Senate Bill No. 1, having been duly certified by the Comptroller of Public Accounts pursuant to Article III, Section 49a of the Texas Constitution, has been presented to me for review and action. I hereby object to and disapprove the following items from Senate Bill No. 1, and include a statement of my objections to each of those items.

**Article I - General Government**

**Bond Review Board**

3. Contingency for Legislation Related to a Local Annual Debt Report. Contingent on enactment of legislation by the Eighty-third Legislature, Regular Session, 2013, requiring the Bond Review Board to produce an annual Local Debt Report, included in the amounts appropriated above in Strategy B.1.1, Local Bond Debt, is $125,573 from General Revenue and 1.5 full-time equivalents each fiscal year of the 2014-15 biennium to implement the provisions of the legislation.

*This veto deletes a contingent rider for a bill that did not pass.*

**Article II - Health and Human Services**

**Department of Family and Protective Services**

37. Contingency for House Bill 969. Included in the amounts above, and contingent on passage of House Bill 969, or similar legislation relating to a student loan repayment assistance program for certain child protective-services workers, by the 83rd Legislature, Regular Session, the Department of Family and Protective Services is appropriated $500,000 in fiscal year 2014 in General Revenue Funds and $500,000 in fiscal year 2015 in General Revenue Funds to transfer to the Higher Education Coordinating Board for implementing the provisions of the legislation.

*This veto deletes a contingent rider for a bill that did not pass.*

**Article III - Education**

**Texas Education Agency**

75. Contingency for SB 1718. Contingent on passage and enactment of Senate Bill 1718, or similar legislation relating to state interventions and sanctions against public school campuses with unacceptable performance and the establishment of the Texas Achievement School District for educating students at certain low-performing campuses, by the Eighty-third Legislature, Regular Session, 2013, the Texas Education Agency is hereby appropriated $250,000 in General Revenue funds in each fiscal year to implement the provisions of the legislation. In addition, the "Number of Full-Time Equivalents (FTE)" indicated in the agency's bill pattern is hereby increased by 2 FTEs in each fiscal year.

*This veto deletes a contingent rider for a bill that did not pass.*
Higher Education Coordinating Board  
C.1.3. Strategy: WATER AQUIFER RESEARCH $1,500,000 $1,500,000  
Houston Area Research Council—Water Aquifer Research.

60. Aquifer Research. Out of funds appropriated above in Strategy C.1.3, Water Aquifer Research, $1,500,000 in general revenue for fiscal year 2014 and $1,500,000 in general revenue for fiscal year 2015 shall be transferred to the Houston Area Research Council.

Legislation and appropriations passed by the Eighty-third Legislature, Regular Session, enhance the structure of the Texas Water Development Board and its programs, and provide funding to the agency for demonstration projects related to water reuse, aquifer storage and recovery, and other innovative water storage approaches. Now, as always, the Water Development Board is the appropriate entity to maintain centralized, long-term water planning for Texas, and the best place to devote taxpayer dollars used for this purpose. I therefore object to and disapprove of this appropriation.

Article IV - The Judiciary  
Judiciary Section, Comptroller's Department  
D.1.4 Strategy: PUBLIC INTEGRITY UNIT, $3,742,829 $3,830,597  
TRAVIS CO & UB  
Public Integrity Unit, 53rd Judicial District.

Despite the otherwise good work the Public Integrity Unit's employees, I cannot in good conscience support continued State funding for an office with statewide jurisdiction at a time when the person charged with ultimate responsibility of that unit has lost the public's confidence. This unit is in no other way held accountable to state taxpayers, except through the State budgetary process. I therefore object to and disapprove of this appropriation.

Article V - Public Safety and Criminal Justice  
Department of Criminal Justice  
67. Contingency for SB___/HB____ : Windham School District Appropriations and Funding Oversight Transfer. Contingent on enactment of SB___ or HB____, or similar legislation relating to the transfer of the Windham School District's (WSD) appropriations and funding oversight from the Texas Education Agency (TEA) to the Texas Department of Criminal Justice (TDCJ), by the Eighty-third Legislature, Regular Session:

a. reduce TEA's Foundation School Fund No. 193—General Revenue Funds by $52,500,000 in fiscal year 2014 and $50,500,000 in fiscal year 2015;

b. eliminate TEA's Strategy B.2.4, Windham School District;

c. move all WSD performance measures referenced in TEA's rider number 1 entitled "Performance Measures Targets" to TDCJ's rider number 1 entitled "Performance Measures Targets";

d. delete the following TEA riders:
   - "6. Windham Schools."
   - "55. Windham School District: Pilot Programs."

e. add a funding strategy entitled "C.2.6, Windham School District" within TDCJ's Goal C, Incarcerate Felons;

f. appropriate Foundation School Fund No. 193—General Revenue Funds to TDCJ in Strategy C.2.6, Windham School District in the amounts of $52,500,000 in fiscal year 2014 and $50,500,000 in fiscal year 2015;

g. delete the following rider from TDCJ's bill pattern:
"29. Expenditure Limitation—Windham School District."

h. add the following new rider to TDCJ’s bill pattern:

Windham School District. The use of appropriated funds to the Texas Department of Criminal Justice (TDCJ) for the Windham School District (WSD) shall be governed by the specific limitations included in this rider.

a. None of the funds provided to WSD through TDCJ shall be expended unless the Texas Board of Criminal Justice has approved an annual operating budget for WSD prior to the expenditure of any funds. The TDCJ shall file a copy of the WSD’s operating budget with the Governor, the Legislative Budget Board, and the appropriate legislative oversight committees at the beginning of each fiscal year.

b. The funds appropriated above in Strategy C.2.6, Windham School District, are to be expended only for academic and vocational educational programs approved by the Texas Education Agency. TDCJ shall allocate funds to WSD based on contact hours for the best 180 of 210 school days in each year of the biennium. The contact hour rates for the 2014-15 biennium are the following: $4.47826 for academic education, $3.67445 for vocational education. WSD shall use funds appropriated above to serve those students whose participation will help achieve the goals of reduced recidivism and the increased success of former inmates in obtaining and maintaining employment. To achieve these goals, younger offenders with the lowest educational levels and the earliest projected release or parole eligibility dates should receive high priority. This policy shall not preclude WSD from serving other populations according to needs and resources. For students who successfully complete WSD’s program during the 2012-13 biennium, the WSD shall report to the Eighty-fourth Legislature on the following: recidivism rates, employment rates, and attainment of GEDs, high school diplomas, professional certifications, associate’s degrees, and adult education literacy levels.

c. From funds appropriated above in Strategy C.2.6, Windham School District, TDCJ shall identify amounts to be set aside by WSD and expended for a pilot in computer adaptive intensive math and reading intervention programs that address individual needs and develop skills from elementary levels through high school, and a pilot in virtual learning options that allow a student to earn a high school diploma, high school equivalent certification, certification and/or college credit. WSD shall produce a final report for the Eighty-fourth Legislature on the implementation and effectiveness of these pilot programs.

This veto deletes a contingent rider for a bill that did not pass.

Article IX - General Provisions

Sec. 18.25. Contingency for HB 2824. Contingent on the enactment of House Bill 2824, or similar legislation relating to the Texas High Performance Schools Consortium, by the Eighty-third Legislature, Regular Session, 2013, the Texas Education Agency is hereby appropriated $1,137,761 for fiscal year 2014 and $1,137,761 for fiscal year 2015 from the General Revenue Fund to implement the provisions of the legislation. In addition, the “Number of Full-Time Equivalents (FTE)” indicated in the agency’s bill pattern is hereby increased by 9.0 FTEs in each fiscal year.

The Texas Education Agency shall cover, at a minimum, the costs of the appropriations made in this rider, as well as the “other direct and indirect costs” associated with those functions appropriated elsewhere in this Act. The Texas Education Agency is hereby appropriated all fees generated by the Texas High Performance Schools Consortium above the sum of: (1) the amount appropriated by the first paragraph of this rider and, (2) the “other direct and indirect costs” of the agency related to the Texas High Performance Schools Consortium, to implement the provisions of the legislation. In the event that the actual and/or projected fee revenue collections are insufficient to offset program costs, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided herein to be within the amount of fee revenue expected to be available.
Sec. 18.49. Contingency for SB 1340.
a. Contingent on the enactment of Senate Bill 1340, or similar legislation relating to the temporary operation of a race track extension location, by the Eighty-third Legislature, Regular Session, 2013, the Racing Commission is appropriated $17,500 in GR Dedicated-Texas Racing Account No. 597 funds during each fiscal year of the 2014-15 biennium for each new race track that begins the temporary operation of an extension location for the first-time during the biennium (estimated to be two race tracks in fiscal year 2014 and two additional race tracks in fiscal year 2015) to implement the provisions of the legislation. This appropriation is also contingent on the Racing Commission assessing or increasing fees sufficient to generate, in addition to revenue requirements elsewhere in this Act, during the 2014-15 biennium, $21,411 for fiscal year 2014 and $21,411 for fiscal year 2015 for each new race track that begins temporary operation of an extension location during the 2014-15 biennium in excess of $7,965,000 in fiscal year 2014 and $7,979,000 in fiscal year 2015 (Object Codes 3188, 3189, 3190, 3193, 3194, and 3197) contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2014 and 2015. Also, the “Number of Full-Time Equivalents (FTEs)” indicated in the agency’s bill pattern shall be increased by 0.3 FTEs in each fiscal year for each new race track that begins temporary operation of an extension location during the biennium, contingent upon the agency meeting the above revenue target. The Racing Commission, upon completion of necessary action to assess or increase such additional fees, shall furnish a copy of the Racing Commission’s minutes and other information supporting the estimated revenues to be generated for the 2014-15 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriations shall be made available for the intended purposes. For informational purposes, the amount of increased revenue identified above reflects amounts sufficient to cover direct appropriations of $35,000 and other direct and indirect costs (estimated to be $7,822) for the 2014-15 biennium.

b. Contingent on the enactment of Senate Bill 1340, or similar legislation relating to the temporary operation of a race track extension location, by the Eighty-third Legislature, Regular Session, the Racing Commission is appropriated in Strategy A.2.1, Texas Bred Incentive Program, revenue set aside by the Texas Racing Act pursuant to VTCS, Article 179e §6.08 (j) for the Texas Bred Incentive Program that is collected by the agency from each additional race track that begins temporary operation of an extension location during the 2014-15 biennium in an amount not to exceed $92,000 from the GR Dedicated-Texas Racing Commission Account No. 597 each year for each new race track that begins temporary operation of an extension location. Any appropriations from revenue collected by the agency from new race tracks temporarily operating extension locations for the Texas Bred Incentive Program during the 2014-15 biennium may be used only for that purpose and are not transferable to any other strategy.

Sec. 18.54. Contingency for SB 1554. Contingent on the enactment of SB 1554, or similar legislation relating to the establishment of a matching grant program for community development in certain municipalities and counties by the Eighty-third Legislature, Regular Session, there is hereby appropriated to the Texas Department of Agriculture out of the General Revenue Fund in Strategy F.1.1, Rural Community and Economic Development, $1,071,514 in fiscal year 2014 and $1,071,513 in fiscal year 2015 to administer a Community Development Matching Grant Program to fund public infrastructure for economic development objectives in certain municipalities and counties. Additionally, the “Number of Full-Time Equivalents (FTE)” is increased by 1.0 FTE in each fiscal year of the 2014-15 biennium.
This veto deletes a contingent rider for a bill that did not pass.

Sec. 18.55. Contingency for SB 1680. Contingent on enactment of SB 1680, or similar legislation relating to new requirements related to state agency contracting, by the Eighty-third Legislature, Regular Session, 2013, the Comptroller of Public Accounts is appropriated $60,000 in General Revenue for each fiscal year of the 2014-15 biennium to implement the provisions of the legislation. In addition, the "Number of Full Time Equivalents (FTE)" is increased by 1.0 in each fiscal year of the 2014-15 biennium.

This veto deletes a contingent rider for a bill that did not pass.

I have signed Senate Bill No. 1 together with this proclamation stating my objections in accordance with Article IV, Section 14 of the Texas Constitution.

Since the Legislature by its adjournment of the Regular Session has prevented the return of this bill, I am filing this bill and these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 14th day of June, 2013.

RICK PERRY
Governor of Texas