



RAILROAD COMMISSION OF TEXAS

# LEGISLATIVE APPROPRIATIONS REQUEST

Fiscal Years 2022-2023

 CHRISTI CRADDICK  
COMMISSIONER

 WAYNE CHRISTIAN  
CHAIRMAN

 RYAN SITTON  
COMMISSIONER

# **LEGISLATIVE APPROPRIATIONS REQUEST**

**For Fiscal Years 2022 and 2023**

Submitted to the

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

by the

**Railroad Commission of Texas**

October 2, 2020

# Railroad Commission of Texas (455)

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**455 Railroad Commission**

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**General Information**

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

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

- Oversee the development of the state's energy resources while protecting public health and the environment through an effective regulatory program that allows for the orderly and efficient development of oil and gas resources,
- Protect public safety in the operation of the Texas pipeline system through regulatory oversight of the pipeline industry by inspection, compliance, and educational activities, and in the regulation of the LPG/CNG/LNG alternative fuels industries,
- Protect the environment and consumers by ensuring that fossil fuel extraction and 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, and
- Provide the public access to information and facilitate efficiencies with regulated industries through communications and technologies that support effective regulatory programs, while preserving and increasing access to public information.

The Railroad Commission oversees and regulates many sectors of the state's energy industries, which are a vital pillar of the state's economy. The Commission provides a predictable, consistent, and sound regulatory environment that supports economic growth and long-term investment in Texas. This Legislative Appropriations Request reflects the Commission's two primary funding priorities: to maintain its workforce and to continue efforts towards technology infrastructure improvement, while recognizing the uncertain near-term future. While the industries regulated by the Commission face a slow recovery in response to the ongoing COVID-19 pandemic coupled with international shocks to the oil and gas commodities market, the Commission's regulatory obligations remain unaffected. With the Commission deriving much of its funding from the state's energy industries, appropriations for operational stability ensure uninterrupted funding for the Commission's regulatory responsibilities which are critical to protecting public safety and the environment. Continuation of information technology infrastructure improvement involves migrating agency business processes and data off an antiquated mainframe to modern, cloud-based systems in a multi-biennia project. The agency requires robust and secure information management systems, a highly skilled and diverse workforce, and a stable budget that supports efficient and transparent regulatory programs ensuring accountability to the citizens of Texas. This request seeks funding necessary to implement these goals.

**Governing Board Information**

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

- Wayne Christian, Chairman, Jan. 9, 2017 to Dec. 31, 2022, Center, Texas
- Christi Craddick, Commissioner, Dec. 17, 2012 to Dec. 31, 2024, Midland, Texas
- Ryan Sitton, Commissioner, Jan. 5, 2015 to Dec. 31, 2020, Friendswood, Texas

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**Overview of Budget Request**

The Railroad Commission prepared its funding request in compliance with the policy letter and instructions issued by the Governor's Office, Budget and Policy Division and the Legislative Budget Board on August 18, 2020. As a result, the request for the 2022-2023 biennium does not exceed the sum of amounts budgeted in fiscal years 2020 and 2021 in General Revenue and General Revenue Dedicated Funds, less a five percent biennial reduction approved and implemented by the Commission in June 2020. The proposed request for general revenue-related funding follows a careful examination of agency funding priorities and seeks funding levels that will further the Commission's mission and goals. The request builds on the success of revenue certainty that began in the 2018-19 biennium with the appropriations of a portion of the Gas Utility Pipeline Tax for operational stability funding for the Commission.

The Railroad Commission requests two exceptional items for \$8.1 million to restore a portion of the five percent reduction developed following instruction on May 20, 2020. The baseline biennial request totals \$269,361,426 with General Revenue-dedicated funds comprising approximately 54 percent of the request, General Revenue approximately 40 percent of the request, and funds received from the federal government, and other sources comprising approximately 6 percent of the request. Most of the revenue sources are generated from the industries regulated by the Commission.

**External Factors**

As COVID-19 places Texans at a distance from one another, the Railroad Commission continues — at its district offices across the state and its headquarters in Austin — to carry out its mission to protect the state's natural resources and the environment, assure personal and community safety, and support the state's economic vitality. The economic volatility experienced by the state's energy industries during this period could have a long-term effect on the state's economic interests as they are inextricably linked to the state's energy industries.

The Railroad Commission's Oil and Gas Cleanup and Regulation Fund (OGRC) is largely funded by fees and a 150 percent surcharge on most fees associated with oil and gas production allowing the Commission to function as a self-supporting agency (SB 1, 82nd Legislature, First Called Session, 2011). During the 2014-15 biennium oil and gas regulation was funded entirely with the new self-supporting revenue structure. With oil prices averaging \$100.18 per barrel during fiscal year 2014, drilling permit revenue totaled \$14.2 million. In fiscal year 2020, oil prices averaged \$44.13 per barrel, and drilling permit revenue totaled \$5.6 million, with a precipitous decline in the second half of the fiscal year that an annual average does not adequately convey. From September 2019 through February 2020 WTI pricing averaged \$56.00 per barrel, with drilling permit revenue of \$3.8 million. From March 2020 to August 2020 WTI pricing averaged \$32.73 per barrel, with drilling permit revenue of \$1.8 million.

Oil prices began their decline in January 2020 as COVID-19 disrupted international economies. The World Health Organization's declaration of a COVID-19 pandemic on March 11, 2020 prompted governments around the world, including U.S. state and local governments, to begin issuing stay at home orders. These actions sparked an unprecedented reduction in oil demand while supplies continued to increase, wreaking havoc on the energy commodity market and prices. As demand continued to dramatically contract, oil prices declined further, reaching a 17-year low on March 18 with WTI pricing at \$20.48 a barrel. On April 20, the price of WTI oil (for May delivery) fell to negative territory for the first time in recorded history when it dropped to negative \$37 a barrel. By the end of the fiscal year the WTI monthly average was \$42.34 per barrel—nearly 26 percent lower than at the start of fiscal year 2020.

The Commission anticipates the downward pressure on the energy commodities market, coupled with exceptional market volatility, may adversely affect OGRC revenues. Recent history indicates that energy market declines directly affect OGRC revenue. During the mid-2014 to 2017 period, industry experienced a steady erosion in the commodity price, which reached its low on February 11, 2016 with a trading price of \$26.21 per barrel. The corresponding decline in OGRC revenue left the Commission

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with a \$18.7 million gap in FY 2016 between its appropriation and the revenue to support that appropriation. While the experience of fiscal year 2016 offers some indication of what the Commission may face regarding a revenue shortfall, at this time any estimate of future revenue for the Oil and Gas Regulation and Cleanup Fund carries uncertainty.

In response to the economic conditions affecting the state's energy industries, the Railroad Commission has taken an innovative approach to operations, using technological advances to streamline operations and improve efficiency, while also taking action to provide regulatory relief for the state's energy sector. Since the pandemic began, the Commission made additional forms available for online filing. In addition to these regulatory filings, the Commission has made certain classes and examinations for alternative fuels certifications available online, and provided webinars for oil and gas training.

During the current biennium, the Commission began a six to eight-year effort to transform its information technology systems to reduce its dependence on aging mainframe systems. The Commission began this effort in fiscal year 2020 knowing that its challenges could not be resolved in a single biennium but would require a phased approach to reduce dependence on mainframe technology over the next three to four biennia. The Commission is moving away from its mainframe to a cloud-based business application specifically designed to regulate the Texas oil and gas industry by implementing several modern information technology tools that support moving off mainframe technology, while enacting a data warehouse and business intelligence solution to make more of the agency's data transparent and user-friendly. The Commission is establishing a solid foundation and framework—based on commercially available cloud-based technologies to the fullest extent possible—to leverage in future years allowing for the implementation of modern, flexible, and scalable systems able to provide industry, the public, and Commission staff with the services and information necessary to achieve the agency's strategic goals.

Improving access to data — whether it is searching for enforcement data in the award-winning RRC OIL (Online Inspection Lookup) portal, e-filing documents for hearings or downloading a file-stamped document copy from CASES (Case Administration Service Electronic System), or using the Commission's data visualization tools on its website — provides easy access to key components of the work undertaken by the Commission to protect public safety and the environment. In fiscal year 2020 the Commission met or exceeded many of its performance measure targets. The Commission continues to evaluate opportunities for innovation with a thorough understanding of its programs, activities and responsibilities, deploying a robust governance process to provide relief to operators with a variety of initiatives including deadline extensions for certain requirements or filings, online processing and electronic submissions.

Through information technology and other new tools, the Commission innovates to broaden its operational efficiency. Using its skilled and highly trained workforce alongside technology the Commission launched a statewide drone inspection team so inspectors may immediately monitor well blowouts, oil spills, and other emergency incidents, and quickly cover large areas of terrain when speed is a critical component of response. Providing an alternative to in-person inspections when access is limited, drones allow inspectors to rapidly respond and inspect sites that are unsafe or inaccessible during emergencies such as fires, flooding, and other natural disasters. The Commission's drone fleet can also be a critical resource in supporting the state's response to emergencies by providing aerial views of inaccessible areas. Most recently the Commission's drone fleet was made available to the Texas Division of Emergency Management in response to Hurricane Laura.

#### **Five Percent Current Biennium Budget Reduction**

The Commission adjusted its 2020-21 budget by five percent in General Revenue and General Revenue Dedicated Funds in accordance with direction issued on May 20, 2020. The reduction totaled \$89,070 from the Commission's General Revenue Fund and \$13,056,935 from General Revenue Dedicated Funds (Oil and Gas Regulation and Cleanup Account No. 5155).

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After a comprehensive review of its baseline budget, the Commission determined that a five percent budget reduction would come from the elimination of General Revenue and General Revenue Dedicated funding for activities that support but may not directly impact the economic growth of Texas or protect the health and safety of the citizens of the State. A reduction in federal funds accompanies these reductions as General Revenue and General Revenue Dedicated funds serve as match for many of the Commission's federally funded programs.

The Commission delayed state managed cleanup activities on large major oil and gas site remediation projects, redirecting resources to mid-size cleanup projects. The program continues to monitor conditions at sites where cleanup is delayed. Cleanup activities will continue at these sites as funding allows or should site conditions require immediate action.

The Commission is also deferring replacement of vehicles. Vehicles will only be replaced if a vehicle is not safe to operate or needs repairs that are not cost effective. Vehicles scheduled for replacement in fiscal year 2021 based on the agency's life cycle replacement schedule will be replaced in fiscal year 2022 or fiscal year 2023 depending on many factors including vehicle condition and available funding.

Beginning in March 2020, the Commission delayed hiring and froze certain positions. Presently, the Commission is only hiring for positions that are critical, such as inspectors or information technology professionals necessary to move forward with infrastructure modernization. All other positions are evaluated individually to determine if filling the position is necessary to protect the state's natural resources and the environment, assure personal and community safety, or support the state's economic vitality. The freeze or hiring delay for some positions relinquished the associated federal funds as the Commission sought to reduce the state share of those positions.

Travel and training budgets for programs agency-wide were reduced to focus on critical trainings, including those required by federal guidelines. Online trainings is used when there is no loss in the quality of instruction. The COVID-19 pandemic limited available training classes and travel during the second half of fiscal year 2020. The reduction of some travel and training activities relinquished the associated federal funding. Expenditures for goods and services that could be deferred until the next biennium without a loss in productivity or progress were delayed.

#### **Exceptional Items — (\$8,124,304)**

The Commission proposes two exception items for the FY 22-23 biennium:

1. Restoration of Site Remediation Funding for \$7,161,090
2. Restoration of Capital Budget for Vehicle Replacement for \$963,214.

The Commission's Oil and Gas Site Remediation program investigates, assesses, and clean-ups approximately 250 abandoned sites each year using fees and surcharges paid by industry to the Oil and Gas Regulation and Cleanup fund. There are more than 2,000 sites across Texas that are eligible for cleanup using OGRC funds. To reduce expenditures by five percent during the 2020-21 biennium, the Commission deferred site remediation cleanup activities for larger cleanup projects, focusing instead on mid-size and smaller projects. Deferring these projects is only possible for a limited period before they will require immediate action, significantly increasing costs associated with remediating such sites. The Commission continues to monitor conditions at each site eligible for cleanup using OGRC funds should conditions deteriorate. Restoration of fiscal year 2020-21 funding will allow the Commission to advance its mission to protect the state's natural resources and the environment by completing one large cleanup project and begin work on a second project during the 2022-23 biennium. These additional projects are estimated to employ approximately 90

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to 100 highly skilled oil field services workers and will have a multiplying effect at oilfield services companies and beyond in the communities where remediation activity occurs.

The Commission's Oil and Gas Monitoring and Inspections program and its Pipeline Safety Inspections program monitor almost 440,000 oil and gas wells, conducting inspections at more than 200,000 sites each year and regulate nearly 250,000 miles of pipeline across Texas. Each of those inspections requires a highly trained inspector to drive to the site of inspection. This exceptional item request will restore the Commission's capital budget for vehicle acquisition to the fiscal year 2020 level allowing the agency to resume its replacement schedule. The Commission will defer most of its inspector vehicles replacement efforts in fiscal year 2021; however, the agency anticipates more vehicles will become cost prohibitive to repair or will be unsafe to operate in the 2022-2023 biennium. With the restoration of fiscal year 2020 capital budget authority, the Commission will purchase 28 trucks that are able to meet the demands of field inspector travel that is often off-road to remote oil and gas facilities and pipelines locations. The Commission's replacement cycle is based on guidance from the Comptroller's Office of Vehicle Fleet Management (OVFM).

#### **Authority to Conduct Background Checks**

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

#### **Capital Budget**

The Commission's capital budget request seeks capital authority totaling \$40.3 million. In summary, the Commission's 2022-23 appropriation request includes the following capital projects in the Base Level Request:

- \$856,400 for Technology, including PCs and laptops.
- \$12,684,582 for Data Center Services.
- \$2,266,786 for vehicle replacement
- \$3,000,000 for Inspection and Enforcement Tracking and Reporting Phase III
- \$21,475,647 for Mainframe Transformation Phase II

With this request the Commission will continue implementing modern, flexible, and scalable information technology systems that reduce dependence on mainframe systems. These efforts will produce 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. Also included in this capital authority request are funds necessary to maintain Data Center Services, and the Commission's fleet of vehicles for its inspectors.

During the 2020-21 biennium the Commission began the first two years of an anticipated six to eight-year technology infrastructure modernization program. The Commission seeks to continue this effort with \$21.5 million capital budget authority in the 2022-23 biennium for Phase II to develop additional software releases that will move existing mainframe applications to a cloud-based Software as a Service (SaaS) model. One component of infrastructure modernization is the development of data warehouse and business intelligence tools to provide reporting tools as information moves to the new cloud-based software. This effort continues the Commission's

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progress towards transforming all applications out of its legacy mainframe environment. The Commission has funding within the baseline request for its planned efforts in 2022-23, and seeks only the capital authority to proceed with the next phase of modernization. A move of this scale, across multiple biennia, from highly interconnected, legacy systems is imperative for the successful implementation of the Commission's Oil and Gas Monitoring and Enforcement Plan, as well as to ensure the effective and efficient regulation of the state's energy industries.

In addition, the Commission seeks \$3,000,000 capital budget authority to continue Phase III of the Inspection and Enforcement Tracking and Reporting system. This is to complete the alternative fuel safety inspection system.

The Commission requests capital authority totaling \$13.5 million for other ongoing technology responsibilities, including \$12.7 million to continue its Data Center Services contract with the Department of Information Resources, and \$856,400 for PC replacement. In the 2022-23 biennium, the Commission will continue to work with the Department of Information Resources to incorporate cloud storage capabilities as well as maintain current services.

#### **Operational Stability Funding**

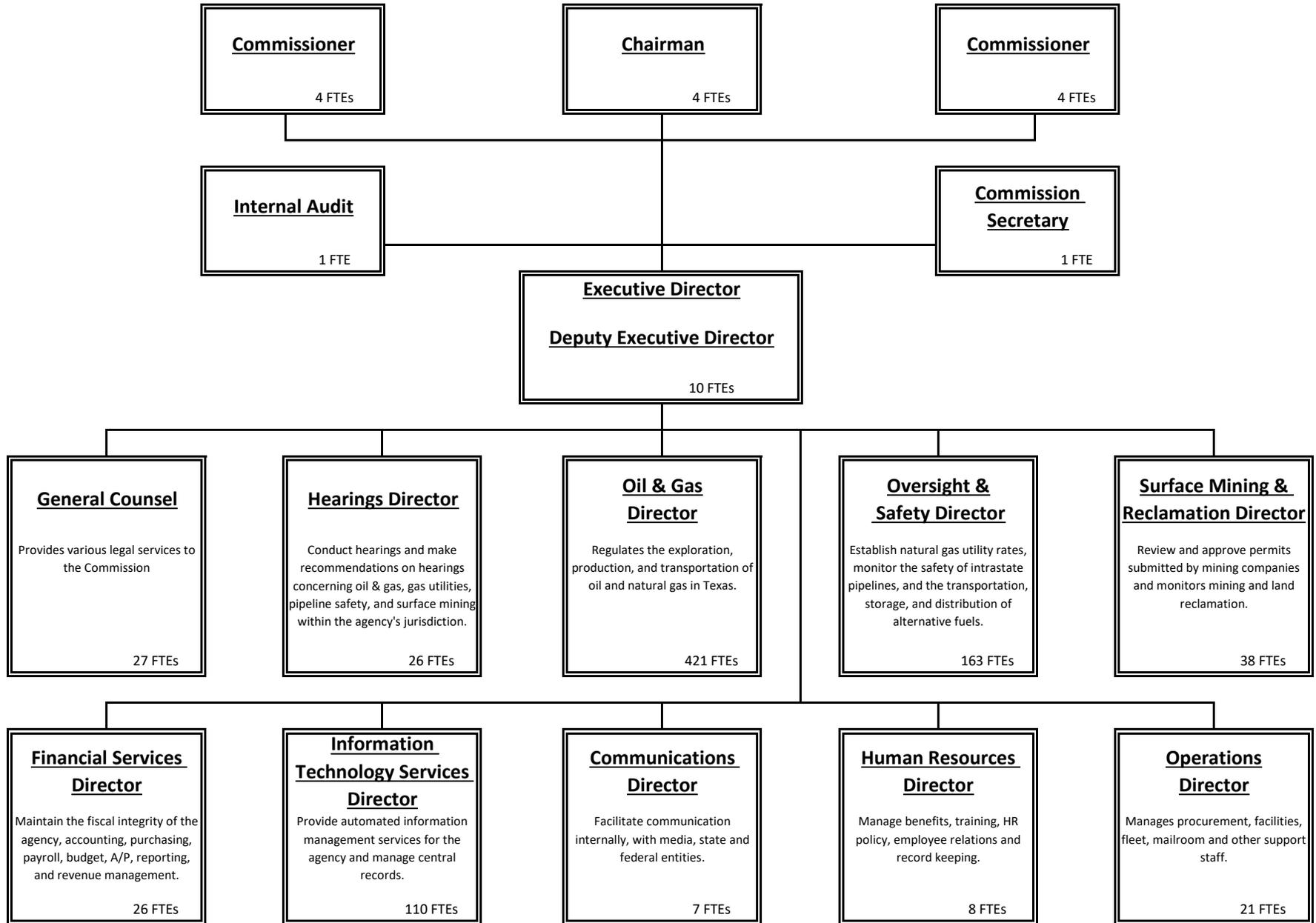
Beginning with the 2018-19 biennium, the Legislature recognized that the Commission needs consistent funding streams that are not dependent on industry activity to avoid repeating the circumstances of fiscal year 2016, and provided the agency with the operational stability funding from the Gas Utility Pipeline Tax. The Gas Utility Pipeline Tax is paid by approximately 200 intrastate gas utilities as 1/2 of 1 percent tax applicable to gross income from taxable activities, allowing certain deductions (generally gas cost) from gross receipts. From 1920 until 1981, the Railroad Commission administered the tax, with its revenue deposited into the Commission's Operating Fund (Fund 0155) to offset the costs associated with its collection. Since 1981, the Commission continued to administer the tax and perform all operational functions associated with tax collection, but the revenue deposit moved from the Commission's Operating Fund to General Revenue Fund and was not appropriated to the Commission.

The continued appropriation of a portion of this tax revenue to the Commission for the 2020-21 biennium allowed the Commission to begin the biennium with some measure of revenue certainty and to plan for and implement mission-critical activities from the first day of the biennium, rather than delay those activities until revenue levels could support the appropriations. As a result, the Commission was able to continue its mission amidst a global pandemic and a drastic oil market collapse. Operational stability funding for the 2022-23 biennium is critical during this period of uncertainty and will allow the Commission to build on the successes afforded by a revenue-certain, consistent funding source that is not dependent on an unstable commodity market.

# Railroad Commission of Texas

## Organization Chart

(as of September 1, 2020)





# CERTIFICATE

**Agency Name** Railroad Commission of Texas

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

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Governor’s Office will be notified in writing in accordance with Article IX, Section 7.01 (2020–21 GAA).

**Chief Executive Officer**

DocuSigned by:  
Wei Wang  
A320E7878B01444...  
Signature

Wei Wang, CPA, CISA  
Printed Name

Executive Director  
Title

9/25/2020  
Date

**Commission Chair**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**Chief Financial Officer**

DocuSigned by:  
CC  
09F3020A5C5A41B...  
Signature

Corey Crawford, CPA  
Printed Name

Chief Financial Officer  
Title

9/25/2020  
Date

**Budget Overview - Biennial Amounts**  
**87th Regular Session, Agency Submission, Version 1**  
Automated Budget and Evaluation System of Texas (ABEST)

455 Railroad Commission  
Appropriation Years: 2022-23

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2020-21	2022-23	2020-21	2022-23	2020-21	2022-23	2020-21	2022-23	2020-21	2022-23	2022-23
<b>Goal: 1. Oversee Oil and Gas Resource Development</b>											
1.1.1. Energy Resource Development	16,879,248	13,301,289	20,813,087	29,222,381	734,501	640,000	300,538	500,000	38,727,374	43,663,670	
<b>Total, Goal</b>	<b>16,879,248</b>	<b>13,301,289</b>	<b>20,813,087</b>	<b>29,222,381</b>	<b>734,501</b>	<b>640,000</b>	<b>300,538</b>	<b>500,000</b>	<b>38,727,374</b>	<b>43,663,670</b>	
<b>Goal: 2. Advance Safety Through Training, Monitoring, and Enforcement</b>											
2.1.1. Pipeline Safety	3,298,585	3,295,921	12,029,361	10,775,416	6,509,944	6,460,000			21,837,890	20,531,337	192,642
2.1.2. Pipeline Damage Prevention	338,563	263,741	806,914	606,258	520,000	420,000			1,665,477	1,289,999	
2.2.1. Regulate Alt Fuel Resources	4,531,279	7,625,223					1,839,608	1,820,000	6,370,887	9,445,223	
<b>Total, Goal</b>	<b>8,168,427</b>	<b>11,184,885</b>	<b>12,836,275</b>	<b>11,381,674</b>	<b>7,029,944</b>	<b>6,880,000</b>	<b>1,839,608</b>	<b>1,820,000</b>	<b>29,874,254</b>	<b>31,266,559</b>	<b>192,642</b>
<b>Goal: 3. Min. Harmful Effects of Energy Prod &amp; Ensure Fair Rates for Consumers</b>											
3.1.1. Oil/Gas Monitor & Inspections	18,492,602	20,351,764	43,783,358	37,053,844			96,557		62,372,517	57,405,608	577,929
3.1.2. Surface Mining Monitoring/Inspect	5,049,531	4,482,576			2,625,300	2,760,000			7,674,831	7,242,576	
3.2.1. Oil&Gas Well Plugging & Remediation	49,825,346	48,733,317	63,324,456	65,277,730	279,555	240,000	30,170,227		143,599,584	114,251,047	7,353,733
3.2.2. Surface Mining Reclamation	883,941	993,161			2,834,700	3,200,000			3,718,641	4,193,161	
3.3.1. Gas Utility Commerce	5,426,736	5,631,152					494,487	260,000	5,921,223	5,891,152	
<b>Total, Goal</b>	<b>79,678,156</b>	<b>80,191,970</b>	<b>107,107,814</b>	<b>102,331,574</b>	<b>5,739,555</b>	<b>6,200,000</b>	<b>30,761,271</b>	<b>260,000</b>	<b>223,286,796</b>	<b>188,983,544</b>	<b>7,931,662</b>
<b>Goal: 4. Public Access to Information and Services</b>											
4.1.1. Public Information And Services	3,026,815	3,074,502	4,582,450	2,253,151			154,071	120,000	7,763,336	5,447,653	
<b>Total, Goal</b>	<b>3,026,815</b>	<b>3,074,502</b>	<b>4,582,450</b>	<b>2,253,151</b>			<b>154,071</b>	<b>120,000</b>	<b>7,763,336</b>	<b>5,447,653</b>	
<b>Total, Agency</b>	<b>107,752,646</b>	<b>107,752,646</b>	<b>145,339,626</b>	<b>145,188,780</b>	<b>13,504,000</b>	<b>13,720,000</b>	<b>33,055,488</b>	<b>2,700,000</b>	<b>299,651,760</b>	<b>269,361,426</b>	<b>8,124,304</b>
<b>Total FTEs</b>									<b>870.6</b>	<b>870.6</b>	<b>0.0</b>

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

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**455 Railroad Commission**

<b>Goal / Objective / STRATEGY</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>Req 2022</b>	<b>Req 2023</b>
<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>	11,018,741	18,060,980	20,666,394	23,798,378	19,865,292
<b>TOTAL, GOAL</b> <b>1</b>	<b>\$11,018,741</b>	<b>\$18,060,980</b>	<b>\$20,666,394</b>	<b>\$23,798,378</b>	<b>\$19,865,292</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>	10,462,777	11,367,212	10,470,678	10,341,659	10,189,678
<b>2 PIPELINE DAMAGE PREVENTION</b>	750,441	993,508	671,969	642,176	647,823
<b>2</b> <u>Alternative Energy &amp; Safety Through Regulation</u>					
<b>1 REGULATE ALT FUEL RESOURCES</b>	3,311,006	3,161,548	3,209,339	5,162,278	4,282,945
<b>TOTAL, GOAL</b> <b>2</b>	<b>\$14,524,224</b>	<b>\$15,522,268</b>	<b>\$14,351,986</b>	<b>\$16,146,113</b>	<b>\$15,120,446</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**

87th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

<b>455 Railroad Commission</b>					
<b>Goal / Objective / STRATEGY</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>Req 2022</b>	<b>Req 2023</b>
<b>1 OIL/GAS MONITOR &amp; INSPECTIONS</b>	22,201,592	30,243,875	32,128,642	29,649,154	27,756,454
<b>2 SURFACE MINING MONITORING/INSPECT</b>	3,282,717	3,707,723	3,967,108	3,627,991	3,614,585
<u><b>2</b></u> <i>Identify and Abate Environmental Threats</i>					
<b>1 OIL&amp;GAS WELL PLUGGING &amp; REMEDIATION</b>	76,382,870	72,353,810	71,245,774	57,362,932	56,888,115
<b>2 SURFACE MINING RECLAMATION</b>	1,034,180	1,605,836	2,112,805	2,090,269	2,102,892
<u><b>3</b></u> <i>Maintain Competitive Prices and Adequate Supplies for Consumers</i>					
<b>1 GAS UTILITY COMMERCE</b>	2,518,083	2,956,349	2,964,874	2,938,069	2,953,083
<b>TOTAL, GOAL</b> <b>3</b>	<b>\$105,419,442</b>	<b>\$110,867,593</b>	<b>\$112,419,203</b>	<b>\$95,668,415</b>	<b>\$93,315,129</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>	2,736,750	3,673,431	4,089,905	2,714,094	2,733,559
<b>TOTAL, GOAL</b> <b>4</b>	<b>\$2,736,750</b>	<b>\$3,673,431</b>	<b>\$4,089,905</b>	<b>\$2,714,094</b>	<b>\$2,733,559</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$133,699,157</b>	<b>\$148,124,272</b>	<b>\$151,527,488</b>	<b>\$138,327,000</b>	<b>\$131,034,426</b>

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

87th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

**455 Railroad Commission**

<b>Goal / Objective / STRATEGY</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>Req 2022</b>	<b>Req 2023</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*</b>				<b>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$133,699,157</b>	<b>\$148,124,272</b>	<b>\$151,527,488</b>	<b>\$138,327,000</b>	<b>\$131,034,426</b>
<b>METHOD OF FINANCING:</b>					
<b>General Revenue Funds:</b>					
1 General Revenue Fund	41,167,239	51,204,673	56,547,973	54,630,002	53,122,644
<b>SUBTOTAL</b>	<b>\$41,167,239</b>	<b>\$51,204,673</b>	<b>\$56,547,973</b>	<b>\$54,630,002</b>	<b>\$53,122,644</b>
<b>General Revenue Dedicated Funds:</b>					
5155 Oil & Gas Regulation	84,540,928	73,819,211	71,520,415	75,486,998	69,701,782
<b>SUBTOTAL</b>	<b>\$84,540,928</b>	<b>\$73,819,211</b>	<b>\$71,520,415</b>	<b>\$75,486,998</b>	<b>\$69,701,782</b>
<b>Federal Funds:</b>					
555 Federal Funds	5,389,714	6,632,000	6,872,000	6,860,000	6,860,000
<b>SUBTOTAL</b>	<b>\$5,389,714</b>	<b>\$6,632,000</b>	<b>\$6,872,000</b>	<b>\$6,860,000</b>	<b>\$6,860,000</b>
<b>Other Funds:</b>					
599 Economic Stabilization Fund	0	15,085,127	15,085,100	0	0
666 Appropriated Receipts	2,601,276	1,383,261	1,502,000	1,350,000	1,350,000
<b>SUBTOTAL</b>	<b>\$2,601,276</b>	<b>\$16,468,388</b>	<b>\$16,587,100</b>	<b>\$1,350,000</b>	<b>\$1,350,000</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$133,699,157</b>	<b>\$148,124,272</b>	<b>\$151,527,488</b>	<b>\$138,327,000</b>	<b>\$131,034,426</b>

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

87th 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 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>Req 2022</b>	<b>Req 2023</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**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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

METHOD OF FINANCING	Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
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**GENERAL REVENUE**

**1** General Revenue Fund

*REGULAR APPROPRIATIONS*

Regular Appropriations from MOF Table (2018-19 GAA)

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

\$0	\$51,263,743	\$56,577,973	\$0	\$0
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Regular Appropriations from MOF Table (2022-23 GAA)

\$0	\$0	\$0	\$54,630,002	\$53,122,644
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*RIDER APPROPRIATION*

Art IX, Sec 13.11, Earned Federal Funds (2018-19 GAA)

\$500,807	\$0	\$0	\$0	\$0
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Art VI-48, Rider 15. Operational Stability Fund (2018-19)

\$19,825,000	\$0	\$0	\$0	\$0
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*LAPSED APPROPRIATIONS*

5% Reductions - 2020-21

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

87th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: <b>455</b>		Agency name: <b>Railroad Commission</b>				
<b>METHOD OF FINANCING</b>		<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>Req 2022</b>	<b>Req 2023</b>
<b><u>GENERAL REVENUE</u></b>		\$0	\$(59,070)	\$(30,000)	\$0	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>						
Art VI-48, Rider 13. UB Between Fiscal Years Within the Biennium (2018-19)						
		\$10,115,771	\$0	\$0	\$0	\$0
<b>TOTAL,</b>	<b>General Revenue Fund</b>	<b>\$41,167,239</b>	<b>\$51,204,673</b>	<b>\$56,547,973</b>	<b>\$54,630,002</b>	<b>\$53,122,644</b>
<b>TOTAL, ALL</b>	<b>GENERAL REVENUE</b>	<b>\$41,167,239</b>	<b>\$51,204,673</b>	<b>\$56,547,973</b>	<b>\$54,630,002</b>	<b>\$53,122,644</b>
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>						
<b><u>5155</u></b> GR Dedicated - Oil and Gas Regulation and Cleanup Account No. 5155						
<i>REGULAR APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2018-19 GAA)						
		\$66,888,051	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2020-21 GAA)						
		\$0	\$77,411,482	\$77,968,596	\$0	\$0
Regular Appropriations from MOF Table (2022-23 GAA)						

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

87th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: <b>455</b>	Agency name: <b>Railroad Commission</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>Req 2022</b>	<b>Req 2023</b>
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>					
	\$0	\$0	\$0	\$75,486,998	\$69,701,782
<i>RIDER APPROPRIATION</i>					
Art VI-49, Rider 12. Appropriation: Oil and Gas Regulation and Cleanup Account Fees (2020-21)					
	\$0	\$3,167,329	\$0	\$0	\$0
Art IX, Sec. 18.28. Contingency for House Bill 2771. (2020-21 GAA)					
	\$0	\$0	\$(150,846)	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2018-19 GAA)					
	\$(11,975,157)	\$0	\$0	\$0	\$0
5% Reductions - 2020-21					
	\$0	\$(6,759,600)	\$(6,297,335)	\$0	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>					
Art VI-48, Rider 13. UB Between Fiscal Years Within the Biennium (2018-19)					
	\$29,628,034	\$0	\$0	\$0	\$0

**2.B. Summary of Base Request by Method of Finance**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code:	<b>455</b>	Agency name:	<b>Railroad Commission</b>			
<b>METHOD OF FINANCING</b>		<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>Req 2022</b>	<b>Req 2023</b>
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>						
<b>TOTAL,</b>	<b>GR Dedicated - Oil and Gas Regulation and Cleanup Account No. 5155</b>	<b>\$84,540,928</b>	<b>\$73,819,211</b>	<b>\$71,520,415</b>	<b>\$75,486,998</b>	<b>\$69,701,782</b>
<b>TOTAL, ALL</b>	<b>GENERAL REVENUE FUND - DEDICATED</b>	<b>\$84,540,928</b>	<b>\$73,819,211</b>	<b>\$71,520,415</b>	<b>\$75,486,998</b>	<b>\$69,701,782</b>
<b>TOTAL,</b>	<b>GR &amp; GR-DEDICATED FUNDS</b>	<b>\$125,708,167</b>	<b>\$125,023,884</b>	<b>\$128,068,388</b>	<b>\$130,117,000</b>	<b>\$122,824,426</b>

**FEDERAL FUNDS**

**555** Federal Funds

*REGULAR APPROPRIATIONS*

Regular Appropriations from MOF Table (2018-19 GAA)

\$8,101,813	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2020-21 GAA)

\$0	\$7,202,000	\$7,202,000	\$0	\$0
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Regular Appropriations from MOF Table (2022-23 GAA)

\$0	\$0	\$0	\$6,860,000	\$6,860,000
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*LAPSED APPROPRIATIONS*

Regular Appropriations from MOF Table (2018-19 GAA)

**2.B. Summary of Base Request by Method of Finance**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: <b>455</b>		Agency name: <b>Railroad Commission</b>				
<b>METHOD OF FINANCING</b>		<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>Req 2022</b>	<b>Req 2023</b>
<b><u>FEDERAL FUNDS</u></b>						
		\$ (4,283,954)	\$ 0	\$ 0	\$ 0	\$ 0
	Regular Appropriations from MOF Table (2020-21 GAA)	\$ 0	\$ (570,000)	\$ (330,000)	\$ 0	\$ 0
<i>UNEXPENDED BALANCES AUTHORITY</i>						
	Art VI-48, Rider 13. UB Between Fiscal Years Within the Biennium (2018-19)	\$ 1,571,855	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL,</b>	<b>Federal Funds</b>	<b>\$5,389,714</b>	<b>\$6,632,000</b>	<b>\$6,872,000</b>	<b>\$6,860,000</b>	<b>\$6,860,000</b>
<b>TOTAL, ALL</b>	<b>FEDERAL FUNDS</b>	<b>\$5,389,714</b>	<b>\$6,632,000</b>	<b>\$6,872,000</b>	<b>\$6,860,000</b>	<b>\$6,860,000</b>

**OTHER FUNDS**

**599** Economic Stabilization Fund

*UNEXPENDED BALANCES AUTHORITY*

Art VI-48, Rider 13. UB Between Fiscal Years Within the Biennium (2018-19)

\$ 30,170,227	\$ 0	\$ 0	\$ 0	\$ 0
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Art VI-49, Rider 13. UB Between Fiscal Years Within the Biennium (2020-21)

**2.B. Summary of Base Request by Method of Finance**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: <b>455</b>		Agency name: <b>Railroad Commission</b>				
<b>METHOD OF FINANCING</b>		<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>Req 2022</b>	<b>Req 2023</b>
<b><u>OTHER FUNDS</u></b>						
		\$(30,170,227)	\$30,170,227	\$0	\$0	\$0
	Art VI-49, Rider 13. UB Between Fiscal Years Within the Biennium (2020-21)	\$0	\$(15,085,100)	\$15,085,100	\$0	\$0
<b>TOTAL,</b>	<b>Economic Stabilization Fund</b>	<b>\$0</b>	<b>\$15,085,127</b>	<b>\$15,085,100</b>	<b>\$0</b>	<b>\$0</b>
<b><u>666</u></b>	Appropriated Receipts					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2018-19 GAA)	\$2,393,988	\$0	\$0	\$0	\$0
	Regular Appropriations from MOF Table (2020-21 GAA)	\$0	\$2,286,761	\$2,286,761	\$0	\$0
	Regular Appropriations from MOF Table (2022-23 GAA)	\$0	\$0	\$0	\$1,350,000	\$1,350,000
	<i>RIDER APPROPRIATION</i>					
	Art IX, Sec 8.07, Seminars and Conferences (2018-19 GAA)					

**2.B. Summary of Base Request by Method of Finance**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: <b>455</b>		Agency name: <b>Railroad Commission</b>				
<b>METHOD OF FINANCING</b>		<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>Req 2022</b>	<b>Req 2023</b>
<b><u>OTHER FUNDS</u></b>						
		\$17,539	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>						
	Regular Appropriations from MOF Table (2020-21 GAA)	\$0	\$(903,500)	\$(784,761)	\$0	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>						
	Art VI-48, Rider 13. UB Between Fiscal Years Within the Biennium (2018-19)	\$189,749	\$0	\$0	\$0	\$0
<b>TOTAL,</b>	<b>Appropriated Receipts</b>	<b>\$2,601,276</b>	<b>\$1,383,261</b>	<b>\$1,502,000</b>	<b>\$1,350,000</b>	<b>\$1,350,000</b>
<b>TOTAL, ALL</b>	<b>OTHER FUNDS</b>	<b>\$2,601,276</b>	<b>\$16,468,388</b>	<b>\$16,587,100</b>	<b>\$1,350,000</b>	<b>\$1,350,000</b>
<b>GRAND TOTAL</b>		<b>\$133,699,157</b>	<b>\$148,124,272</b>	<b>\$151,527,488</b>	<b>\$138,327,000</b>	<b>\$131,034,426</b>



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

87th 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>OBJECT OF EXPENSE</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
1001 SALARIES AND WAGES	\$47,797,499	\$53,169,312	\$56,085,372	\$57,491,342	\$57,491,342
1002 OTHER PERSONNEL COSTS	\$1,260,465	\$1,318,458	\$1,453,388	\$1,453,436	\$1,453,436
2001 PROFESSIONAL FEES AND SERVICES	\$11,907,705	\$23,061,983	\$26,645,363	\$26,525,354	\$19,436,781
2002 FUELS AND LUBRICANTS	\$903,144	\$766,744	\$971,654	\$971,654	\$971,654
2003 CONSUMABLE SUPPLIES	\$170,919	\$238,700	\$167,924	\$167,924	\$167,924
2004 UTILITIES	\$358,997	\$418,995	\$355,536	\$355,536	\$355,536
2005 TRAVEL	\$1,176,102	\$936,300	\$1,099,392	\$1,099,392	\$1,099,392
2006 RENT - BUILDING	\$885,405	\$741,397	\$850,910	\$850,910	\$850,910
2007 RENT - MACHINE AND OTHER	\$190,084	\$220,592	\$215,473	\$215,473	\$215,473
2009 OTHER OPERATING EXPENSE	\$67,469,966	\$65,613,118	\$63,184,396	\$47,867,086	\$47,867,085
5000 CAPITAL EXPENDITURES	\$1,578,871	\$1,638,673	\$498,080	\$1,328,893	\$1,124,893
<b>OOE Total (Excluding Riders)</b>	<b>\$133,699,157</b>	<b>\$148,124,272</b>	<b>\$151,527,488</b>	<b>\$138,327,000</b>	<b>\$131,034,426</b>
<b>OOE Total (Riders)</b>					
<b>Grand Total</b>	<b>\$133,699,157</b>	<b>\$148,124,272</b>	<b>\$151,527,488</b>	<b>\$138,327,000</b>	<b>\$131,034,426</b>

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**2.D. Summary of Base Request Objective Outcomes**  
87th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation system of Texas (ABEST)

**455 Railroad Commission**

Goal/ Objective / Outcome	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
1 <i>Oversee Oil and Gas Resource Development</i>					
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>					
	73.00%	67.00%	73.00%	73.00%	73.00%
2 <i>Advance Safety Through Training, Monitoring, and Enforcement</i>					
1 <i>Improve Pipeline Safety</i>					
<b>KEY</b> <b>1    Average Number of Safety Violations</b>					
	1.88	0.97	1.55	1.60	1.65
2 <i>Alternative Energy &amp; Safety Through Regulation</i>					
<b>1    Average Number of LPG/CNG/LNG Violations</b>					
	1.47	1.32	1.40	1.40	1.40
<b>2    Percent of LPG/CNG/LNG Inspections W/ Non-compliance Items</b>					
	72.00%	56.00%	83.00%	83.00%	83.00%
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</b> <b>1    Percent of Oil and Gas Inspections That Identify Violations</b>					
	6.00%	5.00%	5.00%	5.00%	5.00%
<b>2    Percent of Wells Not Inspected in Last Five Years</b>					
	13.00%	1.00%	0.25%	0.25%	0.25%
2 <i>Identify and Abate Environmental Threats</i>					
<b>KEY</b> <b>1    Percent of Known Orphaned Wells Plugged w/State-Managed Funds</b>					
	27.00%	24.00%	25.00%	15.50%	15.50%
<b>2    % Pollution Sites Inves., Assessed, Cleaned w/State-Managed Funds</b>					
	12.00%	13.00%	10.45%	11.36%	11.36%
3 <i>Maintain Competitive Prices and Adequate Supplies for Consumers</i>					
<b>1    Average Texas Residential Gas Price as a Percent of National Gas Price</b>					
	108.00%	101.00%	105.00%	105.00%	105.00%

**2.E. Summary of Exceptional Items Request**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 455

Agency name: **Railroad Commission**

Priority	Item	2022			2023			Biennium	
		GR and GR/Dedicated	All Funds	FTEs	GR and GR/Dedicated	All Funds	FTEs	GR and GR/Dedicated	All Funds
1	Site Remediation Restoration	\$3,580,545	\$3,580,545		\$3,580,545	\$3,580,545		\$7,161,090	\$7,161,090
2	Vehicle Replacements Restoration	\$481,607	\$481,607		\$481,607	\$481,607		\$963,214	\$963,214
<b>Total, Exceptional Items Request</b>		<b>\$4,062,152</b>	<b>\$4,062,152</b>		<b>\$4,062,152</b>	<b>\$4,062,152</b>		<b>\$8,124,304</b>	<b>\$8,124,304</b>
<b>Method of Financing</b>									
	General Revenue	\$4,062,152	\$4,062,152		\$4,062,152	\$4,062,152		\$8,124,304	\$8,124,304
	General Revenue - Dedicated								
	Federal Funds								
	Other Funds								
		<b>\$4,062,152</b>	<b>\$4,062,152</b>		<b>\$4,062,152</b>	<b>\$4,062,152</b>		<b>\$8,124,304</b>	<b>\$8,124,304</b>

**Full Time Equivalent Positions**

Number of 100% Federally Funded FTEs

0.0

0.0

**2.F. Summary of Total Request by Strategy**  
87th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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

<b>Goal/Objective/STRATEGY</b>	<b>Base 2022</b>	<b>Base 2023</b>	<b>Exceptional 2022</b>	<b>Exceptional 2023</b>	<b>Total Request 2022</b>	<b>Total Request 2023</b>
<b>1</b> <i>Oversee Oil and Gas Resource Development</i>						
<b>1</b> <i>Increase Opportunities for Oil and Gas Resource Development</i>						
<b>1</b> ENERGY RESOURCE DEVELOPMENT	\$23,798,378	\$19,865,292	\$0	\$0	\$23,798,378	\$19,865,292
<b>TOTAL, GOAL 1</b>	<b>\$23,798,378</b>	<b>\$19,865,292</b>	<b>\$0</b>	<b>\$0</b>	<b>\$23,798,378</b>	<b>\$19,865,292</b>
<b>2</b> <i>Advance Safety Through Training, Monitoring, and Enforcement</i>						
<b>1</b> <i>Improve Pipeline Safety</i>						
<b>1</b> PIPELINE SAFETY	10,341,659	10,189,678	192,642	0	10,534,301	10,189,678
<b>2</b> PIPELINE DAMAGE PREVENTION	642,176	647,823	0	0	642,176	647,823
<b>2</b> <i>Alternative Energy &amp; Safety Through Regulation</i>						
<b>1</b> REGULATE ALT FUEL RESOURCES	5,162,278	4,282,945	0	0	5,162,278	4,282,945
<b>TOTAL, GOAL 2</b>	<b>\$16,146,113</b>	<b>\$15,120,446</b>	<b>\$192,642</b>	<b>\$0</b>	<b>\$16,338,755</b>	<b>\$15,120,446</b>
<b>3</b> <i>Min. Harmful Effects of Energy Prod &amp; Ensure Fair Rates for Consume</i>						
<b>1</b> <i>Reduce Occurrence of Environmental Violations</i>						
<b>1</b> OIL/GAS MONITOR & INSPECTIONS	29,649,154	27,756,454	216,724	361,205	29,865,878	28,117,659
<b>2</b> SURFACE MINING MONITORING/INSPECT	3,627,991	3,614,585	0	0	3,627,991	3,614,585
<b>2</b> <i>Identify and Abate Environmental Threats</i>						
<b>1</b> OIL&GAS WELL PLUGGING & REMEDIATION	57,362,932	56,888,115	3,652,786	3,700,947	61,015,718	60,589,062
<b>2</b> SURFACE MINING RECLAMATION	2,090,269	2,102,892	0	0	2,090,269	2,102,892
<b>3</b> <i>Maintain Competitive Prices and Adequate Supplies for Consumers</i>						
<b>1</b> GAS UTILITY COMMERCE	2,938,069	2,953,083	0	0	2,938,069	2,953,083
<b>TOTAL, GOAL 3</b>	<b>\$95,668,415</b>	<b>\$93,315,129</b>	<b>\$3,869,510</b>	<b>\$4,062,152</b>	<b>\$99,537,925</b>	<b>\$97,377,281</b>

**2.F. Summary of Total Request by Strategy**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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

<b>Goal/Objective/STRATEGY</b>	<b>Base 2022</b>	<b>Base 2023</b>	<b>Exceptional 2022</b>	<b>Exceptional 2023</b>	<b>Total Request 2022</b>	<b>Total Request 2023</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	\$2,714,094	\$2,733,559	\$0	\$0	\$2,714,094	\$2,733,559
<b>TOTAL, GOAL 4</b>	<b>\$2,714,094</b>	<b>\$2,733,559</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,714,094</b>	<b>\$2,733,559</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$138,327,000</b>	<b>\$131,034,426</b>	<b>\$4,062,152</b>	<b>\$4,062,152</b>	<b>\$142,389,152</b>	<b>\$135,096,578</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST</b>						
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$138,327,000</b>	<b>\$131,034,426</b>	<b>\$4,062,152</b>	<b>\$4,062,152</b>	<b>\$142,389,152</b>	<b>\$135,096,578</b>

**2.F. Summary of Total Request by Strategy**  
87th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 455		Agency name: Railroad Commission				
<i>Goal/Objective/STRATEGY</i>	<b>Base 2022</b>	<b>Base 2023</b>	<b>Exceptional 2022</b>	<b>Exceptional 2023</b>	<b>Total Request 2022</b>	<b>Total Request 2023</b>
<b>General Revenue Funds:</b>						
1 General Revenue Fund	\$54,630,002	\$53,122,644	\$4,062,152	\$4,062,152	\$58,692,154	\$57,184,796
	<b>\$54,630,002</b>	<b>\$53,122,644</b>	<b>\$4,062,152</b>	<b>\$4,062,152</b>	<b>\$58,692,154</b>	<b>\$57,184,796</b>
<b>General Revenue Dedicated Funds:</b>						
5155 Oil & Gas Regulation	75,486,998	69,701,782	0	0	75,486,998	69,701,782
	<b>\$75,486,998</b>	<b>\$69,701,782</b>	<b>\$0</b>	<b>\$0</b>	<b>\$75,486,998</b>	<b>\$69,701,782</b>
<b>Federal Funds:</b>						
555 Federal Funds	6,860,000	6,860,000	0	0	6,860,000	6,860,000
	<b>\$6,860,000</b>	<b>\$6,860,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,860,000</b>	<b>\$6,860,000</b>
<b>Other Funds:</b>						
599 Economic Stabilization Fund	0	0	0	0	0	0
666 Appropriated Receipts	1,350,000	1,350,000	0	0	1,350,000	1,350,000
	<b>\$1,350,000</b>	<b>\$1,350,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,350,000</b>	<b>\$1,350,000</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$138,327,000</b>	<b>\$131,034,426</b>	<b>\$4,062,152</b>	<b>\$4,062,152</b>	<b>\$142,389,152</b>	<b>\$135,096,578</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>870.6</b>	<b>870.6</b>	<b>0.0</b>	<b>0.0</b>	<b>870.6</b>	<b>870.6</b>

**2.G. Summary of Total Request Objective Outcomes**  
 87th Regular Session, Agency Submission, Version 1  
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Agency code: **455**

Agency name: **Railroad Commission**

Goal/ Objective / Outcome

		<b>BL 2022</b>	<b>BL 2023</b>	<b>Excp 2022</b>	<b>Excp 2023</b>	<b>Total Request 2022</b>	<b>Total Request 2023</b>
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>						
		73.00%	73.00%			73.00%	73.00%
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>						
		1.60	1.65			1.60	1.65
2	<i>Alternative Energy &amp; Safety Through Regulation</i>						
	<b>1 Average Number of LPG/CNG/LNG Violations</b>						
		1.40	1.40			1.40	1.40
	<b>2 Percent of LPG/CNG/LNG Inspections W/ Non-compliance Items</b>						
		83.00%	83.00%			83.00%	83.00%
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>						
		5.00%	5.00%			5.00%	5.00%
	<b>2 Percent of Wells Not Inspected in Last Five Years</b>						
		0.25%	0.25%			0.25%	0.25%
2	<i>Identify and Abate Environmental Threats</i>						

**2.G. Summary of Total Request Objective Outcomes**  
 87th Regular Session, Agency Submission, Version 1  
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Agency code: **455**

Agency name: **Railroad Commission**

Goal/ Objective / Outcome

	<b>BL 2022</b>	<b>BL 2023</b>	<b>Excp 2022</b>	<b>Excp 2023</b>	<b>Total Request 2022</b>	<b>Total Request 2023</b>
<b>KEY</b>						
<b>1 Percent of Known Orphaned Wells Plugged w/State-Managed Funds</b>						
	15.50%	15.50%			15.50%	15.50%
<b>2 % Pollution Sites Inves., Assessed, Cleaned w/State-Managed Funds</b>						
	11.36%	11.36%			11.36%	11.36%
<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>						
	105.00%	105.00%			105.00%	105.00%

**3.A. Strategy Request**  
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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>Output Measures:</b>						
	1 Number of Organizations Permitted or Renewed	8,167.00	13,346.00	8,000.00	8,100.00	8,200.00
KEY 2	Number of Drilling Permit Applications Processed	16,301.00	11,196.00	11,800.00	12,300.00	14,200.00
KEY 3	Number of Wells Monitored	439,547.00	442,033.00	439,000.00	440,000.00	440,000.00
<b>Efficiency Measures:</b>						
	1 Average Number of Cases Completed Per Examiner	164.00	152.00	115.00	100.00	100.00
KEY 2	Average Number of Wells Monitored Per Analyst	31,396.00	31,573.00	33,769.00	33,846.00	33,846.00
	3 Percent Permit Applications Processed within Time Frames	90.00 %	94.00 %	90.00 %	90.00 %	90.00 %
KEY 4	Average Number of Days to Process a Drilling Permit	2.00	2.00	3.00	3.00	3.00
<b>Explanatory/Input Measures:</b>						
	1 Number of Active Oil and Gas Rigs	441.00	107.00	275.00	350.00	400.00
	2 Oil Produced from Leases w/C02 Injection Wells for Tertiary Recovery	65,744,923.00	75,741,383.00	80,000,000.00	85,000,000.00	90,000,000.00
	3 Annual Calendar Year Production of Texas Crude Oil	1,609,068,498.00	1,572,453,985.00	1,450,000,000.00	1,500,000,000.00	1,600,000,000.00
	4 Annual Calendar Year Production of Texas Natural Gas	9,291,137,307.00	6,698,607,369.00	9,000,000,000.00	9,600,000,000.00	10,000,000,000.00
	5 Number of Horizontal Drilling Permits Applications Processed	12,023.00	8,706.00	9,300.00	9,800.00	11,000.00
	6 Number of Vertical Drilling Permit Applications Processed	4,250.00	2,485.00	2,500.00	2,500.00	3,200.00

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$8,068,497	\$9,829,096	\$11,557,527	\$11,557,527	\$11,557,527
1002	OTHER PERSONNEL COSTS	\$217,988	\$236,451	\$262,842	\$262,842	\$262,842
2001	PROFESSIONAL FEES AND SERVICES	\$1,383,156	\$5,904,612	\$6,898,572	\$10,082,686	\$6,149,600
2002	FUELS AND LUBRICANTS	\$818	\$435	\$25,774	\$25,774	\$25,774
2003	CONSUMABLE SUPPLIES	\$33,161	\$43,742	\$15,071	\$15,071	\$15,071
2004	UTILITIES	\$5,812	\$6,755	\$31,910	\$31,910	\$31,910
2005	TRAVEL	\$71,994	\$43,104	\$49,060	\$49,060	\$49,060
2006	RENT - BUILDING	\$197,364	\$8,898	\$76,369	\$76,369	\$76,369
2007	RENT - MACHINE AND OTHER	\$30,682	\$40,021	\$19,339	\$19,339	\$19,339
2009	OTHER OPERATING EXPENSE	\$996,037	\$1,893,421	\$1,729,930	\$1,677,800	\$1,677,800
5000	CAPITAL EXPENDITURES	\$13,232	\$54,445	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$11,018,741</b>	<b>\$18,060,980</b>	<b>\$20,666,394</b>	<b>\$23,798,378</b>	<b>\$19,865,292</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$6,219,561	\$7,586,676	\$9,292,572	\$6,658,854	\$6,642,435
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$6,219,561</b>	<b>\$7,586,676</b>	<b>\$9,292,572</b>	<b>\$6,658,854</b>	<b>\$6,642,435</b>

**3.A. Strategy Request**  
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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$4,251,781	\$10,086,293	\$10,726,794	\$16,569,524	\$12,652,857
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$4,251,781</b>	<b>\$10,086,293</b>	<b>\$10,726,794</b>	<b>\$16,569,524</b>	<b>\$12,652,857</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	66.204.000 Multipurpose Grants/States & Tribes	\$0	\$35,028	\$35,028	\$0	\$0
	66.433.000 State Underground Water S	\$340,738	\$312,445	\$352,000	\$320,000	\$320,000
CFDA Subtotal, Fund	555	\$340,738	\$347,473	\$387,028	\$320,000	\$320,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$340,738</b>	<b>\$347,473</b>	<b>\$387,028</b>	<b>\$320,000</b>	<b>\$320,000</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$206,661	\$40,538	\$260,000	\$250,000	\$250,000
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$206,661</b>	<b>\$40,538</b>	<b>\$260,000</b>	<b>\$250,000</b>	<b>\$250,000</b>

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$23,798,378</b>	<b>\$19,865,292</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$11,018,741</b>	<b>\$18,060,980</b>	<b>\$20,666,394</b>	<b>\$23,798,378</b>	<b>\$19,865,292</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>131.1</b>	<b>177.1</b>	<b>174.9</b>	<b>174.9</b>	<b>174.9</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

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

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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External factors impacting the strategy include commodity prices. From 2019 to 2020, the average West Texas Intermediate price of oil decreased from \$56.99 to \$38.24 per barrel and the average Henry Hub Spot price of natural gas decreased from \$2.66 to \$2.11 per thousand cubic feet. As prices decreased in FY2020, the number of drilling permit applications decreased by 56 percent. Other agency activities, such as production reporting and various maintenance processes, continued at high levels due to the existing inventory of oil and gas wells. As of July 31, 2020, there were 439,695 wells carried on the Commission's oil and gas well schedule.

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

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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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 2020 + Bud 2021)	Baseline Request (BL 2022 + BL 2023)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$38,727,374	\$43,663,670	\$4,936,296	\$8,657,136	5155 - Changes in capital budgets (Mainframe Transformation primarily, IETRS, DCS)
			\$(3,127,836)	0001 - Changes in capital budgets (Mainframe Transformation primarily, IETRS, DCS)
			\$(450,123)	0001 - Redistribution of base budget (primarily to Mainframe Transformation capital project).
			\$(247,842)	5155 - Redistribution of base budget.
			\$199,462	0666 - Restoration of regulatory conference appropriated receipts lost due to COVID-19 closures
			\$(70,056)	0555 - One-time federal grant (CFDA 66.204) in 2020-21.
			\$(24,445)	0555 - Change in UIC Federal Grant for direct expenditures.
			<u>\$4,936,296</u>	<b>Total of Explanation of Biennial Change</b>

**3.A. Strategy Request**  
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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>Output Measures:</b>						
KEY 1	Number of Pipeline Safety Evaluations Performed	3,086.00	3,100.00	3,150.00	3,200.00	3,250.00
2	Number of Pipeline Safety Violations Identified through Inspections	2,527.00	2,229.00	2,100.00	2,150.00	2,200.00
3	# Pipeline Accident Investigations or Complaint Investigations	221.00	220.00	240.00	250.00	260.00
4	Number of Pipeline Specialized Program Evaluations	1,461.00	1,500.00	1,550.00	1,600.00	1,650.00
<b>Efficiency Measures:</b>						
KEY 1	Average Number of Pipeline Field Inspections Per Field Inspector	84.55	60.00	70.00	75.00	80.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$6,677,095	\$7,127,242	\$7,280,140	\$7,280,140	\$7,280,140
1002	OTHER PERSONNEL COSTS	\$164,424	\$159,318	\$190,021	\$190,021	\$190,021
2001	PROFESSIONAL FEES AND SERVICES	\$1,865,031	\$2,259,726	\$1,358,605	\$1,012,450	\$1,075,827
2002	FUELS AND LUBRICANTS	\$155,287	\$111,541	\$166,663	\$166,663	\$166,663
2003	CONSUMABLE SUPPLIES	\$9,394	\$21,705	\$17,242	\$17,242	\$17,242
2004	UTILITIES	\$76,539	\$108,057	\$36,504	\$36,504	\$36,504
2005	TRAVEL	\$559,060	\$507,157	\$568,526	\$568,526	\$568,526
2006	RENT - BUILDING	\$51,160	\$53,058	\$87,367	\$87,367	\$87,367

**3.A. Strategy Request**  
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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
2007	RENT - MACHINE AND OTHER	\$22,006	\$22,621	\$22,123	\$22,123	\$22,123
2009	OTHER OPERATING EXPENSE	\$741,017	\$564,314	\$667,065	\$667,065	\$667,065
5000	CAPITAL EXPENDITURES	\$141,764	\$432,473	\$76,422	\$293,558	\$78,200
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$10,462,777</b>	<b>\$11,367,212</b>	<b>\$10,470,678</b>	<b>\$10,341,659</b>	<b>\$10,189,678</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$4,048,522	\$1,937,629	\$1,360,956	\$1,760,356	\$1,535,565
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$4,048,522</b>	<b>\$1,937,629</b>	<b>\$1,360,956</b>	<b>\$1,760,356</b>	<b>\$1,535,565</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$3,175,032	\$6,154,611	\$5,874,750	\$5,351,303	\$5,424,113
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$3,175,032</b>	<b>\$6,154,611</b>	<b>\$5,874,750</b>	<b>\$5,351,303</b>	<b>\$5,424,113</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	20.700.000 Pipeline Safety	\$3,222,836	\$3,274,972	\$3,234,972	\$3,230,000	\$3,230,000
CFDA Subtotal, Fund	555	\$3,222,836	\$3,274,972	\$3,234,972	\$3,230,000	\$3,230,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$3,222,836</b>	<b>\$3,274,972</b>	<b>\$3,234,972</b>	<b>\$3,230,000</b>	<b>\$3,230,000</b>

**3.A. Strategy Request**  
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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$16,387	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$16,387</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$10,341,659</b>	<b>\$10,189,678</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$10,462,777</b>	<b>\$11,367,212</b>	<b>\$10,470,678</b>	<b>\$10,341,659</b>	<b>\$10,189,678</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>108.5</b>	<b>110.2</b>	<b>110.2</b>	<b>110.2</b>	<b>110.2</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 235,500 miles of intrastate natural gas distribution, gathering, and transmission pipelines, and hazardous liquids and CO2 transmission and gathering lines.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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 87th Regular Session, Agency Submission, Version 1  
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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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External factors that impact the Pipeline Safety Program include the federal Pipeline Safety Act, 49 USC 60101, et seq., Section 60107 limiting the federal share of a state pipeline safety budget to up to 80 percent of the of reasonable cost, 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 Program. The remainder of the program is funded by pipeline safety and regulatory fees charged to all natural gas distribution and municipal operators on a per service line basis and an annual fee per master meter system. Additionally, pipeline permit registration fees are assessed on operators of intrastate transmission and gathering pipelines. Pursuant to Commission rule, each pipeline operator is assessed an annual fee based on the pipeline operator's permitted mileage.

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.

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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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 2020 + Bud 2021)	Baseline Request (BL 2022 + BL 2023)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$21,837,890	\$20,531,337	\$(1,306,553)	\$(1,713,729)	5155 - OGRC Changes in capital budgets (primarily IETRS capital project).
			\$44,312	0001 - GR Changes in capital budgets.
			\$409,840	5155 - OGRC redistribution of base budget.
			\$(46,976)	0001 - GR redistribution of base budget (primarily to capital budgets).
			<u>\$(1,306,553)</u>	<b>Total of Explanation of Biennial Change</b>

**3.A. Strategy Request**  
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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>Output Measures:</b>						
KEY 1	Number of Excavation Damage Enforcement Cases Completed	3,432.00	2,886.00	3,000.00	3,000.00	3,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$489,867	\$482,395	\$480,990	\$480,990	\$480,990
1002	OTHER PERSONNEL COSTS	\$6,466	\$6,015	\$12,479	\$12,479	\$12,479
2001	PROFESSIONAL FEES AND SERVICES	\$133,396	\$281,542	\$96,087	\$66,294	\$71,941
2002	FUELS AND LUBRICANTS	\$82	\$23	\$1,224	\$1,224	\$1,224
2003	CONSUMABLE SUPPLIES	\$1,017	\$2,025	\$1,285	\$1,285	\$1,285
2004	UTILITIES	\$333	\$870	\$2,718	\$2,718	\$2,718
2005	TRAVEL	\$12,416	\$14,006	\$19,754	\$19,754	\$19,754
2006	RENT - BUILDING	\$149	\$157	\$6,504	\$6,504	\$6,504
2007	RENT - MACHINE AND OTHER	\$1,971	\$2,055	\$1,648	\$1,648	\$1,648
2009	OTHER OPERATING EXPENSE	\$104,411	\$119,481	\$49,280	\$49,280	\$49,280
5000	CAPITAL EXPENDITURES	\$333	\$84,939	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$750,441</b>	<b>\$993,508</b>	<b>\$671,969</b>	<b>\$642,176</b>	<b>\$647,823</b>

**Method of Financing:**

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
1	General Revenue Fund	\$293,814	\$222,816	\$115,747	\$132,299	\$131,442
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$293,814</b>	<b>\$222,816</b>	<b>\$115,747</b>	<b>\$132,299</b>	<b>\$131,442</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$183,530	\$460,692	\$346,222	\$299,877	\$306,381
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$183,530</b>	<b>\$460,692</b>	<b>\$346,222</b>	<b>\$299,877</b>	<b>\$306,381</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	20.700.000 Pipeline Safety	\$214,989	\$210,000	\$210,000	\$210,000	\$210,000
	20.720.000 State Damage Prevention Program	\$21,919	\$100,000	\$0	\$0	\$0
	20.721.000 Pipeline Safety Grant Program	\$36,189	\$0	\$0	\$0	\$0
CFDA Subtotal, Fund	555	\$273,097	\$310,000	\$210,000	\$210,000	\$210,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$273,097</b>	<b>\$310,000</b>	<b>\$210,000</b>	<b>\$210,000</b>	<b>\$210,000</b>

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$642,176</b>	<b>\$647,823</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$750,441</b>	<b>\$993,508</b>	<b>\$671,969</b>	<b>\$642,176</b>	<b>\$647,823</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>8.0</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</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:**

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**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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There are several external factors that impact the Damage Prevention Program. In the federal Pipeline Safety Act, 49 USC 60101, et seq., Section 60107 limits the federal share of a state pipeline safety budget to up to 80 percent of the of the cost of the personnel, equipment, and activities the authority requires, based on agency performance. However, federal funding has not been sufficient to meet this funding level. Federal grants are limited to the funds appropriated by Congress to PHMSA. If total state agency requests for grants exceed the funds available, the Administrator prorates each state agency’s allocation to the maximum funding level available to each state based on actual expenses. General revenue funds therefore provide additional support for the Pipeline Safety Program. To fund the remainder of the program, a pipeline safety fee is charged to all natural gas distribution and municipal operators on a per service line basis, pursuant to Texas Utilities Code, Sec. 121.211, which establishes the maximum fees at \$1.00 per distribution service line. This statute also establishes an annual \$100 fee per master meter system. Pursuant to Commission rule 16 Tex. Admin. Code §8.201, the service line fee is currently \$1.00 per service line per year, and the master meter fee is \$100 per system. Internal factors impacting this strategy include limited access to computer resources to streamline report processing and to add enforcement capabilities and having limited staff resources to expand activities beyond in-office compliance reviews of damage reports.

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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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 2020 + Bud 2021)	Baseline Request (BL 2022 + BL 2023)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$1,665,477	\$1,289,999	\$(375,478)	\$(249,423)	5155 - OGRC Changes in capital budgets (primarily IETRS).
			\$(100,000)	0555 - State Damage Prevention Grant.
			\$(68,459)	0001 - GR Changes in capital budgets.
			\$48,767	5155 - OGRC redistribution of base budget.
			\$(6,363)	0001 - GR redistribution of base budget.
			<u>\$(375,478)</u>	<b>Total of Explanation of Biennial Change</b>

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>Output Measures:</b>						
KEY 1	# of LPG/LNG/CNG Safety Inspections Performed	18,774.00	19,723.00	20,000.00	20,000.00	20,000.00
2	# of LPG/LNG/CNG Safety Violations Identified through Inspection	14,219.00	17,619.00	16,000.00	16,000.00	16,000.00
3	Number of LPG/CNG/LNG Investigations	146.00	152.00	200.00	200.00	200.00
4	Number of LPG/CNG/LNG Exams Administered	36,309.00	32,619.00	36,000.00	36,000.00	36,000.00
5	# Attending LP-gas Training or Continuing Ed	4,524.00	2,873.00	4,600.00	4,600.00	4,600.00
<b>Efficiency Measures:</b>						
1	Average Number of LPG/CNG/LNG Safety Inspections Per Inspector	1,294.00	1,429.00	1,200.00	1,200.00	1,200.00
2	Percent of LPG/CNG/LNG Reports Processed w/ in 30 Days	35.00 %	76.00 %	90.00 %	90.00 %	90.00 %
3	Percentage of Applications to Install LPG/CNG/LNG Facility Processed	92.00 %	95.00 %	95.00 %	95.00 %	95.00 %
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,972,986	\$2,273,055	\$2,402,532	\$2,402,532	\$2,402,532
1002	OTHER PERSONNEL COSTS	\$63,074	\$50,252	\$62,494	\$62,494	\$62,494
2001	PROFESSIONAL FEES AND SERVICES	\$781,125	\$312,592	\$249,153	\$2,215,825	\$1,234,492
2002	FUELS AND LUBRICANTS	\$49,792	\$41,976	\$47,723	\$47,723	\$47,723

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
2003	CONSUMABLE SUPPLIES	\$16,836	\$15,309	\$4,721	\$4,721	\$4,721
2004	UTILITIES	\$20,194	\$21,876	\$9,995	\$9,995	\$9,995
2005	TRAVEL	\$98,025	\$88,536	\$126,703	\$126,703	\$126,703
2006	RENT - BUILDING	\$680	\$1,672	\$23,922	\$23,922	\$23,922
2007	RENT - MACHINE AND OTHER	\$6,128	\$11,221	\$6,058	\$6,058	\$6,058
2009	OTHER OPERATING EXPENSE	\$176,991	\$345,059	\$194,305	\$194,305	\$194,305
5000	CAPITAL EXPENDITURES	\$125,175	\$0	\$81,733	\$68,000	\$170,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,311,006</b>	<b>\$3,161,548</b>	<b>\$3,209,339</b>	<b>\$5,162,278</b>	<b>\$4,282,945</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$2,141,118	\$2,303,940	\$2,227,339	\$4,252,278	\$3,372,945
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$2,141,118</b>	<b>\$2,303,940</b>	<b>\$2,227,339</b>	<b>\$4,252,278</b>	<b>\$3,372,945</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$1,169,888	\$857,608	\$982,000	\$910,000	\$910,000
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$1,169,888</b>	<b>\$857,608</b>	<b>\$982,000</b>	<b>\$910,000</b>	<b>\$910,000</b>

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$5,162,278</b>	<b>\$4,282,945</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$3,311,006</b>	<b>\$3,161,548</b>	<b>\$3,209,339</b>	<b>\$5,162,278</b>	<b>\$4,282,945</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>32.1</b>	<b>40.2</b>	<b>40.2</b>	<b>40.2</b>	<b>40.2</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 7,400 licenses; registers approximately 7,300 transport cargo tank vehicles, and cylinder delivery units; certifies or registers approximately 24,000 individuals to perform jurisdictional alternative fuels activities; and provides approximately 3,000 hours of LP-gas training to industry. In addition to providing safety training, the department investigates accidents and complaints involving alternative fuels; responds to emergencies; presents alternative fuel safety training to emergency responders; and performs almost 19,000 safety inspections annually.

Safety inspections are conducted on-site and include both stationary facilities and mobile equipment. Stationary sites inspected are schools, health care centers, retail, commercial and industrial businesses, alternative fuels cylinder filling and service stations, and facilities utilizing stationary fuel-storage containers. Mobile equipment inspections include school buses, mass transit, transport cargo tanks, cylinder delivery vehicles, catering trucks, and industrial forklifts. The training provided to industry is focused on the regulations that persons performing regulated activities with LP-gas must know in order to perform these activities safely.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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The activities performed by the Alternative Fuels Safety Department are funded through a combination of appropriated receipts and general revenue. The training and exam certification program is supported through fees collected for safety classes, exam certifications, and registrations. The on-site safety inspection and compliance activities of the field operations program are dependent upon revenue collected from licenses and permits issued, and registration of cargo tank transport vehicles. A decrease in the number of individuals requesting training, certification exams, or registration will have an adverse effect on the funding and operation of the training and certification program. A reduction in the number of licenses issued and cargo tank transport vehicles registered will result in less revenue for conducting on-site safety inspections that identify hazardous installations and implementing corrective enforcement action.

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

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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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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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 2020 + Bud 2021)	Baseline Request (BL 2022 + BL 2023)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$6,370,887	\$9,445,223	\$3,074,336	\$3,000,000	0001 - IETRS Capital Project - Alternative Fuels Licensing and Inspection System (LIS) to be integrated into IETRS System.
			\$79,729	0001 - GR Changes in capital budgets.
			\$(25,001)	0001 - GR redistribution of base budget (primarily to capital budget).
			\$19,608	0666 - Training center was closed for part of FY 2020 for COVID-19 pandemic.
			<u>\$3,074,336</u>	<b>Total of Explanation of Biennial Change</b>

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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  
STRATEGY: 1 Oil and Gas Monitoring and Inspections

Service Categories:

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

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>Output Measures:</b>						
KEY 1	Number of Oil and Gas Well and Facility Inspections Performed	203,697.00	347,617.00	342,500.00	345,000.00	345,000.00
	2 Number of Enforcement Referrals for Legal Action	1,635.00	1,540.00	1,600.00	1,550.00	1,550.00
KEY 3	# Oil & Gas Environmental Permit Applications & Reports Processed	108,521.00	105,863.00	110,000.00	110,000.00	110,000.00
	4 # of Actions Initiated through Issuance of Severance/Seal Orders (HQ)	97,782.00	61,060.00	80,000.00	90,000.00	90,000.00
	5 Number of District-initiated Issuance of Severance/seal Orders	408.00	602.00	400.00	500.00	500.00
	6 # Of Well and Facility Inspections Performed with No Violation	184,959.00	317,544.00	308,000.00	310,000.00	310,000.00
<b>Efficiency Measures:</b>						
KEY 1	Avg # of Oil and Gas Well and Facility Inspections Performed	1,198.00	2,107.00	1,900.00	2,000.00	2,000.00
	2 Percent of Total Well Population Inspected	33.70 %	33.40 %	37.50 %	35.00 %	35.00 %
<b>Explanatory/Input Measures:</b>						
KEY 1	# of UIC Wells and Other Facilities Subject to Regulation	83,471.00	83,852.00	86,506.00	88,372.00	90,353.00
	2 Number of Statewide Rule Violations	21,806.00	30,314.00	25,000.00	25,000.00	25,000.00

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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  
STRATEGY: 1 Oil and Gas Monitoring and Inspections

Service Categories:

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

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
3	Number of Major Statewide Rule Violations	49.00	22.00	50.00	25.00	25.00
4	Percent of Violations Corrected within 90 Days	23.00 %	27.00 %	25.00 %	25.00 %	25.00 %
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$14,878,875	\$17,550,276	\$16,686,028	\$18,020,886	\$18,020,886
1002	OTHER PERSONNEL COSTS	\$340,352	\$421,101	\$434,469	\$464,666	\$464,666
2001	PROFESSIONAL FEES AND SERVICES	\$3,017,528	\$7,269,329	\$9,563,740	\$6,602,986	\$4,752,767
2002	FUELS AND LUBRICANTS	\$511,887	\$443,364	\$494,262	\$494,262	\$494,262
2003	CONSUMABLE SUPPLIES	\$39,793	\$67,669	\$57,308	\$57,308	\$57,308
2004	UTILITIES	\$164,676	\$185,892	\$121,339	\$121,339	\$121,339
2005	TRAVEL	\$202,309	\$109,027	\$103,371	\$103,371	\$103,371
2006	RENT - BUILDING	\$441,260	\$486,193	\$290,403	\$290,403	\$290,403
2007	RENT - MACHINE AND OTHER	\$50,957	\$65,335	\$73,537	\$73,537	\$73,537
2009	OTHER OPERATING EXPENSE	\$1,298,025	\$2,745,361	\$4,035,240	\$2,731,895	\$2,731,895
5000	CAPITAL EXPENDITURES	\$1,255,930	\$900,328	\$268,945	\$688,501	\$646,020
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$22,201,592</b>	<b>\$30,243,875</b>	<b>\$32,128,642</b>	<b>\$29,649,154</b>	<b>\$27,756,454</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$12,473,600	\$7,920,481	\$10,572,121	\$10,310,991	\$10,040,773

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Automated Budget and Evaluation System of Texas (ABEST)

**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$12,473,600</b>	<b>\$7,920,481</b>	<b>\$10,572,121</b>	<b>\$10,310,991</b>	<b>\$10,040,773</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$9,727,992	\$22,276,837	\$21,506,521	\$19,338,163	\$17,715,681
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$9,727,992</b>	<b>\$22,276,837</b>	<b>\$21,506,521</b>	<b>\$19,338,163</b>	<b>\$17,715,681</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$0	\$46,557	\$50,000	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$0</b>	<b>\$46,557</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$29,649,154</b>	<b>\$27,756,454</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$22,201,592</b>	<b>\$30,243,875</b>	<b>\$32,128,642</b>	<b>\$29,649,154</b>	<b>\$27,756,454</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>241.8</b>	<b>281.9</b>	<b>281.9</b>	<b>281.9</b>	<b>281.9</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.

**3.A. Strategy Request**  
87th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External factors impacting the strategy include the large inventory of oil and gas wells. As of July 31, 2020, there were 439,695 wells carried on the Commission's oil and gas schedules.

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

**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2020 + Bud 2021)	Baseline Request (BL 2022 + BL 2023)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$62,372,517	\$57,405,608	\$(4,966,909)	\$1,859,162	0001 - GR redistribution of base budget.
			\$(6,729,514)	5155 - OGRC redistribution of base budget (primarily capital budget from IETRS and Mainframe Transformation).
			\$(96,557)	0666 - Change in estimate of appropriated receipts.
			<u>\$(4,966,909)</u>	<b>Total of Explanation of Biennial Change</b>

**3.A. Strategy Request**  
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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  
STRATEGY: 2 Surface Mining Monitoring and Inspections

Service Categories:

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

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>Output Measures:</b>						
KEY 1	Number of Coal Mining Inspections Performed	402.00	417.00	400.00	400.00	400.00
2	Number of Coal Mining Permit Actions Processed	549.00	460.00	500.00	500.00	500.00
3	Percent of Uranium Exploration Sites Inspected Monthly	100.00 %	100.00 %	95.00 %	95.00 %	95.00 %
<b>Efficiency Measures:</b>						
1	Average # Days to Process Uranium Exploration Permitting Actions	16.30	10.00	30.00	30.00	30.00
2	Percent of Coal Permitting Actions within Statutory Time Frames	96.00 %	97.00 %	90.00 %	90.00 %	90.00 %
<b>Explanatory/Input Measures:</b>						
1	Annual Calendar Year Production of Texas Lignite Coal	24,842,955.00	23,306,720.00	20,000,000.00	20,000,000.00	20,000,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$2,583,298	\$2,824,429	\$2,935,092	\$2,935,092	\$2,935,092
1002	OTHER PERSONNEL COSTS	\$104,537	\$83,177	\$76,339	\$76,339	\$76,339
2001	PROFESSIONAL FEES AND SERVICES	\$263,935	\$500,569	\$316,172	\$237,404	\$257,998
2002	FUELS AND LUBRICANTS	\$11,452	\$11,093	\$19,331	\$19,331	\$19,331
2003	CONSUMABLE SUPPLIES	\$9,146	\$15,870	\$4,997	\$4,997	\$4,997
2004	UTILITIES	\$5,755	\$9,120	\$10,581	\$10,581	\$10,581

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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: 2 Surface Mining Monitoring and Inspections Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
2005	TRAVEL	\$31,647	\$22,066	\$45,910	\$45,910	\$45,910
2006	RENT - BUILDING	\$19,616	\$611	\$25,322	\$25,322	\$25,322
2007	RENT - MACHINE AND OTHER	\$5,917	\$7,987	\$6,413	\$6,413	\$6,413
2009	OTHER OPERATING EXPENSE	\$215,149	\$232,801	\$526,951	\$198,602	\$198,602
5000	CAPITAL EXPENDITURES	\$32,265	\$0	\$0	\$68,000	\$34,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,282,717</b>	<b>\$3,707,723</b>	<b>\$3,967,108</b>	<b>\$3,627,991</b>	<b>\$3,614,585</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$2,089,285	\$2,402,423	\$2,647,108	\$2,247,991	\$2,234,585
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$2,089,285</b>	<b>\$2,402,423</b>	<b>\$2,647,108</b>	<b>\$2,247,991</b>	<b>\$2,234,585</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	15.250.000 Regulation of Surface Coa	\$1,193,432	\$1,305,300	\$1,320,000	\$1,380,000	\$1,380,000
CFDA Subtotal, Fund	555	\$1,193,432	\$1,305,300	\$1,320,000	\$1,380,000	\$1,380,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$1,193,432</b>	<b>\$1,305,300</b>	<b>\$1,320,000</b>	<b>\$1,380,000</b>	<b>\$1,380,000</b>

**3.A. Strategy Request**  
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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: 2 Surface Mining Monitoring and Inspections Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$3,627,991</b>	<b>\$3,614,585</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$3,282,717</b>	<b>\$3,707,723</b>	<b>\$3,967,108</b>	<b>\$3,627,991</b>	<b>\$3,614,585</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>42.0</b>	<b>42.3</b>	<b>42.3</b>	<b>42.3</b>	<b>42.3</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.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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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: 2 Surface Mining Monitoring and Inspections Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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External factors impacting this strategy include the state's required program funding match at a ratio of not less than 50 percent. General Revenue funds used as state share match are collected from the regulated industry pursuant to Natural Resource Code §134.55. Low natural gas and oil 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 2021 and 2022.

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. This has become increasingly critical with the rise of the COVID-19 pandemic and the shift toward a dominantly telework workforce with needs for additional computing equipment.

**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2020 + Bud 2021)	Baseline Request (BL 2022 + BL 2023)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$7,674,831	\$7,242,576	\$(432,255)	\$(380,732)	0001 - GR redistribution of base budget.
			\$(186,223)	0001 - GR Changes in capital budgets.
			\$134,700	0555 - Federal Coal Surface Mining Grant
			<b>\$(432,255)</b>	<b>Total of Explanation of Biennial Change</b>

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>Output Measures:</b>						
KEY 1	# Abandoned Sites Investigated, Assessed or Cleaned Up w/State Funds	415.00	258.00	230.00	200.00	200.00
KEY 2	Number of Orphaned Wells Plugged with State-Managed Funds	1,710.00	1,477.00	1,400.00	1,000.00	1,000.00
KEY 3	Tot Aggr Plugging Depth of Orphaned Wells Plugged w/State-Mnged Funds	4,228,799.00	3,216,698.00	2,800,000.00	2,000,000.00	2,000,000.00
<b>Efficiency Measures:</b>						
1	Avg Number of Days to Complete State-Managed Abandoned Site Clean-up	105.00	104.31	90.00	80.00	80.00
2	Avg # Days to Plug an Orphaned Well with State-Managed Funds	48.00	46.75	50.00	50.00	50.00
<b>Explanatory/Input Measures:</b>						
1	# of Abandoned Sites That Are Candidates for State-Managed Cleanup	2,316.00	1,959.00	2,200.00	2,200.00	2,200.00
2	Number of Complex Operator-initiated Cleanups	505.00	498.00	490.00	490.00	490.00
3	Number of Orphaned Wells Approved for Plugging	1,649.00	1,298.00	1,300.00	1,000.00	1,000.00
4	# of Known Orphaned Wells	6,208.00	6,208.00	6,300.00	6,500.00	6,500.00

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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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
	5 # Wells Plugged by Operators without State-Managed Funds	4,097.00	7,375.00	6,500.00	6,500.00	6,500.00
	6 Percent Active Well Operators with Inactive Wells	45.00 %	49.00 %	47.50 %	47.50 %	47.50 %
	7 Number of Shut-in/Inactive Wells	130,017.00	146,428.00	136,000.00	140,000.00	140,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$9,370,709	\$8,877,206	\$10,213,990	\$10,285,102	\$10,285,102
1002	OTHER PERSONNEL COSTS	\$247,771	\$238,888	\$296,809	\$266,660	\$266,660
2001	PROFESSIONAL FEES AND SERVICES	\$3,750,716	\$4,125,783	\$4,914,292	\$4,543,059	\$4,082,404
2002	FUELS AND LUBRICANTS	\$172,404	\$155,596	\$200,916	\$200,916	\$200,916
2003	CONSUMABLE SUPPLIES	\$23,900	\$45,925	\$35,241	\$35,241	\$35,241
2004	UTILITIES	\$76,800	\$77,799	\$74,616	\$74,616	\$74,616
2005	TRAVEL	\$134,172	\$121,671	\$90,067	\$90,067	\$90,067
2006	RENT - BUILDING	\$151,350	\$165,529	\$178,580	\$178,580	\$178,580
2007	RENT - MACHINE AND OTHER	\$57,160	\$55,566	\$45,221	\$45,221	\$45,221
2009	OTHER OPERATING EXPENSE	\$62,388,446	\$58,356,730	\$55,125,062	\$41,432,636	\$41,432,635
5000	CAPITAL EXPENDITURES	\$9,442	\$133,117	\$70,980	\$210,834	\$196,673
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$76,382,870</b>	<b>\$72,353,810</b>	<b>\$71,245,774</b>	<b>\$57,362,932</b>	<b>\$56,888,115</b>

**Method of Financing:**

**3.A. Strategy Request**  
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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
1	General Revenue Fund	\$10,374,248	\$24,624,667	\$25,200,679	\$24,430,223	\$24,303,094
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$10,374,248</b>	<b>\$24,624,667</b>	<b>\$25,200,679</b>	<b>\$24,430,223</b>	<b>\$24,303,094</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$65,873,362	\$32,484,461	\$30,839,995	\$32,812,709	\$32,465,021
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$65,873,362</b>	<b>\$32,484,461</b>	<b>\$30,839,995</b>	<b>\$32,812,709</b>	<b>\$32,465,021</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	66.817.000 State and Tribal Response Program	\$135,260	\$159,555	\$120,000	\$120,000	\$120,000
CFDA Subtotal, Fund	555	\$135,260	\$159,555	\$120,000	\$120,000	\$120,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$135,260</b>	<b>\$159,555</b>	<b>\$120,000</b>	<b>\$120,000</b>	<b>\$120,000</b>
<b>Method of Financing:</b>						
599	Economic Stabilization Fund	\$0	\$15,085,127	\$15,085,100	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$0</b>	<b>\$15,085,127</b>	<b>\$15,085,100</b>	<b>\$0</b>	<b>\$0</b>

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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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$57,362,932</b>	<b>\$56,888,115</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$76,382,870</b>	<b>\$72,353,810</b>	<b>\$71,245,774</b>	<b>\$57,362,932</b>	<b>\$56,888,115</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>152.3</b>	<b>139.9</b>	<b>139.6</b>	<b>139.6</b>	<b>139.6</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

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

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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

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

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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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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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 2020 + Bud 2021)	Baseline Request (BL 2022 + BL 2023)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$143,599,584	\$114,251,047	\$(29,348,537)	\$(30,170,227)	0599 - Economic Stabilization Funds UB'd from 2018-19 Expended.
			\$(1,316,920)	0001 - GR Changes in capital budgets.
			\$1,551,344	5155 - OGRC Changes in capital budgets.
			\$224,891	0001 - GR redistribution of base budget.
			\$401,930	5155 - OGRC redistribution of base budget.
			\$(39,555)	0555 - Change in federal Brownfields Grant
			<u>\$ (29,348,537)</u>	<b>Total of Explanation of Biennial Change</b>

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**455 Railroad Commission**

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>Explanatory/Input Measures:</b>						
	1 Percent of Abandoned Sites on Which Reclamation Has Been Initiated	95.00 %	95.00 %	95.00 %	95.00 %	95.00 %
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$606,246	\$402,049	\$541,387	\$541,387	\$541,387
1002	OTHER PERSONNEL COSTS	\$13,892	\$6,468	\$14,104	\$14,104	\$14,104
2001	PROFESSIONAL FEES AND SERVICES	\$279,913	\$1,059,054	\$1,378,308	\$1,355,772	\$1,368,395
2002	FUELS AND LUBRICANTS	\$1,183	\$2,575	\$8,221	\$8,221	\$8,221
2003	CONSUMABLE SUPPLIES	\$2,258	\$5,545	\$2,963	\$2,963	\$2,963
2004	UTILITIES	\$3,492	\$3,141	\$6,272	\$6,272	\$6,272
2005	TRAVEL	\$17,575	\$6,974	\$50,105	\$50,105	\$50,105
2006	RENT - BUILDING	\$464	\$233	\$15,011	\$15,011	\$15,011
2007	RENT - MACHINE AND OTHER	\$6,125	\$3,040	\$3,801	\$3,801	\$3,801
2009	OTHER OPERATING EXPENSE	\$103,032	\$83,386	\$92,633	\$92,633	\$92,633
5000	CAPITAL EXPENDITURES	\$0	\$33,371	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,034,180</b>	<b>\$1,605,836</b>	<b>\$2,112,805</b>	<b>\$2,090,269</b>	<b>\$2,102,892</b>

**Method of Financing:**

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**455 Railroad Commission**

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
1	General Revenue Fund	\$809,829	\$371,136	\$512,805	\$490,269	\$502,892
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$809,829</b>	<b>\$371,136</b>	<b>\$512,805</b>	<b>\$490,269</b>	<b>\$502,892</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	15.252.000 Abandoned Mine Land Recla	\$224,351	\$1,234,700	\$1,600,000	\$1,600,000	\$1,600,000
CFDA Subtotal, Fund	555	\$224,351	\$1,234,700	\$1,600,000	\$1,600,000	\$1,600,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$224,351</b>	<b>\$1,234,700</b>	<b>\$1,600,000</b>	<b>\$1,600,000</b>	<b>\$1,600,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$2,090,269</b>	<b>\$2,102,892</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,034,180</b>	<b>\$1,605,836</b>	<b>\$2,112,805</b>	<b>\$2,090,269</b>	<b>\$2,102,892</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>9.9</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

**3.A. Strategy Request**  
 87th Regular Session, Agency Submission, Version 1  
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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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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 the 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. OSM funding is currently achieved through omnibus appropriations which have allowed for continued funding of the AML program, but impacts to grant funding in the event of final budget passage are unknown at this time.

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. This has become increasingly critical with the rise of the COVID-19 pandemic and the shift toward a dominantly telework workforce with needs for additional computing equipment.

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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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 2020 + Bud 2021)	Baseline Request (BL 2022 + BL 2023)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$3,718,641	\$4,193,161	\$474,520	\$365,300	0555 - Increased in federally funded Reclamation project expenditures.
			\$109,220	0001 - GR redistribution of base budget to cover allocated expenditures. Direct Program is 100% federally funded.
			<u>\$474,520</u>	<b>Total of Explanation of Biennial Change</b>

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>Output Measures:</b>						
	1 Number of Audits Conducted	140.00	135.00	140.00	140.00	140.00
KEY 2	Number of Gas Utility Dockets Filed	118.00	111.00	80.00	80.00	80.00
	3 Number of Gas Utilitys' Compliance, Tariff and Escalator Filings	133,037.00	109,874.00	130,000.00	130,000.00	130,000.00
<b>Efficiency Measures:</b>						
	1 Average Number of Audits Per Auditor	17.53	17.91	17.50	17.50	17.50
<b>Explanatory/Input Measures:</b>						
	1 Cost of Gas Included in Average Residential Gas Bill	133.00	82.90	100.00	100.00	100.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,941,071	\$2,326,690	\$2,402,330	\$2,402,330	\$2,402,330
1002	OTHER PERSONNEL COSTS	\$75,162	\$90,489	\$62,704	\$62,704	\$62,704
2001	PROFESSIONAL FEES AND SERVICES	\$280,223	\$265,089	\$211,298	\$184,493	\$199,507
2002	FUELS AND LUBRICANTS	\$124	\$66	\$3,321	\$3,321	\$3,321
2003	CONSUMABLE SUPPLIES	\$5,532	\$9,400	\$5,324	\$5,324	\$5,324
2004	UTILITIES	\$4,665	\$4,707	\$11,272	\$11,272	\$11,272
2005	TRAVEL	\$43,586	\$18,296	\$38,092	\$38,092	\$38,092
2006	RENT - BUILDING	\$23,035	\$24,525	\$26,977	\$26,977	\$26,977

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
2007	RENT - MACHINE AND OTHER	\$4,815	\$5,933	\$6,831	\$6,831	\$6,831
2009	OTHER OPERATING EXPENSE	\$139,870	\$211,154	\$196,725	\$196,725	\$196,725
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$2,518,083</b>	<b>\$2,956,349</b>	<b>\$2,964,874</b>	<b>\$2,938,069</b>	<b>\$2,953,083</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$2,237,695	\$2,591,862	\$2,834,874	\$2,808,069	\$2,823,083
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$2,237,695</b>	<b>\$2,591,862</b>	<b>\$2,834,874</b>	<b>\$2,808,069</b>	<b>\$2,823,083</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$280,388	\$364,487	\$130,000	\$130,000	\$130,000
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$280,388</b>	<b>\$364,487</b>	<b>\$130,000</b>	<b>\$130,000</b>	<b>\$130,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$2,938,069</b>	<b>\$2,953,083</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$2,518,083</b>	<b>\$2,956,349</b>	<b>\$2,964,874</b>	<b>\$2,938,069</b>	<b>\$2,953,083</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>31.6</b>	<b>32.0</b>	<b>32.0</b>	<b>32.0</b>	<b>32.0</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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The Texas Utilities Code, Chapters 101-105, 121-124, and 141, and the Texas Administrative Code, Chapters 2 and 7, authorize activities associated with Natural Gas Utility Compliance, which include staff participation in contested rate cases, review of non-contested filings, and auditing regulated gas utilities to ensure that proper gas utility taxes are paid and that approved rates for natural gas and services are charged to consumers. Staff also administers the gas utility electronic tariff filing process, facilitates the resolution of natural gas utility consumer complaints, and regulates propane distribution system rates. These activities ensure that gas utility and propane distribution system rates promote safe, efficient, and reliable transportation and distribution of gas at a reasonable cost. In addition, staff ensures through audits that gas utilities are complying with rate structures and submission of gas utility taxes. The Commission administers an informal complaint process to help resolve disputes between parties regarding negotiated natural gas transportation rates, reducing costs to parties and the Commission.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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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 2020 + Bud 2021)	Baseline Request (BL 2022 + BL 2023)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$5,921,223	\$5,891,152	\$(30,071)	\$(234,487)	0666 - One-time increase in appropriated receipts in 2020.
			\$(60,441)	0001 - GR Changes in capital budgets.
			\$264,857	0001 - GR redistribution of base budget.
			<u>\$(30,071)</u>	<b>Total of Explanation of Biennial Change</b>

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>Output Measures:</b>						
KEY 1	Number of Documents Provided to Customers by Info Services	250,702.00	137,793.00	165,000.00	180,000.00	195,000.00
2	Number of Reports Provided to Customers from Electronic Data Records	39,500,000.00	40,044,724.00	41,000,000.00	41,500,000.00	42,000,000.00
3	Number of Railroad Commission Records Imaged from Non-digital Formats	5,432,435.00	3,279,321.00	3,450,000.00	3,795,000.00	4,174,500.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,208,855	\$1,476,874	\$1,585,356	\$1,585,356	\$1,585,356
1002	OTHER PERSONNEL COSTS	\$26,799	\$26,299	\$41,127	\$41,127	\$41,127
2001	PROFESSIONAL FEES AND SERVICES	\$152,682	\$1,083,687	\$1,659,136	\$224,385	\$243,850
2002	FUELS AND LUBRICANTS	\$115	\$75	\$4,219	\$4,219	\$4,219
2003	CONSUMABLE SUPPLIES	\$29,882	\$11,510	\$23,772	\$23,772	\$23,772
2004	UTILITIES	\$731	\$778	\$50,329	\$50,329	\$50,329
2005	TRAVEL	\$5,318	\$5,463	\$7,804	\$7,804	\$7,804
2006	RENT - BUILDING	\$327	\$521	\$120,455	\$120,455	\$120,455
2007	RENT - MACHINE AND OTHER	\$4,323	\$6,813	\$30,502	\$30,502	\$30,502
2009	OTHER OPERATING EXPENSE	\$1,306,988	\$1,061,411	\$567,205	\$626,145	\$626,145
5000	CAPITAL EXPENDITURES	\$730	\$0	\$0	\$0	\$0

**3.A. Strategy Request**  
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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$2,736,750</b>	<b>\$3,673,431</b>	<b>\$4,089,905</b>	<b>\$2,714,094</b>	<b>\$2,733,559</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$479,567	\$1,243,043	\$1,783,772	\$1,538,672	\$1,535,830
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$479,567</b>	<b>\$1,243,043</b>	<b>\$1,783,772</b>	<b>\$1,538,672</b>	<b>\$1,535,830</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$1,329,231	\$2,356,317	\$2,226,133	\$1,115,422	\$1,137,729
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$1,329,231</b>	<b>\$2,356,317</b>	<b>\$2,226,133</b>	<b>\$1,115,422</b>	<b>\$1,137,729</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$927,952	\$74,071	\$80,000	\$60,000	\$60,000
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$927,952</b>	<b>\$74,071</b>	<b>\$80,000</b>	<b>\$60,000</b>	<b>\$60,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$2,714,094</b>	<b>\$2,733,559</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$2,736,750</b>	<b>\$3,673,431</b>	<b>\$4,089,905</b>	<b>\$2,714,094</b>	<b>\$2,733,559</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>19.6</b>	<b>32.4</b>	<b>32.4</b>	<b>32.4</b>	<b>32.4</b>

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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**STRATEGY DESCRIPTION AND JUSTIFICATION:**

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

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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

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**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 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2020 + Bud 2021)	Baseline Request (BL 2022 + BL 2023)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$7,763,336	\$5,447,653	\$(2,315,683)	\$(2,305,701)	5155 - Changes in capital budgets (Mainframe Transformation primarily, IETRS, DCS)
			\$54,654	0001 - Changes in capital budgets
			\$(34,071)	0666 - Change in estimated appropriated receipts
			\$(6,967)	0001 - GR redistribution of base budget.
			\$(23,598)	5155 - OGRC redistribution of base budget.
			<b>\$(2,315,683)</b>	<b>Total of Explanation of Biennial Change</b>

**3.A. Strategy Request**  
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**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$133,699,157</b>	<b>\$148,124,272</b>	<b>\$151,527,488</b>	<b>\$138,327,000</b>	<b>\$131,034,426</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>				<b>\$138,327,000</b>	<b>\$131,034,426</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>	<b>\$133,699,157</b>	<b>\$148,124,272</b>	<b>\$151,527,488</b>	<b>\$138,327,000</b>	<b>\$131,034,426</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>776.9</b>	<b>873.1</b>	<b>870.6</b>	<b>870.6</b>	<b>870.6</b>

**3.A.1. PROGRAM-LEVEL REQUEST SCHEDULE**  
**87th Regular Session, Agency Submission, Version 1**

Agency Code: 455		Agency: Railroad Commission of Texas			Prepared By: Corey Crawford						
Date: October 2, 2020		Program Priority	Program	Program Name	Legal Authority	2020-21 Base	Requested 2022	Requested 2023	Biennial Total 22-23	Biennial Difference	
Strategy	Strategy Name									\$	%
A.1.1.	Energy Resources Development	8	A.1.1.1.	Administrative Compliance	Tex. Nat. Res. Code, Ch. 81-92	\$ 17,257,787	\$ 10,257,101	\$ 8,561,941	\$ 18,819,042	\$ 1,561,255	9.0%
		11	A.1.1.2.	Groundwater Advisory Unit	Tex. Nat. Res. Code, §91.0115	5,488,650	3,385,319	2,825,837	6,211,156	722,506	13.2%
		7	A.1.1.3.	Technical Permitting	Tex. Nat. Res. Code, Ch. 81-92	15,980,937	10,155,958	8,477,514	18,633,472	2,652,535	16.6%
						38,727,374	23,798,378	19,865,292	43,663,670	4,936,296	12.7%
B.1.1.	Pipeline Safety	4	B.1.1.1.	Pipeline Safety/Inspections	Tex. Util. Code, Ch. 121, Tex. Nat. Res. Code, Ch. 117 and 118, and Tex. Health and Safety Code, §756.126	21,837,890	10,341,659	10,189,678	20,531,337	(1,306,553)	-6.0%
B.1.2.	Pipeline Damage Prevention	10	B.1.2.1.	Underground Damage Prevention	Tex. Util. Code, Ch. 121, Tex. Nat. Res. Code, Ch. 117 and 118, and Tex. Health and Safety Code, §756.126	1,665,477	642,176	647,823	1,289,999	(375,478)	-22.5%
B.2.1.	Regulate Alternative Fuel Resources	12	B.1.2.1	Alternative Fuels Training	Tex. Nat. Res. Code, Ch. 113.087	2,521,640	1,201,666	1,247,519	2,449,185	(72,455)	-2.9%
		6	B.1.2.2	Alternative Fuels Licensing and Regulation	Tex. Nat. Res. Code Ch. 113 and 116	3,849,247	3,960,612	3,035,426	6,996,038	3,146,791	81.8%
						6,370,887	5,162,278	4,282,945	9,445,223	3,074,336	48.3%
C.1.1.	Oil and Gas Monitoring and Inspections	3	C.1.1.1.	Oil and Gas Monitoring and Inspections	Tex. Nat. Res. Code, Title 3, Subtitles A and B, Ch. 81-92; Tex. Water Code, Ch. 26, 27, and 29; Tex. Health and Safety Code, Ch. 401	62,372,517	29,649,154	27,756,454	57,405,608	(4,966,909)	-8.0%
C.1.2.	Surface Mining Monitoring and Inspections	9	C.1.2.1.	Coal/Uranium Mining Applications and Permits	Tex. Nat. Res. Code, Sec. 134.011	4,688,899	2,135,995	2,148,351	4,284,346	(404,553)	-8.6%
		5	C.1.2.2.	Coal Mining Inspection and Enforcement	Tex. Nat. Res. Code, Sec. 134.011; Tex. Util. Code, Titles 3 & 4, Ch. 101-102, 121, 122, 181-183, 186.	2,985,932	1,491,996	1,466,234	2,958,230	(27,702)	-0.9%
						7,674,831	3,627,991	3,614,585	7,242,576	(432,255)	-5.6%
C.2.1.	Oil and Gas Well Plugging and Remediation	1	C.2.1.1.	Oil and Gas Well Plugging	Tex. Nat. Res. Code §81.068 and §91.113	107,598,647	39,518,792	39,043,975	78,562,767	(29,035,880)	-27.0%
		14	C.2.1.2.	Operator Cleanup Assistance	Tex. Nat. Res. Code, Ch. 91	1,524,204	762,102	762,102	1,524,204	-	0.0%
		2	C.2.1.3.	Oil and Gas Site Remediation	Tex. Nat. Res. Code §81.068 and §91.113	34,045,738	16,886,318	16,886,318	33,772,636	(273,102)	-0.8%
		15	C.2.1.4.	Brownfields Response Program (BRP)	Tex. Nat. Res. Code, Ch. 91, Subch. 0	430,995	195,720	195,720	391,440	(39,555)	-9.2%
						143,599,584	57,362,932	56,888,115	114,251,047	(29,348,537)	-20.4%
C.2.2.	Surface Mining Reclamation	18	C.2.2.1.	Surface Mining Reclamation	Tex. Nat. Res. Code, §134.011; Tex. Util. Code Titles 3 & 4, Ch. 101-102, 121, 122, 181-183, 186.	3,718,641	2,090,269	2,102,892	4,193,161	474,520	12.8%
C.3.1.	Gas Utility Commerce	16	C.3.1.1.	Gas Utility Audit	Tex. Util. Code, Ch 101-105, 121-124, and 141; Tex. Nat. Res. Code Ch. 113	3,574,334	1,762,841	1,771,850	3,534,691	(39,643)	-1.1%
		13	C.3.1.2.	Gas Utility Market Oversight	Tex. Util. Code, Ch. 101-105, 121-124, and 141; Tex. Nat. Res. Code, Ch. 81 and 85	2,346,889	1,175,228	1,181,233	2,356,461	9,572	0.4%
						5,957,223	2,938,069	2,953,083	5,891,152	(66,071)	-1.1%
D.1.1.	Public Information and Services	17	D.1.1.1.	Public Information and Services	Tex. Nat. Res. Code §91.551; Tex. Gov't Code, Ch. 552	7,763,336	2,714,094	2,733,559	5,447,653	(2,315,683)	-29.8%
						\$ 299,687,760	\$ 138,327,000	\$ 131,034,426	\$ 269,361,426	\$ (30,326,334)	-10.1%

**Program Prioritization:**

Programs that protect the health and safety of communities across Texas are ranked with the highest priority.

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

<b>Agency Code:</b> 455	<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> Corey Crawford	<b>Date:</b> 9/25/2020	<b>Request Level:</b> Baseline			
<b>Current Rider Number</b> 1	<b>Page Number in 2020-21 GAA</b> VI 48-49	<b>Proposed Rider Language</b>					
<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;"> <tr> <td style="width: 60%;"></td> <td style="text-align: center;"><u>2020</u> <u>2022</u></td> <td style="text-align: center;"><u>2021</u> <u>2023</u></td> </tr> </table>						<u>2020</u> <u>2022</u>	<u>2021</u> <u>2023</u>
	<u>2020</u> <u>2022</u>	<u>2021</u> <u>2023</u>					
<p><b>A. Goal: ENERGY RESOURCES</b></p> <p><b>Outcome (Results/Impact):</b></p> <p>Percent of Oil and Gas Wells That Are Active <span style="float: right;">73%</span> <span style="float: right;">73%</span></p> <p><b>A.1.1. Strategy: ENERGY RESOURCE DEVELOPMENT</b></p> <p><b>Output (Volume):</b></p> <p>Number of Drilling Permit Applications Processed <span style="float: right;"><del>19,000</del> <u>12,300</u></span> <span style="float: right;"><del>19,500</del> <u>14,200</u></span></p> <p>Number of Wells Monitored <span style="float: right;"><del>443,000</del> <u>440,000</u></span> <span style="float: right;"><del>446,500</del> <u>440,000</u></span></p> <p><b>Efficiencies:</b></p> <p>Average Number of Wells Monitored Per Analyst <span style="float: right;"><del>37,200</del> <u>33,846</u></span> <span style="float: right;"><del>37,500</del> <u>33,846</u></span></p> <p>The Average Number of Staff Days Required to Review and Process a Drilling Permit Application During the Reporting Period <span style="float: right;">3</span> <span style="float: right;">3</span></p>							
<p><b>B. Goal: SAFETY PROGRAMS</b></p> <p><b>Outcome (Results/Impact):</b></p> <p>Average Number of Pipeline Safety Violations Per Equivalent 100 Miles of Pipe Identified through Inspections <span style="float: right;"><del>1.5</del> <u>1.6</u></span> <span style="float: right;"><del>1.5</del> <u>1.65</u></span></p> <p><b>B.1.1. Strategy: PIPELINE SAFETY</b></p> <p><b>Output (Volume):</b></p> <p>Number of Pipeline Safety Inspections Performed <span style="float: right;"><del>3,013</del> <u>3,200</u></span> <span style="float: right;"><del>3,129</del> <u>3,250</u></span></p> <p><b>Efficiencies:</b></p> <p>Average Number of Pipeline Field Inspections Per Field Inspector <span style="float: right;"><del>100</del> <u>75</u></span> <span style="float: right;"><del>100</del> <u>80</u></span></p> <p><b>B.1.2. Strategy: PIPELINE DAMAGE PREVENTION</b></p> <p><b>Output (Volume):</b></p> <p>Number of Excavation Damage Enforcement Cases Completed <span style="float: right;"><del>3,500</del> <u>3,000</u></span> <span style="float: right;"><del>3,500</del> <u>3,000</u></span></p> <p><b>B.2.1. Strategy: REGULATE ALT FUEL RESOURCES</b></p> <p><b>Output (Volume):</b></p> <p>Number of LPG/LNG/CNG Safety Inspections Performed <span style="float: right;">20,000</span> <span style="float: right;">20,000</span></p>							

**3.B. Rider Revisions and Additions Request  
(continued)**

		<p><b>C. Goal: ENVIRONMENTAL &amp; CONSUMER PROTECTION</b>  <b>Outcome (Results/Impact):</b>  Percentage of Oil and Gas Facility Inspections That Identify Environmental Violations <span style="float:right">8% 5%</span> <span style="float:right">8% 5%</span>  Percentage of Known Orphaned Wells Plugged with the Use of State-Managed Funds <span style="float:right"><del>25%</del> 15.5%</span> <span style="float:right"><del>25%</del> 15.5%</span></p> <p><b>C.1.1. Strategy: OIL/GAS MONITOR &amp; INSPECTIONS</b>  <b>Output (Volume):</b>  Number of Oil and Gas Well and Facility Inspections Performed <span style="float:right"><del>189,367</del> 345,000</span> <span style="float:right"><del>189,367</del> 345,000</span>  Number of Oil and Gas Environmental Permit Applications and Reports Processed <span style="float:right">110,000</span> <span style="float:right">110,000</span></p> <p><b>Efficiencies:</b>  Average Number of Oil and Gas Well and Facility Inspections Performed by District Staff <span style="float:right"><del>1,199</del> 2,000</span> <span style="float:right"><del>1,199</del> 2,000</span></p> <p><b>Explanatory:</b>  Number of Oil and Gas Wells and Other Related Facilities Subject to Regulation <span style="float:right"><del>469,000</del> 88,372</span> <span style="float:right"><del>472,500</del> 90,353</span></p> <p><b>C.1.2. Strategy: SURFACE MINING MONITORING/INSPECTION</b>  <b>Output (Volume):</b>  Number of Coal Mining Inspections Performed <span style="float:right">400</span> <span style="float:right">400</span></p> <p><b>C.2.1. Strategy: OIL&amp;GAS WELL PLUGGING &amp; REMEDIATION</b>  <b>Output (Volume):</b>  Number of Abandoned Pollution Sites Investigated, Assessed, or Cleaned Up with the Use of State-Managed Funds <span style="float:right"><del>230</del> 200</span> <span style="float:right"><del>230</del> 200</span>  Number of Orphaned Wells Plugged with the Use of State-Managed Funds <span style="float:right">1,400 1,000</span> <span style="float:right">1,400 1,000</span>  Total Aggregate Plugging Depth of Orphaned Wells Plugged with the Use of State Managed Funds (in Linear Feet) <span style="float:right"><del>3,400,000</del> 2,000,000</span> <span style="float:right"><del>3,400,000</del> 2,000,000</span></p> <p><b>C.3.1. Strategy: GAS UTILITY COMMERCE</b>  <b>Output (Volume):</b>  Number of Gas Utility Dockets Filed <span style="float:right">80</span> <span style="float:right">80</span></p> <p><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 <span style="float:right"><del>185,000</del> 180,000</span> <span style="float:right"><del>175,000</del> 195,000</span></p> <p><i>Performance Measure goals have been updated for the 2022-23 biennium.</i></p>												
2	VI 49-50	<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:none;"> <tr> <td></td> <td style="text-align:right"><del>2020</del> 2022</td> <td style="text-align:right"><del>2021</del> 2023</td> </tr> <tr> <td>a. Acquisition of Information Resource Technologies</td> <td></td> <td></td> </tr> <tr> <td>(1) Technology Replacement and Upgrade</td> <td style="text-align:right">\$ 199,755</td> <td style="text-align:right">\$ 0</td> </tr> <tr> <td>(21) PC Refresh</td> <td style="text-align:right">428,200</td> <td style="text-align:right">428,200</td> </tr> </table>		<del>2020</del> 2022	<del>2021</del> 2023	a. Acquisition of Information Resource Technologies			(1) Technology Replacement and Upgrade	\$ 199,755	\$ 0	(21) PC Refresh	428,200	428,200
	<del>2020</del> 2022	<del>2021</del> 2023												
a. Acquisition of Information Resource Technologies														
(1) Technology Replacement and Upgrade	\$ 199,755	\$ 0												
(21) PC Refresh	428,200	428,200												

**3.B. Rider Revisions and Additions Request  
(continued)**

		( <del>32</del> ) Inspection/Enforcement Tracking and Reporting System	2,000,000	1,000,000
		( <del>43</del> ) Mainframe Transformation - Phase <del>42</del>	<del>10,466,577</del> <u>14,114,274</u>	<del>16,431,776</del> <u>7,361,373</u>
		Total, Acquisition of Information Resource Technologies	\$ <del>13,094,532</del> <u>\$16,542,474</u>	\$ <del>17,859,976</del> <u>\$8,789,573</u>
		b. Transportation Items		
		(1) Vehicle Replacements	\$ <del>1,650,000</del> <u>1,235,393</u>	\$ <del>1,226,000</del> <u>1,031,393</u>
		c. Data Center Consolidation		
		(1) Data Center Services (DCS)	\$ <del>6,124,039</del> <u>6,010,127</u>	\$ <del>5,816,869</del> <u>6,674,455</u>
		Total, Capital Budget	\$ <del>20,868,571</del> <u>23,787,994</u>	\$ <del>24,902,845</del> <u>16,495,421</u>
		Method of Financing (Capital Budget):		
		General Revenue Fund	\$ <del>12,550,026</del> <u>7,468,594</u>	\$ <del>18,065,762</del> <u>6,414,994</u>
		GR Dedicated - Oil and Gas Regulation and Cleanup Account No. 5155	\$ <del>8,318,545</del> <u>16,319,400</u>	\$ <del>6,837,083</del> <u>10,080,427</u>
		Total, Method of Financing	\$ <del>20,868,571</del> <u>23,787,994</u>	\$ <del>24,902,845</del> <u>16,495,421</u>
		<i>This rider has been updated to reflect 2022-23 capital budget appropriations request.</i>		
<b>3</b>	<b>VI-50</b>	<p><b>Appropriations Limited to Revenue Collections: LPG/CNG/LNG Fees.</b> Fees, fines and other miscellaneous revenues as authorized and generated by the operation of the Alternative Fuels Licensing Program related to activities in the liquefied petroleum gas (LPG), compresses natural gas (CNG), and liquefied natural gas (LNG) industries pursuant to Natural Resources Code §§113.082, 113.090, 113.093, 113.094, 113.131, 116.032, 116.034, and 116.072 shall cover, at a minimum, the cost of General Revenue appropriations made above in Strategy B.2.1, Regulate Alternative Energy Resources, as well as the "other direct and indirect costs" made elsewhere in this Act associated with these programs. Direct costs for the Alternative Fuels Licensing Program are estimated to be <del>\$1,629,789</del> <u>\$1,702,413</u> in fiscal year <del>2020</del> <u>2022</u> and <del>\$1,619,063</del> <u>\$1,823,080</u> in fiscal year <del>2021</del> <u>2023</u> and "other direct and indirect costs" are estimated to be \$553,731 in fiscal year <del>2020</del> <u>2022</u> and \$554,970 in fiscal year <del>2021</del> <u>2023</u>.</p> <p>In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.</p> <p>All fees collected in excess of the Comptroller of Public Accounts' Biennial Revenue Estimate (Revenue Object Codes 3035 and 3246) are appropriated to the Railroad Commission to be spent on the Alternative Fuels Licensing Program</p>		

**3.B. Rider Revisions and Additions Request  
(continued)**

		that generated the fees.  <i>This rider has been updated for the 2022-23 biennium.</i>
<b>4</b>	<b>VI-50</b>	<b>Liquefied Petroleum Gas (LPG) and Compressed Natural Gas (CNG) Training and Examination Renewal Fees.</b> Included in amounts appropriated above in Strategy B.2.1, Regulate Alternative Energy Resources, is <del>\$1,290,961</del> <u>\$910,000</u> in each fiscal year of the biennium in Appropriated Receipts (Revenue Object Codes 3245 and 3722) from fees assessed and collected pursuant to Natural Resources Code, §§113.088 and 116.034. These amounts may only be used for the purpose of providing training and examinations to licensees and certificate holders. In addition to amounts appropriated above, any additional amounts collected by the Railroad Commission pursuant to Natural Resources Code, §§113.088 and 116.034, on or after September 1, 2019, are appropriated to the Commission for the same purpose. Any additional revenues that may be collected under the provisions of this rider are estimated to be \$0.  <i>This rider has been updated for the 2022-23 biennium.</i>
<b>5</b>	<b>VI-50-51</b>	<b>Appropriation Limited to Revenue Collections: Coal Mining Inspection and Enforcement and Coal/Uranium Mining Applications and Permits.</b> Fees, fines and other miscellaneous revenues as authorized and generated by the operation of the Coal Mining Inspection and Enforcement Program and the Coal/Uranium Mining Applications and Permits Program pursuant to Natural Resources Code Chapters 131 and 134 shall cover, at a minimum, the cost of General Revenue appropriations made above in Strategy C.1.2, Surface Mining Monitoring and Inspections, as well as the "other direct and indirect costs" made elsewhere in this Act associated with this program. Direct costs for the Coal Mining Inspection and Enforcement Program and the Coal/Uranium Mining Applications and Permits Program are estimated to be <del>\$1,978,087</del> <u>\$2,247,991</u> in fiscal year <del>2020</del> <u>2022</u> and <del>\$1,978,760</del> <u>\$2,234,585</u> in fiscal year <del>2021</del> <u>2023</u> and "other direct and indirect costs" are estimated to be \$698,264 in fiscal year <del>2020</del> <u>2022</u> and \$699,800 in fiscal year <del>2021</del> <u>2023</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.  All fees collected in excess of the Comptroller of Public Accounts' Biennial Revenue Estimate (Revenue Object Code 3329) are appropriated to the Railroad Commission to be spent on the Surface Mining Program that generated the fees.  <i>This rider has been updated for the 2022-23 biennium.</i>
<b>6</b>	<b>V-51</b>	<del><b>Appropriations Limited to Revenue Collections: Pipeline Safety and Regulatory Fees.</b> Fees, fines, and other miscellaneous revenues as authorized and generated by the operation of the Pipeline Safety/Inspections Program and the Underground Damage Prevention Program pursuant to Natural Resources Code §81.071 and Utilities Code §121.211 shall cover, at a minimum, the cost of the General Revenue Dedicated Oil and Gas Regulation and Cleanup Account No. 5155 appropriations made above in Strategy B.1.1, Ensure Pipeline Safety, and Strategy B.1.2, Pipeline</del>

### 3.B. Rider Revisions and Additions Request (continued)

		<p>Damage Prevention, as well as the other "direct and indirect costs" made elsewhere in this Act associated with this program. Direct costs for the Pipeline Safety and Regulatory Program are estimated to be \$6,233,263 in fiscal year 2020 and \$5,619,603 in fiscal year 2021 and "other direct and indirect costs" are estimated to be \$1,705,541 in fiscal year 2020 and \$1,709,309 in fiscal year 2021.</p> <p><del>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.</del></p> <p><i>The 84th Legislature moved the pipeline fees and the related appropriations from GR to GR-Dedicated Oil and Gas Regulation and Cleanup Fund. This rider is no longer necessary as Texas Natural Resources Code §81.067 ensures that revenues in the fund cover the appropriations.</i></p>
<u>7 6</u>	VI-51	<p><b>Capital Budget Expenditures: Federal Funds and Appropriated Receipts.</b> Notwithstanding Article IX, §14.03, Limitation on Expenditures - Capital Budget, the Railroad Commission may expend Federal Funds and Appropriated Receipts collected in excess of the amounts identified in the agency's bill pattern on items listed in Rider 2, Capital Budget. The Railroad Commission shall notify the Legislative Budget Board, the Comptroller of Public Accounts, and the Governor upon receipt of Federal Funds and Appropriated Receipts collected in excess of the amounts identified in the agency's bill pattern, the amount received from these sources, and how the amounts will be expended on items listed in Rider 2, Capital Budget.</p> <p><i>No Change.</i></p>
<u>8 7</u>	VI-51	<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>2020-21</del> 2022-23 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 Water Code, Chapter 27, Subchapter C-1, and rules adopted by the Railroad Commission pursuant to this Subchapter C-1.</p> <p>The Railroad Commission shall notify the Legislative Budget Board, the Comptroller of Public Accounts, and the Governor if any revenue received in the Anthropogenic Carbon Dioxide Storage Trust Fund No. 827 (Other Funds) is appropriated according to this provision.</p> <p><i>This rider has been updated for the 2022-23 biennium.</i></p>
<u>9 8</u>	VI-51	<p><b>Oil and Gas Division Permitting Efficiencies.</b> Out of funds appropriated above in Strategy D.1.1, Public Information and Services, the Railroad Commission shall publish information regarding staffing levels in its Oil and Gas Division in both its Austin office and in each district office. The information shall detail how the agency is managing staffing</p>

### 3.B. Rider Revisions and Additions Request (continued)

		<p>levels sufficient to review and respond to disposal or injection well permits applications within 30 days of receipts, all other permits applications within 10 business days of receipt, and issue final decisions on contested case oil and gas permitting matters within 60 business days of the hearing date.</p> <p><i>No Change.</i></p>
<b><u>40</u> <u>9</u></b>	<b>VI-51-52</b>	<p><b>Transfer Authority.</b> Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Railroad Commission is authorized to direct agency resources and transfer such amounts appropriated above between appropriation line items.</p> <p>The Railroad Commission shall provide prior notification to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts regarding transfers of amounts appropriated above between appropriation line items if the amount exceeds 20 percent of the appropriation line item from which the transfer is made for the fiscal year.</p> <p><i>No Change.</i></p>
<b><u>44</u> <u>10</u></b>	<b>VI-52</b>	<p><b>Appropriation: Unexpended Balances Between Fiscal Years within the Biennium.</b> Any unobligated and unexpended balances as of August 31, 2020<del>2</del>, in the appropriations made to the Railroad Commission are appropriated for the same purposes for the fiscal year beginning September 1, 2020<del>2</del>.</p> <p><i>This rider has been updated for the 2022-23 biennium.</i></p>
<b><u>42</u> <u>11</u></b>	<b>VI-52</b>	<p><b>Appropriation: Oil and Gas Regulation and Cleanup Account Fees.</b> In addition to the amounts appropriated above, the Railroad Commission is appropriated any fees deposited in the General Revenue-Dedicated Oil and Gas Regulation and Cleanup Account No. 5155 in excess of amounts indicated in the Comptroller of Public Accounts' Biennial Revenue Estimate.</p> <p>The Railroad Commission shall notify the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts if fees deposited in the General Revenue-Dedicated Oil and Gas Regulation and Cleanup Account No. 5155 exceed the amount identified in the Comptroller of Public Accounts' Biennial Revenue Estimate and are appropriated according to this provision.</p> <p><i>No Change.</i></p>
<b><u>43</u> <u>12</u></b>	<b>VI-52</b>	<p><b>Appropriation: Unexpended Balances for Well Plugging and Site Remediation.</b> Included in the amounts appropriated above in Strategy C.2.1, Oil and Gas Well Plugging and Remediation, are any unexpended and unobligated balances of Other Funds from the Economic Stabilization Fund appropriated in Strategy C.2.1, Oil and Gas Well Plugging and Remediation, in the 2018-19 biennium for oil and gas well plugging activities as of August 31, 2019<del>21</del>, (estimated to be \$0) for the fiscal year beginning September 1, 2019<del>21</del>, for the same purpose.</p> <p><i>This rider has been updated for the 2022-23 biennium.</i></p>

**3.B. Rider Revisions and Additions Request  
(continued)**

<p align="center"><b>44 13</b></p>	<p align="center"><b>VI-52</b></p>	<p><b>Operational Stability Contingency.</b> In the event that the sum of available unencumbered and unobligated balances in the Oil and Gas Regulation and Cleanup Account No. 5155 (estimated to be <del>\$25.9</del> \$16.6 million at the beginning of the <del>2020-21</del> 2022-23 biennium) and the revenue deposited into the account during each year of the <del>2020-21</del> 2022-23 biennium, is determined by the Comptroller of Public Accounts to be insufficient to support appropriations made in this Act from the account, including other direct and indirect costs, the Commission is appropriated General Revenue generated by the Gas Utility Pipeline Tax, in the amount of the difference, not to exceed \$10 million per fiscal year.</p> <p><i>This rider has been updated for the 2022-23 biennium.</i></p>
<p align="center"><b>45</b></p>	<p align="center"><b>VI-52</b></p>	<p><del><b>Contingency for HB 2771.</b> Included in the amounts appropriated above out of General Revenue Dedicated Oil and Gas Regulation and Cleanup Account No. 5155 is a decrease of \$150,486 in each fiscal year in Strategy C.1.1, Oil and Gas Monitoring and Inspections, and 2.5 FTEs each fiscal year, contingent on the enactment of House Bill 2771, or similar legislation relating to the authority of the Texas Commission on Environmental Quality to issue permits for the discharge into water in this state of produced water, hydrostatic test water, and gas plant effluent resulting from certain oil and gas activities, due to the transfer of these responsibilities from the Railroad Commission to the Texas Commission on Environmental Quality.</del></p> <p><i>The regulatory responsibilities have transferred to TCEQ and so this contingency rider is no longer necessary.</i></p>
<p align="center"><b>701</b></p>		<p><b>Unexpended Balances Appropriation: Acquisition of Information Resource Technologies.</b> Any unobligated and unexpended balances of funds remaining as of August 31, 2021, that were appropriated to the Railroad Commission for the 2020-21 biennium for capital budget items in the Acquisition of Information Resource Technologies capital budget category (estimated to be \$0) are appropriated for the fiscal biennium beginning September 1, 2021, for the same purpose.</p> <p><i>Add rider allowing funds appropriated for IT capital projects in 2020-21 biennium to be used for those projects in 2022-23 budget if necessary. The Mainframe Transformation capital project has several business processes that will be moved off the RRC mainframe to the new cloud-based system LoneSTAR in FY 2021. This rider is a contingency rider that allows this work to continue in the new biennium without taking away funding for the business process slated for migration in 2022-23, should the work not be completed and the funding is still available in the 2020-21 biennium.</i></p>
<p align="center"><b>702</b></p>		<p><b>Additional Funding Sources and Cash Flow Contingency.</b> In the event that revenues collected in the Oil and Gas Regulation and Cleanup Account No. 5155 for each fiscal year of the biennium are less than 90 percent of the amounts appropriated in this Act including other direct and indirect costs and repayment of the additional General Revenue, the Legislative Budget Board and the Governor may provide for and are hereby authorized to direct the transfer of sufficient amounts of General Revenue funds to the Railroad Commission from appropriations made elsewhere in this Act.</p> <p>Contingent upon the receipt of revenue in the Oil and Gas Regulation and Cleanup Account No. 5155, the Railroad Commission may temporarily utilize additional General Revenue funds, pending receipt of revenue, in an amount not</p>

**3.B. Rider Revisions and Additions Request  
(continued)**

		to exceed \$25 million per fiscal year. The General Revenue amounts transferred above the General Revenue method of finance shall be utilized for the purpose of temporary cash flow needs. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be in accordance with procedures established by the Comptroller of Public Accounts.
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**4.A. Exceptional Item Request Schedule**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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

CODE	DESCRIPTION	Excp 2022	Excp 2023
	<b>Item Name:</b> Restoration of 2020-21 Site Remediation Budget <b>Item Priority:</b> 1 <b>IT Component:</b> No <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> 03-02-01 Oil and Gas Well Plugging and Remediation		

**OBJECTS OF EXPENSE:**

2009	OTHER OPERATING EXPENSE	3,580,545	3,580,545
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,580,545</b>	<b>\$3,580,545</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	3,580,545	3,580,545
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$3,580,545</b>	<b>\$3,580,545</b>

**DESCRIPTION / JUSTIFICATION:**

The Commission's Oil and Gas Site Remediation program investigates, assesses, and clean-ups approximately 250 abandoned sites each year using fees and surcharges paid by industry to the Oil and Gas Regulation and Cleanup fund. There are more than 2,000 sites across Texas that are eligible for cleanup using OGRC funds. To reduce expenditures by five percent during the 2020-21 biennium, the Commission deferred site remediation cleanup activities for larger cleanup projects, focusing instead on mid-size and smaller projects. Deferring these projects is only possible for a limited period before they will require immediate action, significantly increasing costs associated with remediating such sites.

**EXTERNAL/INTERNAL FACTORS:**

The Commission continues to monitor conditions at each site eligible for cleanup using OGRC funds should conditions deteriorate. Restoration of fiscal year 2020-21 funding will allow the Commission to advance its mission to protect the state's natural resources and the environment by completing one large cleanup project and begin work on a second project during the 2022-23 biennium. These additional projects are estimated to employ approximately 90 to 100 highly skilled oil field services workers, and will have a multiplying effect at oilfield services companies and beyond in the communities where remediation activity occurs.

**PCLS TRACKING KEY:**

**4.A. Exceptional Item Request Schedule**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **455**

Agency name:  
**Railroad Commission**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2022</b>	<b>Excp 2023</b>
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**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

The Commission anticipates large site remediation environmental cleanups will continue after the FY 2022-23 biennium.

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

	<b>2024</b>	<b>2025</b>	<b>2026</b>
	\$3,580,545	\$3,580,545	\$3,580,545

**APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM :** 100.00%

**CONTRACT DESCRIPTION :**

Environmental Cleanup Contracts

**4.A. Exceptional Item Request Schedule**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 455

Agency name: **Railroad Commission**

CODE	DESCRIPTION	Excp 2022	Excp 2023
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<b>Item Name:</b>	Restoration of 2020-21 Capital Budget Reduction for vehicle replacements		
<b>Item Priority:</b>	2		
<b>IT Component:</b>	No		
<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	
	03-01-01	Oil and Gas Monitoring and Inspections	
	03-02-01	Oil and Gas Well Plugging and Remediation	

**OBJECTS OF EXPENSE:**

5000	CAPITAL EXPENDITURES	481,607	481,607
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>481,607</b>	<b>481,607</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	481,607	481,607
	<b>TOTAL, METHOD OF FINANCING</b>	<b>481,607</b>	<b>481,607</b>

**DESCRIPTION / JUSTIFICATION:**

The Commission's Oil and Gas Monitoring and Inspections program and its Pipeline Safety Inspections program monitor almost 440,000 oil and gas wells, conducting inspections at more than 200,000 sites each year and regulate nearly 250,000 miles of pipeline across Texas. Each of those inspections requires a highly trained inspector to drive to the site of inspection. This exceptional item request will restore the Commission's capital budget for vehicle acquisition to the fiscal year 2020 level allowing the agency to resume its replacement schedule. The Commission will defer most of its inspector vehicles replacement efforts in fiscal year 2021; however, the agency anticipates more vehicles will become cost prohibitive to repair or will be unsafe to operate in the 2022-2023 biennium.

**EXTERNAL/INTERNAL FACTORS:**

With the restoration of fiscal year 2020 capital budget authority, the Commission will purchase 28 trucks that are able to meet the demands of field inspector travel that is often off-road to remote oil and gas facilities and pipelines locations. The Commission's replacement cycle is based on guidance from the Comptroller's Office of Vehicle Fleet Management (OVFM).

**PCLS TRACKING KEY:**

**4.A. Exceptional Item Request Schedule**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **455**

Agency name:  
**Railroad Commission**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2022</b>	<b>Excp 2023</b>
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**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

The vehicle costs will continue to be necessary to keep the Commission on a sufficient replacement schedule.

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

	<b>2024</b>	<b>2025</b>	<b>2026</b>
	\$481,607	\$481,607	\$481,607

**APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM :** 100.00%

**CONTRACT DESCRIPTION :**

Vehicle Purchases will be made off of the Comptroller negotiated Statewide Contracts for vehicle purchases.

**4.B. Exceptional Items Strategy Allocation Schedule**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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

Code	Description	Excp 2022	Excp 2023
<b>Item Name:</b> Restoration of 2020-21 Site Remediation Budget			
<b>Allocation to Strategy:</b> 3-2-1 Oil and Gas Well Plugging and Remediation			
<b>OBJECTS OF EXPENSE:</b>			
2009	OTHER OPERATING EXPENSE	3,580,545	3,580,545
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,580,545</b>	<b>\$3,580,545</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	3,580,545	3,580,545
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$3,580,545</b>	<b>\$3,580,545</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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

Code	Description	Excp 2022	Excp 2023
<b>Item Name:</b>		Restoration of 2020-21 Capital Budget Reduction for vehicle replacements	
<b>Allocation to Strategy:</b>		2-1-1	Ensure Pipeline Safety
<b>OBJECTS OF EXPENSE:</b>			
5000	CAPITAL EXPENDITURES	192,642	0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$192,642</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	192,642	0
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$192,642</b>	<b>\$0</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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

Code	Description	Excp 2022	Excp 2023
<b>Item Name:</b>		Restoration of 2020-21 Capital Budget Reduction for vehicle replacements	
<b>Allocation to Strategy:</b>		3-1-1	Oil and Gas Monitoring and Inspections
<b>OBJECTS OF EXPENSE:</b>			
5000	CAPITAL EXPENDITURES	216,724	361,205
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$216,724</b>	<b>\$361,205</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	216,724	361,205
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$216,724</b>	<b>\$361,205</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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

Code	Description	Excp 2022	Excp 2023
<b>Item Name:</b> Restoration of 2020-21 Capital Budget Reduction for vehicle replacements			
<b>Allocation to Strategy:</b> 3-2-1 Oil and Gas Well Plugging and Remediation			
<b>OBJECTS OF EXPENSE:</b>			
5000	CAPITAL EXPENDITURES	72,241	120,402
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>72,241</b>	<b>120,402</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	72,241	120,402
<b>TOTAL, METHOD OF FINANCING</b>		<b>72,241</b>	<b>120,402</b>

**4.C. Exceptional Items Strategy Request**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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 2022</b>	<b>Exp 2023</b>
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**OBJECTS OF EXPENSE:**

5000 CAPITAL EXPENDITURES	192,642	0
<b>Total, Objects of Expense</b>	<b>\$192,642</b>	<b>\$0</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	192,642	0
<b>Total, Method of Finance</b>	<b>\$192,642</b>	<b>\$0</b>

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

Restoration of 2020-21 Capital Budget Reduction for vehicle replacements

**4.C. Exceptional Items Strategy Request**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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>Exp 2022</b>	<b>Exp 2023</b>
-------------------------	-----------------	-----------------

**OBJECTS OF EXPENSE:**

5000 CAPITAL EXPENDITURES	216,724	361,205
<b>Total, Objects of Expense</b>	<b>\$216,724</b>	<b>\$361,205</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	216,724	361,205
<b>Total, Method of Finance</b>	<b>\$216,724</b>	<b>\$361,205</b>

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

Restoration of 2020-21 Capital Budget Reduction for vehicle replacements

**4.C. Exceptional Items Strategy Request**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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>Exp 2022</b>	<b>Exp 2023</b>
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**OBJECTS OF EXPENSE:**

2009 OTHER OPERATING EXPENSE	3,580,545	3,580,545
5000 CAPITAL EXPENDITURES	72,241	120,402
<b>Total, Objects of Expense</b>	<b>\$3,652,786</b>	<b>\$3,700,947</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	3,652,786	3,700,947
<b>Total, Method of Finance</b>	<b>\$3,652,786</b>	<b>\$3,700,947</b>

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

Restoration of 2020-21 Site Remediation Budget

Restoration of 2020-21 Capital Budget Reduction for vehicle replacements

**5.A. Capital Budget Project Schedule**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE		Est 2020	Bud 2021	BL 2022	BL 2023
<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	\$0	\$0
Capital Subtotal OOE, Project 1		\$199,755	\$0	\$0	\$0
Subtotal OOE, Project 1		<b>\$199,755</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General	CA 1 General Revenue Fund	\$33,598	\$0	\$0	\$0
General	CA 5155 Oil & Gas Regulation	\$166,157	\$0	\$0	\$0
Capital Subtotal TOF, Project 1		\$199,755	\$0	\$0	\$0
Subtotal TOF, Project 1		<b>\$199,755</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>2/2 PC Refresh</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	2009 OTHER OPERATING EXPENSE	\$428,200	\$428,200	\$428,200	\$428,200
Capital Subtotal OOE, Project 2		\$428,200	\$428,200	\$428,200	\$428,200
Subtotal OOE, Project 2		<b>\$428,200</b>	<b>\$428,200</b>	<b>\$428,200</b>	<b>\$428,200</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General	CA 1 General Revenue Fund	\$72,794	\$72,794	\$72,794	\$72,794

**5.A. Capital Budget Project Schedule**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **455**

Agency name: **Railroad Commission**

Category Code / Category Name		Project Sequence/Project Id/ Name	Est 2020	Bud 2021	BL 2022	BL 2023
		OOE / TOF / MOF CODE				
General	CA	5155 Oil & Gas Regulation	\$355,406	\$355,406	\$355,406	\$355,406
		Capital Subtotal TOF, Project	2	\$428,200	\$428,200	\$428,200
		Subtotal TOF, Project	2	<b>\$428,200</b>	<b>\$428,200</b>	<b>\$428,200</b>
		Capital Subtotal, Category	5005	\$627,955	\$428,200	\$428,200
		Informational Subtotal, Category	5005			\$428,200
		<b>Total, Category</b>	<b>5005</b>	<b>\$627,955</b>	<b>\$428,200</b>	<b>\$428,200</b>
<b>5006 Transportation Items</b>						
<i>4/4 Vehicle Replacements</i>						
<b>OBJECTS OF EXPENSE</b>						
<u>Capital</u>						
General	5000	CAPITAL EXPENDITURES	\$1,541,577	\$404,580	\$1,235,393	\$1,031,393
		Capital Subtotal OOE, Project	4	\$1,541,577	\$1,235,393	\$1,031,393
		Subtotal OOE, Project	4	<b>\$1,541,577</b>	<b>\$1,235,393</b>	<b>\$1,031,393</b>
<b>TYPE OF FINANCING</b>						
<u>Capital</u>						
General	CA	1 General Revenue Fund	\$666,402	\$404,580	\$429,558	\$282,200
General	CA	555 Federal Funds	\$33,371	\$0	\$0	\$0
General	CA	5155 Oil & Gas Regulation	\$841,804	\$0	\$805,835	\$749,193
		Capital Subtotal TOF, Project	4	\$1,541,577	\$1,235,393	\$1,031,393
		Subtotal TOF, Project	4	<b>\$1,541,577</b>	<b>\$1,235,393</b>	<b>\$1,031,393</b>

**5.A. Capital Budget Project Schedule**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

**OOE / TOF / MOF CODE**

**Est 2020**

**Bud 2021**

**BL 2022**

**BL 2023**

Capital Subtotal, Category 5006

\$1,541,577

\$404,580

\$1,235,393

\$1,031,393

Informational Subtotal, Category 5006

**Total, Category 5006**

**\$1,541,577**

**\$404,580**

**\$1,235,393**

**\$1,031,393**

**7000 Data Center Consolidation**

*6/6 Data Center Services (DCS)*

**OBJECTS OF EXPENSE**

Capital

General 2001 PROFESSIONAL FEES AND SERVICES

\$6,518,704

\$7,196,196

\$6,010,127

\$6,674,455

Capital Subtotal OOE, Project 6

\$6,518,704

\$7,196,196

\$6,010,127

\$6,674,455

Subtotal OOE, Project 6

**\$6,518,704**

**\$7,196,196**

**\$6,010,127**

**\$6,674,455**

**TYPE OF FINANCING**

Capital

General CA 1 General Revenue Fund

\$2,488,575

\$1,032,926

\$2,406,242

\$2,500,000

General CA 5155 Oil & Gas Regulation

\$4,030,129

\$6,163,270

\$3,603,885

\$4,174,455

Capital Subtotal TOF, Project 6

\$6,518,704

\$7,196,196

\$6,010,127

\$6,674,455

Subtotal TOF, Project 6

**\$6,518,704**

**\$7,196,196**

**\$6,010,127**

**\$6,674,455**

Capital Subtotal, Category 7000

\$6,518,704

\$7,196,196

\$6,010,127

\$6,674,455

Informational Subtotal, Category 7000

**Total, Category 7000**

**\$6,518,704**

**\$7,196,196**

**\$6,010,127**

**\$6,674,455**

**9500 Legacy Modernization**

**5.A. Capital Budget Project Schedule**  
87th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

		<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
<b>OOE / TOF / MOF CODE</b>					
<i>3/3 Inspection/Enforcement Tracking and Reporting System Phase 3</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	2001 PROFESSIONAL FEES AND SERVICES	\$2,499,404	\$1,250,000	\$2,000,000	\$1,000,000
General	2004 UTILITIES	\$396	\$0	\$0	\$0
General	2009 OTHER OPERATING EXPENSE	\$200	\$0	\$0	\$0
Capital Subtotal OOE, Project 3		\$2,500,000	\$1,250,000	\$2,000,000	\$1,000,000
Subtotal OOE, Project 3		<b>\$2,500,000</b>	<b>\$1,250,000</b>	<b>\$2,000,000</b>	<b>\$1,000,000</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General	CA 1 General Revenue Fund	\$168,000	\$42,000	\$2,000,000	\$1,000,000
General	CA 5155 Oil & Gas Regulation	\$2,332,000	\$1,208,000	\$0	\$0
Capital Subtotal TOF, Project 3		\$2,500,000	\$1,250,000	\$2,000,000	\$1,000,000
Subtotal TOF, Project 3		<b>\$2,500,000</b>	<b>\$1,250,000</b>	<b>\$2,000,000</b>	<b>\$1,000,000</b>
<i>5/5 Mainframe Transformation - Phase 2</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	1001 SALARIES AND WAGES	\$1,182,480	\$1,998,047	\$0	\$0
General	1002 OTHER PERSONNEL COSTS	\$19,548	\$14,780	\$0	\$0
General	2001 PROFESSIONAL FEES AND SERVICES	\$9,187,992	\$14,284,819	\$14,114,274	\$7,361,373
General	2003 CONSUMABLE SUPPLIES	\$91	\$0	\$0	\$0
General	2004 UTILITIES	\$1,584	\$0	\$0	\$0
General	2009 OTHER OPERATING EXPENSE	\$46,669	\$134,130	\$0	\$0

**5.A. Capital Budget Project Schedule**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **455**

Agency name: **Railroad Commission**

<b>Category Code / Category Name</b>		<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
<i>Project Sequence/Project Id/ Name</i>					
<b>OOE / TOF / MOF CODE</b>					
General	5000 CAPITAL EXPENDITURES	\$28,213	\$0	\$0	\$0
	Capital Subtotal OOE, Project 5	\$10,466,577	\$16,431,776	\$14,114,274	\$7,361,373
	Subtotal OOE, Project 5	<b>\$10,466,577</b>	<b>\$16,431,776</b>	<b>\$14,114,274</b>	<b>\$7,361,373</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General	CA 1 General Revenue Fund	\$10,466,577	\$16,431,776	\$2,560,000	\$2,560,000
General	CA 5155 Oil & Gas Regulation	\$0	\$0	\$11,554,274	\$4,801,373
	Capital Subtotal TOF, Project 5	\$10,466,577	\$16,431,776	\$14,114,274	\$7,361,373
	Subtotal TOF, Project 5	<b>\$10,466,577</b>	<b>\$16,431,776</b>	<b>\$14,114,274</b>	<b>\$7,361,373</b>
	Capital Subtotal, Category 9500	\$12,966,577	\$17,681,776	\$16,114,274	\$8,361,373
	Informational Subtotal, Category 9500				
	<b>Total, Category 9500</b>	<b>\$12,966,577</b>	<b>\$17,681,776</b>	<b>\$16,114,274</b>	<b>\$8,361,373</b>
<b>AGENCY TOTAL -CAPITAL</b>		<b>\$21,654,813</b>	<b>\$25,710,752</b>	<b>\$23,787,994</b>	<b>\$16,495,421</b>
<b>AGENCY TOTAL -INFORMATIONAL</b>					
<b>AGENCY TOTAL</b>		<b>\$21,654,813</b>	<b>\$25,710,752</b>	<b>\$23,787,994</b>	<b>\$16,495,421</b>

**5.A. Capital Budget Project Schedule**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

<b>OOE / TOF / MOF CODE</b>		<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
<b>METHOD OF FINANCING:</b>					
<u>Capital</u>					
General	1 General Revenue Fund	\$13,895,946	\$17,984,076	\$7,468,594	\$6,414,994
General	555 Federal Funds	\$33,371	\$0	\$0	\$0
General	5155 Oil & Gas Regulation	\$7,725,496	\$7,726,676	\$16,319,400	\$10,080,427
Total, Method of Financing-Capital		\$21,654,813	\$25,710,752	\$23,787,994	\$16,495,421
<b>Total, Method of Financing</b>		<b>\$21,654,813</b>	<b>\$25,710,752</b>	<b>\$23,787,994</b>	<b>\$16,495,421</b>
<b>TYPE OF FINANCING:</b>					
<u>Capital</u>					
General	CA CURRENT APPROPRIATIONS	\$21,654,813	\$25,710,752	\$23,787,994	\$16,495,421
Total, Type of Financing-Capital		\$21,654,813	\$25,710,752	\$23,787,994	\$16,495,421
<b>Total, Type of Financing</b>		<b>\$21,654,813</b>	<b>\$25,710,752</b>	<b>\$23,787,994</b>	<b>\$16,495,421</b>

**5.B. Capital Budget Project Information**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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 Refresh</b>

**PROJECT DESCRIPTION**

**General Information**

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

**PLCS Tracking Key**

**Number of Units / Average Unit Cost** 0  
**Estimated Completion Date** August 31, 2023

**Additional Capital Expenditure Amounts Required**

<b>2024</b>	<b>2025</b>
0	0

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

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total over 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**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	<b>455</b>	Agency name:	<b>Railroad Commission</b>
Category Number:	<b>9500</b>	Category Name:	<b>Legacy Modernization</b>
Project number:	<b>3</b>	Project Name:	<b>IETRS and Reporting System Phase 3</b>

**PROJECT DESCRIPTION**

**General Information**

The Inspection/Enforcement Tracking and Reporting System – Phase 3 project continues the phased approach to modernize agency systems over multiple biennia.

This project builds on the progress made in two biennia when an expandable framework for inspection and case management was established. In the FY22-FY23 biennium, an AFS permitting and inspection system will be built on this existing framework.

**PLCS Tracking Key**

<b>Number of Units / Average Unit Cost</b>	0
<b>Estimated Completion Date</b>	August 31, 2023

**Additional Capital Expenditure Amounts Required**

<b>2024</b>	<b>2025</b>
0	0

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

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</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:** The Railroad Commission seeks to improve efficiency and transparency by implementing an online system that allows the Alternative Fuels' industry to file, amend and renew company licenses, registrations, certifications and other filings. The current process requires that the regulated industry submit documents by mail, fax or email. Staff uses outdated software to manually enter data associated with issuing licenses, registrations, certifications, inspections, accidents and complaints.

**Project Location:** Statwide

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

**Frequency of Use and External Factors Affecting Use:**

Project Assets will be used daily. Currently, the regulated industry must mail, fax or email documents to submit the required information. Industry, legislators, and the public have asked for more access to Commission data. The information in LP-Gas Information System (LIS) is not easily available to the public and in some cases the department.

**5.B. Capital Budget Project Information**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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.

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

**PLCS Tracking Key**

**Number of Units / Average Unit Cost** 0  
**Estimated Completion Date** August 31, 2023

<b>Additional Capital Expenditure Amounts Required</b>		<b>2024</b>	<b>2025</b>
		0	0
<b>Type of Financing</b>	CA	CURRENT APPROPRIATIONS	
<b>Projected Useful Life</b>	6 years		
<b>Estimated/Actual Project Cost</b>	\$1,911,500		
<b>Length of Financing/ Lease Period</b>	0		

<b><u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u></b>					<b>Total over project life</b>
<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</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**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	<b>455</b>	Agency name:	<b>Railroad Commission</b>
Category Number:	<b>9500</b>	Category Name:	<b>Legacy Modernization</b>
Project number:	<b>5</b>	Project Name:	<b>Mainframe Transformation</b>

**PROJECT DESCRIPTION**

**General Information**

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

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

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

Estimated Completion Date: August 31, 2023

<b>PLCS Tracking Key</b>	PCLS_87R_455_589389						
<b>Number of Units / Average Unit Cost</b>	0						
<b>Estimated Completion Date</b>	August 31, 2023						
<b>Additional Capital Expenditure Amounts Required</b>	<table border="0"> <tr> <td></td> <td align="center"><b>2024</b></td> <td align="center"><b>2025</b></td> </tr> <tr> <td></td> <td align="center">0</td> <td align="center">0</td> </tr> </table>		<b>2024</b>	<b>2025</b>		0	0
	<b>2024</b>	<b>2025</b>					
	0	0					
<b>Type of Financing</b>	CA CURRENT APPROPRIATIONS						
<b>Projected Useful Life</b>	8 years						
<b>Estimated/Actual Project Cost</b>	\$21,475,647						
<b>Length of Financing/ Lease Period</b>	0						

<b><u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u></b>					<b>Total over project life</b>
<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</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 project builds on a foundation established in FY20/21 to move off the mainframe. Under RRC's strategic plan, removing regulatory functions from the mainframe is estimated to take approximately 6 years and cost \$60,744,272. If postponed, the project cost is estimated to increase by \$10,000,000(total \$70,553,610) due to additional maintenance of a more complex environment, extended maintenance of the mainframe and other legacy applications and connections between the legacy and new platforms.

**Project Location:** Statewide

**5.B. Capital Budget Project Information**  
87th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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

**Frequency of Use and External Factors Affecting Use:**

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

**5.B. Capital Budget Project Information**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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 and Shared Services as contracted in fiscal years 2020 and 2021. The requested amount represents the Data Center and Shared Services costs necessary to deliver applications and computer services to maintain current operations.

**PLCS Tracking Key**

**Number of Units / Average Unit Cost** 0  
**Estimated Completion Date** August 31, 2023

<b>Additional Capital Expenditure Amounts Required</b>		<b>2024</b>	<b>2025</b>
		0	0
<b>Type of Financing</b>	CA	CURRENT APPROPRIATIONS	
<b>Projected Useful Life</b>	2 years		
<b>Estimated/Actual Project Cost</b>	\$12,684,582		
<b>Length of Financing/ Lease Period</b>	0		

<b><u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u></b>					<b>Total over project life</b>
<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</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:** 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.

**6.A. Historically Underutilized Business Supporting Schedule**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

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

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2018			Total Expenditures FY 2018		HUB Expenditures FY 2019			Total Expenditures FY 2019
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	FY 2019	
11.2%	Heavy Construction	11.2 %	100.0%	88.8%	\$2,750	\$2,750	11.2 %	100.0%	88.8%	\$546	\$546
21.1%	Building Construction	21.0 %	0.0%	-21.0%	\$0	\$16,131	21.2 %	47.2%	26.0%	\$68	\$144
32.9%	Special Trade	32.9 %	41.2%	8.3%	\$6,697	\$16,254	32.9 %	59.6%	26.7%	\$6,307	\$10,589
23.7%	Professional Services	23.7 %	1.7%	-22.0%	\$12,123	\$699,729	9.2 %	9.2%	0.0%	\$166,101	\$1,802,620
26.0%	Other Services	26.0 %	2.2%	-23.8%	\$586,093	\$26,456,847	23.7 %	3.6%	-20.1%	\$2,207,947	\$61,157,219
21.1%	Commodities	21.1 %	7.2%	-13.9%	\$133,075	\$1,849,996	21.1 %	24.7%	3.6%	\$754,105	\$3,058,306
	<b>Total Expenditures</b>		<b>2.6%</b>		<b>\$740,738</b>	<b>\$29,041,707</b>		<b>4.7%</b>		<b>\$3,135,074</b>	<b>\$66,029,424</b>

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

**Attainment:**

The Commission attained or exceeded two of six of the applicable statewide HUB procurement goals in FY 2018 and four of six of the applicable statewide HUB procurement goals in FY 2019.

**Applicability:**

The Heavy Construction and Building Construction categories are not generally applicable to agency operations, however the agency did use a HUB for the small amount of Heavy Construction that was performed in FY 2018 and FY 2019.

**Factors Affecting Attainment:**

Heavy Construction for FY 2018-19 were 100% HUB. Building Construction was performed by the Texas Facilities Commission in FY 2018 so the percentage was zero. Professional Services statewide goals were not met because this is generally water and soil analysis performed at labs in the field. Other Services statewide goals were not met because this is generally well plugging and site remediation companies all over Texas and there are very few HUB certified companies that perform this type of work.

**"Good-Faith" Efforts:**

Good faith efforts to meet HUB goals included:

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

**6.C. Federal Funds Supporting Schedule**  
87th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

		<b>455 Railroad Commission</b>				
<b>CFDA NUMBER/ STRATEGY</b>		<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
<b>15.250.000</b>	Regulation of Surface Coa					
3 - 1 - 2	SURFACE MINING MONITORING/INSPECT	1,193,432	1,305,300	1,320,000	1,380,000	1,380,000
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$1,193,432</b>	<b>\$1,305,300</b>	<b>\$1,320,000</b>	<b>\$1,380,000</b>	<b>\$1,380,000</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$1,193,432</b>	<b>\$1,305,300</b>	<b>\$1,320,000</b>	<b>\$1,380,000</b>	<b>\$1,380,000</b>
	<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>15.252.000</b>	Abandoned Mine Land Recla					
3 - 2 - 2	SURFACE MINING RECLAMATION	224,351	1,234,700	1,600,000	1,600,000	1,600,000
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$224,351</b>	<b>\$1,234,700</b>	<b>\$1,600,000</b>	<b>\$1,600,000</b>	<b>\$1,600,000</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$224,351</b>	<b>\$1,234,700</b>	<b>\$1,600,000</b>	<b>\$1,600,000</b>	<b>\$1,600,000</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	3,222,836	3,274,972	3,234,972	3,230,000	3,230,000
2 - 1 - 2	PIPELINE DAMAGE PREVENTION	214,989	210,000	210,000	210,000	210,000
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$3,437,825</b>	<b>\$3,484,972</b>	<b>\$3,444,972</b>	<b>\$3,440,000</b>	<b>\$3,440,000</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$3,437,825</b>	<b>\$3,484,972</b>	<b>\$3,444,972</b>	<b>\$3,440,000</b>	<b>\$3,440,000</b>
	<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>20.720.000</b>	State Damage Prevention Program					
2 - 1 - 2	PIPELINE DAMAGE PREVENTION	21,919	100,000	0	0	0
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$21,919</b>	<b>\$100,000</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>\$21,919</b>	<b>\$100,000</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>20.721.000</b>	Pipeline Safety Grant Program					

**6.C. Federal Funds Supporting Schedule**  
 87th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

		<b>455 Railroad Commission</b>				
<b>CFDA NUMBER/ STRATEGY</b>		<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
2	- 1 - 2 PIPELINE DAMAGE PREVENTION	36,189	0	0	0	0
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$36,189</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>\$36,189</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>66.204.000</b>	Multipurpose Grants/States & Tribes					
1	- 1 - 1 ENERGY RESOURCE DEVELOPMENT	0	35,028	35,028	0	0
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$0</b>	<b>\$35,028</b>	<b>\$35,028</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>\$0</b>	<b>\$35,028</b>	<b>\$35,028</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>66.433.000</b>	State Underground Water S					
1	- 1 - 1 ENERGY RESOURCE DEVELOPMENT	340,738	312,445	352,000	320,000	320,000
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$340,738</b>	<b>\$312,445</b>	<b>\$352,000</b>	<b>\$320,000</b>	<b>\$320,000</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$340,738</b>	<b>\$312,445</b>	<b>\$352,000</b>	<b>\$320,000</b>	<b>\$320,000</b>
	<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>66.817.000</b>	State and Tribal Response Program					
3	- 2 - 1 OIL&GAS WELL PLUGGING & REMEDIATI	135,260	159,555	120,000	120,000	120,000
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$135,260</b>	<b>\$159,555</b>	<b>\$120,000</b>	<b>\$120,000</b>	<b>\$120,000</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$135,260</b>	<b>\$159,555</b>	<b>\$120,000</b>	<b>\$120,000</b>	<b>\$120,000</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**  
87th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

CFDA NUMBER/ STRATEGY	<b>455 Railroad Commission</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
<b><u>SUMMARY LISTING OF FEDERAL PROGRAM AMOUNTS</u></b>						
15.250.000	Regulation of Surface Coa	1,193,432	1,305,300	1,320,000	1,380,000	1,380,000
15.252.000	Abandoned Mine Land Recla	224,351	1,234,700	1,600,000	1,600,000	1,600,000
20.700.000	Pipeline Safety	3,437,825	3,484,972	3,444,972	3,440,000	3,440,000
20.720.000	State Damage Prevention Program	21,919	100,000	0	0	0
20.721.000	Pipeline Safety Grant Program	36,189	0	0	0	0
66.204.000	Multipurpose Grants/States & Tribes	0	35,028	35,028	0	0
66.433.000	State Underground Water S	340,738	312,445	352,000	320,000	320,000
66.817.000	State and Tribal Response Program	135,260	159,555	120,000	120,000	120,000
<b>TOTAL, ALL STRATEGIES</b>		<b>\$5,389,714</b>	<b>\$6,632,000</b>	<b>\$6,872,000</b>	<b>\$6,860,000</b>	<b>\$6,860,000</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>\$5,389,714</b>	<b>\$6,632,000</b>	<b>\$6,872,000</b>	<b>\$6,860,000</b>	<b>\$6,860,000</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**

**6.C. Federal Funds Supporting Schedule**  
87th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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CFDA NUMBER/ STRATEGY	<b>455 Railroad Commission</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
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**Assumptions and Methodology:**

CFDA 15.250 and 15.252

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

CFDA 20.700

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

CFDA 66.433

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

CFDA 66.817

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

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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 up to 80% of the state's request as a base from which to apply grading ratios, resulting in a reduced funding level of the state's program.

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**6.E. Estimated Revenue Collections Supporting Schedule**  
87th 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 2019</b>	<b>Exp 2020</b>	<b>Est 2021</b>	<b>Est 2022</b>	<b>Est 2023</b>
<b><u>1</u> General Revenue Fund</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3035 Commercial Transportation Fees	2,309,637	2,427,513	2,300,000	2,300,000	2,300,000
3234 Gas Utility Pipeline Tax	31,284,553	32,046,736	32,500,000	32,500,000	32,500,000
3246 Compressed Natural Gas Licenses	51,265	40,500	44,000	44,000	44,000
3314 Oil & Gas Well Violations	1,502,870	1,216,217	1,000,000	1,000,000	1,000,000
3329 Surface Mining Permits	2,506,536	2,476,360	2,677,709	2,700,000	2,700,000
3717 Civil Penalties	35,500	47,250	0	0	0
3839 Sale of Motor Vehicle/Boat/Aircraft	221,859	364,952	0	150,000	150,000
Subtotal: Actual/Estimated Revenue	37,912,220	38,619,528	38,521,709	38,694,000	38,694,000
<b>Total Available</b>	<b>\$37,912,220</b>	<b>\$38,619,528</b>	<b>\$38,521,709</b>	<b>\$38,694,000</b>	<b>\$38,694,000</b>
<b>Ending Fund/Account Balance</b>	<b>\$37,912,220</b>	<b>\$38,619,528</b>	<b>\$38,521,709</b>	<b>\$38,694,000</b>	<b>\$38,694,000</b>

**REVENUE ASSUMPTIONS:**

The Railroad Commission General Revenue collections are unappropriated and swept by the Comptroller of Public Accounts.

**CONTACT PERSON:**

Corey Crawford

**6.E. Estimated Revenue Collections Supporting Schedule**  
 87th 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 2019</b>	<b>Exp 2020</b>	<b>Est 2021</b>	<b>Est 2022</b>	<b>Est 2023</b>
<b>666 Appropriated Receipts</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3045 Railroad Commission Svs Fees	664	887	900	900	900
3245 Compressed Nat Gas Train & Exams	49,600	46,590	45,000	45,000	45,000
3714 Judgments	14,558	0	0	0	0
3719 Fees/Copies or Filing of Records	629,645	86,033	60,000	60,000	60,000
3722 Conf, Semin, & Train Regis Fees	1,315,390	920,433	1,105,000	1,235,000	1,235,000
3752 Sale of Publications/Advertising	13,957	6,926	6,800	6,800	6,800
3773 Insurance and Damages	0	21,927	0	0	0
3802 Reimbursements-Third Party	152,798	365,411	130,000	130,000	130,000
3839 Sale of Motor Vehicle/Boat/Aircraft	55,604	52,791	0	50,000	50,000
Subtotal: Actual/Estimated Revenue	2,232,216	1,500,998	1,347,700	1,527,700	1,527,700
<b>Total Available</b>	<b>\$2,232,216</b>	<b>\$1,500,998</b>	<b>\$1,347,700</b>	<b>\$1,527,700</b>	<b>\$1,527,700</b>
<b>DEDUCTIONS:</b>					
Expended	(1,709,058)	(1,351,253)	(1,195,300)	(1,350,000)	(1,350,000)
Benefits	(494,985)	(112,325)	(112,400)	(137,700)	(137,700)
Statewide Cost Allocation (SWCAP)	(28,173)	(37,420)	(40,000)	(40,000)	(40,000)
<b>Total, Deductions</b>	<b>\$(2,232,216)</b>	<b>\$(1,500,998)</b>	<b>\$(1,347,700)</b>	<b>\$(1,527,700)</b>	<b>\$(1,527,700)</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

Conference, Seminar, and Training Registration Fees (COBJ 3722) includes the annual Railroad Commission Regulatory Conference, the Oil and Gas Regulatory Forums, and the LP Gas Training Fees (RRC Rider 4).

**CONTACT PERSON:**

Corey Crawford

**6.E. Estimated Revenue Collections Supporting Schedule**  
 87th 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 2019</b>	<b>Exp 2020</b>	<b>Est 2021</b>	<b>Est 2022</b>	<b>Est 2023</b>
<b>888 Earned Federal Funds</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3702 Fed Receipts-Earned Federal Funds	1,568,172	2,459,180	2,200,000	2,200,000	2,200,000
Subtotal: Actual/Estimated Revenue	1,568,172	2,459,180	2,200,000	2,200,000	2,200,000
<b>Total Available</b>	<b>\$1,568,172</b>	<b>\$2,459,180</b>	<b>\$2,200,000</b>	<b>\$2,200,000</b>	<b>\$2,200,000</b>
<b>DEDUCTIONS:</b>					
85th Leg SB 1 RS - Article IX Section 6.22	(903,112)	0	0	0	0
86th Leg HB 1 RS - Article IX Section 6.22	0	(1,987,749)	(1,987,749)	0	0
87th Leg SB 1 RS - Article IX Section 6.22	0	0	0	(1,987,749)	(1,987,749)
Benefits	(164,253)	(239,345)	(239,345)	(239,345)	(239,345)
<b>Total, Deductions</b>	<b>\$(1,067,365)</b>	<b>\$(2,227,094)</b>	<b>\$(2,227,094)</b>	<b>\$(2,227,094)</b>	<b>\$(2,227,094)</b>
<b>Ending Fund/Account Balance</b>	<b>\$500,807</b>	<b>\$232,086</b>	<b>\$(27,094)</b>	<b>\$(27,094)</b>	<b>\$(27,094)</b>

**REVENUE ASSUMPTIONS:**

**CONTACT PERSON:**

Corey Crawford

**6.E. Estimated Revenue Collections Supporting Schedule**  
87th 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 2019</b>	<b>Exp 2020</b>	<b>Est 2021</b>	<b>Est 2022</b>	<b>Est 2023</b>
<b><u>5155</u> Oil &amp; Gas Regulation</b>					
Beginning Balance (Unencumbered):	\$46,121,269	\$43,485,504	\$33,613,656	\$16,844,241	\$2,378,594
Estimated Revenue:					
3310 Oil and Gas Surcharges	27,408,442	20,886,664	17,065,800	18,377,700	19,814,400
3313 Oil & Gas Well Drilling Permit	8,216,936	5,634,480	3,911,000	4,378,200	4,893,000
3314 Oil & Gas Well Violations	14,989,575	14,479,037	12,000,000	12,000,000	12,000,000
3338 Organization Report Fees	3,963,426	3,745,269	3,720,000	3,800,000	3,850,000
3339 Voluntary Cleanup Program Fees	18,760	10,900	9,600	9,600	9,600
3369 Reimburse for Well Plugging Costs	1,657,939	1,529,540	1,299,600	1,400,000	1,500,000
3373 Injection Well Regulation	77,360	50,800	50,000	66,000	75,000
3381 Oil-Field Cleanup Reg Fee - Oil	9,483,185	10,245,065	8,382,000	8,851,000	9,508,000
3382 RR Commission - Rule Except Fee	2,240,096	1,864,779	1,508,400	1,602,000	1,728,000
3383 Oil-Field Cleanup Reg Fee-Gas	6,385,253	6,094,288	5,760,000	5,800,000	6,000,000
3384 Oil & Gas Compl Cert Reissue Fee	838,998	599,300	431,200	520,000	700,000
3393 Abandoned Well Site Eqpt Disposal	1,061,579	999,614	940,000	980,000	1,000,000
3553 Pipeline Safety Inspection Fees	11,073,227	11,566,361	10,882,000	11,120,000	11,580,000
3592 Waste Disp Fac, Genrtr, Trnsprttrs	200,830	182,874	178,000	202,000	208,000
3727 Fees - Administrative Services	1,821,950	1,329,202	1,013,400	1,118,400	1,190,400
3802 Reimbursements-Third Party	2,889	6,231	0	0	0
Subtotal: Actual/Estimated Revenue	89,440,445	79,224,404	67,151,000	70,224,900	74,056,400
<b>Total Available</b>	<b>\$135,561,714</b>	<b>\$122,709,908</b>	<b>\$100,764,656</b>	<b>\$87,069,141</b>	<b>\$76,434,994</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted	(84,540,928)	(73,819,211)	(71,520,415)	(72,290,547)	(72,898,233)
Transfer - SWCAP	(1,149,558)	(548,379)	(600,000)	(600,000)	(600,000)
Transfer - Employee Benefits	(4,518,408)	(10,718,256)	(8,600,000)	(8,600,000)	(8,600,000)
Benefits for Retired Employees (ERS Shared Cash)	(1,867,316)	(4,010,406)	(3,200,000)	(3,200,000)	(3,200,000)
<b>Total, Deductions</b>	<b>\$(92,076,210)</b>	<b>\$(89,096,252)</b>	<b>\$(83,920,415)</b>	<b>\$(84,690,547)</b>	<b>\$(85,298,233)</b>
<b>Ending Fund/Account Balance</b>	<b>\$43,485,504</b>	<b>\$33,613,656</b>	<b>\$16,844,241</b>	<b>\$2,378,594</b>	<b>\$(8,863,239)</b>

**6.E. Estimated Revenue Collections Supporting Schedule**  
87th 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**

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<b>FUND/ACCOUNT</b>	<b>Act 2019</b>	<b>Exp 2020</b>	<b>Est 2021</b>	<b>Est 2022</b>	<b>Est 2023</b>
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**REVENUE ASSUMPTIONS:**

The revenue for FY 2020 is the actual revenue collected during the fiscal year. The revenue significantly declined in the second half of the fiscal year due to the COVID-19 pandemic and a dispute between Saudi Arabia and Russia that led to an increase in supply that caused prices to plummet. Revenue projections for FYs 2021 through 2023 reflect the uncertainty of the oil and gas industry returning to pre-pandemic levels and normalization of oil and gas supply and demand.

**CONTACT PERSON:**

Corey Crawford

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**6.L. Document Production Standards**  
**Summary of Savings Due to Improved Document Production Standards**

<b>Agency Code:</b> 455	<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> Corey Crawford
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Documented Production Standards Strategies	Estimated 2020	Budgeted 2021
1. Copier Consolidation Project	\$ -	\$ -
2. Personal Printer Replacement Project	-	-
3. Digital Imaging Project	-	-
<b>Total, All Strategies</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Estimated Paper Volume Reduced</b>	-	-

**Description:**

The Railroad Commission of Texas is continuing three major projects started 2018-19 biennium to reduce the consumption of paper and move to electronic documents when possible. The three projects are as follows:

1. Copier Consolidation Project - the Information Technology Services Division is responsible for managing all agency copiers rather than each division. This will allow the Commission to track copier usage and determine more efficient leases with the potential of consolidating leased copiers for departments when feasible. The division will be able to investigate high usage areas for potential efficiencies.
2. Personal Printer Replacement Project - Information Technology Services Division conducted a survey to determine how many personal printers were in use throughout the agency. This practice of eliminating unnecessary personal printers will encourage employees to thoughtfully consider the need for paper printouts over digital copies.
3. Digital Imaging Project - the Central Records department is digitizing the majority of Oil and Gas historical documents. The historical documents at the Kilgore District Office are expected to be finished by the end of FY 2021. Additional district office historical documents will be scanned in FY 2022-23. This project will allow future records requests to be fulfilled electronically rather than physical paper copies.

At this time, the agency is unable to determine the amount of paper that will be reduced by these activities. The Commission had previously implemented document reduction standards such as default duplex, electronic document transmission (DocuSign), and document spacing (font size, line spacing, margins, etc.). Additionally, the COVID-19 pandemic has altered the use of paper and copiers as employees telework. Processes that were primarily paper-based have moved online with the use digital signatures such as travel requisitions and travel reimbursements.

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

87th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

**455 Railroad Commission**

Strategy		Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>1-1-1</b>	<b>Promote Energy Resource Development Opportunities</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$2,416,715	\$ 2,521,406	\$ 2,603,744	\$ 2,603,744	\$ 2,603,744
1002	OTHER PERSONNEL COSTS	62,687	58,166	68,303	68,303	68,303
2001	PROFESSIONAL FEES AND SERVICES	138,310	415,063	295,001	295,001	295,001
2002	FUELS AND LUBRICANTS	818	435	25,774	25,774	25,774
2003	CONSUMABLE SUPPLIES	7,095	24,627	10,267	10,267	10,267
2004	UTILITIES	5,186	4,496	21,738	21,738	21,738
2005	TRAVEL	26,145	17,050	35,015	35,015	35,015
2006	RENT - BUILDING	2,322	3,011	52,025	52,025	52,025
2007	RENT - MACHINE AND OTHER	30,682	39,371	13,174	13,174	13,174
2009	OTHER OPERATING EXPENSE	299,620	406,061	377,663	377,663	377,663
	<b>Total, Objects of Expense</b>	<b>\$2,989,580</b>	<b>\$3,489,686</b>	<b>\$3,502,704</b>	<b>\$3,502,704</b>	<b>\$3,502,704</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	2,989,563	2,190,152	2,275,283	2,275,283	2,275,283
5155	Oil & Gas Regulation	17	1,299,534	1,227,421	1,227,421	1,227,421
	<b>Total, Method of Financing</b>	<b>\$2,989,580</b>	<b>\$3,489,686</b>	<b>\$3,502,704</b>	<b>\$3,502,704</b>	<b>\$3,502,704</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>30.5</b>	<b>29.3</b>	<b>26.7</b>	<b>26.7</b>	<b>26.7</b>

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

87th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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**455 Railroad Commission**

<b>Strategy</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
<b>1-1-1 Promote Energy Resource Development Opportunities</b>					
<b>Method of Allocation</b>					

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Indirect Administration is allocated to direct strategies based on the strategy's FTEs and budget.

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

87th Regular Session, Agency Submission, Version 1  
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**455 Railroad Commission**

Strategy		Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>2-1-1</b>	<b>Ensure Pipeline Safety</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$1,677,346	\$ 1,448,667	\$ 1,387,694	\$ 1,387,694	\$ 1,387,694
1002	OTHER PERSONNEL COSTS	43,508	33,419	36,403	36,403	36,403
2001	PROFESSIONAL FEES AND SERVICES	95,996	238,473	157,224	157,224	157,224
2002	FUELS AND LUBRICANTS	567	250	13,737	13,737	13,737
2003	CONSUMABLE SUPPLIES	4,924	14,149	5,472	5,472	5,472
2004	UTILITIES	3,600	2,583	11,585	11,585	11,585
2005	TRAVEL	18,146	9,796	18,662	18,662	18,662
2006	RENT - BUILDING	1,612	1,730	27,727	27,727	27,727
2007	RENT - MACHINE AND OTHER	21,295	22,621	7,021	7,021	7,021
2009	OTHER OPERATING EXPENSE	207,955	233,301	201,279	201,279	201,279
	<b>Total, Objects of Expense</b>	<b>\$2,074,949</b>	<b>\$2,004,989</b>	<b>\$1,866,804</b>	<b>\$1,866,804</b>	<b>\$1,866,804</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	2,074,937	1,258,346	1,212,637	1,212,637	1,212,637
5155	Oil & Gas Regulation	12	746,643	654,167	654,167	654,167
	<b>Total, Method of Financing</b>	<b>\$2,074,949</b>	<b>\$2,004,989</b>	<b>\$1,866,804</b>	<b>\$1,866,804</b>	<b>\$1,866,804</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>21.2</b>	<b>15.6</b>	<b>14.2</b>	<b>14.2</b>	<b>14.2</b>

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

87th 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>Strategy</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
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**2-1-1    Ensure Pipeline Safety**

**Method of Allocation**

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Indirect Administration is allocated to direct strategies based on the strategy's FTEs and budget.

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

87th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

**455 Railroad Commission**

Strategy		Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>2-1-2</b>	<b>Pipeline Damage Prevention</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$155,264	\$ 131,575	\$ 123,641	\$ 123,641	\$ 123,641
1002	OTHER PERSONNEL COSTS	4,027	3,035	3,243	3,243	3,243
2001	PROFESSIONAL FEES AND SERVICES	8,886	21,659	14,008	14,008	14,008
2002	FUELS AND LUBRICANTS	53	23	1,224	1,224	1,224
2003	CONSUMABLE SUPPLIES	456	1,285	488	488	488
2004	UTILITIES	333	235	1,032	1,032	1,032
2005	TRAVEL	1,680	890	1,663	1,663	1,663
2006	RENT - BUILDING	149	157	2,471	2,471	2,471
2007	RENT - MACHINE AND OTHER	1,971	2,055	626	626	626
2009	OTHER OPERATING EXPENSE	19,250	21,190	17,934	17,934	17,934
	<b>Total, Objects of Expense</b>	<b>\$192,069</b>	<b>\$182,104</b>	<b>\$166,330</b>	<b>\$166,330</b>	<b>\$166,330</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	192,068	114,289	108,044	108,044	108,044
5155	Oil & Gas Regulation	1	67,815	58,286	58,286	58,286
	<b>Total, Method of Financing</b>	<b>\$192,069</b>	<b>\$182,104</b>	<b>\$166,330</b>	<b>\$166,330</b>	<b>\$166,330</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>2.0</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>

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

87th 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>Strategy</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
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<b>2-1-2 Pipeline Damage Prevention</b>					
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**Method of Allocation**

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Indirect Administration is allocated to direct strategies based on the strategy's FTEs and budget.

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

87th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

**455 Railroad Commission**

Strategy		Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>2-2-1</b>	<b>Regulate Alternative Fuel Resources</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$324,808	\$ 475,281	\$ 408,744	\$ 408,744	\$ 408,744
1002	OTHER PERSONNEL COSTS	8,425	10,964	10,722	10,722	10,722
2001	PROFESSIONAL FEES AND SERVICES	18,589	78,239	46,310	46,310	46,310
2002	FUELS AND LUBRICANTS	110	82	4,046	4,046	4,046
2003	CONSUMABLE SUPPLIES	954	4,642	1,612	1,612	1,612
2004	UTILITIES	697	848	3,412	3,412	3,412
2005	TRAVEL	3,514	3,214	5,497	5,497	5,497
2006	RENT - BUILDING	312	568	8,167	8,167	8,167
2007	RENT - MACHINE AND OTHER	4,124	7,421	2,068	2,068	2,068
2009	OTHER OPERATING EXPENSE	40,267	76,542	59,287	59,287	59,287
	<b>Total, Objects of Expense</b>	<b>\$401,800</b>	<b>\$657,801</b>	<b>\$549,865</b>	<b>\$549,865</b>	<b>\$549,865</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	387,159	657,801	549,865	549,865	549,865
666	Appropriated Receipts	14,641	0	0	0	0
	<b>Total, Method of Financing</b>	<b>\$401,800</b>	<b>\$657,801</b>	<b>\$549,865</b>	<b>\$549,865</b>	<b>\$549,865</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>4.1</b>	<b>4.6</b>	<b>4.2</b>	<b>4.2</b>	<b>4.2</b>

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

87th 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>Strategy</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
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**2-2-1 Regulate Alternative Fuel Resources**

**Method of Allocation**

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Indirect Administration is allocated to direct strategies based on the strategy's FTEs and budget.

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

87th Regular Session, Agency Submission, Version 1  
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**455 Railroad Commission**

Strategy		Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>3-1-1</b>	<b>Oil and Gas Monitoring and Inspections</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$3,715,541	\$ 3,872,064	\$ 3,848,886	\$ 3,848,886	\$ 3,848,886
1002	OTHER PERSONNEL COSTS	96,377	89,325	100,966	100,966	100,966
2001	PROFESSIONAL FEES AND SERVICES	212,643	637,402	436,074	436,074	436,074
2002	FUELS AND LUBRICANTS	1,257	668	38,099	38,099	38,099
2003	CONSUMABLE SUPPLIES	10,908	37,819	15,176	15,176	15,176
2004	UTILITIES	7,974	6,905	32,133	32,133	32,133
2005	TRAVEL	40,196	26,183	51,760	51,760	51,760
2006	RENT - BUILDING	3,570	4,624	76,905	76,905	76,905
2007	RENT - MACHINE AND OTHER	47,171	60,461	19,474	19,474	19,474
2009	OTHER OPERATING EXPENSE	460,646	623,579	558,266	558,266	558,266
	<b>Total, Objects of Expense</b>	<b>\$4,596,283</b>	<b>\$5,359,030</b>	<b>\$5,177,739</b>	<b>\$5,177,739</b>	<b>\$5,177,739</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	4,596,256	3,363,365	3,363,350	3,363,350	3,363,350
5155	Oil & Gas Regulation	27	1,995,665	1,814,389	1,814,389	1,814,389
	<b>Total, Method of Financing</b>	<b>\$4,596,283</b>	<b>\$5,359,030</b>	<b>\$5,177,739</b>	<b>\$5,177,739</b>	<b>\$5,177,739</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>46.9</b>	<b>43.3</b>	<b>39.4</b>	<b>39.4</b>	<b>39.4</b>

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

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**455 Railroad Commission**

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<b>Strategy</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
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**3-1-1 Oil and Gas Monitoring and Inspections**

**Method of Allocation**

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Indirect Administration is allocated to direct strategies based on the strategy's FTEs and budget.

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Strategy		Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>3-1-2</b>	<b>Surface Mining Monitoring and Inspections</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$461,738	\$ 511,531	\$ 450,928	\$ 450,928	\$ 450,928
1002	OTHER PERSONNEL COSTS	11,977	11,801	11,829	11,829	11,829
2001	PROFESSIONAL FEES AND SERVICES	26,426	84,206	51,090	51,090	51,090
2002	FUELS AND LUBRICANTS	156	88	4,464	4,464	4,464
2003	CONSUMABLE SUPPLIES	1,356	4,996	1,778	1,778	1,778
2004	UTILITIES	991	912	3,765	3,765	3,765
2005	TRAVEL	4,995	3,459	6,064	6,064	6,064
2006	RENT - BUILDING	444	611	9,010	9,010	9,010
2007	RENT - MACHINE AND OTHER	5,862	7,987	2,281	2,281	2,281
2009	OTHER OPERATING EXPENSE	57,245	82,380	65,405	65,405	65,405
	<b>Total, Objects of Expense</b>	<b>\$571,190</b>	<b>\$707,971</b>	<b>\$606,614</b>	<b>\$606,614</b>	<b>\$606,614</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	571,190	707,971	606,614	606,614	606,614
	<b>Total, Method of Financing</b>	<b>\$571,190</b>	<b>\$707,971</b>	<b>\$606,614</b>	<b>\$606,614</b>	<b>\$606,614</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>5.8</b>	<b>5.1</b>	<b>4.6</b>	<b>4.6</b>	<b>4.6</b>

**Method of Allocation**

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**455 Railroad Commission**

<b>Strategy</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
<b>3-1-2 Surface Mining Monitoring and Inspections</b>					

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Indirect Administration is allocated to direct strategies based on the strategy's FTEs and budget.

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Strategy		Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>3-2-1</b>	<b>Oil and Gas Well Plugging and Remediation</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$4,402,896	\$ 3,454,514	\$ 4,691,102	\$ 4,691,102	\$ 4,691,102
1002	OTHER PERSONNEL COSTS	114,206	79,692	123,060	123,060	123,060
2001	PROFESSIONAL FEES AND SERVICES	251,981	568,667	531,497	531,497	531,497
2002	FUELS AND LUBRICANTS	1,490	596	46,436	46,436	46,436
2003	CONSUMABLE SUPPLIES	12,925	33,741	18,497	18,497	18,497
2004	UTILITIES	9,449	6,160	39,164	39,164	39,164
2005	TRAVEL	47,632	23,359	63,086	63,086	63,086
2006	RENT - BUILDING	4,230	4,126	93,733	93,733	93,733
2007	RENT - MACHINE AND OTHER	55,897	53,941	23,735	23,735	23,735
2009	OTHER OPERATING EXPENSE	545,865	556,334	680,426	680,426	680,426
	<b>Total, Objects of Expense</b>	<b>\$5,446,571</b>	<b>\$4,781,130</b>	<b>\$6,310,736</b>	<b>\$6,310,736</b>	<b>\$6,310,736</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	5,446,539	3,000,672	4,099,321	4,099,321	4,099,321
5155	Oil & Gas Regulation	32	1,780,458	2,211,415	2,211,415	2,211,415
	<b>Total, Method of Financing</b>	<b>\$5,446,571</b>	<b>\$4,781,130</b>	<b>\$6,310,736</b>	<b>\$6,310,736</b>	<b>\$6,310,736</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>55.6</b>	<b>52.8</b>	<b>48.1</b>	<b>48.1</b>	<b>48.1</b>

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**455 Railroad Commission**

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<b>Strategy</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
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**3-2-1 Oil and Gas Well Plugging and Remediation**

**Method of Allocation**

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Indirect Administration is allocated to direct strategies based on the strategy's FTEs and budget.

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**455 Railroad Commission**

Strategy		Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>3-2-2</b>	<b>Surface Mining Reclamation</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$482,485	\$ 194,677	\$ 276,375	\$ 276,375	\$ 276,375
1002	OTHER PERSONNEL COSTS	12,515	4,491	7,250	7,250	7,250
2001	PROFESSIONAL FEES AND SERVICES	27,613	32,047	31,313	31,313	31,313
2002	FUELS AND LUBRICANTS	163	34	2,736	2,736	2,736
2003	CONSUMABLE SUPPLIES	1,416	1,901	1,090	1,090	1,090
2004	UTILITIES	1,035	347	2,307	2,307	2,307
2005	TRAVEL	5,220	1,316	3,717	3,717	3,717
2006	RENT - BUILDING	464	233	5,522	5,522	5,522
2007	RENT - MACHINE AND OTHER	6,125	3,040	1,398	1,398	1,398
2009	OTHER OPERATING EXPENSE	59,819	31,352	40,087	40,087	40,087
	<b>Total, Objects of Expense</b>	<b>\$596,855</b>	<b>\$269,438</b>	<b>\$371,795</b>	<b>\$371,795</b>	<b>\$371,795</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	596,855	269,438	371,795	371,795	371,795
	<b>Total, Method of Financing</b>	<b>\$596,855</b>	<b>\$269,438</b>	<b>\$371,795</b>	<b>\$371,795</b>	<b>\$371,795</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>6.1</b>	<b>3.1</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>

**Method of Allocation**

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**455 Railroad Commission**

<b>Strategy</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
<b>3-2-2 Surface Mining Reclamation</b>					

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Indirect Administration is allocated to direct strategies based on the strategy's FTEs and budget.

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

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**455 Railroad Commission**

Strategy	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>3-3-1 Ensure Fair Rates and Compliance to Rate Structures</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$365,883	\$ 379,956	\$ 328,741	\$ 328,741	\$ 328,741
1002 OTHER PERSONNEL COSTS	9,491	8,765	8,624	8,624	8,624
2001 PROFESSIONAL FEES AND SERVICES	20,940	62,547	37,246	37,246	37,246
2002 FUELS AND LUBRICANTS	124	66	3,254	3,254	3,254
2003 CONSUMABLE SUPPLIES	1,074	3,711	1,296	1,296	1,296
2004 UTILITIES	785	678	2,745	2,745	2,745
2005 TRAVEL	3,958	2,569	4,421	4,421	4,421
2006 RENT - BUILDING	352	454	6,569	6,569	6,569
2007 RENT - MACHINE AND OTHER	4,645	5,933	1,663	1,663	1,663
2009 OTHER OPERATING EXPENSE	45,361	61,190	47,682	47,682	47,682
<b>Total, Objects of Expense</b>	<b>\$452,613</b>	<b>\$525,869</b>	<b>\$442,241</b>	<b>\$442,241</b>	<b>\$442,241</b>
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	452,613	525,869	442,241	442,241	442,241
<b>Total, Method of Financing</b>	<b>\$452,613</b>	<b>\$525,869</b>	<b>\$442,241</b>	<b>\$442,241</b>	<b>\$442,241</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>4.6</b>	<b>3.7</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>

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<b>Strategy</b>	<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
<b>3-3-1    Ensure Fair Rates and Compliance to Rate Structures</b>					

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Indirect Administration is allocated to direct strategies based on the strategy's FTEs and budget.

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Strategy		Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
<b>4-1-1</b>	<b>Public Information and Services</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$340,481	\$ 436,346	\$ 426,199	\$ 426,199	\$ 426,199
1002	OTHER PERSONNEL COSTS	8,832	10,066	11,180	11,180	11,180
2001	PROFESSIONAL FEES AND SERVICES	19,486	71,829	48,288	48,288	48,288
2002	FUELS AND LUBRICANTS	115	75	4,219	4,219	4,219
2003	CONSUMABLE SUPPLIES	1,000	4,262	1,681	1,681	1,681
2004	UTILITIES	731	778	3,558	3,558	3,558
2005	TRAVEL	3,683	2,951	5,732	5,732	5,732
2006	RENT - BUILDING	327	521	8,516	8,516	8,516
2007	RENT - MACHINE AND OTHER	4,323	6,813	2,156	2,156	2,156
2009	OTHER OPERATING EXPENSE	42,211	70,272	61,819	61,819	61,819
	<b>Total, Objects of Expense</b>	<b>\$421,189</b>	<b>\$603,913</b>	<b>\$573,348</b>	<b>\$573,348</b>	<b>\$573,348</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	421,187	379,020	372,435	372,435	372,435
5155	Oil & Gas Regulation	2	224,893	200,913	200,913	200,913
	<b>Total, Method of Financing</b>	<b>\$421,189</b>	<b>\$603,913</b>	<b>\$573,348</b>	<b>\$573,348</b>	<b>\$573,348</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>4.3</b>	<b>4.8</b>	<b>4.4</b>	<b>4.4</b>	<b>4.4</b>

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**455 Railroad Commission**

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**Exp 2019**

**Est 2020**

**Bud 2021**

**BL 2022**

**BL 2023**

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**Method of Allocation**

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Indirect Administration is allocated to direct strategies based on the strategy's FTEs and budget.

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		<b>Exp 2019</b>	<b>Est 2020</b>	<b>Bud 2021</b>	<b>BL 2022</b>	<b>BL 2023</b>
<b>455 Railroad Commission</b>						
<b>GRAND TOTALS</b>						
<b>Objects of Expense</b>						
1001	SALARIES AND WAGES	\$14,343,157	\$13,426,017	\$14,546,054	\$14,546,054	\$14,546,054
1002	OTHER PERSONNEL COSTS	\$372,045	\$309,724	\$381,580	\$381,580	\$381,580
2001	PROFESSIONAL FEES AND SERVICES	\$820,870	\$2,210,132	\$1,648,051	\$1,648,051	\$1,648,051
2002	FUELS AND LUBRICANTS	\$4,853	\$2,317	\$143,989	\$143,989	\$143,989
2003	CONSUMABLE SUPPLIES	\$42,108	\$131,133	\$57,357	\$57,357	\$57,357
2004	UTILITIES	\$30,781	\$23,942	\$121,439	\$121,439	\$121,439
2005	TRAVEL	\$155,169	\$90,787	\$195,617	\$195,617	\$195,617
2006	RENT - BUILDING	\$13,782	\$16,035	\$290,645	\$290,645	\$290,645
2007	RENT - MACHINE AND OTHER	\$182,095	\$209,643	\$73,596	\$73,596	\$73,596
2009	OTHER OPERATING EXPENSE	\$1,778,239	\$2,162,201	\$2,109,848	\$2,109,848	\$2,109,848
	<b>Total, Objects of Expense</b>	<b>\$17,743,099</b>	<b>\$18,581,931</b>	<b>\$19,568,176</b>	<b>\$19,568,176</b>	<b>\$19,568,176</b>
<b>Method of Financing</b>						
1	General Revenue Fund	\$17,728,367	\$12,466,923	\$13,401,585	\$13,401,585	\$13,401,585
666	Appropriated Receipts	\$14,641	\$0	\$0	\$0	\$0
5155	Oil & Gas Regulation	\$91	\$6,115,008	\$6,166,591	\$6,166,591	\$6,166,591
	<b>Total, Method of Financing</b>	<b>\$17,743,099</b>	<b>\$18,581,931</b>	<b>\$19,568,176</b>	<b>\$19,568,176</b>	<b>\$19,568,176</b>
	<b>Full-Time-Equivalent Positions (FTE)</b>	<b>181.1</b>	<b>163.7</b>	<b>149.1</b>	<b>149.1</b>	<b>149.1</b>