565	3,108,715	3,160,855	3,160,854
66.433.000	State Underground Water S	475,916	419,092	419,092	419,092	419,092
66.460.000	Nonpoint Source Implement	213,571	0	0	0	0
66.817.000	State and Tribal Response Program	78,615	112,859	111,859	111,859	111,859
<b>TOTAL, ALL STRATEGIES</b>		<b>\$7,832,657</b>	<b>\$7,219,516</b>	<b>\$7,115,237</b>	<b>\$7,167,377</b>	<b>\$7,167,376</b>
<b>TOTAL , ADDL FED FUNDS FOR EMPL BENEFITS</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL, FEDERAL FUNDS</b>		<b><u>\$7,832,657</u></b>	<b><u>\$7,219,516</u></b>	<b><u>\$7,115,237</u></b>	<b><u>\$7,167,377</u></b>	<b><u>\$7,167,376</u></b>
<b>TOTAL, ADDL GR FOR EMPL BENEFITS</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**SUMMARY OF SPECIAL CONCERNS/ISSUES**

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CFDA NUMBER/ STRATEGY	455 Railroad Commission Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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. The FY 2013 federal budget proposes to eliminate future funding for the abandoned mine lands program, and proposes a 15 percent reduction in federal funding for the coal regulatory program.

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, if the state's share remains at the FY 2012 level. 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 65% 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.

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**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 80% of the state's request as a base from which to apply grading ratios, resulting in a funding level of less than 50% of the direct cost of the state's program.

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**6.E. Estimated Revenue Collections Supporting Schedule**  
85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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

<b>FUND/ACCOUNT</b>	<b>Act 2015</b>	<b>Exp 2016</b>	<b>Exp 2017</b>	<b>Bud 2018</b>	<b>Est 2019</b>
<b><u>1</u> General Revenue Fund</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3035 Commercial Transportation Fees	2,160,395	2,311,139	2,160,000	2,160,000	2,160,000
3234 Gas Utility Pipeline Tax	23,777,369	21,723,289	23,097,000	23,097,000	23,097,000
3246 Compressed Natural Gas Licenses	55,545	52,549	42,000	42,000	42,000
3314 Oil & Gas Well Violations	11,713,582	802,248	5,909,000	5,909,000	5,909,000
3329 Surface Mining Permits	2,945,675	3,067,435	2,900,000	2,900,000	2,900,000
3373 Injection Well Regulation	75,500	43,568	0	0	0
3382 RR Commission - Rule Except Fee	658,366	1,250	552,000	552,000	552,000
3553 Pipeline Safety Inspection Fees	4,901,644	0	0	0	0
3717 Civil Penalties	7,350	20,945	4,190,000	4,190,000	4,190,000
Subtotal: Actual/Estimated Revenue	46,295,426	28,022,423	38,850,000	38,850,000	38,850,000
<b>Total Available</b>	<b>\$46,295,426</b>	<b>\$28,022,423</b>	<b>\$38,850,000</b>	<b>\$38,850,000</b>	<b>\$38,850,000</b>
<b>Ending Fund/Account Balance</b>	<b>\$46,295,426</b>	<b>\$28,022,423</b>	<b>\$38,850,000</b>	<b>\$38,850,000</b>	<b>\$38,850,000</b>

**REVENUE ASSUMPTIONS:**

Unappropriated General Revenue is swept by Comptroller of Public Accounts.  
The bond forfeiture portion of Oil & Gas Well Violations (object 3314) is deposited to fund 5155.  
RR Commission - Rule Except Fee (object 3382) was transferred to fund 5155 in the 84th session.  
Pipeline Safety Inspection Fee (object 3553) was transferred to fund 5155 in the 84th session.

**CONTACT PERSON:**

Martin Powel

**6.E. Estimated Revenue Collections Supporting Schedule**  
85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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

<b>FUND/ACCOUNT</b>	<b>Act 2015</b>	<b>Exp 2016</b>	<b>Exp 2017</b>	<b>Bud 2018</b>	<b>Est 2019</b>
<b>666 Appropriated Receipts</b>					
Beginning Balance (Unencumbered):	\$284,469	\$49,748	\$69,134	\$82,646	\$138,689
Estimated Revenue:					
3045 Railroad Commission Svs Fees	6,512	6,500	6,500	6,500	6,500
3245 Compressed Nat Gas Train & Exams	53,879	55,000	55,000	55,000	55,000
3719 Fees/Copies or Filing of Records	685,527	746,628	750,000	750,000	750,000
3722 Conf, Semin, & Train Regis Fees	1,247,611	1,350,000	1,350,000	1,350,000	1,350,000
3752 Sale of Publications/Advertising	16,374	16,000	16,000	16,000	16,000
3802 Reimbursements-Third Party	135,432	135,000	135,000	135,000	135,000
3839 Sale of Motor Vehicle/Boat/Aircraft	97,290	159,246	150,000	150,000	150,000
Subtotal: Actual/Estimated Revenue	2,242,625	2,468,374	2,462,500	2,462,500	2,462,500
<b>Total Available</b>	<b>\$2,527,094</b>	<b>\$2,518,122</b>	<b>\$2,531,634</b>	<b>\$2,545,146</b>	<b>\$2,601,189</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted	(2,477,349)	(2,448,988)	(2,448,988)	(2,406,457)	(2,406,457)
<b>Total, Deductions</b>	<b>\$(2,477,349)</b>	<b>\$(2,448,988)</b>	<b>\$(2,448,988)</b>	<b>\$(2,406,457)</b>	<b>\$(2,406,457)</b>
<b>Ending Fund/Account Balance</b>	<b>\$49,745</b>	<b>\$69,134</b>	<b>\$82,646</b>	<b>\$138,689</b>	<b>\$194,732</b>

**REVENUE ASSUMPTIONS:**

The Commission assumes all revenues will be expended as intended.  
Conference, Seminar & Training Registration Fees (COBJ 3722) include Oil and Gas Seminars and LP Gas Training Fees.  
Sale of Motor Vehicle/Boat/Aircraft - RRC keeps 25% and CPA keeps 75% of the amount above

**CONTACT PERSON:**

Martin Powel

**6.E. Estimated Revenue Collections Supporting Schedule**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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

<b>FUND/ACCOUNT</b>	<b>Act 2015</b>	<b>Exp 2016</b>	<b>Exp 2017</b>	<b>Bud 2018</b>	<b>Est 2019</b>
<b>888 Earned Federal Funds</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3702 Fed Receipts-Earned Federal Funds	1,284,857	2,818,965	2,000,000	2,000,000	2,000,000
Subtotal: Actual/Estimated Revenue	1,284,857	2,818,965	2,000,000	2,000,000	2,000,000
<b>Total Available</b>	<b>\$1,284,857</b>	<b>\$2,818,965</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>
<b>DEDUCTIONS:</b>					
Art. IX, EFF	(903,112)	(903,112)	(903,112)	(903,112)	(903,112)
Benefits	(147,235)	(152,891)	(152,891)	(152,891)	(152,891)
Overcollected	(234,510)	(1,762,962)	(943,997)	(943,997)	(943,997)
<b>Total, Deductions</b>	<b>\$(1,284,857)</b>	<b>\$(2,818,965)</b>	<b>\$(2,000,000)</b>	<b>\$(2,000,000)</b>	<b>\$(2,000,000)</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

None

**CONTACT PERSON:**

Martin Powel

**6.E. Estimated Revenue Collections Supporting Schedule**  
85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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

<b>FUND/ACCOUNT</b>	<b>Act 2015</b>	<b>Exp 2016</b>	<b>Exp 2017</b>	<b>Bud 2018</b>	<b>Est 2019</b>
<b><u>5155</u> Oil &amp; Gas Regulation</b>					
Beginning Balance (Unencumbered):	\$27,348,202	\$16,696,858	\$917,368	\$7,814,029	\$17,582,616
Estimated Revenue:					
3310 Oil and Gas Surcharges	25,098,866	18,157,489	34,000,000	34,000,000	34,000,000
3313 Oil & Gas Well Drilling Permit	8,591,218	4,543,318	12,796,000	12,796,000	12,796,000
3314 Oil & Gas Well Violations	4,913,729	12,233,079	11,000,000	11,000,000	11,000,000
3338 Organization Report Fees	4,099,709	3,913,785	4,248,000	4,248,000	4,248,000
3339 Voluntary Cleanup Program Fees	19,160	12,218	20,000	20,000	20,000
3369 Reimburse for Well Plugging Costs	414,059	502,456	231,000	231,000	231,000
3373 Injection Well Regulation	0	41,822	92,000	92,000	92,000
3381 Oil-Field Cleanup Reg Fee - Oil	6,782,318	6,556,556	5,925,000	5,925,000	5,925,000
3382 RR Commission - Rule Except Fee	1,317,323	1,567,025	1,424,000	1,424,000	1,424,000
3383 Oil-Field Cleanup Reg Fee-Gas	5,244,780	5,118,663	5,329,000	5,329,000	5,329,000
3384 Oil & Gas Compl Cert Reissue Fee	871,952	669,055	1,420,000	1,420,000	1,420,000
3393 Abandoned Well Site Eqpt Disposal	513,375	249,615	650,000	650,000	650,000
3553 Pipeline Safety Inspection Fees	0	5,423,068	4,153,000	4,153,000	4,153,000
3592 Waste Disp Fac, Genrtr, Trnsprtrs	216,241	183,611	235,000	235,000	235,000
3727 Fees - Administrative Services	652,350	819,104	1,500,000	1,500,000	1,500,000
Subtotal: Actual/Estimated Revenue	58,735,080	59,990,864	83,023,000	83,023,000	83,023,000
<b>Total Available</b>	<b>\$86,083,282</b>	<b>\$76,687,722</b>	<b>\$83,940,368</b>	<b>\$90,837,029</b>	<b>\$100,605,616</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted	(62,827,442)	(67,170,354)	(67,526,339)	(64,654,413)	(64,654,411)
Employee Benefits	(6,558,982)	(8,600,000)	(8,600,000)	(8,600,000)	(8,600,000)
<b>Total, Deductions</b>	<b>\$(69,386,424)</b>	<b>\$(75,770,354)</b>	<b>\$(76,126,339)</b>	<b>\$(73,254,413)</b>	<b>\$(73,254,411)</b>
<b>Ending Fund/Account Balance</b>	<b>\$16,696,858</b>	<b>\$917,368</b>	<b>\$7,814,029</b>	<b>\$17,582,616</b>	<b>\$27,351,205</b>

**REVENUE ASSUMPTIONS:**

**6.E. Estimated Revenue Collections Supporting Schedule**  
85th 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**

<b>FUND/ACCOUNT</b>	<b>Act 2015</b>	<b>Exp 2016</b>	<b>Exp 2017</b>	<b>Bud 2018</b>	<b>Est 2019</b>
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- 1) The Oil and Gas Regulation and Cleanup Fund was created in FY 2012 by the 82nd Legislative Session First Called Session SB 1.
- 2) The Commission collected surcharges on certain Oil and Gas fees beginning in May 2012 at a rate of 150% of the fee.
- 3) Oil and Gas Well Violations (COBJ 3314) includes only bond forfeitures.
- 4) Fees-Administrative Services (Comp Obj 3727) is to cover the cost of the TCEQ Groundwater Advisory Unit moved from TCEQ to RRC in the 82nd Leg. Session.
  
- 5) Oil Field Cleanup Regulatory Fee on Gas (Comp Obj 3383) was moved from unappropriated GR to fund 5155 in the 82nd Leg.
- 6) The Commission no longer gets to keep interest (Comp Obj 3851) beginning in 2014.
- 7) Pipeline Safety Inspection Fee (object 3553) was transferred to fund 5155 in the 84th session.

**CONTACT PERSON:**

Martin Powel

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

85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/19/2016  
Time: 11:36:48AM

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

**OIL-FIELD CLEANUP FUND 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:      N/A  
 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

<b>Advisory Committee Costs</b>	<b>Expended Exp 2015</b>	<b>Estimated Est 2016</b>	<b>Budgeted Bud 2017</b>	<b>Requested BL 2018</b>	<b>Requested BL 2019</b>
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Method of Financing

<b>Meetings Per Fiscal Year</b>	0	0	4	4	4
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**6.F.a. Advisory Committee Supporting Schedule ~ Part A**

85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/19/2016  
Time: 11:36:48AM

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

**Description and Justification for Continuation/Consequences of Abolishing**

The Oil-Field Cleanup Advisory Committee is a ten-member group that meets at least quarterly to monitor the effectiveness of the oil and gas regulation and 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**

85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/19/2016  
Time: 11:44:02AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
<b>1 Across the Board Reduction</b>							
<b>Category:</b> Across the Board Reductions							
<b>Item Comment:</b> The Railroad Commission used the "Across the Board Reduction" methodology in the 10% Base Reduction Schedule.							
Strategy: 1-1-1 Promote Energy Resource Development Opportunities							
<u>Gr Dedicated</u>							
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$1,395,894	\$1,377,795	\$2,773,689	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,395,894</b>	<b>\$1,377,795</b>	<b>\$2,773,689</b>	
Strategy: 2-1-1 Ensure Pipeline Safety							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$299,823	\$299,823	\$599,646	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$299,823</b>	<b>\$299,823</b>	<b>\$599,646</b>	
<u>Gr Dedicated</u>							
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$136,474	\$136,474	\$272,948	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$136,474</b>	<b>\$136,474</b>	<b>\$272,948</b>	
Strategy: 2-1-2 Pipeline Damage Prevention							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$31,650	\$31,650	\$63,300	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$31,650</b>	<b>\$31,650</b>	<b>\$63,300</b>	
<u>Gr Dedicated</u>							
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$30,974	\$30,974	\$61,948	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,974</b>	<b>\$30,974</b>	<b>\$61,948</b>	

**6.I. Percent Biennial Base Reduction Options**

**10 % REDUCTION**

85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/19/2016  
Time: 11:44:02AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
Strategy: 2-2-1 Regulate Alternative Fuel Resources							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$168,268	\$168,268	\$336,536	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$168,268</b>	<b>\$168,268</b>	<b>\$336,536</b>	
Strategy: 3-1-1 Oil and Gas Monitoring and Inspections							
<u>Gr Dedicated</u>							
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$2,100,258	\$2,126,458	\$4,226,716	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,100,258</b>	<b>\$2,126,458</b>	<b>\$4,226,716</b>	
Strategy: 3-1-2 Surface Mining Monitoring and Inspections							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$194,876	\$194,876	\$389,752	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$194,876</b>	<b>\$194,876</b>	<b>\$389,752</b>	
Strategy: 3-2-1 Oil and Gas Well Plugging and Remediation							
<u>Gr Dedicated</u>							
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$2,627,426	\$2,620,694	\$5,248,120	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,627,426</b>	<b>\$2,620,694</b>	<b>\$5,248,120</b>	
Strategy: 3-2-2 Surface Mining Reclamation							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$172,329	\$172,330	\$344,659	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$172,329</b>	<b>\$172,330</b>	<b>\$344,659</b>	

**6.I. Percent Biennial Base Reduction Options**

**10 % REDUCTION**

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Date: 8/19/2016  
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Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
Strategy: 3-3-1 Ensure Fair Rates and Compliance to Rate Structures							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$210,784	\$210,784	\$421,568	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$210,784</b>	<b>\$210,784</b>	<b>\$421,568</b>	
Strategy: 4-1-1 Public Information and Services							
<u>Gr Dedicated</u>							
5155 Oil & Gas Regulation	\$0	\$0	\$0	\$174,415	\$174,415	\$348,830	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$174,415</b>	<b>\$174,415</b>	<b>\$348,830</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,543,171</b>	<b>\$7,544,541</b>	<b>\$15,087,712</b>	
<b>FTE Reductions (From FY 2018 and FY 2019 Base Request)</b>							
<b>AGENCY TOTALS</b>							
<b>General Revenue Total</b>				<b>\$1,077,730</b>	<b>\$1,077,731</b>	<b>\$2,155,461</b>	<b>\$2,155,461</b>
<b>GR Dedicated Total</b>				<b>\$6,465,441</b>	<b>\$6,466,810</b>	<b>\$12,932,251</b>	
<b>Agency Grand Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,543,171</b>	<b>\$7,544,541</b>	<b>\$15,087,712</b>	
<b>Difference, Options Total Less Target</b>						<b>\$12,932,251</b>	
<b>Agency FTE Reductions (From FY 2018 and FY 2019 Base Request)</b>							

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>1-1-1</b>	<b>Promote Energy Resource Development Opportunities</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$2,042,119	\$ 2,241,605	\$ 2,241,605	\$ 2,241,605	\$ 2,241,605
1002	OTHER PERSONNEL COSTS	125,583	125,662	125,662	125,662	125,662
2001	PROFESSIONAL FEES AND SERVICES	36,901	28,946	35,084	35,084	35,084
2002	FUELS AND LUBRICANTS	0	0	0	0	0
2003	CONSUMABLE SUPPLIES	12,668	12,650	13,895	13,895	13,895
2004	UTILITIES	0	0	0	0	0
2005	TRAVEL	845	891	1,059	1,059	1,059
2006	RENT - BUILDING	2	2	2	2	2
2007	RENT - MACHINE AND OTHER	8,963	8,962	8,975	8,975	8,975
2009	OTHER OPERATING EXPENSE	33,296	47,366	49,554	49,554	49,554
<b>Total, Objects of Expense</b>		<b>\$2,260,377</b>	<b>\$2,466,084</b>	<b>\$2,475,836</b>	<b>\$2,475,836</b>	<b>\$2,475,836</b>
<b>METHOD OF FINANCING:</b>						
5155	Oil & Gas Regulation	2,260,377	2,466,084	2,475,836	2,475,836	2,475,836
<b>Total, Method of Financing</b>		<b>\$2,260,377</b>	<b>\$2,466,084</b>	<b>\$2,475,836</b>	<b>\$2,475,836</b>	<b>\$2,475,836</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>25.3</b>	<b>25.3</b>	<b>25.3</b>	<b>25.3</b>	<b>25.3</b>

Method of Allocation

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**455 Railroad Commission**

<b>Strategy</b>	<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
<b>1-1-1 Promote Energy Resource Development Opportunities</b>					

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Percentage of budget.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>2-1-1</b>	<b>Ensure Pipeline Safety</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$1,090,459	\$ 590,185	\$ 590,185	\$ 590,185	\$ 590,185
1002	OTHER PERSONNEL COSTS	46,885	45,023	45,023	45,023	45,023
2001	PROFESSIONAL FEES AND SERVICES	70,774	68,407	68,407	68,407	68,407
2002	FUELS AND LUBRICANTS	443	453	453	453	453
2003	CONSUMABLE SUPPLIES	5,264	5,285	5,285	5,285	5,285
2004	UTILITIES	934	934	934	934	934
2005	TRAVEL	33,485	35,241	35,241	35,241	35,241
2006	RENT - BUILDING	255	236	236	236	236
2007	RENT - MACHINE AND OTHER	3,216	3,235	3,235	3,235	3,235
2009	OTHER OPERATING EXPENSE	13,362	14,414	14,414	14,414	14,414
<b>Total, Objects of Expense</b>		<b>\$1,265,077</b>	<b>\$763,413</b>	<b>\$763,413</b>	<b>\$763,413</b>	<b>\$763,413</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	1,265,077	763,413	763,413	763,413	763,413
<b>Total, Method of Financing</b>		<b>\$1,265,077</b>	<b>\$763,413</b>	<b>\$763,413</b>	<b>\$763,413</b>	<b>\$763,413</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>10.4</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

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**455 Railroad Commission**

<b>Strategy</b>	<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
<b>2-1-1 Ensure Pipeline Safety</b>					

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Percentage of budget.

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>2-1-2</b>	<b>Pipeline Damage Prevention</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$206,554	\$ 206,503	\$ 206,503	\$ 206,503	\$ 206,503
1002	OTHER PERSONNEL COSTS	7,706	6,986	6,986	6,986	6,986
2001	PROFESSIONAL FEES AND SERVICES	46	44	44	44	44
2002	FUELS AND LUBRICANTS	0	0	0	0	0
2003	CONSUMABLE SUPPLIES	385	358	358	358	358
2004	UTILITIES	58	58	58	58	58
2005	TRAVEL	936	956	956	956	956
2006	RENT - BUILDING	3	3	3	3	3
2007	RENT - MACHINE AND OTHER	1,242	1,250	1,250	1,250	1,250
2009	OTHER OPERATING EXPENSE	2,249	2,275	2,275	2,275	2,275
<b>Total, Objects of Expense</b>		<b>\$219,179</b>	<b>\$218,433</b>	<b>\$218,433</b>	<b>\$218,433</b>	<b>\$218,433</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	219,179	218,433	218,433	218,433	218,433
<b>Total, Method of Financing</b>		<b>\$219,179</b>	<b>\$218,433</b>	<b>\$218,433</b>	<b>\$218,433</b>	<b>\$218,433</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>

Method of Allocation

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**455 Railroad Commission**

<b>Strategy</b>	<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
<b>2-1-2 Pipeline Damage Prevention</b>					

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Percentage of budget.

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>2-2-1</b>	<b>Regulate Alternative Fuel Resources</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$511,489	\$ 311,360	\$ 311,361	\$ 311,361	\$ 311,361
1002	OTHER PERSONNEL COSTS	41,304	41,337	41,337	41,337	41,337
2001	PROFESSIONAL FEES AND SERVICES	2,497	2,413	2,410	2,410	2,410
2002	FUELS AND LUBRICANTS	207	212	212	212	212
2003	CONSUMABLE SUPPLIES	3,299	3,289	3,289	3,289	3,289
2004	UTILITIES	498	498	498	498	498
2005	TRAVEL	8,058	8,474	8,474	8,474	8,474
2006	RENT - BUILDING	4	4	4	4	4
2007	RENT - MACHINE AND OTHER	1,329	1,337	1,337	1,337	1,337
2009	OTHER OPERATING EXPENSE	5,911	6,353	6,354	6,354	6,354
4000	GRANTS	0	100,425	0	0	0
<b>Total, Objects of Expense</b>		<b>\$574,596</b>	<b>\$475,702</b>	<b>\$375,276</b>	<b>\$375,276</b>	<b>\$375,276</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	574,596	475,702	375,276	375,276	375,276
<b>Total, Method of Financing</b>		<b>\$574,596</b>	<b>\$475,702</b>	<b>\$375,276</b>	<b>\$375,276</b>	<b>\$375,276</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>						
		<b>7.2</b>	<b>5.2</b>	<b>5.2</b>	<b>5.2</b>	<b>5.2</b>

**7.A. Indirect Administrative and Support Costs**

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**455 Railroad Commission**

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<b>Strategy</b>	<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
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**2-2-1 Regulate Alternative Fuel Resources**

**Method of Allocation**

Percentage of budget.

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>3-1-1</b>	<b>Oil and Gas Monitoring and Inspections</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$3,707,582	\$ 3,706,650	\$ 3,706,650	\$ 3,706,650	\$ 3,706,650
1002	OTHER PERSONNEL COSTS	190,927	191,086	191,086	191,086	191,086
2001	PROFESSIONAL FEES AND SERVICES	972	940	940	940	940
2002	FUELS AND LUBRICANTS	568	500	500	500	500
2003	CONSUMABLE SUPPLIES	20,785	20,738	20,738	20,738	20,738
2004	UTILITIES	2,988	2,988	2,988	2,988	2,988
2005	TRAVEL	5,215	5,484	5,485	5,485	5,485
2006	RENT - BUILDING	2,173	2,175	2,175	2,175	2,175
2007	RENT - MACHINE AND OTHER	13,218	13,204	13,204	13,204	13,204
2009	OTHER OPERATING EXPENSE	44,995	48,072	48,072	48,072	48,072
<b>Total, Objects of Expense</b>		<b>\$3,989,423</b>	<b>\$3,991,837</b>	<b>\$3,991,838</b>	<b>\$3,991,838</b>	<b>\$3,991,838</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	3,989,423	3,991,837	3,991,838	3,991,838	3,991,838
<b>Total, Method of Financing</b>		<b>\$3,989,423</b>	<b>\$3,991,837</b>	<b>\$3,991,838</b>	<b>\$3,991,838</b>	<b>\$3,991,838</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>45.7</b>	<b>45.7</b>	<b>45.7</b>	<b>45.7</b>	<b>45.7</b>

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<b>Strategy</b>	<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
<b>3-1-1 Oil and Gas Monitoring and Inspections</b>					

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Percentage of budget.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>3-1-2</b>	<b>Surface Mining Monitoring and Inspections</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$750,468	\$ 751,917	\$ 751,917	\$ 751,917	\$ 751,917
1002	OTHER PERSONNEL COSTS	33,420	31,428	31,428	31,428	31,428
2001	PROFESSIONAL FEES AND SERVICES	21	20	20	20	20
2002	FUELS AND LUBRICANTS	42	43	43	43	43
2003	CONSUMABLE SUPPLIES	5,644	5,636	5,636	5,636	5,636
2004	UTILITIES	100	100	100	100	100
2005	TRAVEL	2,791	2,879	2,879	2,879	2,879
2006	RENT - BUILDING	130	132	132	132	132
2007	RENT - MACHINE AND OTHER	881	887	887	887	887
2009	OTHER OPERATING EXPENSE	5,249	5,357	5,357	5,357	5,357
<b>Total, Objects of Expense</b>		<b>\$798,746</b>	<b>\$798,399</b>	<b>\$798,399</b>	<b>\$798,399</b>	<b>\$798,399</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	798,746	798,399	798,399	798,399	798,399
<b>Total, Method of Financing</b>		<b>\$798,746</b>	<b>\$798,399</b>	<b>\$798,399</b>	<b>\$798,399</b>	<b>\$798,399</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>8.2</b>	<b>8.2</b>	<b>8.2</b>	<b>8.2</b>	<b>8.2</b>

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**7.A. Indirect Administrative and Support Costs**

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<b>Strategy</b>	<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
<b>3-1-2 Surface Mining Monitoring and Inspections</b>					

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Percentage of budget.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>3-2-1</b>	<b>Oil and Gas Well Plugging and Remediation</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$1,273,830	\$ 1,774,192	\$ 1,774,192	\$ 1,774,192	\$ 1,774,192
1002	OTHER PERSONNEL COSTS	47,222	47,293	47,293	47,293	47,293
2001	PROFESSIONAL FEES AND SERVICES	130,312	123,853	123,853	123,853	123,853
2002	FUELS AND LUBRICANTS	2,299	2,352	2,352	2,352	2,352
2003	CONSUMABLE SUPPLIES	2,588	7,968	7,968	7,968	7,968
2004	UTILITIES	704	1,411	1,411	1,411	1,411
2005	TRAVEL	820	1,890	1,890	1,890	1,890
2006	RENT - BUILDING	180	669	669	669	669
2007	RENT - MACHINE AND OTHER	2,322	5,367	5,367	5,367	5,367
2009	OTHER OPERATING EXPENSE	206,964	479,967	479,967	479,967	479,967
	<b>Total, Objects of Expense</b>	<b>\$1,667,241</b>	<b>\$2,444,962</b>	<b>\$2,444,962</b>	<b>\$2,444,962</b>	<b>\$2,444,962</b>
<b>METHOD OF FINANCING:</b>						
5155	Oil & Gas Regulation	1,667,241	2,444,962	2,444,962	2,444,962	2,444,962
	<b>Total, Method of Financing</b>	<b>\$1,667,241</b>	<b>\$2,444,962</b>	<b>\$2,444,962</b>	<b>\$2,444,962</b>	<b>\$2,444,962</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>23.0</b>	<b>31.0</b>	<b>31.0</b>	<b>31.0</b>	<b>31.0</b>

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<b>Strategy</b>	<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
<b>3-2-1 Oil and Gas Well Plugging and Remediation</b>					

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Percentage of budget.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>3-2-2</b>	<b>Surface Mining Reclamation</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$130,758	\$ 129,086	\$ 129,086	\$ 129,086	\$ 129,086
1002	OTHER PERSONNEL COSTS	13,628	13,528	13,528	13,528	13,528
2001	PROFESSIONAL FEES AND SERVICES	390,770	377,505	377,505	377,505	377,505
2002	FUELS AND LUBRICANTS	34	35	35	35	35
2003	CONSUMABLE SUPPLIES	261	256	256	256	256
2004	UTILITIES	48	48	48	48	48
2005	TRAVEL	380	400	400	400	400
2006	RENT - BUILDING	0	0	0	0	0
2007	RENT - MACHINE AND OTHER	477	480	480	480	480
2009	OTHER OPERATING EXPENSE	3,668	3,856	3,856	3,856	3,856
<b>Total, Objects of Expense</b>		<b>\$540,024</b>	<b>\$525,194</b>	<b>\$525,194</b>	<b>\$525,194</b>	<b>\$525,194</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	540,024	525,194	525,194	525,194	525,194
<b>Total, Method of Financing</b>		<b>\$540,024</b>	<b>\$525,194</b>	<b>\$525,194</b>	<b>\$525,194</b>	<b>\$525,194</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>

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<b>Strategy</b>	<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
<b>3-2-2 Surface Mining Reclamation</b>					

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Percentage of budget.

7.A. Indirect Administrative and Support Costs

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455 Railroad Commission

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>3-3-1</b>	<b>Ensure Fair Rates and Compliance to Rate Structures</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$456,078	\$ 455,964	\$ 455,964	\$ 455,964	\$ 455,964
1002	OTHER PERSONNEL COSTS	24,271	24,291	24,291	24,291	24,291
2001	PROFESSIONAL FEES AND SERVICES	138	133	133	133	133
2002	FUELS AND LUBRICANTS	0	0	0	0	0
2003	CONSUMABLE SUPPLIES	2,089	2,086	2,086	2,086	2,086
2004	UTILITIES	63	63	63	63	63
2005	TRAVEL	2,970	3,121	3,121	3,121	3,121
2006	RENT - BUILDING	89	82	82	82	82
2007	RENT - MACHINE AND OTHER	877	883	833	833	833
2009	OTHER OPERATING EXPENSE	4,158	4,442	4,442	4,442	4,442
<b>Total, Objects of Expense</b>		<b>\$490,733</b>	<b>\$491,065</b>	<b>\$491,015</b>	<b>\$491,015</b>	<b>\$491,015</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	490,733	491,065	491,015	491,015	491,015
<b>Total, Method of Financing</b>		<b>\$490,733</b>	<b>\$491,065</b>	<b>\$491,015</b>	<b>\$491,015</b>	<b>\$491,015</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>5.1</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>

Method of Allocation

**7.A. Indirect Administrative and Support Costs**

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**455 Railroad Commission**

<b>Strategy</b>	<b>Exp 2015</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>BL 2018</b>	<b>BL 2019</b>
<b>3-3-1 Ensure Fair Rates and Compliance to Rate Structures</b>					

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Percentage of budget.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>4-1-1</b>	<b>Public Information and Services</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$305,341	\$ 305,264	\$ 305,264	\$ 305,264	\$ 305,264
1002	OTHER PERSONNEL COSTS	15,009	15,022	15,022	15,022	15,022
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0	0
2002	FUELS AND LUBRICANTS	0	0	0	0	0
2003	CONSUMABLE SUPPLIES	18,882	18,855	18,855	18,855	18,855
2004	UTILITIES	0	0	0	0	0
2005	TRAVEL	0	0	0	0	0
2006	RENT - BUILDING	312	349	349	349	349
2007	RENT - MACHINE AND OTHER	8,276	8,326	8,326	8,236	8,236
2009	OTHER OPERATING EXPENSE	37,480	40,291	40,291	40,291	40,291
<b>Total, Objects of Expense</b>		<b>\$385,300</b>	<b>\$388,107</b>	<b>\$388,107</b>	<b>\$388,017</b>	<b>\$388,017</b>
<b>METHOD OF FINANCING:</b>						
5155	Oil & Gas Regulation	385,300	388,107	388,107	388,017	388,017
<b>Total, Method of Financing</b>		<b>\$385,300</b>	<b>\$388,107</b>	<b>\$388,107</b>	<b>\$388,017</b>	<b>\$388,017</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>6.2</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>

Method of Allocation

**7.A. Indirect Administrative and Support Costs**

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**455 Railroad Commission**

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**Exp 2015**

**Est 2016**

**Bud 2017**

**BL 2018**

**BL 2019**

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Percentage of budget.

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	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<b>GRAND TOTALS</b>					
<b>Objects of Expense</b>					
1001 SALARIES AND WAGES	\$10,474,678	\$10,472,726	\$10,472,727	\$10,472,727	\$10,472,727
1002 OTHER PERSONNEL COSTS	\$545,955	\$541,656	\$541,656	\$541,656	\$541,656
2001 PROFESSIONAL FEES AND SERVICES	\$632,431	\$602,261	\$608,396	\$608,396	\$608,396
2002 FUELS AND LUBRICANTS	\$3,593	\$3,595	\$3,595	\$3,595	\$3,595
2003 CONSUMABLE SUPPLIES	\$71,865	\$77,121	\$78,366	\$78,366	\$78,366
2004 UTILITIES	\$5,393	\$6,100	\$6,100	\$6,100	\$6,100
2005 TRAVEL	\$55,500	\$59,336	\$59,505	\$59,505	\$59,505
2006 RENT - BUILDING	\$3,148	\$3,652	\$3,652	\$3,652	\$3,652
2007 RENT - MACHINE AND OTHER	\$40,801	\$43,931	\$43,894	\$43,804	\$43,804
2009 OTHER OPERATING EXPENSE	\$357,332	\$652,393	\$654,582	\$654,582	\$654,582
4000 GRANTS	\$0	\$100,425	\$0	\$0	\$0
<b>Total, Objects of Expense</b>	<b>\$12,190,696</b>	<b>\$12,563,196</b>	<b>\$12,472,473</b>	<b>\$12,472,383</b>	<b>\$12,472,383</b>
<b>Method of Financing</b>					
1 General Revenue Fund	\$7,877,778	\$7,264,043	\$7,163,568	\$7,163,568	\$7,163,568
5155 Oil & Gas Regulation	\$4,312,918	\$5,299,153	\$5,308,905	\$5,308,815	\$5,308,815
<b>Total, Method of Financing</b>	<b>\$12,190,696</b>	<b>\$12,563,196</b>	<b>\$12,472,473</b>	<b>\$12,472,383</b>	<b>\$12,472,383</b>
<b>Full-Time-Equivalent Positions (FTE)</b>	<b>135.1</b>	<b>136.7</b>	<b>136.7</b>	<b>136.7</b>	<b>136.7</b>