

**LEADING TEXAS ENERGY**  
OIL & GAS ★ COAL ★ PIPELINES  
RAILROAD COMMISSION OF TEXAS

# LEGISLATIVE APPROPRIATIONS REQUEST

Fiscal Years 2026-2027

★ WAYNE CHRISTIAN  
COMMISSIONER

★ CHRISTI CRADDICK  
CHAIRMAN

★ JIM WRIGHT  
COMMISSIONER



# **LEGISLATIVE APPROPRIATIONS REQUEST**

**For Fiscal Years 2026 and 2027**

**Submitted to the**

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

**by the**

**Railroad Commission of Texas**

**August 30, 2024**

# Railroad Commission of Texas (455)

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**General Information**

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

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

- Oversee the development of the state's energy resources while protecting public health and the environment through an effective regulatory program 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 primary funding priorities. While the Commission derives much of its funding from the state's energy industries, consistent funding for the Commission's regulatory responsibilities is critical to protecting public safety and the environment.

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

**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:

- Christi Craddick, Chairman, Dec. 17, 2012 to Dec. 31, 2024, Midland, Texas
- Wayne Christian, Commissioner, Jan. 9, 2017 to Dec. 31, 2028, Center, Texas
- Jim Wright, Commissioner, Jan. 4, 2021 to Dec. 31, 2026, Orange Grove, Texas

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**Overview of Budget Request**

The Railroad Commission prepared its funding request in compliance with the policy letter from Governor Greg Abbott and Lieutenant Governor Dan Patrick issued on July 25, 2024, and the policy letter from Speaker of the House Dade Phelan also issued on July 25, 2024, as well as instructions issued by the Governor's Office, Budget and Policy Division and the Legislative Budget Board. The request for the 2026-2027 biennium does not exceed the sum of those amounts expended in fiscal year 2024 and budgeted in fiscal year 2025 in General Revenue and General Revenue Dedicated Funds. The proposed request for general revenue-related funding follows a careful examination of agency funding priorities and seeks funding levels that will further the Commission's mission and goals.

The baseline biennial request totals \$466,560,272 with fee and surcharge generating sources comprising 34.9 percent, General Revenue as 41.2 percent, federal funds as 23.2 percent, and other sources comprising almost 0.7 percent of the request.

**External Factors**

The Railroad Commission provides necessary regulation and oversight of the state's energy industries, without which Texas would not have a vital pillar of its vibrant economy. The Commission's main functions are to protect the environment, public safety, and correlative rights of mineral interest owners, prevent waste of natural resources, and assure fair and equitable utility rates in natural gas distribution industries. Regulating dynamic industries that support the state's economy require the staffing, technological, and financial capacity to respond with agility to changing market and economic conditions that affect the industries the Commission regulates.

House Bill 3516 (87th Legislature, Regular Session, 2021) directed the Railroad Commission to encourage the commercial recycling of liquid oil and gas wastes, including produced water. Technological advances in water treatment and freshwater scarcity in parts of Texas refocused attention on the potential to treat produced water and recycle it for beneficial purposes. In January 2024, the Commission issued a framework for pilot programs that could greatly enhance environmental protection in Texas with the potential to recycle produced water safely and economically. Produced water is a byproduct of what comes to the surface during oil and gas production. The produced water recycling framework provides a regulatory pathway for operators to assess the effectiveness and the suitability of applying treated produced water for beneficial purposes, with the potential to reduce the amount of produced water that is injected back into the ground, which can help reduce incidents of seismicity, as well as developing a potential water source for above ground use. The Commission is focusing its attention on the effectiveness of treatment technologies and is examining proper methods for gathering, storing, treating, testing, and documenting how treated water quality evolves and is controlled in each pilot facility. Data management systems to collect produced water and injection data and make it available to industry, state regulators, and other interested parties are necessary to support this effort.

The Commission anticipates the federal reauthorization of the Pipeline and Hazardous Materials Safety Administration's (PHMSA) pipeline safety programs. Potential changes with the reauthorization that may affect Commission programs include: rulemaking to establish minimum safety standards for the transportation and temporary storage incidental to transportation of carbon dioxide in a gaseous state, along with changes to facilitate the federal regulation of carbon dioxide pipelines, a study of existing natural gas pipeline systems that blend hydrogen into natural gas pipeline systems to inform a future rulemaking related to hydrogen-natural gas blending, updates to PHMSA's assessment criteria for State Damage Prevention Programs, and directs the U.S. Secretary of Transportation to estimate funding necessary to fund 80 percent of the costs of personnel, equipment, and activities for the State Pipeline Safety grant programs. The Commission's funding from PHMSA was approximately 55.62 percent of the program's cost to the State in calendar year 2023.

Funding from the 2021 Infrastructure and Investment Jobs Act (IIJA) supports or is anticipated to support several Commission programs including well plugging and site remediation activities at orphaned well sites across the state, the development of the Class VI Underground Injection Control (Geologic Sequestration of Carbon Dioxide) program, and the Commission's Brownfields program, as well as the abandoned mine lands program providing for remediation of pre-1977 mining sites in Texas. These

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new sources of federal funds are not without additional administrative burdens for the Commission. Specifically, funding for the Orphan Well Plugging Formula Grants includes the addition of Endangered Species Act Section 7 and National Historic Preservation Act Section 106 compliance along with new and significant oversight from the Department of the Interior's Orphaned Wells Program Office. These new compliance requirements and approvals significantly slowed the implementation of the federal well pluggings. During the first five months of the Formula Grant, the Commission plugged approximately 60 percent fewer wells than were plugged during the first five months of the Initial Grant. The Commission will staff up with compliance experts to ensure the federally funded pluggings reach a pace necessary to expend the grant funds by the expiration of the federal appropriations on September 30, 2030.

Federal funding for well plugging is best used for planned, standard plugging operations. Developing the administrative record necessary for compliance with various terms and conditions makes it difficult to use this funding for emergency, time sensitive plugging activities. The Commission faces significant cost pressure for the state managed orphaned well program from inflation and emergency wells. Recent inflationary pressure pushed the average cost to plug a well in fiscal year 2023 just over \$30,000 per well. This cost is nearly 50 percent higher than the fiscal year 2019 average cost of \$20,434 per well.

As the oil fields across Texas age, so too does the state's orphaned well population with aging wells potentially more vulnerable and requiring an emergency response. In fiscal year 2023, the Commission plugged 38 orphaned well under emergency circumstances, with an average cost of nearly \$250,000 per well. The costs and number of emergency wells have increased sharply over the last several years. With emergency well plugging costing nearly ten times the average cost to plug a well and an increasing number of emergency plugging jobs each year, options beyond federal funds or the regular appropriation of Oil and Gas Regulation and Cleanup funding will be critical to allow the Commission the ability to protect the state's surface and subsurface groundwater.

The Commission continues to develop information technology solutions, tools, and processes to enable easier access to records that concern various oil and gas exploration and development, determination of responsibility for the proper plugging of abandoned wells, applications to inject water into reservoirs for enhanced oil and gas production, and prevention and control of oil and gas pollution. The Commission relies on data tools to manage inspections of pipeline systems, alternative fuel installations, and surface mines, allowing staff to prioritize future inspections and track compliance. The Commission collects, maintains, and makes available to the public enormous amounts of information and data depending on agency systems and processes that operate with the highest level of efficiency and accessibility. This requires vigilance in continuous review and updating of its systems related to data collection and data management in the field and at headquarters. The RRC continually strives to make information more available and transparent to the public, particularly related to its Safety Program and Environmental and Consumer Protection activities.

Exceptional Items—(\$35,732,535)

Technology improvements continue to strengthen the Texas energy industries. To effectively regulate these industries throughout the economic cycle, the Commission must continue with its implementation of data-driven processes that analyze performance metrics of compliance and enforcement rates, public safety risks, and threats to the environment, while maintaining a strong field presence, for the protection of public safety and the environment. To advance this effort, the Commission proposes 9 exception items for the FY 2026-27 biennium:

**Produced Water and Injection Data Reporting System**

The increase in oil production in Texas over the last 15 years has led to a great increase in the amount of produced water from well sites. The oil and gas industry sees value in recycling the water and turning it into a resource rather than a waste product. Disposing of produced water by injecting it into deep geologic strata increases risks associated with overpressure such as surface breakouts that increase the drilling costs. The Railroad Commission proposes development of a new system that



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would collect produced water and injection data and make it available to industry, state regulators, and other interested parties. RRC requests 2 FTEs and \$7,685,824 for development of this system.

**Oil and Gas Authorized Pit Registration System**

The Oil and Gas Environmental Permits and Support Unit needs a new system for operators to provide more information about pits used to store or manage oil field fluids and oil and gas waste. The new system will allow operators to provide more complete information about the size, location, and uses than is currently collected. The Commission will inspect pits as part of its inspection process to ensure no oil and gas activities pollute surface or subsurface waters. The new system will also allow the data to be available online to the public. RRC request 2 FTEs and \$2,748,000 for development of this system.

**Oversight and Safety Regulatory Filing and Permitting Systems**

The Railroad Commission collects multiple reports with large amounts of data from natural gas utilities related to the sale of natural gas. The Commission uses this data to audit utility companies and ensure that the collected Natural Gas Utility Taxes are accurate. A new online filing system would make reporting easier for the utility companies and enhance the auditing capabilities of the Commission. Likewise, the Alternative Fuels Online System (AFOS) needs enhancements to streamline the permitting process for operators. RRC requests \$6,288,068 for these systems.

**Site Remediation Program Support**

The Oil and Gas Site Remediation Program needs two additional FTEs to review complex cleanup projects and respond to public information requests about cleanup activities. The RRC requests \$342,140 for the biennium for the salaries and operating costs for these FTEs.

**New Kilgore District Office Building**

The Railroad Commission requests \$3 million for the construction of a new 8,800 square foot building in Kilgore. The District Office has temporarily moved into leased space in Henderson. The previous building was not cost effective to renovate due to black mold, asbestos, and structural concerns.

**GIS Cloud Upgrade**

The Railroad Commission uses a geographic information system (GIS) extensively across the agency to effectively regulate the oil and gas industry and ensure critical infrastructure is prepared for weather emergencies. The RRC Public GIS Map Viewer allows the public to access this important data. The migration from the current GIS platform to a cloud-based platform offers more detailed reporting, faster data access, increased uptime, and new analytical tools for users and the general public. RRC requests \$2,142,778 for the system migration.

**Microfilm Digitization**

The Railroad Commission continues to make all oil and gas records available digitally online to the public for greater transparency. Records held at the district offices should be completely digitized by the end of fiscal year 2025. This project would digitize existing microfilm records in Austin for inclusion with existing digital resources

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available from the RRC website. RRC requests \$907,496 for this project.

**Vehicle Replacements**

During the 2026-27 biennium, the Commission will need to replace 82 trucks for field staff. The Railroad Commission replace vehicles in accordance with the guidelines of the Texas State Vehicle Fleet Management Plan from the Comptroller's Office of Vehicle Fleet Management. Vehicle replacements for the 2024-25 biennium were funded by the supplemental appropriations bill (SB 30, 88th Legislature, Regular Session, 2023). RRC requests \$4,889,831 for these new vehicles.

**Data Center Services Adjustment**

RRC requests an additional \$7.7M for Data Center Services (DCS) cost for the biennium. The latest forecast from the Department of Information Resources (DIR) for RRC's DCS cost is \$23M which is a 50.5% increase from the \$15.2M appropriated in the 2024-25 biennium. DIR's forecast is based on the current services that RRC receives as well as additional licenses and server cost necessary in the statewide data center for the next biennium.

**Capital Budget—(\$40,844,771)**

The Commission's capital budget request seeks capital authority totaling \$40,844,771 million for four capital projects. The Commission's 2026-27 appropriation request includes the following capital projects in the Base Level Request:

- Mainframe Transformation Phase IV—\$21,475,647
- Data Center Services (DCS)—\$15,280,374
- Inspection/Enforcement Tracking and Reporting System Phase V—\$3,000,000
- PC Refresh—\$1,088,750

**Mainframe Transformation Phase IV—\$21,475,647**

With this request the Commission will continue implementing modern, flexible, and scalable information technology systems that reduce dependence on mainframe systems. In the 20-21 biennium, the Commission began a phased approach and has continued to transition its oil and gas business processes off the mainframe to reduce dependency on mainframe technology.

During the 2026-27 biennium, with proposed Phase IV of the Mainframe Transformation, the Commission will continue to reduce its dependency on mainframe systems by modernizing processes and moving additional well management features to its cloud-based systems including:

- Reclassifying wells
- Lease Management
- Field Management
- Well Testing Functionalities
- Support Functions that enable data integration

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The Commission will continue to expand the agency's central data repository to make reporting more efficient.

The evolution of the Commission's regulated industries, along with demands for wider access to Commission data, and legislative requirements are increasingly difficult to address with aging mainframe technologies. These challenges cannot be resolved in a single biennium. This project will leverage the foundation and framework established in the 20-21 biennium by adding additional business processes and data to continue the Commission's forward movement.

**Data Center Services (DCS)—\$15,280,374**

As more state agencies move away from mainframe technologies, Data Center Services costs will increase for those agencies still relying on mainframe systems. For the Commission, continuing the process to reduce dependency on its mainframe systems will avoid future costs. As additional mainframe processes and functions move away from mainframe systems, the Commission will realize this cost avoidance. As this transition progresses, the Commission must still rely on mainframe process to maintain its ability to regulate those industries under its jurisdiction.

**Inspection/Enforcement Tracking and Reporting System Phase V—\$3,000,000**

The Commission seeks \$3,000,000 capital budget authority to implement Phase V of the Inspection and Enforcement Tracking and Reporting system. The phase will focus on the Commission's online Texas Damage Reporting Form for pipeline damages.

**PC Refresh—\$1,088,750**

The Commission also requests capital authority in the amount of \$1,088,750 for PC replacement.

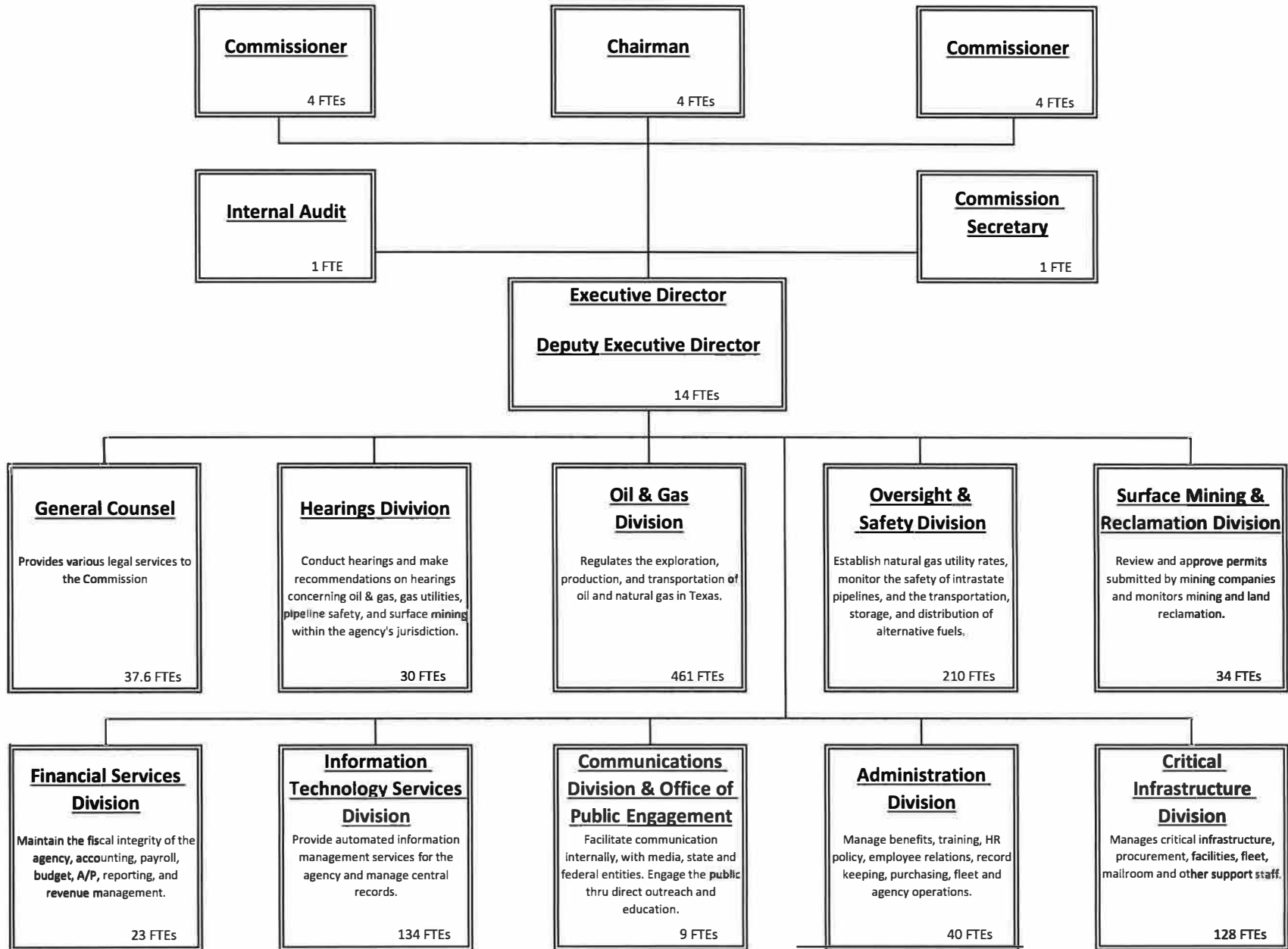
**Authority to Conduct Background Checks**

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.

# Railroad Commission of Texas

## Organization Chart

(as of September 1, 2024)





CERTIFICATE

Agency Name Railroad Commission of Texas

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

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Office of the Governor will be notified in writing in accordance with House Bill 1, Article IX, Section 7.01, Eighty-eighth Legislature, Regular Session, 2023.

**Chief Executive Officer or Presiding Judge**

Signed by:  
Danny Sorrells  
5D99A46E434042D...

Signature

Danny Sorrells

Printed Name

Acting Executive Director

Title

08/30/2024

Date

**Board or Commission Chair**

Produced by:  
Christi Craddick  
15494B7DF4CC424...

Signature

Christi Craddick

Printed Name

Chairman, Railroad Commission

Title

08/30/2024

Date

**Chief Financial Officer**

Signed by:  
Pamela Darden  
3C25C93429DF49C...

Signature

Pamela Darden, CPA

Printed Name

Chief Financial Officer

Title

08/30/2024

Date

**Budget Overview - Biennial Amounts**  
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455 Railroad Commission  
 Appropriation Years: 2026-27

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2026-27
	<b>Goal: 1. Oversee Oil and Gas Resource Development</b>										
1.1.1. Energy Resource Development	40,059,302	41,860,951	18,102,860	15,396,135	640,000	640,000	852,000	1,204,000	59,654,162	59,101,086	11,734,846
<b>Total, Goal</b>	<b>40,059,302</b>	<b>41,860,951</b>	<b>18,102,860</b>	<b>15,396,135</b>	<b>640,000</b>	<b>640,000</b>	<b>852,000</b>	<b>1,204,000</b>	<b>59,654,162</b>	<b>59,101,086</b>	<b>11,734,846</b>
<b>Goal: 2. Advance Safety Through Training, Monitoring, and Enforcement</b>											
2.1.1. Pipeline Safety	12,475,474	4,612,350	8,875,528	13,233,178	6,520,000	6,520,000			27,871,002	24,365,528	1,185,089
2.1.2. Pipeline Damage Prevention	834,557	3,298,031	161,132	722,145	360,000	360,000			1,355,689	4,380,176	31,587
2.2.1. Regulate Alt Fuel Resources	7,084,860	6,869,636					1,840,000	1,840,000	8,924,860	8,709,636	4,597,843
<b>Total, Goal</b>	<b>20,394,891</b>	<b>14,780,017</b>	<b>9,036,660</b>	<b>13,955,323</b>	<b>6,880,000</b>	<b>6,880,000</b>	<b>1,840,000</b>	<b>1,840,000</b>	<b>38,151,551</b>	<b>37,455,340</b>	<b>5,814,519</b>
<b>Goal: 3. Min. Harmful Effects of Energy Prod &amp; Ensure Fair Rates for Consumers</b>											
3.1.1. Oil/Gas Monitor & Inspections	59,634,758	57,070,542	17,747,903	13,886,380					77,382,661	70,956,922	3,379,471
3.1.2. Surface Mining Monitoring/Inspect	9,627,298	8,764,470			2,560,000	2,560,000			12,187,298	11,324,470	462,602
3.2.1. Oil&Gas Well Plugging & Remediation	22,271,145	29,595,075	115,962,168	109,358,890	129,458,747	95,148,584			267,692,060	234,102,549	9,366,875
3.2.2. Surface Mining Reclamation	882,075	876,268			3,400,000	3,400,000			4,282,075	4,276,268	76,008
3.3.1. Gas Utility Commerce	7,260,272	7,402,944					260,000	260,000	7,520,272	7,662,944	2,548,951
3.4.1. Weather Preparedness	28,628,944	25,422,200							28,628,944	25,422,200	1,300,619
<b>Total, Goal</b>	<b>128,304,492</b>	<b>129,131,499</b>	<b>133,710,071</b>	<b>123,245,270</b>	<b>135,418,747</b>	<b>101,108,584</b>	<b>260,000</b>	<b>260,000</b>	<b>397,693,310</b>	<b>353,745,353</b>	<b>17,134,526</b>
<b>Goal: 4. Public Access to Information and Services</b>											
4.1.1. Public Information And Services	3,490,853	4,101,564	1,765,119	1,224,448			100,000	100,000	5,355,972	5,426,012	1,048,654
<b>Total, Goal</b>	<b>3,490,853</b>	<b>4,101,564</b>	<b>1,765,119</b>	<b>1,224,448</b>			<b>100,000</b>	<b>100,000</b>	<b>5,355,972</b>	<b>5,426,012</b>	<b>1,048,654</b>
<b>Total, Agency</b>	<b>192,249,538</b>	<b>189,874,031</b>	<b>162,614,710</b>	<b>153,821,176</b>	<b>142,938,747</b>	<b>108,628,584</b>	<b>3,052,000</b>	<b>3,404,000</b>	<b>500,854,995</b>	<b>455,727,791</b>	<b>35,732,545</b>
<b>Total FTEs</b>									<b>1,134.6</b>	<b>1,124.6</b>	<b>6.0</b>

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Goal / Objective / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<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>	26,247,915	33,727,569	25,926,593	32,165,334	26,935,752
<b>TOTAL, GOAL</b> <b>1</b>	<b>\$26,247,915</b>	<b>\$33,727,569</b>	<b>\$25,926,593</b>	<b>\$32,165,334</b>	<b>\$26,935,752</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>	12,878,868	15,688,238	12,182,764	12,182,764	12,182,764
<b>2 PIPELINE DAMAGE PREVENTION</b>	741,120	665,601	690,088	3,690,088	690,088
<b>2</b> <u>Alternative Energy &amp; Safety Through Regulation</u>					
<b>1 REGULATE ALT FUEL RESOURCES</b>	6,928,138	4,570,042	4,354,818	4,354,818	4,354,818
<b>TOTAL, GOAL</b> <b>2</b>	<b>\$20,548,126</b>	<b>\$20,923,881</b>	<b>\$17,227,670</b>	<b>\$20,227,670</b>	<b>\$17,227,670</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>					

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<b>Goal / Objective / STRATEGY</b>	<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b>1 OIL/GAS MONITOR &amp; INSPECTIONS</b>	35,621,171	41,735,885	35,646,776	35,310,146	35,646,776
<b>2 SURFACE MINING MONITORING/INSPECT</b>	3,426,975	6,025,063	6,162,235	5,162,235	6,162,235
<u>2</u> <i>Identify and Abate Environmental Threats</i>					
<b>1 OIL&amp;GAS WELL PLUGGING &amp; REMEDIATION</b>	87,383,285	102,777,037	164,915,023	116,904,798	117,197,751
<b>2 SURFACE MINING RECLAMATION</b>	2,005,008	2,143,941	2,138,134	2,138,134	2,138,134
<u>3</u> <i>Maintain Competitive Prices and Adequate Supplies for Consumers</i>					
<b>1 GAS UTILITY COMMERCE</b>	3,500,051	3,688,800	3,831,472	3,831,472	3,831,472
<u>4</u> <i>Critical Infrastructure</i>					
<b>1 WEATHER PREPAREDNESS</b>	15,226,824	14,917,844	13,711,100	12,711,100	12,711,100
<b>TOTAL, GOAL 3</b>	<b>\$147,163,314</b>	<b>\$171,288,570</b>	<b>\$226,404,740</b>	<b>\$176,057,885</b>	<b>\$177,687,468</b>

4 Public Access to Information and Services

1 Increase Public Access to Information

<b>1 PUBLIC INFORMATION AND SERVICES</b>	3,003,185	2,642,966	2,713,006	2,713,006	2,713,006
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**2.A. Summary of Base Request by Strategy**

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

**455 Railroad Commission**

<b>Goal / Objective / STRATEGY</b>	<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b>TOTAL, GOAL                    4</b>	<b>\$3,003,185</b>	<b>\$2,642,966</b>	<b>\$2,713,006</b>	<b>\$2,713,006</b>	<b>\$2,713,006</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$196,962,540</b>	<b>\$228,582,986</b>	<b>\$272,272,009</b>	<b>\$231,163,895</b>	<b>\$224,563,896</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*</b>				<b>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$196,962,540</b>	<b>\$228,582,986</b>	<b>\$272,272,009</b>	<b>\$231,163,895</b>	<b>\$224,563,896</b>

455 Railroad Commission

Goal / Objective / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>METHOD OF FINANCING:</u>					
<b>General Revenue Funds:</b>					
1 General Revenue Fund	90,760,807	99,514,881	92,734,657	94,937,015	94,937,016
<b>SUBTOTAL</b>	<b>\$90,760,807</b>	<b>\$99,514,881</b>	<b>\$92,734,657</b>	<b>\$94,937,015</b>	<b>\$94,937,016</b>
<b>General Revenue Dedicated Funds:</b>					
5155 Oil & Gas Regulation	73,770,665	89,707,638	72,907,072	80,210,588	73,610,588
<b>SUBTOTAL</b>	<b>\$73,770,665</b>	<b>\$89,707,638</b>	<b>\$72,907,072</b>	<b>\$80,210,588</b>	<b>\$73,610,588</b>
<b>Federal Funds:</b>					
555 Federal Funds	31,067,174	37,927,687	104,760,000	54,146,012	54,146,012
5041 GR Account-Railroad Comm	0	82,780	168,280	168,280	168,280
<b>SUBTOTAL</b>	<b>\$31,067,174</b>	<b>\$38,010,467</b>	<b>\$104,928,280</b>	<b>\$54,314,292</b>	<b>\$54,314,292</b>
<b>Other Funds:</b>					
666 Appropriated Receipts	1,363,894	1,350,000	1,350,000	1,350,000	1,350,000
827 Anthropogenic CO2 Storage Fund	0	0	352,000	352,000	352,000
<b>SUBTOTAL</b>	<b>\$1,363,894</b>	<b>\$1,350,000</b>	<b>\$1,702,000</b>	<b>\$1,702,000</b>	<b>\$1,702,000</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$196,962,540</b>	<b>\$228,582,986</b>	<b>\$272,272,009</b>	<b>\$231,163,895</b>	<b>\$224,563,896</b>

\*Rider appropriations for the historical years are included in the strategy amounts.

**2.B. Summary of Base Request by Method of Finance**  
 89th 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 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>GENERAL REVENUE</u></b>					
<b><u>1</u></b> General Revenue Fund					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2022-23 GAA)	\$55,474,034	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$94,743,449	\$93,914,644	\$0	\$0
<i>RIDER APPROPRIATION</i>					
Art IX, Sec 18.28, Contingency for SB3 (27828) (2022-23 GAA)	\$11,586,805	\$0	\$0	\$0	\$0
<b>Comments:</b> Art IX, Sec 18.28, Contingency for SB3 (27828) (2022-23 GAA)					
Art IX, Sec 18.14, Contingency for HB1520 (27814) (2022-23 GAA)	\$714,780	\$0	\$0	\$0	\$0
<b>Comments:</b> Art IX, Sec 18.14, Contingency for HB1520 (27814) (2022-23 GAA)					
<i>TRANSFERS</i>					
SB 30, 88th Leg, Regular Session	\$435,000	\$0	\$0	\$0	\$0

**2.B. Summary of Base Request by Method of Finance**  
 89th 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 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>GENERAL REVENUE</u></b>					
<b>Comments:</b> Appn for Salary Increase (38901)					
<i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i>					
SB 30, 88th Leg, Regular Session	\$541,000	\$0	\$0	\$0	\$0
<b>Comments:</b> Sec. 6.02, Pipeline Safety (38602)					
SB 30, 88th Leg, Regular Session	\$6,928,829	\$0	\$0	\$0	\$0
<b>Comments:</b> Sec. 9.02A (19) Vehicles (38902)					
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2022-23 GAA) - Capital - MFT Phase 1 UB from 2020-21 GAA	\$(750,245)	\$0	\$0	\$94,937,015	\$94,937,016
<b>Comments:</b> Appn 56008					
Regular Appropriations from MOF Table (2022-23 GAA)	\$(3,197,474)	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2024-25 GAA)					

**2.B. Summary of Base Request by Method of Finance**  
 89th 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 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>GENERAL REVENUE</u></b>	\$0	\$(533,216)	\$(1,179,987)	\$0	\$0
<b>Comments:</b> 5% Salary Adjustment - Returned to CPA for Fund 0001 and increased for Fund 5155.					
<i>UNEXPENDED BALANCES AUTHORITY</i>					
Art IX, Sec 14.05, UB Authority within the Same Biennium (2022-23 GAA)					
	\$24,332,726	\$0	\$0	\$0	\$0
SB 30, 88th Leg, Regular Session					
	\$(4,747,416)	\$4,747,416	\$0	\$0	\$0
<b>Comments:</b> Sec. 9.02A (19) Vehicles (38902)					
SB 30, 88th Leg, Regular Session					
	\$(541,000)	\$541,000	\$0	\$0	\$0
<b>Comments:</b> Sec. 6.02,88th Leg, Regular Session - Pipeline Safety (38602)					
SB 30, 88th Leg, Regular Session					
	\$(16,232)	\$16,232	\$0	\$0	\$0
<b>Comments:</b> Sec. 8.66: Mainframe Transformation					

**2.B. Summary of Base Request by Method of Finance**  
 89th 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 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>GENERAL REVENUE</u></b>						
<b>TOTAL, General Revenue Fund</b>		<b>\$90,760,807</b>	<b>\$99,514,881</b>	<b>\$92,734,657</b>	<b>\$94,937,015</b>	<b>\$94,937,016</b>
<b>TOTAL, ALL GENERAL REVENUE</b>		<b>\$90,760,807</b>	<b>\$99,514,881</b>	<b>\$92,734,657</b>	<b>\$94,937,015</b>	<b>\$94,937,016</b>

**GENERAL REVENUE FUND - DEDICATED**

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

*REGULAR APPROPRIATIONS*

Regular Appropriations from MOF Table (2022-23 GAA)

\$59,989,019	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2024-25 GAA)

\$0	\$77,728,084	\$71,170,183	\$80,210,588	\$73,610,588
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*RIDER APPROPRIATION*

VI-49, Rider 12, Appropriation: OGRC Account Fees (2022-23 GAA)

\$8,808,764	\$0	\$0	\$0	\$0
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VI-59, Rider 12, Appropriation: OGRC Account Fees (2024-25 GAA)

\$0	\$1,449,131	\$0	\$0	\$0
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**2.B. Summary of Base Request by Method of Finance**  
 89th 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 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>					
<i>TRANSFERS</i>					
SB 30, 88th Leg, Regular Session	\$164,000	\$0	\$0	\$0	\$0
<b>Comments:</b> SB 30, 88th Leg, Regular Session - Salary Increase					
Art IX, Sec 17.16, Appropriation for a Salary Increase for General State Employees (2024-25 GAA)	\$0	\$810,307	\$1,736,889	\$0	\$0
<b>Comments:</b> 5% Salary Increase - Needed to transfer funds to cover salaries in Fund 5155					
<i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i>					
SB 30, 88th Leg, Regular Session	\$1,482,922	\$0	\$0	\$0	\$0
<b>Comments:</b> Sec. 9.02 (19)(B) - Motor Vehicle Purchases					
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2022-23 GAA)	\$(14,751,279)	\$0	\$0	\$0	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>					

**2.B. Summary of Base Request by Method of Finance**  
 89th 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 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>					
Rider 11 UB Between Fiscal Years (2022-23 GAA)	\$21,154,544	\$0	\$0	\$0	\$0
<b>Comments:</b> 37262 MFT Ph 2					
Rider 11 UB Between Fiscal Years (2022-23 GAA)	\$1,179	\$0	\$0	\$0	\$0
<b>Comments:</b> 56008 MFT Ph 1					
Rider 14: UB: Acquisition of Info. Resources Technologies (2022-23 GAA)	\$16,974	\$0	\$0	\$0	\$0
<b>Comments:</b> 57002 PC Refresh					
Rider 11 UB Between Fiscal Years (2022-23 GAA)	\$42,331	\$0	\$0	\$0	\$0
<b>Comments:</b> Capital DCS 57150					
Rider 11 UB Between Fiscal Years (2022-23 GAA)	\$254,678	\$0	\$0	\$0	\$0
<b>Comments:</b> Capital Vehicles 57004					



**2.B. Summary of Base Request by Method of Finance**  
 89th 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 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>						
	Rider 11 UB Between Fiscal Years (2022-23 GAA)	\$6,327,649	\$0	\$0	\$0	\$0
	SB 30, 88th Leg, Regular Session	\$(1,482,922)	\$1,482,922	\$0	\$0	\$0
	<b>Comments:</b> Sec. 9.02A (19) Vehicles (38902)					
	SB 30, 88th Leg, Regular Session	\$(8,237,194)	\$8,237,194	\$0	\$0	\$0
	<b>Comments:</b> Sec. 8.66: Mainframe Transformation					
<b>TOTAL,</b>	<b>GR Dedicated - Oil and Gas Regulation and Cleanup Account No. 5155</b>	<b>\$73,770,665</b>	<b>\$89,707,638</b>	<b>\$72,907,072</b>	<b>\$80,210,588</b>	<b>\$73,610,588</b>
<b>TOTAL, ALL</b>	<b>GENERAL REVENUE FUND - DEDICATED</b>	<b>\$73,770,665</b>	<b>\$89,707,638</b>	<b>\$72,907,072</b>	<b>\$80,210,588</b>	<b>\$73,610,588</b>
<b>TOTAL,</b>	<b>GR &amp; GR-DEDICATED FUNDS</b>	<b>\$164,531,472</b>	<b>\$189,222,519</b>	<b>\$165,641,729</b>	<b>\$175,147,603</b>	<b>\$168,547,604</b>

**FEDERAL FUNDS**

555 Federal Funds

*REGULAR APPROPRIATIONS*

**2.B. Summary of Base Request by Method of Finance**  
 89th 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 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>FEDERAL FUNDS</u></b>					
Regular Appropriations from MOF Table (2022-23 GAA)	\$6,860,000	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$68,671,300	\$69,760,000	\$54,146,012	\$54,146,012
<i>RIDER APPROPRIATION</i>					
Art IX, Sec 13.01, Federal Funds/Block Grants (2022-23 GAA)	\$1,177,290	\$0	\$0	\$0	\$0
<b>Comments:</b> Pipeline Safety Base Grant CFDA 20.700					
Art IX, Sec 13.01, Federal Funds/Block Grants (2022-23 GAA)	\$149,264	\$0	\$0	\$0	\$0
<b>Comments:</b> UIC Grant CFDA 66.433					
Art IX, Sec 13.01, Federal Funds/Block Grants (2022-23 GAA)	\$12,000	\$0	\$0	\$0	\$0
<b>Comments:</b> UIC Multipurpose Grant CFDA 66.204					
Art IX, Sec 13.01, Federal Funds/Block Grants (2022-23 GAA)					

**2.B. Summary of Base Request by Method of Finance**  
 89th 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 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>FEDERAL FUNDS</u></b>					
	\$54,774	\$0	\$0	\$0	\$0
<b>Comments:</b> State Damage Prevention Grant CFDA 20.720					
Art IX, Sec 13.01, Federal Funds/Block Grants (2022-23 GAA)	\$800,000	\$0	\$0	\$0	\$0
<b>Comments:</b> AML IIJA CFDA 15.252					
Art IX, Sec 13.01, Federal Funds/Block Grants (2022-23 GAA)	\$24,748,545	\$0	\$0	\$0	\$0
<b>Comments:</b> IIJA Well Plugging Grant CFDA 15.018					
Art IX, Sec 13.01, Federal Funds/Block Grants (2022-23 GAA)	\$1,875,664	\$0	\$0	\$0	\$0
<b>Comments:</b> NPS Neches River CFDA 15.944					
Art IX, Sec 13.01, Federal Funds/Block Grants (2022-23 GAA)	\$132,958	\$0	\$0	\$0	\$0
<b>Comments:</b> IIJA Brownfields CFDA 66.817					
Art IX, Sec 13.01, Federal Funds/Block Grants (2024-25 GAA)					

**2.B. Summary of Base Request by Method of Finance**  
 89th 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 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>FEDERAL FUNDS</u></b>					
	\$0	\$1,316,603	\$0	\$0	\$0
<b>Comments:</b> AML IIJA Grant					
Art IX, Sec 13.01, Federal Funds/Block Grants (2024-25 GAA)					
	\$0	\$246,173	\$0	\$0	\$0
<b>Comments:</b> Brownfield IIJA Grant					
Art IX, Sec 13.01, Federal Funds/Block Grants (2024-25 GAA)					
	\$0	\$1,604,911	\$0	\$0	\$0
<b>Comments:</b> NPS Big Thicket IIJA Grant					
<i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i>					
SB 30, 88th Leg, Regular Session					
	\$1,088,700	\$0	\$0	\$0	\$0
<b>Comments:</b> Sec. 9.02A (19) Vehicles (38902)					
<i>LAPSED APPROPRIATIONS</i>					
Lapse - Coal A&E CFDA 15.250					
	\$(106,159)	\$0	\$0	\$0	\$0

**2.B. Summary of Base Request by Method of Finance**  
 89th 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 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>FEDERAL FUNDS</u></b>					
Lapse - AML CFDA 12.252	\$(967,908)	\$0	\$0	\$0	\$0
Lapse - B.1.1 Pipeline Safety - O&S Pipeline Safety CFDA 20.720	\$(3,230,000)	\$0	\$0	\$0	\$0
Lapse - AML IIJA CFDA 15.252	\$(210,000)	\$0	\$0	\$0	\$0
Lapse - C.2.1 O&G Well Plugging - DOI Well Plugging CFDA 15.018	\$(276,755)	\$0	\$0	\$0	\$0
Lapse - A.1.1 Energy Resource Dev - UIC Grant	\$(320,000)	\$0	\$0	\$0	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>					
Rider 11, Appropriation: Unexpended Balances Between Fiscal Years within the Biennium	\$367,501	\$0	\$0	\$0	\$0
SB 30, 88th Leg, Regular Session					

**2.B. Summary of Base Request by Method of Finance**  
 89th 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>				
METHOD OF FINANCING		Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<b><u>FEDERAL FUNDS</u></b>						
		\$(1,088,700)	\$1,088,700	\$0	\$0	\$0
	<b>Comments:</b> Sec. 9.02A (19) Vehicles (38902)					
	Rider 11, UB between Fiscal Years 2024-25 GAA					
		\$0	\$(35,000,000)	\$35,000,000	\$0	\$0
	<b>Comments:</b> IJJA Well Plugging Grant 1/1/24 Start					
<b>TOTAL,</b>	<b>Federal Funds</b>	<b>\$31,067,174</b>	<b>\$37,927,687</b>	<b>\$104,760,000</b>	<b>\$54,146,012</b>	<b>\$54,146,012</b>
<b><u>5041</u></b>	GR Account - Railroad Commission Federal <i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2024-25 GAA)					
		\$0	\$82,780	\$168,280	\$168,280	\$168,280
<b>TOTAL,</b>	<b>GR Account - Railroad Commission Federal</b>	<b>\$0</b>	<b>\$82,780</b>	<b>\$168,280</b>	<b>\$168,280</b>	<b>\$168,280</b>
<b>TOTAL, ALL</b>	<b>FEDERAL FUNDS</b>	<b>\$31,067,174</b>	<b>\$38,010,467</b>	<b>\$104,928,280</b>	<b>\$54,314,292</b>	<b>\$54,314,292</b>
<b><u>OTHER FUNDS</u></b>						
<b><u>666</u></b>	Appropriated Receipts <i>REGULAR APPROPRIATIONS</i>					

**2.B. Summary of Base Request by Method of Finance**  
 89th 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 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>OTHER FUNDS</u></b>					
Regular Appropriations from MOF Table (2022-23 GAA)	\$1,350,000	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$1,787,000	\$1,787,000	\$0	\$0
<i>RIDER APPROPRIATION</i>					
VI-52 RRC Rider 4	\$21,279	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2022-23 GAA)	\$(211,804)	\$0	\$0	\$1,350,000	\$1,350,000
Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$(437,000)	\$(437,000)	\$0	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>					
Art VI-51, Rider 11, Appropriation: Unexpended Balances Between Fiscal Years within the Biennium.	\$204,419	\$0	\$0	\$0	\$0

**2.B. Summary of Base Request by Method of Finance**  
 89th 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 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>OTHER FUNDS</u></b>						
<b>TOTAL,</b>	<b>Appropriated Receipts</b>					
		<b>\$1,363,894</b>	<b>\$1,350,000</b>	<b>\$1,350,000</b>	<b>\$1,350,000</b>	<b>\$1,350,000</b>
<u>827</u>	Anthropogenic Carbon Dioxide Storage Trust Fund No. 827					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$353,000	\$352,000	\$0	\$0
	<i>RIDER APPROPRIATION</i>					
	Art IX, Sec 18.11, Contingency for HB1284 (27811) (2022-23 GAA)	\$389,694	\$0	\$0	\$0	\$0
	<i>LAPSED APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2022-23 GAA)	\$(389,694)	\$0	\$0	\$352,000	\$352,000
	Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$(353,000)	\$0	\$0	\$0
<b>TOTAL,</b>	<b>Anthropogenic Carbon Dioxide Storage Trust Fund No. 827</b>	<b>\$0</b>	<b>\$0</b>	<b>\$352,000</b>	<b>\$352,000</b>	<b>\$352,000</b>



**2.B. Summary of Base Request by Method of Finance**  
 89th 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 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b>TOTAL, ALL OTHER FUNDS</b>	<b>\$1,363,894</b>	<b>\$1,350,000</b>	<b>\$1,702,000</b>	<b>\$1,702,000</b>	<b>\$1,702,000</b>
<b>GRAND TOTAL</b>	<b>\$196,962,540</b>	<b>\$228,582,986</b>	<b>\$272,272,009</b>	<b>\$231,163,895</b>	<b>\$224,563,896</b>

**2.B. Summary of Base Request by Method of Finance**  
 89th 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 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b>FULL-TIME-EQUIVALENT POSITIONS</b>					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2022-23 GAA)	870.6	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2024-25 GAA)	0.0	1,124.6	1,124.6	1,124.6	1,124.6
RIDER APPROPRIATION					
Art IX, Sec 18.11(Contingency for HB1284 (2022-23 GAA)	3.0	0.0	0.0	0.0	0.0
Art IX, Sec 18.14(Contingency for HB1520 (2022-23 GAA)	7.0	0.0	0.0	0.0	0.0
Art IX, Sec. Sec. 18.28 - Contingency for Senate Bill 3 (2022-23 GAA)	130.0	0.0	0.0	0.0	0.0
SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS					
88R, SB 30 Sec 6.02(b) - Railroad Commission: Pipeline Transportation and Storage of Natural and Other Gases	0.0	10.0	10.0	0.0	0.0
LAPSED APPROPRIATIONS					
Regular Appropriations from MOF Table (2022-23 GAA)	(41.7)	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2024-25 GAA)	0.0	(104.2)	0.0	0.0	0.0
<b>TOTAL, ADJUSTED FTES</b>	<b>968.9</b>	<b>1,030.4</b>	<b>1,134.6</b>	<b>1,124.6</b>	<b>1,124.6</b>

**2.B. Summary of Base Request by Method of Finance**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: <b>455</b>	Agency name: <b>Railroad Commission</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b>NUMBER OF 100% FEDERALLY FUNDED FTEs</b>	<b>0.0</b>	<b>61.0</b>	<b>61.0</b>	<b>61.0</b>	<b>61.0</b>

**2.C. Summary of Base Request by Object of Expense**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/30/2024 9:16:08AM

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**455 Railroad Commission**

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<b>OBJECT OF EXPENSE</b>	<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>BL 2026</b>	<b>BL 2027</b>
1001 SALARIES AND WAGES	\$72,166,954	\$76,881,576	\$80,418,742	\$80,418,742	\$80,418,742
1002 OTHER PERSONNEL COSTS	\$1,549,935	\$1,632,900	\$1,677,713	\$1,677,713	\$1,677,713
2001 PROFESSIONAL FEES AND SERVICES	\$42,366,221	\$55,322,925	\$40,956,869	\$48,056,882	\$39,956,869
2002 FUELS AND LUBRICANTS	\$1,523,738	\$1,580,469	\$1,580,469	\$1,580,469	\$1,580,469
2003 CONSUMABLE SUPPLIES	\$195,942	\$235,027	\$235,027	\$235,027	\$235,027
2004 UTILITIES	\$899,870	\$828,220	\$828,220	\$828,220	\$828,220
2005 TRAVEL	\$1,635,939	\$1,727,572	\$1,715,684	\$1,715,684	\$1,715,684
2006 RENT - BUILDING	\$1,195,529	\$1,067,496	\$1,067,496	\$1,067,496	\$1,067,496
2007 RENT - MACHINE AND OTHER	\$435,244	\$452,744	\$452,744	\$452,744	\$452,744
2009 OTHER OPERATING EXPENSE	\$70,446,401	\$78,325,116	\$141,501,986	\$94,425,951	\$95,925,965
5000 CAPITAL EXPENDITURES	\$4,546,767	\$10,528,941	\$1,837,059	\$704,967	\$704,967
<b>OOE Total (Excluding Riders)</b>	<b>\$196,962,540</b>	<b>\$228,582,986</b>	<b>\$272,272,009</b>	<b>\$231,163,895</b>	<b>\$224,563,896</b>
<b>OOE Total (Riders)</b>					
<b>Grand Total</b>	<b>\$196,962,540</b>	<b>\$228,582,986</b>	<b>\$272,272,009</b>	<b>\$231,163,895</b>	<b>\$224,563,896</b>

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**2.D. Summary of Base Request Objective Outcomes**  
89th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation system of Texas (ABEST)

<b>455 Railroad Commission</b>					
<b>Goal/ Objective / Outcome</b>	<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>BL 2026</b>	<b>BL 2027</b>
1	Oversee Oil and Gas Resource Development				
	1 Increase Opportunities for Oil and Gas Resource Development				
<b>KEY</b>	<b>1 Percent of Oil and Gas Wells That Are Active</b>				
	65.00%	65.00%	65.00%	65.00%	65.00%
2	Advance Safety Through Training, Monitoring, and Enforcement				
	1 Improve Pipeline Safety				
<b>KEY</b>	<b>1 Average Number of Safety Violations</b>				
	0.71	0.85	0.80	0.80	0.80
	2 Alternative Energy & Safety Through Regulation				
	<b>1 Average Number of LPG/CNG/LNG Violations</b>				
	0.89	0.90	1.30	1.30	1.30
	<b>2 Percent of LPG/CNG/LNG Inspections W/ Non-compliance Items</b>				
	40.15%	70.00%	68.00%	68.00%	68.00%
3	Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers				
	1 Reduce Occurrence of Environmental Violations				
<b>KEY</b>	<b>1 Percent of Oil and Gas Inspections That Identify Violations</b>				
	4.20%	5.00%	5.00%	5.00%	5.00%
	<b>2 Percent of Wells Not Inspected in Last Five Years</b>				
	0.63%	1.00%	1.00%	1.00%	1.00%
	<b>3 Percent Of Total Well Population Inspected</b>				
	38.00%	40.00%	37.50%	37.50%	37.50%
	2 Identify and Abate Environmental Threats				
<b>KEY</b>	<b>1 Percent of Known Orphaned Wells Plugged w/State-Managed Funds</b>				
	22.20%	16.00%	17.50%	17.50%	17.50%
	<b>2 % Pollution Sites Inves., Assessed, Cleaned w/State-Managed Funds</b>				
	9.99%	17.00%	10.00%	10.00%	10.00%
	3 Maintain Competitive Prices and Adequate Supplies for Consumers				
	<b>1 Average Texas Residential Gas Price as a Percent of National Gas Price</b>				
	112.00%	115.00%	115.00%	115.00%	115.00%

**2.E. Summary of Exceptional Items Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2024  
 TIME : 9:16:08AM

Agency code: 455

Agency name: **Railroad Commission**

Priority	Item	2026			2027			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Reporting System	\$4,749,846	\$4,749,846	2.0	\$2,935,978	\$2,935,978	2.0	\$7,685,824	\$7,685,824
2	Registration System	\$1,581,151	\$1,581,151	2.0	\$1,166,849	\$1,166,849	2.0	\$2,748,000	\$2,748,000
3	Filing/Permitting Systems	\$3,772,841	\$3,772,841		\$2,515,227	\$2,515,227		\$6,288,068	\$6,288,068
4	Site Remediation	\$171,070	\$171,070	2.0	\$171,070	\$171,070	2.0	\$342,140	\$342,140
5	Office Building	\$3,000,000	\$3,000,000		\$0	\$0		\$3,000,000	\$3,000,000
6	GIS Cloud Upgrade	\$1,071,389	\$1,071,389		\$1,071,389	\$1,071,389		\$2,142,778	\$2,142,778
7	Microfilm Digitization	\$407,482	\$407,482		\$500,014	\$500,014		\$907,496	\$907,496
8	Vehicles	\$2,473,255	\$2,473,255		\$2,416,586	\$2,416,586		\$4,889,841	\$4,889,841
9	DCS	\$4,154,461	\$4,154,461		\$3,573,937	\$3,573,937		\$7,728,398	\$7,728,398
<b>Total, Exceptional Items Request</b>		<b>\$21,381,495</b>	<b>\$21,381,495</b>	<b>6.0</b>	<b>\$14,351,050</b>	<b>\$14,351,050</b>	<b>6.0</b>	<b>\$35,732,545</b>	<b>\$35,732,545</b>
<b>Method of Financing</b>									
	General Revenue	\$21,381,495	\$21,381,495		\$14,351,050	\$14,351,050		\$35,732,545	\$35,732,545
	General Revenue - Dedicated								
	Federal Funds								
	Other Funds								
		<b>\$21,381,495</b>	<b>\$21,381,495</b>		<b>\$14,351,050</b>	<b>\$14,351,050</b>		<b>\$35,732,545</b>	<b>\$35,732,545</b>
<b>Full Time Equivalent Positions</b>				<b>6.0</b>				<b>6.0</b>	

**2.E. Summary of Exceptional Items Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 455

Agency name: **Railroad Commission**

Priority	Item	2026			2027			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
	<b>Number of 100% Federally Funded FTEs</b>			<b>0.0</b>			<b>0.0</b>		

**2.F. Summary of Total Request by Strategy**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/30/2024

TIME : 9:16:09AM

Agency code: 455                      Agency name: Railroad Commission

<b>Goal/Objective/STRATEGY</b>	<b>Base 2026</b>	<b>Base 2027</b>	<b>Exceptional 2026</b>	<b>Exceptional 2027</b>	<b>Total Request 2026</b>	<b>Total Request 2027</b>
<b>1</b> Oversee Oil and Gas Resource Development						
1 <i>Increase Opportunities for Oil and Gas Resource Development</i>						
1 ENERGY RESOURCE DEVELOPMENT	\$32,165,334	\$26,935,752	\$7,019,765	\$4,715,081	\$39,185,099	\$31,650,833
<b>TOTAL, GOAL 1</b>	<b>\$32,165,334</b>	<b>\$26,935,752</b>	<b>\$7,019,765</b>	<b>\$4,715,081</b>	<b>\$39,185,099</b>	<b>\$31,650,833</b>
<b>2</b> Advance Safety Through Training, Monitoring, and Enforcement						
1 <i>Improve Pipeline Safety</i>						
1 PIPELINE SAFETY	12,182,764	12,182,764	668,238	516,851	12,851,002	12,699,615
2 PIPELINE DAMAGE PREVENTION	3,690,088	690,088	16,722	14,865	3,706,810	704,953
2 <i>Alternative Energy &amp; Safety Through Regulation</i>						
1 REGULATE ALT FUEL RESOURCES	4,354,818	4,354,818	2,692,685	1,905,158	7,047,503	6,259,976
<b>TOTAL, GOAL 2</b>	<b>\$20,227,670</b>	<b>\$17,227,670</b>	<b>\$3,377,645</b>	<b>\$2,436,874</b>	<b>\$23,605,315</b>	<b>\$19,664,544</b>
<b>3</b> Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consume						
1 <i>Reduce Occurrence of Environmental Violations</i>						
1 OIL/GAS MONITOR & INSPECTIONS	35,310,146	35,646,776	2,495,001	884,470	37,805,147	36,531,246
2 SURFACE MINING MONITORING/INSPECT	5,162,235	6,162,235	265,936	196,666	5,428,171	6,358,901
2 <i>Identify and Abate Environmental Threats</i>						
1 OIL&GAS WELL PLUGGING & REMEDIATION	116,904,798	117,197,751	5,407,307	3,959,568	122,312,105	121,157,319
2 SURFACE MINING RECLAMATION	2,138,134	2,138,134	40,239	35,769	2,178,373	2,173,903
3 <i>Maintain Competitive Prices and Adequate Supplies for Consumers</i>						
1 GAS UTILITY COMMERCE	3,831,472	3,831,472	1,514,946	1,034,005	5,346,418	4,865,477
4 <i>Critical Infrastructure</i>						
1 WEATHER PREPAREDNESS	12,711,100	12,711,100	778,444	522,175	13,489,544	13,233,275
<b>TOTAL, GOAL 3</b>	<b>\$176,057,885</b>	<b>\$177,687,468</b>	<b>\$10,501,873</b>	<b>\$6,632,653</b>	<b>\$186,559,758</b>	<b>\$184,320,121</b>



**2.F. Summary of Total Request by Strategy**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/30/2024  
 TIME : 9:16:09AM

Agency code: 455 Agency name: Railroad Commission

<b>Goal/Objective/STRATEGY</b>	<b>Base 2026</b>	<b>Base 2027</b>	<b>Exceptional 2026</b>	<b>Exceptional 2027</b>	<b>Total Request 2026</b>	<b>Total Request 2027</b>
4 Public Access to Information and Services						
1 Increase Public Access to Information						
1 PUBLIC INFORMATION AND SERVICES	\$2,713,006	\$2,713,006	\$482,212	\$566,442	\$3,195,218	\$3,279,448
<b>TOTAL, GOAL 4</b>	<b>\$2,713,006</b>	<b>\$2,713,006</b>	<b>\$482,212</b>	<b>\$566,442</b>	<b>\$3,195,218</b>	<b>\$3,279,448</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$231,163,895</b>	<b>\$224,563,896</b>	<b>\$21,381,495</b>	<b>\$14,351,050</b>	<b>\$252,545,390</b>	<b>\$238,914,946</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST</b>						
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$231,163,895</b>	<b>\$224,563,896</b>	<b>\$21,381,495</b>	<b>\$14,351,050</b>	<b>\$252,545,390</b>	<b>\$238,914,946</b>

**2.F. Summary of Total Request by Strategy**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/30/2024

TIME : 9:16:09AM

Agency code: 455	Agency name: Railroad Commission					
Goal/Objective/STRATEGY	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
<b>General Revenue Funds:</b>						
1 General Revenue Fund	\$94,937,015	\$94,937,016	\$21,381,495	\$14,351,050	\$116,318,510	\$109,288,066
	<b>\$94,937,015</b>	<b>\$94,937,016</b>	<b>\$21,381,495</b>	<b>\$14,351,050</b>	<b>\$116,318,510</b>	<b>\$109,288,066</b>
<b>General Revenue Dedicated Funds:</b>						
5155 Oil & Gas Regulation	80,210,588	73,610,588	0	0	80,210,588	73,610,588
	<b>\$80,210,588</b>	<b>\$73,610,588</b>	<b>\$0</b>	<b>\$0</b>	<b>\$80,210,588</b>	<b>\$73,610,588</b>
<b>Federal Funds:</b>						
555 Federal Funds	54,146,012	54,146,012	0	0	54,146,012	54,146,012
5041 GR Account-Railroad Comm	168,280	168,280	0	0	168,280	168,280
	<b>\$54,314,292</b>	<b>\$54,314,292</b>	<b>\$0</b>	<b>\$0</b>	<b>\$54,314,292</b>	<b>\$54,314,292</b>
<b>Other Funds:</b>						
666 Appropriated Receipts	1,350,000	1,350,000	0	0	1,350,000	1,350,000
827 Anthropogenic CO2 Storage Fund	352,000	352,000	0	0	352,000	352,000
	<b>\$1,702,000</b>	<b>\$1,702,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,702,000</b>	<b>\$1,702,000</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$231,163,895</b>	<b>\$224,563,896</b>	<b>\$21,381,495</b>	<b>\$14,351,050</b>	<b>\$252,545,390</b>	<b>\$238,914,946</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>1,124.6</b>	<b>1,124.6</b>	<b>6.0</b>	<b>6.0</b>	<b>1,130.6</b>	<b>1,130.6</b>

**2.G. Summary of Total Request Objective Outcomes**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/30/2024

Time: 9:16:09AM

Agency code: 455

Agency name: **Railroad Commission**

Goal/ Objective / Outcome

		<b>BL</b>	<b>BL</b>	<b>Excp</b>	<b>Excp</b>	<b>Total</b>	<b>Total</b>
		<b>2026</b>	<b>2027</b>	<b>2026</b>	<b>2027</b>	<b>Request</b>	<b>Request</b>
						<b>2026</b>	<b>2027</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>						
		65.00%	65.00%			65.00%	65.00%
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>						
		0.80	0.80			0.80	0.80
2	<i>Alternative Energy &amp; Safety Through Regulation</i>						
	<b>1 Average Number of LPG/CNG/LNG Violations</b>						
		1.30	1.30			1.30	1.30
	<b>2 Percent of LPG/CNG/LNG Inspections W/ Non-compliance Items</b>						
		68.00%	68.00%			68.00%	68.00%
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>						
		1.00%	1.00%			1.00%	1.00%
	<b>3 Percent Of Total Well Population Inspected</b>						
		37.50%	37.50%			37.50%	37.50%

**2.G. Summary of Total Request Objective Outcomes**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/30/2024  
 Time: 9:16:09AM

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

Goal/ Objective / Outcome

	<b>BL 2026</b>	<b>BL 2027</b>	<b>Excp 2026</b>	<b>Excp 2027</b>	<b>Total Request 2026</b>	<b>Total Request 2027</b>
<hr/>						
2	<i>Identify and Abate Environmental Threats</i>					
<b>KEY</b>	<b>1 Percent of Known Orphaned Wells Plugged w/State-Managed Funds</b>					
	17.50%	17.50%			17.50%	17.50%
	<b>2 % Pollution Sites Inves., Assessed, Cleaned w/State-Managed Funds</b>					
	10.00%	10.00%			10.00%	10.00%
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>					
	115.00%	115.00%			115.00%	115.00%

**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
	1 Number of Organizations Permitted or Renewed	7,399.00	7,100.00	7,100.00	7,100.00	7,100.00
KEY	2 Number of Drilling Permit Applications Processed	12,882.00	12,800.00	12,500.00	12,500.00	12,500.00
KEY	3 Number of Wells Monitored	438,363.00	435,000.00	435,000.00	435,000.00	435,000.00
<b>Efficiency Measures:</b>						
	1 Average Number of Cases Completed Per Examiner	131.00	100.00	100.00	100.00	100.00
KEY	2 Average Number of Wells Monitored Per Analyst	33,720.00	33,400.00	33,500.00	33,500.00	33,500.00
	3 Percent Permit Applications Processed within Time Frames	98.00 %	98.00 %	98.00 %	98.00 %	98.00 %
KEY	4 Average Number of Days to Process a Drilling Permit	3.00	3.00	3.00	3.00	3.00
<b>Explanatory/Input Measures:</b>						
	1 Number of Active Oil and Gas Rigs	361.00	300.00	350.00	350.00	350.00
	2 Annual Calendar Year Production of Texas Crude Oil	1,637,000,000.00	1,500,000,000.00	1,500,000,000.00	1,500,000,000.00	1,500,000,000.00
	3 Annual Calendar Year Production of Texas Natural Gas	11,761,861,399.00	11,500,000,000.00	11,500,000,000.00	11,500,000,000.00	11,500,000,000.00
	4 Number of Horizontal Drilling Permits Applications Processed	9,830.00	10,334.00	10,000.00	10,000.00	9,700.00
	5 Number of Vertical Drilling Permit Applications Processed	3,082.00	2,150.00	2,100.00	2,100.00	2,000.00

**Objects of Expense:**

**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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1001	SALARIES AND WAGES	\$10,286,707	\$12,470,990	\$13,070,421	\$13,070,421	\$13,070,421
1002	OTHER PERSONNEL COSTS	\$219,851	\$266,284	\$276,538	\$276,538	\$276,538
2001	PROFESSIONAL FEES AND SERVICES	\$13,005,882	\$19,060,484	\$10,399,196	\$16,637,937	\$10,399,196
2002	FUELS AND LUBRICANTS	\$2,597	\$2,597	\$2,597	\$2,597	\$2,597
2003	CONSUMABLE SUPPLIES	\$28,733	\$31,233	\$31,233	\$31,233	\$31,233
2004	UTILITIES	\$117,219	\$44,369	\$44,369	\$44,369	\$44,369
2005	TRAVEL	\$47,712	\$94,838	\$93,465	\$93,465	\$93,465
2006	RENT - BUILDING	\$294,478	\$166,445	\$166,445	\$166,445	\$166,445
2007	RENT - MACHINE AND OTHER	\$46,376	\$48,876	\$48,876	\$48,876	\$48,876
2009	OTHER OPERATING EXPENSE	\$2,178,726	\$1,521,819	\$1,773,819	\$1,773,819	\$2,782,978
5000	CAPITAL EXPENDITURES	\$19,634	\$19,634	\$19,634	\$19,634	\$19,634
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$26,247,915</b>	<b>\$33,727,569</b>	<b>\$25,926,593</b>	<b>\$32,165,334</b>	<b>\$26,935,752</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$14,486,239	\$24,785,406	\$15,273,896	\$21,577,896	\$20,283,055
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$14,486,239</b>	<b>\$24,785,406</b>	<b>\$15,273,896</b>	<b>\$21,577,896</b>	<b>\$20,283,055</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$10,977,897	\$8,372,163	\$9,730,697	\$9,665,438	\$5,730,697

**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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$10,977,897</b>	<b>\$8,372,163</b>	<b>\$9,730,697</b>	<b>\$9,665,438</b>	<b>\$5,730,697</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	66.433.000 State Underground Water S	\$481,264	\$320,000	\$320,000	\$320,000	\$320,000
CFDA Subtotal, Fund	555	\$481,264	\$320,000	\$320,000	\$320,000	\$320,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$481,264</b>	<b>\$320,000</b>	<b>\$320,000</b>	<b>\$320,000</b>	<b>\$320,000</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$302,515	\$250,000	\$250,000	\$250,000	\$250,000
827	Anthropogenic CO2 Storage Fund	\$0	\$0	\$352,000	\$352,000	\$352,000
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$302,515</b>	<b>\$250,000</b>	<b>\$602,000</b>	<b>\$602,000</b>	<b>\$602,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$32,165,334</b>	<b>\$26,935,752</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$26,247,915</b>	<b>\$33,727,569</b>	<b>\$25,926,593</b>	<b>\$32,165,334</b>	<b>\$26,935,752</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>160.4</b>	<b>171.1</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>

**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**STRATEGY DESCRIPTION AND JUSTIFICATION:**

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

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External factors impacting the strategy include commodity prices. From 2023 to 2024, the average price of West Texas Intermediate oil traded variably within a range from \$70.25 to \$89.43 per barrel and the average Henry Hub Spot price of natural gas was fairly stable, ranging from \$1.49 to \$3.29 per thousand cubic feet. As prices remain stable, the amount of industry activity can be expected to remain stable; about 12,431 drilling permits were issued in 2023, and the 2024 pace is about 12,800 permits. 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 June 30, 2024, there were 435,362 wells carried on the Commission's oil and gas well schedule.

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



**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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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 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$59,654,162	\$59,101,086	\$(553,076)	\$(6,198,351)	Fund 0001 - GR redistribution of Base Budget
			\$352,000	HB1284 87th Leg CO2 Storage
			\$5,293,275	Fund 5155 - OGRC redistribution of Base Budget
			<u>\$(553,076)</u>	<b>Total of Explanation of Biennial Change</b>

**455 Railroad Commission**

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

OBJECTIVE: 1 Improve Pipeline Safety

Service Categories:

STRATEGY: 1 Ensure Pipeline Safety

Service: 17

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
KEY 1	Number of Pipeline Safety Inspections Performed	1,693.00	2,300.00	1,750.00	2,100.00	2,100.00
2	Number of Pipeline Safety Violations Identified through Inspections	1,668.00	1,700.00	1,500.00	1,600.00	1,600.00
3	# Pipeline Accident Investigations or Complaint Investigations	244.00	250.00	170.00	250.00	250.00
4	Number of Pipeline Specialized Program Inspections	2,275.00	1,750.00	2,300.00	2,000.00	2,000.00
<b>Efficiency Measures:</b>						
KEY 1	Average Number of Pipeline Field Inspections Per Field Inspector	88.23	85.00	85.00	85.00	85.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$9,731,895	\$8,913,841	\$9,342,022	\$9,342,022	\$9,342,022
1002	OTHER PERSONNEL COSTS	\$207,663	\$190,273	\$197,718	\$197,718	\$197,718
2001	PROFESSIONAL FEES AND SERVICES	\$702,442	\$901,238	\$901,238	\$901,238	\$901,238
2002	FUELS AND LUBRICANTS	\$220,853	\$220,853	\$220,853	\$220,853	\$220,853
2003	CONSUMABLE SUPPLIES	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500
2004	UTILITIES	\$103,788	\$103,788	\$103,788	\$103,788	\$103,788
2005	TRAVEL	\$634,513	\$650,317	\$650,317	\$650,317	\$650,317
2006	RENT - BUILDING	\$53,962	\$53,962	\$53,962	\$53,962	\$53,962

**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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
2007	RENT - MACHINE AND OTHER	\$30,893	\$30,893	\$30,893	\$30,893	\$30,893
2009	OTHER OPERATING EXPENSE	\$643,704	\$655,394	\$655,394	\$655,394	\$655,394
5000	CAPITAL EXPENDITURES	\$535,655	\$3,954,179	\$13,079	\$13,079	\$13,079
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$12,878,868</b>	<b>\$15,688,238</b>	<b>\$12,182,764</b>	<b>\$12,182,764</b>	<b>\$12,182,764</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$5,542,541	\$6,169,299	\$6,306,175	\$2,306,175	\$2,306,175
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$5,542,541</b>	<b>\$6,169,299</b>	<b>\$6,306,175</b>	<b>\$2,306,175</b>	<b>\$2,306,175</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$2,899,037	\$6,258,939	\$2,616,589	\$6,616,589	\$6,616,589
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$2,899,037</b>	<b>\$6,258,939</b>	<b>\$2,616,589</b>	<b>\$6,616,589</b>	<b>\$6,616,589</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	20.700.000 Pipeline Safety	\$4,437,290	\$3,260,000	\$3,260,000	\$3,260,000	\$3,260,000
CFDA Subtotal, Fund	555	\$4,437,290	\$3,260,000	\$3,260,000	\$3,260,000	\$3,260,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$4,437,290</b>	<b>\$3,260,000</b>	<b>\$3,260,000</b>	<b>\$3,260,000</b>	<b>\$3,260,000</b>

**455 Railroad Commission**

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

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$12,182,764</b>	<b>\$12,182,764</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$12,878,868</b>	<b>\$15,688,238</b>	<b>\$12,182,764</b>	<b>\$12,182,764</b>	<b>\$12,182,764</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>109.0</b>	<b>142.5</b>	<b>159.2</b>	<b>149.2</b>	<b>149.2</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 and pursuing compliance through enforcement actions. Additionally, the program develops and presents educational programs to statewide stakeholders. The damage prevention program is also administered through a federal/state partnership with the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration. The federal Pipeline Safety Act allows state assumption of the intrastate regulatory and enforcement responsibilities through this partnership.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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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 limits the federal share of a state pipeline safety budget to up to 80 percent of the of the reasonable costs, based on agency performance. However, federal funding has not been sufficient to meet the prescribed funding level in prior years. General revenue funds therefore provide additional support for the Pipeline Safety Program. The remainder of the program is funded by pipeline safety and regulatory fees.

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. Pursuant to Texas Natural Resources Code, Sec. 81.071, pipeline permit registration fees are assessed on operators of intrastate transmission and gathering pipelines.

Internal factors impacting this strategy include continual new regulatory requirements with limited ability to expand inspection staff resources; lack of stable employee retention due to non-competitiveness with industry employment compensation; aging technology and equipment; as well as the limitations on capital funding needed to ensure a standard replacement schedule for equipment for inspectors (vehicles, computers, cell phones, and other items) and new or enhanced automated systems.

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

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$27,871,002	\$24,365,528	\$(3,505,474)	\$136,876	Fund 0001 - GR redistribution of Base Budget
			\$(3,642,350)	Fund 5155 - OGRC redistribution of Base Budget
			<b>\$(3,505,474)</b>	<b>Total of Explanation of Biennial Change</b>

**455 Railroad Commission**

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

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
KEY 1	Number of Excavation Damage Enforcement Cases Completed	2,708.00	4,600.00	4,000.00	3,500.00	3,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$500,002	\$521,274	\$546,334	\$546,334	\$546,334
1002	OTHER PERSONNEL COSTS	\$10,679	\$11,131	\$11,558	\$11,558	\$11,558
2001	PROFESSIONAL FEES AND SERVICES	\$98,151	\$57,249	\$57,249	\$3,057,249	\$57,249
2002	FUELS AND LUBRICANTS	\$25	\$25	\$25	\$25	\$25
2003	CONSUMABLE SUPPLIES	\$706	\$706	\$706	\$706	\$706
2004	UTILITIES	\$2,982	\$2,982	\$2,982	\$2,982	\$2,982
2005	TRAVEL	\$17,406	\$17,406	\$17,406	\$17,406	\$17,406
2006	RENT - BUILDING	\$4,162	\$4,162	\$4,162	\$4,162	\$4,162
2007	RENT - MACHINE AND OTHER	\$1,977	\$1,977	\$1,977	\$1,977	\$1,977
2009	OTHER OPERATING EXPENSE	\$104,193	\$47,852	\$46,852	\$46,852	\$46,852
5000	CAPITAL EXPENDITURES	\$837	\$837	\$837	\$837	\$837
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$741,120</b>	<b>\$665,601</b>	<b>\$690,088</b>	<b>\$3,690,088</b>	<b>\$690,088</b>

**Method of Financing:**

**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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1	General Revenue Fund	\$286,790	\$443,082	\$391,475	\$3,147,552	\$150,479
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$286,790</b>	<b>\$443,082</b>	<b>\$391,475</b>	<b>\$3,147,552</b>	<b>\$150,479</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$219,556	\$42,519	\$118,613	\$362,536	\$359,609
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$219,556</b>	<b>\$42,519</b>	<b>\$118,613</b>	<b>\$362,536</b>	<b>\$359,609</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	20.720.000 State Damage Prevention Program	\$234,774	\$180,000	\$180,000	\$180,000	\$180,000
CFDA Subtotal, Fund	555	\$234,774	\$180,000	\$180,000	\$180,000	\$180,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$234,774</b>	<b>\$180,000</b>	<b>\$180,000</b>	<b>\$180,000</b>	<b>\$180,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$3,690,088</b>	<b>\$690,088</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$741,120</b>	<b>\$665,601</b>	<b>\$690,088</b>	<b>\$3,690,088</b>	<b>\$690,088</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>5.6</b>	<b>5.5</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

**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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**STRATEGY DESCRIPTION AND JUSTIFICATION:**

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

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

There are several external factors that impact the Damage Prevention Program. In the federal Pipeline Safety Act, 49 USC 60101, et seq., Section 60107 limits the federal share of a state pipeline safety budget to up to 80 percent of the of the cost of the personnel, equipment, and activities the authority requires, based on agency performance. However, federal funding has not been sufficient to meet this funding level. Grants are limited to the appropriated funds available. 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 modern computer software resources to streamline report submissions and enforcement, and staff expanding activities beyond in-office compliance reviews of damage reports to focus on education and outreach, and staff attrition



**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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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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 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$1,355,689	\$4,380,176	\$3,024,487	\$(54,534)	Fund 0001 - GR redistribution of Base Budget
			\$79,021	Fund 5155 - OGRC redistribution of Base Budget
			\$3,000,000	IETRS Phase 5 Capital Project for Pipeline Damage Reporting moved from C.1.2. Surface Mining Monitoring & Inspections Project
			<b>\$3,024,487</b>	<b>Total of Explanation of Biennial Change</b>

**455 Railroad Commission**

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

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
KEY 1	# of LPG/LNG/CNG Safety Inspections Performed	19,434.00	18,000.00	20,000.00	20,000.00	20,000.00
2	# of LPG/LNG/CNG Safety Violations Identified through Inspection	25,744.00	22,000.00	20,000.00	20,000.00	20,000.00
3	Number of LPG/CNG/LNG Investigations	214.00	150.00	150.00	150.00	150.00
4	Number of LPG/CNG/LNG Exams Administered	39,029.00	41,676.00	33,000.00	33,000.00	33,000.00
5	# Attending LP-gas Training or Continuing Ed	4,362.00	4,000.00	4,500.00	4,500.00	4,500.00
<b>Efficiency Measures:</b>						
1	Average Number of LPG/CNG/LNG Safety Inspections Per Inspector	1,282.00	1,330.00	1,112.00	1,112.00	1,112.00
2	Percent of LPG/CNG/LNG Reports Processed w/ in 30 Days	12.00 %	93.25 %	95.00 %	95.00 %	95.00 %
3	Percentage of Applications to Install LPG/CNG/LNG Facility Processed	100.00 %	100.00 %	95.00 %	95.00 %	95.00 %
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$2,853,285	\$2,962,320	\$3,104,985	\$3,104,985	\$3,104,985
1002	OTHER PERSONNEL COSTS	\$60,993	\$63,311	\$65,628	\$65,628	\$65,628
2001	PROFESSIONAL FEES AND SERVICES	\$3,408,570	\$418,435	\$418,435	\$418,435	\$418,435
2002	FUELS AND LUBRICANTS	\$76,977	\$76,977	\$76,977	\$76,977	\$76,977

**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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
2003	CONSUMABLE SUPPLIES	\$15,240	\$15,240	\$15,240	\$15,240	\$15,240
2004	UTILITIES	\$34,589	\$34,589	\$34,589	\$34,589	\$34,589
2005	TRAVEL	\$144,018	\$154,533	\$144,018	\$144,018	\$144,018
2006	RENT - BUILDING	\$955	\$955	\$955	\$955	\$955
2007	RENT - MACHINE AND OTHER	\$17,351	\$17,351	\$17,351	\$17,351	\$17,351
2009	OTHER OPERATING EXPENSE	\$310,519	\$470,999	\$470,999	\$470,999	\$470,999
5000	CAPITAL EXPENDITURES	\$5,641	\$355,332	\$5,641	\$5,641	\$5,641
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$6,928,138</b>	<b>\$4,570,042</b>	<b>\$4,354,818</b>	<b>\$4,354,818</b>	<b>\$4,354,818</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$6,046,759	\$3,650,042	\$3,434,818	\$3,434,818	\$3,434,818
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$6,046,759</b>	<b>\$3,650,042</b>	<b>\$3,434,818</b>	<b>\$3,434,818</b>	<b>\$3,434,818</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$881,379	\$920,000	\$920,000	\$920,000	\$920,000
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$881,379</b>	<b>\$920,000</b>	<b>\$920,000</b>	<b>\$920,000</b>	<b>\$920,000</b>

**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$4,354,818</b>	<b>\$4,354,818</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$6,928,138</b>	<b>\$4,570,042</b>	<b>\$4,354,818</b>	<b>\$4,354,818</b>	<b>\$4,354,818</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>38.2</b>	<b>41.5</b>	<b>44.0</b>	<b>44.0</b>	<b>44.0</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 7,300 licenses; registers approximately 5,600 transport cargo tank vehicles, and cylinder delivery units; certifies or registers approximately 22,000 individuals to perform jurisdictional alternative fuels activities; and provides LP-gas training to approximately 4,200 individuals. 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 19,600 safety inspections annually. Safety inspections are conducted on-site and include both stationary facilities and mobile equipment. Stationary sites inspected are schools, health care centers, retail, commercial and industrial businesses, alternative fuels cylinder filling and service stations, and facilities utilizing stationary fuel-storage containers. Mobile equipment inspections include school buses, mass transit, transport cargo tanks, cylinder delivery vehicles, catering trucks, and industrial forklifts. The training provided to industry is focused on the regulations that persons performing regulated activities with LP-gas must know in order to perform these activities safely.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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The activities performed by the Alternative Fuels Safety Department are funded through a combination of appropriated receipts and general revenue. The training and exam certification program is supported through fees collected for safety classes, exam certifications, and registrations. The on-site safety inspection and compliance activities of the field operations program are dependent upon revenue collected from licenses and permits issued, and registration of cargo tank transport vehicles. A decrease in the number of individuals requesting training, certification exams, or registration will have an adverse effect on the funding and operation of the training and certification program. A reduction in the number of licenses issued and cargo tank transport vehicles registered will result in less revenue for conducting on-site safety inspections that identify hazardous installations and implementing corrective enforcement action.

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

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

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2024 + Bud 2025)</u>	<u>Baseline Request (BL 2026 + BL 2027)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$8,924,860	\$8,709,636	\$(215,224)	\$(215,224)	Fund 0001 - GR redistribution of Base Budget
			<u>\$(215,224)</u>	<b>Total of Explanation of Biennial Change</b>

**455 Railroad Commission**

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers  
 OBJECTIVE: 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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
KEY 1	Number of Oil and Gas Well and Facility Inspections Performed	424,952.00	430,000.00	425,000.00	425,000.00	425,000.00
	2 Number of Enforcement Referrals for Legal Action	2,737.00	2,000.00	2,000.00	2,000.00	2,000.00
KEY 3	# Oil & Gas Environmental Permit Applications & Reports Processed	127,189.00	135,000.00	132,000.00	132,000.00	132,000.00
	4 # of Actions Initiated through Issuance of Severance/Seal Orders (HQ)	64,497.00	100,000.00	100,000.00	100,000.00	100,000.00
	5 Number of District-initiated Issuance of Severance/seal Orders	952.00	800.00	800.00	800.00	800.00
	6 # Of Well and Facility Inspections Performed with No Violation	390,639.00	415,000.00	375,000.00	375,000.00	375,000.00
<b>Efficiency Measures:</b>						
KEY 1	Avg # of Oil and Gas Well and Facility Inspections Performed	2,401.00	2,400.00	1,900.00	2,000.00	2,000.00
<b>Explanatory/Input Measures:</b>						
KEY 1	# of UIC Wells and Other Facilities Subject to Regulation	79,633.00	80,000.00	80,000.00	80,000.00	80,000.00
	2 Number of Statewide Rule Violations	32,099.00	28,000.00	30,000.00	30,000.00	30,000.00
	3 Number of Major Statewide Rule Violations	48.00	15.00	15.00	15.00	15.00

**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
	4 Percent of Violations Corrected within 90 Days	35.00 %	32.00 %	30.00 %	30.00 %	30.00 %
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$19,417,707	\$20,195,500	\$21,166,386	\$21,166,386	\$21,166,386
1002	OTHER PERSONNEL COSTS	\$414,722	\$431,256	\$447,790	\$447,790	\$447,790
2001	PROFESSIONAL FEES AND SERVICES	\$9,113,569	\$15,063,622	\$10,082,756	\$9,746,126	\$10,082,756
2002	FUELS AND LUBRICANTS	\$792,103	\$792,103	\$792,103	\$792,103	\$792,103
2003	CONSUMABLE SUPPLIES	\$39,413	\$39,413	\$39,413	\$39,413	\$39,413
2004	UTILITIES	\$285,700	\$285,700	\$285,700	\$285,700	\$285,700
2005	TRAVEL	\$248,238	\$248,238	\$248,238	\$248,238	\$248,238
2006	RENT - BUILDING	\$541,614	\$541,614	\$541,614	\$541,614	\$541,614
2007	RENT - MACHINE AND OTHER	\$113,736	\$113,736	\$113,736	\$113,736	\$113,736
2009	OTHER OPERATING EXPENSE	\$1,881,363	\$1,996,652	\$1,896,652	\$1,896,652	\$1,896,652
5000	CAPITAL EXPENDITURES	\$2,773,006	\$2,028,051	\$32,388	\$32,388	\$32,388
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$35,621,171</b>	<b>\$41,735,885</b>	<b>\$35,646,776</b>	<b>\$35,310,146</b>	<b>\$35,646,776</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$32,167,697	\$29,836,725	\$29,798,033	\$27,735,029	\$29,335,513
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$32,167,697</b>	<b>\$29,836,725</b>	<b>\$29,798,033</b>	<b>\$27,735,029</b>	<b>\$29,335,513</b>

**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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$3,453,474	\$11,899,160	\$5,848,743	\$7,575,117	\$6,311,263
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$3,453,474</b>	<b>\$11,899,160</b>	<b>\$5,848,743</b>	<b>\$7,575,117</b>	<b>\$6,311,263</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$35,310,146</b>	<b>\$35,646,776</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$35,621,171</b>	<b>\$41,735,885</b>	<b>\$35,646,776</b>	<b>\$35,310,146</b>	<b>\$35,646,776</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>281.0</b>	<b>298.7</b>	<b>302.0</b>	<b>302.0</b>	<b>302.0</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.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**



**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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External factors impacting the strategy include the large inventory of oil and gas wells. As of June 30, 2024, there were 435,362 wells carried on the Commission's oil and gas schedules.

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

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

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$77,382,661	\$70,956,922	\$(6,425,739)	\$(3,046,208)	Fund 0001 - GR redistribution of Base Budget
			\$(3,379,531)	Fund 5155 - OGRC redistribution of Base Budget
			<u>\$(6,425,739)</u>	<b>Total of Explanation of Biennial Change</b>

**455 Railroad Commission**

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers  
 OBJECTIVE: 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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
KEY 1	Number of Coal Mining Inspections Performed	392.00	390.00	400.00	390.00	395.00
2	Number of Coal Mining Permit Actions Processed	482.00	490.00	350.00	350.00	340.00
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	16.00	18.00	30.00	30.00	30.00
2	Percent of Coal Permitting Actions within Statutory Time Frames	100.00 %	100.00 %	90.00 %	95.00 %	100.00 %
<b>Explanatory/Input Measures:</b>						
1	Annual Calendar Year Production of Texas Lignite Coal	17,116,345.00	17,200,000.00	20,000,000.00	19,000,000.00	18,000,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$2,825,456	\$3,043,643	\$3,189,915	\$3,189,915	\$3,189,915
1002	OTHER PERSONNEL COSTS	\$60,346	\$62,471	\$62,471	\$62,471	\$62,471
2001	PROFESSIONAL FEES AND SERVICES	\$308,882	\$2,327,939	\$2,620,627	\$1,620,627	\$2,620,627
2002	FUELS AND LUBRICANTS	\$13,941	\$13,941	\$13,941	\$13,941	\$13,941
2003	CONSUMABLE SUPPLIES	\$6,261	\$6,261	\$6,261	\$6,261	\$6,261
2004	UTILITIES	\$19,420	\$19,420	\$19,420	\$19,420	\$19,420

**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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
2005	TRAVEL	\$12,063	\$17,016	\$17,016	\$17,016	\$17,016
2006	RENT - BUILDING	\$347	\$347	\$347	\$347	\$347
2007	RENT - MACHINE AND OTHER	\$11,127	\$11,127	\$11,127	\$11,127	\$11,127
2009	OTHER OPERATING EXPENSE	\$164,421	\$216,399	\$216,399	\$216,399	\$216,399
5000	CAPITAL EXPENDITURES	\$4,711	\$306,499	\$4,711	\$4,711	\$4,711
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,426,975</b>	<b>\$6,025,063</b>	<b>\$6,162,235</b>	<b>\$5,162,235</b>	<b>\$6,162,235</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$2,308,117	\$4,745,063	\$4,882,235	\$3,882,235	\$4,882,235
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$2,308,117</b>	<b>\$4,745,063</b>	<b>\$4,882,235</b>	<b>\$3,882,235</b>	<b>\$4,882,235</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	15.250.000 Regulation of Surface Coa	\$1,118,858	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000
CFDA Subtotal, Fund	555	\$1,118,858	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$1,118,858</b>	<b>\$1,280,000</b>	<b>\$1,280,000</b>	<b>\$1,280,000</b>	<b>\$1,280,000</b>

**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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$5,162,235</b>	<b>\$6,162,235</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$3,426,975</b>	<b>\$6,025,063</b>	<b>\$6,162,235</b>	<b>\$5,162,235</b>	<b>\$6,162,235</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>38.7</b>	<b>40.5</b>	<b>41.0</b>	<b>41.0</b>	<b>41.0</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:**

**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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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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 2023 and 2024. 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>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2024 + Bud 2025)</u>	<u>Baseline Request (BL 2026 + BL 2027)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$12,187,298	\$11,324,470	\$ (862,828)	\$2,137,172	Fund 0001 - GR redistribution of Base Budget
			\$ (3,000,000)	C.1.2. Surface Mining Monitoring & Inspections Project IETRS Phase 4 moved to IETRS Phase 5 moved to B.1.2. for Pipeline Damage Prevention Project.
			<b>\$ (862,828)</b>	<b>Total of Explanation of Biennial Change</b>

**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
KEY 1	# Abandoned Sites Investigated, Assessed or Cleaned Up w/State Funds	239.00	400.00	325.00	250.00	250.00
KEY 2	Number of Orphaned Wells Plugged with State-Managed Funds	1,750.00	1,450.00	1,700.00	1,700.00	1,700.00
KEY 3	Tot Aggr Plugging Depth of Orphaned Wells Plugged w/State-Mnged Funds	3,627,668.00	2,350,000.00	3,500,000.00	3,500,000.00	3,500,000.00
<b>Efficiency Measures:</b>						
1	Avg Number of Days to Complete State-Managed Abandoned Site Clean-up	65.00	55.00	50.00	50.00	50.00
2	Avg # Days to Plug an Orphaned Well with State-Managed Funds	30.00	35.00	50.00	50.00	50.00
<b>Explanatory/Input Measures:</b>						
1	# of Abandoned Sites That Are Candidates for State-Managed Cleanup	2,392.00	2,376.00	2,200.00	2,100.00	2,000.00
2	Number of Complex Operator-initiated Cleanups	468.00	450.00	470.00	470.00	470.00
3	Number of Orphaned Wells Approved for Plugging	1,989.00	2,200.00	2,000.00	2,000.00	2,000.00
4	# of Known Orphaned Wells	7,887.00	8,600.00	8,600.00	8,500.00	8,500.00

**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
	5 # Wells Plugged by Operators without State-Managed Funds	6,839.00	7,400.00	7,000.00	7,000.00	7,000.00
	6 Percent Active Well Operators with Inactive Wells	47.00 %	48.00 %	47.00 %	47.00 %	47.00 %
	7 Number of Shut-in/Inactive Wells	149,538.00	149,500.00	149,000.00	149,000.00	149,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$15,033,864	\$15,917,760	\$16,522,287	\$16,522,287	\$16,522,287
1002	OTHER PERSONNEL COSTS	\$329,154	\$341,427	\$347,851	\$347,851	\$347,851
2001	PROFESSIONAL FEES AND SERVICES	\$7,036,904	\$10,879,904	\$10,897,842	\$11,095,744	\$10,897,842
2002	FUELS AND LUBRICANTS	\$323,031	\$379,762	\$379,762	\$379,762	\$379,762
2003	CONSUMABLE SUPPLIES	\$72,803	\$109,388	\$109,388	\$109,388	\$109,388
2004	UTILITIES	\$169,618	\$170,818	\$170,818	\$170,818	\$170,818
2005	TRAVEL	\$217,785	\$249,785	\$249,785	\$249,785	\$249,785
2006	RENT - BUILDING	\$164,953	\$164,953	\$164,953	\$164,953	\$164,953
2007	RENT - MACHINE AND OTHER	\$146,487	\$161,487	\$161,487	\$161,487	\$161,487
2009	OTHER OPERATING EXPENSE	\$62,709,375	\$70,952,183	\$134,178,053	\$87,102,018	\$87,592,873
5000	CAPITAL EXPENDITURES	\$1,179,311	\$3,449,570	\$1,732,797	\$600,705	\$600,705
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$87,383,285</b>	<b>\$102,777,037</b>	<b>\$164,915,023</b>	<b>\$116,904,798</b>	<b>\$117,197,751</b>

**Method of Financing:**

**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1	General Revenue Fund	\$9,320,316	\$9,524,608	\$12,746,537	\$13,951,822	\$15,643,253
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$9,320,316</b>	<b>\$9,524,608</b>	<b>\$12,746,537</b>	<b>\$13,951,822</b>	<b>\$15,643,253</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$54,814,526	\$61,981,962	\$53,980,206	\$55,378,684	\$53,980,206
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$54,814,526</b>	<b>\$61,981,962</b>	<b>\$53,980,206</b>	<b>\$55,378,684</b>	<b>\$53,980,206</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	15.018.120 IIJA Energy Comm. Revitalization Pg	\$23,128,443	\$31,067,687	\$97,900,000	\$47,286,012	\$47,286,012
	66.817.000 State and Tribal Response Program	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
CFDA Subtotal, Fund	555	\$23,248,443	\$31,187,687	\$98,020,000	\$47,406,012	\$47,406,012
5041	GR Account-Railroad Comm					
	00.000.003 Salary Adjustments	\$0	\$82,780	\$168,280	\$168,280	\$168,280
CFDA Subtotal, Fund	5041	\$0	\$82,780	\$168,280	\$168,280	\$168,280
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$23,248,443</b>	<b>\$31,270,467</b>	<b>\$98,188,280</b>	<b>\$47,574,292</b>	<b>\$47,574,292</b>



**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$116,904,798</b>	<b>\$117,197,751</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$87,383,285</b>	<b>\$102,777,037</b>	<b>\$164,915,023</b>	<b>\$116,904,798</b>	<b>\$117,197,751</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>166.0</b>	<b>159.1</b>	<b>218.0</b>	<b>218.0</b>	<b>218.0</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 limited contractor availability related to industry demand for similar services. Most well plugging is performed by contractors engaged by well operators, with whom the Commission competes for available plugging services. Likewise, competition for site assessment and remediation services can increase the cost for such services during periods of strong industry activity. The availability of state and federal grant funds with which the Commission leverages other sources of funding can also impact this strategy.

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

**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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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 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$267,692,060	\$234,102,549	\$(33,589,511)	\$7,323,930	Fund 0001 - GR redistribution of Base Budget
			\$(6,603,278)	Fund 5155 - OGRC redistribution of Base Budget
			\$(34,310,163)	Fund 5041 - Federal IJJA Grant Award moved to 2026
			<u>\$(33,589,511)</u>	<b>Total of Explanation of Biennial Change</b>

**455 Railroad Commission**

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<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	\$567,212	\$584,116	\$612,477	\$612,477	\$612,477
1002	OTHER PERSONNEL COSTS	\$12,173	\$12,532	\$12,892	\$12,892	\$12,892
2001	PROFESSIONAL FEES AND SERVICES	\$1,239,287	\$1,358,489	\$1,323,961	\$1,323,961	\$1,323,961
2002	FUELS AND LUBRICANTS	\$7,660	\$7,660	\$7,660	\$7,660	\$7,660
2003	CONSUMABLE SUPPLIES	\$846	\$846	\$846	\$846	\$846
2004	UTILITIES	\$8,569	\$8,569	\$8,569	\$8,569	\$8,569
2005	TRAVEL	\$67,269	\$67,269	\$67,269	\$67,269	\$67,269
2006	RENT - BUILDING	\$141	\$141	\$141	\$141	\$141
2007	RENT - MACHINE AND OTHER	\$4,539	\$4,539	\$4,539	\$4,539	\$4,539
2009	OTHER OPERATING EXPENSE	\$95,390	\$97,858	\$97,858	\$97,858	\$97,858
5000	CAPITAL EXPENDITURES	\$1,922	\$1,922	\$1,922	\$1,922	\$1,922
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$2,005,008</b>	<b>\$2,143,941</b>	<b>\$2,138,134</b>	<b>\$2,138,134</b>	<b>\$2,138,134</b>

**Method of Financing:**

**455 Railroad Commission**

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1	General Revenue Fund	\$458,463	\$443,941	\$438,134	\$438,134	\$438,134
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$458,463</b>	<b>\$443,941</b>	<b>\$438,134</b>	<b>\$438,134</b>	<b>\$438,134</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	15.252.000 Abandoned Mine Land Recla	\$1,546,545	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000
CFDA Subtotal, Fund	555	\$1,546,545	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$1,546,545</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$2,138,134</b>	<b>\$2,138,134</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$2,005,008</b>	<b>\$2,143,941</b>	<b>\$2,138,134</b>	<b>\$2,138,134</b>	<b>\$2,138,134</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>7.5</b>	<b>7.7</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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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 and Bipartisan Infrastructure Law of 2021 funding. 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.

**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 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$4,282,075	\$4,276,268	\$(5,807)	\$(5,807)	Fund 0001 - GR redistribution of Base Budget
			<u>\$(5,807)</u>	<b>Total of Explanation of Biennial Change</b>

**455 Railroad Commission**

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers  
 OBJECTIVE: 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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
	1 Number of Audits Conducted	126.00	126.00	140.00	140.00	140.00
KEY	2 Number of Gas Utility Dockets and Cases Filed	70.00	50.00	50.00	50.00	50.00
	3 Number of Gas Utilities' Compliance, Tariff and Escalator Filings	139,405.00	130,000.00	130,000.00	130,000.00	130,000.00
<b>Efficiency Measures:</b>						
	1 Average Number of Audits Per Auditor	15.38	18.00	17.50	17.50	17.50
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$2,853,432	\$2,968,572	\$3,111,244	\$3,111,244	\$3,111,244
1002	OTHER PERSONNEL COSTS	\$60,935	\$60,935	\$60,935	\$60,935	\$60,935
2001	PROFESSIONAL FEES AND SERVICES	\$248,354	\$318,587	\$318,587	\$318,587	\$318,587
2002	FUELS AND LUBRICANTS	\$140	\$140	\$140	\$140	\$140
2003	CONSUMABLE SUPPLIES	\$3,004	\$3,004	\$3,004	\$3,004	\$3,004
2004	UTILITIES	\$15,835	\$15,835	\$15,835	\$15,835	\$15,835
2005	TRAVEL	\$29,813	\$29,813	\$29,813	\$29,813	\$29,813
2006	RENT - BUILDING	\$26,840	\$26,840	\$26,840	\$26,840	\$26,840
2007	RENT - MACHINE AND OTHER	\$10,908	\$10,908	\$10,908	\$10,908	\$10,908
2009	OTHER OPERATING EXPENSE	\$246,172	\$249,548	\$249,548	\$249,548	\$249,548

**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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
5000	CAPITAL EXPENDITURES	\$4,618	\$4,618	\$4,618	\$4,618	\$4,618
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,500,051</b>	<b>\$3,688,800</b>	<b>\$3,831,472</b>	<b>\$3,831,472</b>	<b>\$3,831,472</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$3,370,051	\$3,558,800	\$3,701,472	\$3,701,472	\$3,701,472
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$3,370,051</b>	<b>\$3,558,800</b>	<b>\$3,701,472</b>	<b>\$3,701,472</b>	<b>\$3,701,472</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$130,000</b>	<b>\$130,000</b>	<b>\$130,000</b>	<b>\$130,000</b>	<b>\$130,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$3,831,472</b>	<b>\$3,831,472</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$3,500,051</b>	<b>\$3,688,800</b>	<b>\$3,831,472</b>	<b>\$3,831,472</b>	<b>\$3,831,472</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>32.3</b>	<b>33.4</b>	<b>35.4</b>	<b>35.4</b>	<b>35.4</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

**455 Railroad Commission**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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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, gas utility books and records are maintained and reported in accordance with regulatory requirements, and that approved rates for natural gas service 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. The Commission administers an informal complaint process to help resolve disputes between parties regarding negotiated natural gas transportation rates, reducing costs to parties and the Commission.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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

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

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$7,520,272	\$7,662,944	\$142,672	\$142,672	Fund 0001 - GR redistribution of Base Budget
			<b>\$142,672</b>	<b>Total of Explanation of Biennial Change</b>



**455 Railroad Commission**

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers  
 OBJECTIVE: 4 Critical Infrastructure  
 STRATEGY: 1 Critical Infrastructure Weather Preparedness

Service Categories:

Service: 33      Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
KEY 1	Number of Weatherization Inspections Conducted	7,276.00	7,092.00	7,100.00	7,234.00	7,379.00
KEY 2	Number of Facilities Out of Weatherization Compliance	14.00	3.00	3.00	3.00	3.00
<b>Explanatory/Input Measures:</b>						
KEY 1	Total Number of Designated Critical Infrastructure Facilities	32,186.00	38,231.00	39,400.00	39,378.00	40,559.00
	2 Percent of Facilities Required to Weatherize That Are Non-compliant	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$6,717,638	\$7,874,310	\$8,254,433	\$8,254,433	\$8,254,433
1002	OTHER PERSONNEL COSTS	\$143,892	\$162,701	\$162,701	\$162,701	\$162,701
2001	PROFESSIONAL FEES AND SERVICES	\$6,724,197	\$4,711,668	\$3,711,668	\$2,711,668	\$2,711,668
2002	FUELS AND LUBRICANTS	\$86,312	\$86,312	\$86,312	\$86,312	\$86,312
2003	CONSUMABLE SUPPLIES	\$12,373	\$12,373	\$12,373	\$12,373	\$12,373
2004	UTILITIES	\$135,351	\$135,351	\$135,351	\$135,351	\$135,351
2005	TRAVEL	\$213,368	\$194,603	\$194,603	\$194,603	\$194,603
2006	RENT - BUILDING	\$107,836	\$107,836	\$107,836	\$107,836	\$107,836
2007	RENT - MACHINE AND OTHER	\$42,899	\$42,899	\$42,899	\$42,899	\$42,899
2009	OTHER OPERATING EXPENSE	\$1,024,796	\$1,184,762	\$984,762	\$984,762	\$984,762

**455 Railroad Commission**

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers  
 OBJECTIVE: 4 Critical Infrastructure Service Categories:  
 STRATEGY: 1 Critical Infrastructure Weather Preparedness Service: 33    Income: A.2    Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
5000	CAPITAL EXPENDITURES	\$18,162	\$405,029	\$18,162	\$18,162	\$18,162
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$15,226,824</b>	<b>\$14,917,844</b>	<b>\$13,711,100</b>	<b>\$12,711,100</b>	<b>\$12,711,100</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$15,226,824	\$14,917,844	\$13,711,100	\$12,711,100	\$12,711,100
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$15,226,824</b>	<b>\$14,917,844</b>	<b>\$13,711,100</b>	<b>\$12,711,100</b>	<b>\$12,711,100</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$12,711,100</b>	<b>\$12,711,100</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$15,226,824</b>	<b>\$14,917,844</b>	<b>\$13,711,100</b>	<b>\$12,711,100</b>	<b>\$12,711,100</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>105.5</b>	<b>104.1</b>	<b>120.0</b>	<b>120.0</b>	<b>120.0</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Provisions in House Bill 3648 and Senate Bill 3 define natural gas facilities that would be designated as critical gas suppliers and critical customers. Critical gas suppliers include, but are not limited to, gas wells, oil leases that produce gas, natural gas pipeline facilities, underground natural gas storage facilities and saltwater disposal facilities. Critical customers, which are a subset of critical gas suppliers, are facilities that require electricity to operate. Activities associated with critical infrastructure ensure the natural gas industry consistently incorporates weatherization and reliability standards and practices to achieve uninterrupted natural gas production throughout the calendar year including periods of severe weather. Success requires communication, inspections, processing applications, and monitoring reports.

**455 Railroad Commission**

GOAL: 3 Min. Harmful Effects of Energy Prod & Ensure Fair Rates for Consumers  
 OBJECTIVE: 4 Critical Infrastructure Service Categories:  
 STRATEGY: 1 Critical Infrastructure Weather Preparedness Service: 33    Income: A.2    Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

Internal factors impacting this strategy include the availability of appropriate technology to communicate with customers and stakeholders to responsively track, store and retrieve applications, inspections, and monitoring reports. A second internal factor is the availability of consistent funding to modernize and maintain databases to ensure efficient data processing of regulatory data, immediate public access, and secure storage of electronic filing and inspection information. This includes enhancement and upgrade investments for the entire lifecycle of information technology requirements. One external factor affecting this strategy includes the ability to access facilities in an efficient manner, which would affect the timeline for the total number of inspections conducted within any given year.

**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 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$28,628,944	\$25,422,200	\$(3,206,744)	\$(3,206,744)	Fund 0001 - GR redistribution of Base Budget (Prof Fees, Capital, OOO)
			<b>\$(3,206,744)</b>	<b>Total of Explanation of Biennial Change</b>

**455 Railroad Commission**

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

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
KEY 1	Number of Documents Provided to Customers by Info Services	160,750.00	99,659.00	100,000.00	100,000.00	100,000.00
2	Number of Reports Provided to Customers from Electronic Data Records	16,194,003.00	11,938,739.00	12,000,000.00	12,000,000.00	12,000,000.00
3	Number of Railroad Commission Records Imaged from Non-digital Formats	8,809,612.00	15,965,883.00	12,000,000.00	12,000,000.00	12,000,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,379,756	\$1,429,250	\$1,498,238	\$1,498,238	\$1,498,238
1002	OTHER PERSONNEL COSTS	\$29,527	\$30,579	\$31,631	\$31,631	\$31,631
2001	PROFESSIONAL FEES AND SERVICES	\$479,983	\$225,310	\$225,310	\$225,310	\$225,310
2002	FUELS AND LUBRICANTS	\$99	\$99	\$99	\$99	\$99
2003	CONSUMABLE SUPPLIES	\$3,063	\$3,063	\$3,063	\$3,063	\$3,063
2004	UTILITIES	\$6,799	\$6,799	\$6,799	\$6,799	\$6,799
2005	TRAVEL	\$3,754	\$3,754	\$3,754	\$3,754	\$3,754
2006	RENT - BUILDING	\$241	\$241	\$241	\$241	\$241
2007	RENT - MACHINE AND OTHER	\$8,951	\$8,951	\$8,951	\$8,951	\$8,951
2009	OTHER OPERATING EXPENSE	\$1,087,742	\$931,650	\$931,650	\$931,650	\$931,650
5000	CAPITAL EXPENDITURES	\$3,270	\$3,270	\$3,270	\$3,270	\$3,270

**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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,003,185</b>	<b>\$2,642,966</b>	<b>\$2,713,006</b>	<b>\$2,713,006</b>	<b>\$2,713,006</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$1,547,010	\$1,440,071	\$2,050,782	\$2,050,782	\$2,050,782
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$1,547,010</b>	<b>\$1,440,071</b>	<b>\$2,050,782</b>	<b>\$2,050,782</b>	<b>\$2,050,782</b>
<b>Method of Financing:</b>						
5155	Oil & Gas Regulation	\$1,406,175	\$1,152,895	\$612,224	\$612,224	\$612,224
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$1,406,175</b>	<b>\$1,152,895</b>	<b>\$612,224</b>	<b>\$612,224</b>	<b>\$612,224</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$2,713,006</b>	<b>\$2,713,006</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$3,003,185</b>	<b>\$2,642,966</b>	<b>\$2,713,006</b>	<b>\$2,713,006</b>	<b>\$2,713,006</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>24.7</b>	<b>26.3</b>	<b>26.5</b>	<b>26.5</b>	<b>26.5</b>

**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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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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 public, stakeholders and other government agencies 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, technology can transform how the Commission serves Texans. Proper planning, investment, and management of information technology (IT) resources can help the Commission leaders prepare for and take advantage of the rapid evolution that continues to improve government services. Updates of this nature are needed to ensure the Commission continually improves process efficiencies.

**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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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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 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$5,355,972	\$5,426,012	\$70,040	\$610,711	Fund 0001 - GR redistribution of Base Budget
			\$(540,671)	Fund 5155 - OGRC redistribution of Base Budget
			<b>\$70,040</b>	<b>Total of Explanation of Biennial Change</b>

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**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$196,962,540</b>	<b>\$228,582,986</b>	<b>\$272,272,009</b>	<b>\$231,163,895</b>	<b>\$224,563,896</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>				<b>\$231,163,895</b>	<b>\$224,563,896</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>	<b>\$196,962,540</b>	<b>\$228,582,986</b>	<b>\$272,272,009</b>	<b>\$231,163,895</b>	<b>\$224,563,896</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>968.9</b>	<b>1,030.4</b>	<b>1,134.6</b>	<b>1,124.6</b>	<b>1,124.6</b>



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

<b>Agency Code:</b> 455		<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> Martin Powel	<b>Date:</b> 8/30/2024	<b>Request Level:</b> Baseline																																																																																																																													
<b>Current Rider Number</b>	<b>Page Number in 2024-25 GAA</b>	<b>Proposed Rider Language</b>																																																																																																																																
1	VI-53-54	<p><b>Performance Measure Targets.</b> The following is a listing of the key performance target levels for the Railroad Commission. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Railroad Commission. In order to achieve the objectives and service standards established by this Act, the Railroad Commission shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center;"><u>2024</u></th> <th style="text-align: center;"><u>2026</u></th> <th style="text-align: center;"><u>2025</u></th> <th style="text-align: center;"><u>2027</u></th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>A. Goal: ENERGY RESOURCES</b></td> </tr> <tr> <td colspan="5"><b>Outcome (Results/Impact):</b></td> </tr> <tr> <td>Percent of Oil and Gas Wells That Are Active</td> <td style="text-align: center;">68%</td> <td style="text-align: center;">65%</td> <td style="text-align: center;">69%</td> <td style="text-align: center;">65%</td> </tr> <tr> <td colspan="5"><b>A.1.1. Strategy: ENERGY RESOURCE DEVELOPMENT</b></td> </tr> <tr> <td colspan="5"><b>Output (Volume):</b></td> </tr> <tr> <td>Number of Drilling Permit Applications Processed</td> <td style="text-align: center;">15,400</td> <td style="text-align: center;">12,500</td> <td style="text-align: center;">15,000</td> <td style="text-align: center;">12,500</td> </tr> <tr> <td>Number of Wells Monitored</td> <td style="text-align: center;">440,440</td> <td style="text-align: center;">435,000</td> <td style="text-align: center;">440,440</td> <td style="text-align: center;">435,000</td> </tr> <tr> <td colspan="5"><b>Efficiencies:</b></td> </tr> <tr> <td>Average Number of Wells Monitored Per Analyst</td> <td style="text-align: center;">36,600</td> <td style="text-align: center;">33,500</td> <td style="text-align: center;">36,600</td> <td style="text-align: center;">33,500</td> </tr> <tr> <td>The average Number of Staff Days Required to Review and Process a Drilling Permit Application During the Reporting Period</td> <td style="text-align: center;">3</td> <td style="text-align: center;">3</td> <td style="text-align: center;">3</td> <td style="text-align: center;">3</td> </tr> <tr> <td colspan="5"><b>B. Goal: SAFETY PROGRAMS</b></td> </tr> <tr> <td colspan="5"><b>Outcome (Results/Impact):</b></td> </tr> <tr> <td>Average Number of Pipeline Safety Violations Per Equivalent 100 Miles of Pipe Identified through Inspections</td> <td style="text-align: center;">0.50</td> <td style="text-align: center;">0.80</td> <td style="text-align: center;">0.50</td> <td style="text-align: center;">0.80</td> </tr> <tr> <td colspan="5"><b>B.1.1. Strategy: PIPELINE SAFETY</b></td> </tr> <tr> <td colspan="5"><b>Output (Volume):</b></td> </tr> <tr> <td>Number of Pipeline Safety Inspections Performed</td> <td style="text-align: center;">1,750</td> <td style="text-align: center;">2,100</td> <td style="text-align: center;">1,750</td> <td style="text-align: center;">2,100</td> </tr> <tr> <td colspan="5"><b>Efficiencies:</b></td> </tr> <tr> <td>Average Number of Pipeline Field Inspections per Field Inspector</td> <td style="text-align: center;">85</td> <td style="text-align: center;">85</td> <td style="text-align: center;">85</td> <td style="text-align: center;">85</td> </tr> <tr> <td colspan="5"><b>B.1.2. Strategy: PIPELINE DAMAGE PREVENTION</b></td> </tr> <tr> <td colspan="5"><b>Output (Volume)</b></td> </tr> <tr> <td>Number of Excavation Damage Enforcement Cases Completed</td> <td style="text-align: center;">2,200</td> <td style="text-align: center;">3,500</td> <td style="text-align: center;">2,100</td> <td style="text-align: center;">3,500</td> </tr> <tr> <td colspan="5"><b>B.2.1. Strategy: REGULATE ALTERNATIVE ENERGY</b></td> </tr> <tr> <td colspan="5"><b>Output (Volume)</b></td> </tr> <tr> <td>Number of LPG/CNG/LNG Safety Inspections Performed</td> <td style="text-align: center;">20,000</td> <td style="text-align: center;">20,000</td> <td style="text-align: center;">20,000</td> <td style="text-align: center;">20,000</td> </tr> </tbody> </table>					<u>2024</u>	<u>2026</u>	<u>2025</u>	<u>2027</u>	<b>A. Goal: ENERGY RESOURCES</b>					<b>Outcome (Results/Impact):</b>					Percent of Oil and Gas Wells That Are Active	68%	65%	69%	65%	<b>A.1.1. Strategy: ENERGY RESOURCE DEVELOPMENT</b>					<b>Output (Volume):</b>					Number of Drilling Permit Applications Processed	15,400	12,500	15,000	12,500	Number of Wells Monitored	440,440	435,000	440,440	435,000	<b>Efficiencies:</b>					Average Number of Wells Monitored Per Analyst	36,600	33,500	36,600	33,500	The average Number of Staff Days Required to Review and Process a Drilling Permit Application During the Reporting Period	3	3	3	3	<b>B. Goal: SAFETY PROGRAMS</b>					<b>Outcome (Results/Impact):</b>					Average Number of Pipeline Safety Violations Per Equivalent 100 Miles of Pipe Identified through Inspections	0.50	0.80	0.50	0.80	<b>B.1.1. Strategy: PIPELINE SAFETY</b>					<b>Output (Volume):</b>					Number of Pipeline Safety Inspections Performed	1,750	2,100	1,750	2,100	<b>Efficiencies:</b>					Average Number of Pipeline Field Inspections per Field Inspector	85	85	85	85	<b>B.1.2. Strategy: PIPELINE DAMAGE PREVENTION</b>					<b>Output (Volume)</b>					Number of Excavation Damage Enforcement Cases Completed	2,200	3,500	2,100	3,500	<b>B.2.1. Strategy: REGULATE ALTERNATIVE ENERGY</b>					<b>Output (Volume)</b>					Number of LPG/CNG/LNG Safety Inspections Performed	20,000	20,000	20,000	20,000
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### 3.B. Rider Revisions and Additions Request

Agency Code: 455		Agency Name: Railroad Commission of Texas	Prepared By: Martin Powel	Date: 8/30/2024	Request Level: Baseline
Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language			
		<b>C. Goal: ENVIRONMENTAL AND CONSUMER PROTECTION</b> <b>Outcome (Results/Impact):</b> Percentage of Oil and Gas Facility Inspections That Identify Environmental Violations <span style="float: right;">5%      <u>5%</u>      5%      <u>5%</u></span> Percentage of Known Orphaned Wells Plugged with State-Managed Funds <span style="float: right;">20.0%      20.0%</span>			
		<b>C.1.1. Strategy: OIL/GAS MONITOR &amp; INSPECTIONS</b> <b>Output (Volume):</b> Number of Oil and Gas Facility Inspections Performed <span style="float: right;">355,000      <u>425,000</u>      360,000      <u>425,000</u></span> Number of Oil and Gas Environmental Permit Applications and Reports Processed <span style="float: right;">110,000      <u>132,000</u>      110,000      <u>132,000</u></span>			
		<b>Efficiencies:</b> Average Number of Oil and Gas Facility Inspections Performed Per District Office Staff <span style="float: right;">1,900      <u>2,000</u>      1,900      <u>2,000</u></span>			
		<b>Explanatory:</b> Number of UIC Wells and Other Facilities Subject to Regulation <span style="float: right;">90,000      <u>80,000</u>      90,000      <u>80,000</u></span>			
		<b>C.1.2. Strategy: SURFACE MINING MONITORING/INSPECT</b> <b>Output (Volume):</b> Number of Coal Mining Inspections Performed <span style="float: right;">400      <u>390</u>      400      <u>395</u></span>			
		<b>C.2.1. Strategy: OIL AND GAS REMEDIATION</b> <b>Output (Volume):</b> Number of Abandoned Pollution Sites Investigated, Assessed, or Cleaned Up with the Use of State-Managed Funds <span style="float: right;">400      <u>250</u>      400      <u>250</u></span>			
		<b>C.2.2. Strategy: OIL AND GAS WELL PLUGGING</b> <b>Output (Volume)</b> Number of Orphaned Wells Plugged with the Use of State-Managed Funds <span style="float: right;">2,000      <u>1,700</u>      2,200      <u>1,700</u></span> Total Aggregate Plugging Depth of Orphaned Wells Plugged with the Use of State Managed Funds (in Linear Feet) <span style="float: right;">4,000,000      <u>3,500,000</u>      4,400,000      <u>3,500,000</u></span>			
		<b>C.3.1. Strategy: GAS UTILITY COMPLIANCE</b> <b>Output (Volume):</b> Number of Gas Utility Dockets Filed <span style="float: right;">80      <u>50</u>      80      <u>50</u></span>			

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

<b>Agency Code:</b> 455		<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> Martin Powel	<b>Date:</b> 8/30/2024	<b>Request Level:</b> Baseline																				
<b>Current Rider Number</b>	<b>Page Number in 2024-25 GAA</b>	<b>Proposed Rider Language</b>																							
		<p><b>C.4.1. Strategy: WEATHER PREPAREDNESS</b> Critical Infrastructure Weather Preparedness</p> <p><b>Output (Volume):</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Number of Weatherization Inspections Conducted</td> <td style="width: 10%; text-align: right;">7,000</td> <td style="width: 10%; text-align: right;"><u>7,234</u></td> <td style="width: 10%; text-align: right;">7,100</td> <td style="width: 10%; text-align: right;"><u>7,379</u></td> </tr> <tr> <td>Number of Facilities Out of Weatherization Compliance</td> <td style="text-align: right;">665</td> <td style="text-align: right;"><u>3</u></td> <td style="text-align: right;">640</td> <td style="text-align: right;"><u>3</u></td> </tr> </table> <p><b>Explanatory</b> Total Number of Designated Critical Infrastructure Facilities in the State</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 10%; text-align: right;">73,500</td> <td style="width: 10%; text-align: right;"><u>39,378</u></td> <td style="width: 10%; text-align: right;">73,500</td> <td style="width: 10%; text-align: right;"><u>40,559</u></td> </tr> </table> <p><b>D. Goal: PUBLIC ACCESS TO INFO AND SERVICES</b> <b>D.1.1 Strategy: PUBLIC INFORMATION AND SERVICES</b></p> <p><b>Output (Volume):</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Number of Documents Provided to Customers by Information Services</td> <td style="width: 10%; text-align: right;">191,000</td> <td style="width: 10%; text-align: right;"><u>100,000</u></td> <td style="width: 10%; text-align: right;">191,000</td> <td style="width: 10%; text-align: right;"><u>100,000</u></td> </tr> </table> <p><i>Updated to reflect new performance measure goals for the 2026-2027 biennium.</i></p>				Number of Weatherization Inspections Conducted	7,000	<u>7,234</u>	7,100	<u>7,379</u>	Number of Facilities Out of Weatherization Compliance	665	<u>3</u>	640	<u>3</u>		73,500	<u>39,378</u>	73,500	<u>40,559</u>	Number of Documents Provided to Customers by Information Services	191,000	<u>100,000</u>	191,000	<u>100,000</u>
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### 3.B. Rider Revisions and Additions Request

<b>Agency Code:</b> 455		<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> Martin Powel	<b>Date:</b> 8/30/2024	<b>Request Level:</b> Baseline																																																																																															
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2	VI-54	<p><b>Capital Budget.</b> Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 10%;">2024</th> <th style="text-align: right; width: 10%;">2026</th> <th style="text-align: right; width: 10%;">2025</th> <th style="text-align: right; width: 10%;">2027</th> </tr> </thead> <tbody> <tr> <td colspan="5">a. 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Transportation Items</td> </tr> <tr> <td>(1) Vehicle Acquisition</td> <td style="text-align: right;">1,785,468</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td colspan="5"><del>e. Acquisition of Capital Equipment and Items</del></td> </tr> <tr> <td><del>(1) Optical Gas Imaging</del></td> <td style="text-align: right;"><del>719,468</del></td> <td></td> <td style="text-align: right;"><del>0</del></td> <td></td> </tr> <tr> <td colspan="5">d. Data Center/Shared Technology Services</td> </tr> <tr> <td>(1) Data Center Services (DCS)</td> <td style="text-align: right;">7,411,243</td> <td style="text-align: right;">7,411,243</td> <td style="text-align: right;">7,869,131</td> <td style="text-align: right;">7,869,131</td> </tr> <tr> <td colspan="5">e. 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Acquisition of Information Resource Technologies					(1) PC Refresh	544,375	544,375	544,375	544,375	(2) Mainframe Transformation - Phase 3 & 4	14,016,774	14,016,774	7,458,873	7,458,873	<del>(3) Electricity Supply Chain Mapping Automation</del>	<del>2,000,000</del>		<del>1,000,000</del>		Total, Acquisition of Information Resource Technologies	16,561,149	14,561,149	9,003,248	8,003,248	b. Transportation Items					(1) Vehicle Acquisition	1,785,468	0	0	0	<del>e. Acquisition of Capital Equipment and Items</del>					<del>(1) Optical Gas Imaging</del>	<del>719,468</del>		<del>0</del>		d. Data Center/Shared Technology Services					(1) Data Center Services (DCS)	7,411,243	7,411,243	7,869,131	7,869,131	e. 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### 3.B. Rider Revisions and Additions Request

Agency Code: 455	Agency Name: Railroad Commission of Texas	Prepared By: Martin Powel	Date: 8/30/2024	Request Level: Baseline
Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language		
3	VI-55	<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 Fuel 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 \$2,151,071 <del>\$1,928,365</del> in fiscal year <del>2024</del> <u>2026</u> and \$2,151,071 <del>\$1,928,365</del> in fiscal year <del>2025</del> <u>2027</u> and "other direct and indirect costs" are estimated to be \$659,519 in fiscal year <del>2024</del> <u>2026</u> and \$644,235 in fiscal year <del>2025</del> <u>2027</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 that generated the fees.</p> <p><i>This rider has been updated for the 2026-27 biennium.</i></p>		
4	VI-55	<p><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 Fuel Energy Resources, is <del>\$1,000,000</del> <del>\$1,367,000</del> in each fiscal year of the biennium in Appropriated Receipts (Revenue Object Codes 3245 and 3722) from fees assessed and collected pursuant to Natural Resources Code, §§113.088 and 116.034. These amounts may only be used for the purpose of providing training and examinations to licensees and certificate holders. In addition to amounts appropriated above, any additional amounts collected by the Railroad Commission pursuant to Natural Resources Code, §§113.088 and 116.034, on or after September 1, <del>2023</del> <u>2025</u> are appropriated to the Commission for the same purpose. Any additional revenues that may be collected under the provisions of this rider are estimated to be \$0.</p> <p><i>This rider has been updated for the 2026-27 biennium.</i></p>		
5	VI-55-56	<p><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>\$2,382,235</del> <del>\$2,139,572</del> in fiscal year <del>2025</del> <u>2027</u> and "other direct and indirect costs" are estimated to be \$416,146 in fiscal year <del>2024</del> <u>2026</u> and \$419,142 in fiscal year <del>2025</del> <u>2027</u>.</p> <p>In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.</p> <p>All fees collected in excess of the Comptroller of Public Accounts Biennial Revenue Estimate (Revenue Object Code 3329) are appropriated to the Railroad Commission to be spent on the Surface Mining Program that generated the fees.</p> <p><i>This rider has been updated for the 2026-27 biennium.</i></p>		

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

Agency Code: 455		Agency Name: Railroad Commission of Texas	Prepared By: Martin Powel	Date: 8/30/2024	Request Level: Baseline
Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language			
6	VI-56	<p><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 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 \$6,982,125 <del>\$6,809,973</del> in fiscal year 2024 <u>2026</u> and \$6,976,198 <del>\$6,809,943</del> in fiscal year <del>2025</del> <u>2027</u> and "other direct and indirect costs" are estimated to be \$2,419,336 in fiscal year 2024 <u>2026</u> and \$2,436,305 in fiscal year <del>2025</del> <u>2027</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><i>This rider has been updated for the 2026-27 biennium.</i></p>			
7	VI-56	<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>			
8	VI-56	<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 \$100,000 <del>353,000</del> in Fiscal year 2024 <u>2026</u> and \$100,000 <del>353,000</del> in fiscal year <del>2025</del> <u>2027</u>) during the <del>2024-25</del> <u>2026-27</u> biennium are appropriated to the Railroad Commission. In accordance with Water Code, Chapter 27, Subchapter C-1, these funds shall be used for the costs of: (1) permitting, monitoring, and inspecting anthropogenic carbon dioxide injection wells for geologic storage and geologic storage facilities; and (2) enforcing and implementing 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 2026-27 biennium.</i></p>			
9	VI-56	<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 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>			

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

Agency Code: 455	Agency Name: Railroad Commission of Texas	Prepared By: Martin Powel	Date: 8/30/2024	Request Level: Baseline
Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language		
10	VI-56	<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>		
11	VI-56	<p><b>Appropriation: Unexpended Balances Between Fiscal Years within the Biennium.</b> Any unobligated and unexpended balances as of August 31, <del>2024</del> <u>2026</u>, in the appropriations made herein to the Railroad Commission are appropriated for the same purposes for the fiscal year beginning September 1, <del>2024</del> <u>2026</u>.</p> <p><i>This rider has been updated for the 2026-27 biennium.</i></p>		
12	VI-57	<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>		
13	VI-57	<p><b>Operational Stability Contingency.</b> In the event that the sum of available unencumbered and unobligated balances in the General Revenue-Dedicated Oil and Gas Regulation and Cleanup Account No. 5155 (estimated to be \$44.5 million at the beginning of the <del>2024-25</del> <u>2026-27</u> biennium) and the revenue deposited into the account during each year of the <del>2024-25</del> <u>2026-27</u> 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 \$5.0 million per fiscal year.</p> <p><i>This rider has been updated for the 2026-27 biennium.</i></p>		
14	VI-57	<p><b>Unexpended Balances Appropriation: Acquisition of Information Resource Technologies.</b> Out of amounts appropriated to the Railroad Commission for the <del>2022-23</del> <u>2024-25</u> biennium for capital budget items included in the Acquisition of Information Resource Technologies and the Legacy Modernization categories, any unobligated and unexpended balances remaining as of August 31, <del>2023</del> <u>2025</u>, (estimated to be \$0) are appropriated for the fiscal biennium beginning September 1, <del>2023</del> <u>2025</u>, for the same purpose.</p> <p><i>This rider has been updated for the 2026-27 biennium.</i></p>		

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

Agency Code: 455	Agency Name: Railroad Commission of Texas	Prepared By: Martin Powel	Date: 8/30/2024	Request Level: Baseline
Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language		
15	VI-57	<p><b>Additional Funding Sources and Cash Flow Contingency.</b> In the event that revenues collected in the General Revenue-Dedicated Oil and Gas Regulation and Cleanup Account No. 5155 for each fiscal year of the biennium are less than 90.0 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 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 General Revenue-Dedicated 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 to exceed \$25.0 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. The transfer and reimbursement of funds shall be made under procedures established by the Comptroller of Public Accounts to ensure all borrowed funds are reimbursed to the Treasury on or before December 31 of the following fiscal year.</p> <p><i>This rider has been updated for the 2026-27 biennium.</i></p>		
16	VI-54	<p><b>Informational Listing: Infrastructure Investment and Jobs Act Funds.</b> Amounts appropriated above to the Railroad Commission include \$47,286,012 <del>\$61,811,300</del> in fiscal year 2026 <del>2024</del> and \$47,286,012 <del>\$62,900,000</del> in fiscal year 2027 <del>2025</del> in Federal Funds provided through the Infrastructure Investment and Jobs Act of 2021 (IIJA) for the purpose of plugging orphaned oil and gas wells. In addition, an estimated 946 <del>4,000</del> wells in fiscal year 2026 <del>2024</del> and 950 <del>4,200</del> wells in fiscal year 2027 <del>2025</del> are anticipated to be plugged using these IIJA funds and are included in the performance measure targets for the "Number of Orphaned Funds" in Rider 1, Performance Measure Targets.</p> <p><i>This rider has been updated for the 2026-27 biennium.</i></p>		
17	VI-54	<p><b>Underground Injection Control Modeling.</b> The Railroad Commission may utilize funds appropriated above in Strategy A.1.1., Energy Resource Development <del>C.1.1., Oil and Gas Monitoring and Inspections</del>, to contract for advanced modeling to draw seismic response areas, set appropriate limitations on injection wells, and quickly implement statutory and regulatory requirements associated with seismic events.</p> <p><i>No change.</i></p>		
18	VI-54	<p><b>Digitization of Historical Records.</b> Amounts appropriated above to the Railroad Commission in Strategy D.1.1, Public information services, include \$1,110,980 in fiscal year 2024 and \$858,894 in fiscal year 2025 from the General Revenue Fund for the purpose of digitizing certain historical records, reports, and forms. <del>The Railroad Commission shall not use these funds to execute a contract with the Department of Information Resources unless the Railroad Commission has consulted with institutions of higher education and determined that the digitization cannot be completed at an institution of higher education in a cost effective manner which meets the needs of the agency.</del></p> <p><i>Rider no longer necessary. This exceptional item is complete.</i></p>		
19	VI-54	<p><b>Enforcement and Compliance Data and Public Information.</b> Out of amounts appropriated above to the Railroad Commission in Strategy D.1.1, Public Information and Services, the agency shall publish enforcement data on its website quarterly, including inspection and enforcement activities, violations identified, and the final penalties assessed to operators. The agency shall also make available on its website quarterly trends in its enforcement data, including the number of complaints received and how the complaints were resolved, the number and severity of violations identified and sent for enforcement for each Commission rule, and the number of repeat violations found for each operator.</p>		



**4.A. Exceptional Item Request Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2024**  
 TIME: **9:17:19AM**

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

CODE	DESCRIPTION	Excp 2026	Excp 2027
	<b>Item Name:</b> Produced Water and Injection Data Reporting System <b>Item Priority:</b> 1 <b>IT Component:</b> Yes <b>Anticipated Out-year Costs:</b> Yes <b>Involve Contracts &gt; \$50,000:</b> Yes <b>Includes Funding for the Following Strategy or Strategies:</b> 01-01-01 Promote Energy Resource Development Opportunities		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	274,132	274,132
1002	OTHER PERSONNEL COSTS	4,112	4,112
2001	PROFESSIONAL FEES AND SERVICES	4,441,602	2,627,734
2009	OTHER OPERATING EXPENSE	30,000	30,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$4,749,846</b>	<b>\$2,935,978</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	4,749,846	2,935,978
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$4,749,846</b>	<b>\$2,935,978</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		2.00	2.00

**DESCRIPTION / JUSTIFICATION:**

The increase in oil production in Texas over the last 15 years has led to a great increase in the amount of produced water from well sites. The oil and gas industry sees value in recycling the water and turning it into a resource rather than a waste product. Disposing of produced water by injecting it into deep geologic strata increases risks associated with overpressure such as surface breakouts that increase the drilling costs. RRC proposes development of a new system that would collect produced water and injection data and make it available to industry, state regulators, and other interested parties.

**EXTERNAL/INTERNAL FACTORS:**

The industry needs data on the potential for opportunities that the produced water as a treated or recycled resource brings to Texas. The Texas Produced Water Consortium and Texas Water Development Board are coordinating work on developing produced water as a resource in water-scarce areas of Texas.

This also will improve operators' access to temporal and spatial data from other operators in shared operating areas, which will help them manage their own operational affairs regarding drilling and production safety, inter-operator coordination, reservoir management, and conflict resolution.

Industry is supportive of RRC developing these tools and capabilities. They understand it is necessary and important for RRC to have this data and for the industry to provide it.

**4.A. Exceptional Item Request Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2024**  
 TIME: **9:17:19AM**

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2026</b>	<b>Excp 2027</b>
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**PCLS TRACKING KEY:**

n/a

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

This Produced Water Management System will provide a method for oil and gas operators to submit the required data online and RRC staff to review and analyze the submitted data. This system will provide Oil and Gas staff with the data necessary to implement strategies that assist in facilitating the management of produced water as a resource. RRC information technology staff, the Department of Information Resources (DIR), and the State Data Center contractor will be involved with the development and implementation of this project. Additional contracted resources will be selected and engaged in the project effort in accordance with state procurement requirements.

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

NEW

**STATUS:**

New Project

**OUTCOMES:**

This project will provide the resources necessary to modernize several produced water data management tools.

**OUTPUTS:**

This project supports all agency output measures.

**TYPE OF PROJECT**

Licensing / Permitting / Monitoring / Enforcement

**ALTERNATIVE ANALYSIS**

n/a

**ESTIMATED IT COST**

<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>Total Over Life of Project</b>
\$0	\$0	\$4,749,849	\$2,935,978	\$308,244	\$308,244	\$308,244	\$8,610,559

**SCALABILITY**

<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>Total Over Life of Project</b>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**4.A. Exceptional Item Request Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2024**  
 TIME: **9:17:19AM**

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

<b>CODE</b>	<b>DESCRIPTION</b>						<b>Excp 2026</b>	<b>Excp 2027</b>
<b>FTE</b>								
		<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
		0.0	0.0	2.0	2.0	2.0	2.0	2.0

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

Maintenance and support costs for all new IT implementations that would be approximately 20% of the initial cost in year 3 (first year after the biennium to implement it), 15% in year 4, and 10% every year thereafter plus continued cost for FTE salaries and operating costs.

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

<b>2028</b>	<b>2029</b>	<b>2030</b>
\$1,700,097	\$1,352,134	\$1,004,170

**APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM :** 92.00%

**CONTRACT DESCRIPTION :**

Deliverable-Based Contracts

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

CODE	DESCRIPTION	Excp 2026	Excp 2027
	<b>Item Name:</b> Oil and Gas Authorized Pit Registration System		
	<b>Item Priority:</b> 2		
	<b>IT Component:</b> Yes		
	<b>Anticipated Out-year Costs:</b> Yes		
	<b>Involve Contracts &gt; \$50,000:</b> Yes		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 01-01-01 Promote Energy Resource Development Opportunities		
 <b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	274,132	274,132
1002	OTHER PERSONNEL COSTS	4,112	4,112
2001	PROFESSIONAL FEES AND SERVICES	1,272,907	858,605
2009	OTHER OPERATING EXPENSE	30,000	30,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,581,151</b>	<b>\$1,166,849</b>
 <b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	1,581,151	1,166,849
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,581,151</b>	<b>\$1,166,849</b>
 <b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		 2.00	 2.00

**DESCRIPTION / JUSTIFICATION:**

The Oil and Gas Environmental Permits and Support Unit needs a new system for operators to provide more information about pits used to store or manage oil field fluids and oil and gas waste. The new system will allow operators to provide more complete information about the size, location, and uses than is currently collected. RRC will inspect the pits as part of its inspection process to ensure no oil and gas activities pollute surface or subsurface waters. The new system will also allow the data to be available online to the public.

**EXTERNAL/INTERNAL FACTORS:**

Operators are authorized to use certain pits during normal oil and gas operations, but the RRC has no knowledge of the existence, size, location, or use of these pits. A system is needed that allows operators to register and RRC to track authorized pits.

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.

**PCLS TRACKING KEY:**

n/a

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

This project will develop an online registration system that allows the regulated community to provide key data regarding authorized pits. RRC information technology staff,

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the Department of Information Resources (DIR), and the State Data Center contractor will be involved with the development and implementation of this project. Additional contracted resources will be selected and engaged in the project effort in accordance with state procurement requirements.

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

NEW

**STATUS:**

New Project

**OUTCOMES:**

This project RRC and the public will be informed on the location, type, and characteristics of authorized pits.

**OUTPUTS:**

This project supports all agency output measures.

**TYPE OF PROJECT**

Licensing / Permitting / Monitoring / Enforcement

**ALTERNATIVE ANALYSIS**

n/a

**ESTIMATED IT COST**

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$1,581,151	\$1,166,849	\$857,844	\$720,444	\$583,044	\$4,909,332

**SCALABILITY**

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**FTE**

2024	2025	2026	2027	2028	2029	2030
0.0	0.0	2.0	2.0	2.0	2.0	2.0

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

Maintenance and support costs for all new IT implementations that would be approximately 20% of the initial cost in year 3 (first year after the biennium to implement it),

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15% in year 4, and 10% every year thereafter plus continued cost for FTE salaries and operating costs.

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

<b>2028</b>	<b>2029</b>	<b>2030</b>
<hr/>	<hr/>	<hr/>
\$857,844	\$720,444	\$583,044

**APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM :**              92.00%

**CONTRACT DESCRIPTION :**

Deliverable-Based Contracts

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

CODE	DESCRIPTION	Excp 2026	Excp 2027
	<b>Item Name:</b> Oversight and Safety Regulatory Filing and Permitting Systems <b>Item Priority:</b> 3 <b>IT Component:</b> Yes <b>Anticipated Out-year Costs:</b> Yes <b>Involve Contracts &gt; \$50,000:</b> Yes <b>Includes Funding for the Following Strategy or Strategies:</b> 02-02-01 Regulate Alternative Fuel Resources 03-03-01 Ensure Fair Rates and Compliance to Rate Structures		

**OBJECTS OF EXPENSE:**

2001	PROFESSIONAL FEES AND SERVICES	3,772,841	2,515,227
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,772,841</b>	<b>\$2,515,227</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	3,772,841	2,515,227
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$3,772,841</b>	<b>\$2,515,227</b>

**DESCRIPTION / JUSTIFICATION:**

RRC collects multiple reports with large amounts of data from natural gas utilities related to the sale of natural gas. RRC uses this data to audit utility companies and ensure that the collected Natural Gas Utility Taxes are accurate. A new online filing system would make reporting easier for the utility companies and enhance the auditing capabilities of RRC. Likewise, the Alternative Fuels Online System (AFOS) needs enhancements to streamline the permitting process for operators.

**EXTERNAL/INTERNAL FACTORS:**

Currently, RRC does not have online filing capabilities for the Gas Utility Annual Reports. Each year we receive approximately 10,000 pages of documents that must be scanned for later retrieval and certain data must be manually entered from the reports. The regulated community must email or mail common carrier pipeline tariff filings and the Commission does not have a system to store, analyze, and efficiently make them available on the Commission's website or provide historical data to the public. The natural gas tariff filing system is restrictive, outdated, inefficient, and does not provide reports that are easily by the public or operators/gas utilities. The proposed rule changes are supported by industry along with the system changes needed to support those rule changes.

**PCLS TRACKING KEY:**

n/a

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

This project will include two major components from the agency's Oversight and Safety division, the Alternative Fuels Online Filing System (AFOS) and the Gas Utility Regulatory Filings and Auditing System. The Oversight and Safety Regulatory Filing and Permitting project will modernize the current Alternative Fuels online system and develop a new Gas Utilities' Audit and Market Oversight online system. This project would enhance the current version of AFOS to allow the Alternative Fuels regulated community to submit company licensing and individual certification data online. It would also account for modifications to the AFOS system that will address approved

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2026</b>	<b>Excp 2027</b>
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rule-changes. This project will also provide a more user-friendly and efficient online filing system that enables the gas utilities community to comply with regulatory requirements. The project will provide functionality to create and track consumer complaints online. 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. RRC information technology staff, the Department of Information Resources (DIR), and the State Data Center contractor will be involved with the development and implementation of this project. Additional contracted resources will be selected and engaged in the project effort in accordance with state procurement requirements.

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

NEW

**STATUS:**

n/a

**OUTCOMES:**

The system will enhance management’s ability to establish and measure the attainment of productivity criteria, and to strategically allocate RRC resources. Benefits will also result from the inherent savings of time and money associated with electronic filing and scheduling and more accurate data.

**OUTPUTS:**

This project supports all agency output measures.

**TYPE OF PROJECT**

Licensing / Permitting / Monitoring / Enforcement

**ALTERNATIVE ANALYSIS**

n/a

**ESTIMATED IT COST**

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$3,772,841	\$2,515,227	\$0	\$0	\$0	\$6,288,068

**SCALABILITY**

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0



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<b>CODE</b>	<b>DESCRIPTION</b>						<b>Excp 2026</b>	<b>Excp 2027</b>
<b>FTE</b>								
		<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
		0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

This project will include two major components from the agency’s Oversight and Safety division, the Alternative Fuels Online Filing System (AFOS) and the Gas Utility Regulatory Filings and Auditing System. The Oversight and Safety Regulatory Filing and Permitting project will modernize the current Alternative Fuels online system and develop a new Gas Utilities’ Audit and Market Oversight online system. This project would enhance the current version of AFOS to allow the Alternative Fuels regulated community to submit company licensing and individual certification data online. It would also account for modifications to the AFOS system that will address approved rule-changes. This project will also provide a more user-friendly and efficient online filing system that enables the gas utilities community to comply with regulatory requirements. The project will provide functionality to create and track consumer complaints online. 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. RRC information technology staff, the Department of Information Resources (DIR), and the State Data Center contractor will be involved with the development and implementation of this project. Additional contracted resources will be selected and engaged in the project effort in accordance with state procurement requirements.

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

	<b>2028</b>	<b>2029</b>	<b>2030</b>
	\$1,257,614	\$943,210	\$628,807

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

**CONTRACT DESCRIPTION :**

Deliverable-Based Contracts

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CODE	DESCRIPTION	Excp 2026	Excp 2027
	<b>Item Name:</b> Site Remediation Program Support		
	<b>Item Priority:</b> 4		
	<b>IT Component:</b> No		
	<b>Anticipated Out-year Costs:</b> Yes		
	<b>Involve Contracts &gt; \$50,000:</b> No		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 03-02-01 Oil and Gas Well Plugging and Remediation		
 <b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	138,000	138,000
1002	OTHER PERSONNEL COSTS	2,070	2,070
2005	TRAVEL	1,000	1,000
2009	OTHER OPERATING EXPENSE	30,000	30,000
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$171,070</b>	<b>\$171,070</b>
 <b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	171,070	171,070
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$171,070</b>	<b>\$171,070</b>
	<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>	2.00	2.00

**DESCRIPTION / JUSTIFICATION:**

The Oil and Gas Site Remediation Program needs two additional FTEs to review complex cleanup projects and respond to public information requests about cleanup activities.

**EXTERNAL/INTERNAL FACTORS:**

Critical need for experienced FTEs with specialized skillset to monitor complex cleanups in sensitive areas. Site Remediation workload has increased due to non-project review activities and to successful outreach programs.

**PCLS TRACKING KEY:**

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

On-going salaries and operating costs for support staff.

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

	<b>2028</b>	<b>2029</b>	<b>2030</b>
	\$171,070	\$171,070	\$171,070

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CODE	DESCRIPTION	Excp 2026	Excp 2027
	<b>Item Name:</b> New Kilgore District Office Building <b>Item Priority:</b> 5 <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> 03-01-01 Oil and Gas Monitoring and Inspections 03-02-01 Oil and Gas Well Plugging and Remediation		

**OBJECTS OF EXPENSE:**

5000	CAPITAL EXPENDITURES	3,000,000	0
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$3,000,000</b>	<b>\$0</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	3,000,000	0
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$3,000,000</b>	<b>\$0</b>

**DESCRIPTION / JUSTIFICATION:**

RRC requests funding for the construction of a new 8,800 square foot building in Kilgore. The District Office has temporarily moved into leased space in Henderson. The previous building was not cost effective to renovate due to black mold, asbestos, and structural concerns.

**EXTERNAL/INTERNAL FACTORS:**

RRC is currently having to lease space in Henderson, Texas.

**PCLS TRACKING KEY:**

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

Building maintenance costs

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

	<u>2028</u>	<u>2029</u>	<u>2030</u>
	\$15,000	\$15,000	\$15,000

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

**CONTRACT DESCRIPTION :**

Construction contract.

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CODE	DESCRIPTION	Excp 2026	Excp 2027
	<b>Item Name:</b> GIS Cloud Upgrade <b>Item Priority:</b> 6 <b>IT Component:</b> Yes <b>Anticipated Out-year Costs:</b> Yes <b>Involve Contracts &gt; \$50,000:</b> Yes <b>Includes Funding for the Following Strategy or Strategies:</b>		
	01-01-01 Promote Energy Resource Development Opportunities		
	02-01-01 Ensure Pipeline Safety		
	02-01-02 Pipeline Damage Prevention		
	02-02-01 Regulate Alternative Fuel Resources		
	03-01-01 Oil and Gas Monitoring and Inspections		
	03-01-02 Surface Mining Monitoring and Inspections		
	03-02-01 Oil and Gas Well Plugging and Remediation		
	03-02-02 Surface Mining Reclamation		
	03-03-01 Ensure Fair Rates and Compliance to Rate Structures		
	03-04-01 Critical Infrastructure Weather Preparedness		
	04-01-01 Public Information and Services		
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	1,071,389	1,071,389
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$1,071,389</b>	<b>\$1,071,389</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	1,071,389	1,071,389
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$1,071,389</b>	<b>\$1,071,389</b>

**DESCRIPTION / JUSTIFICATION:**

RRC uses a geographic information system (GIS) extensively across the agency to effectively regulate the oil and gas industry and ensure critical infrastructure is prepared for weather emergencies. The RRC Public GIS Map Viewer allows the public to access this important data. The migration from the current GIS platform to a cloud-based platform offers more detailing reporting, faster data access, increased uptime, and new analytical tools for users and the general public.

**EXTERNAL/INTERNAL FACTORS:**

Impacts all ArcGIS Users in RRC to include Drilling Permits mapping, Underground Injection Control Seismicity projects, Well and Survey mapping, Pipeline mapping and Groundwater mapping and regulation. Users will benefit from the new features and improvements with the latest version of software giving them enhanced data visualization

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capabilities and improved performance. Moving to ArcGIS Online can allow for increased accessibility. Regulated Community will be able to interact with maps and data in a more intuitive and user-friendly way. Users can expect improved performance and uptime for services they rely on.

**PCLS TRACKING KEY:**

n/a

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

Modernize the Commission’s Public Geographic Information System (GIS) Map Viewer to provide division by division, business by business reporting lines. This will allow agency staff to use GIS data to create more intricate map views and produce data sets customized for specific business functions. This will provide better visibility of GIS data for consumers, increase data reliability, and allow users to download the data for their specific needs. This project will modernize the GIS infrastructure to the cloud and allow faster upgrades, faster GIS data sets display and more target GIS functions with better uptime, disaster recovery and scalability.

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

NEW

**STATUS:**

n/a

**OUTCOMES:**

Impacts all ArcGIS Users in RRC to include Drilling Permits mapping, Underground Injection Control Seismicity projects, Well and Survey mapping, Pipeline mapping and Groundwater mapping and regulation. Users will benefit from the new features and improvements with the latest version of software giving them enhanced data visualization capabilities and improved performance.

**OUTPUTS:**

This project supports all agency output measures.

**TYPE OF PROJECT**

Cloud Computing

**ALTERNATIVE ANALYSIS**

n/a

**ESTIMATED IT COST**

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$1,071,389	\$1,071,389	\$200,000	\$200,000	\$200,000	\$2,742,778

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<b>SCALABILITY</b>									
	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>Total Over Life of Project</b>	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

<b>FTE</b>									
	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>		
	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

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

System maintenance

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

<b>2028</b>	<b>2029</b>	<b>2030</b>
\$200,000	\$200,000	\$200,000

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

**CONTRACT DESCRIPTION :**

Deliverable-Based Contracts



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**Item Name:** Microfilm Digitization  
**Item Priority:** 7  
**IT Component:** No  
**Anticipated Out-year Costs:** No  
**Involve Contracts > \$50,000:** Yes  
**Includes Funding for the Following Strategy or Strategies:** 04-01-01 Public Information and Services

**OBJECTS OF EXPENSE:**

2009	OTHER OPERATING EXPENSE	407,482	500,014
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$407,482</b>	<b>\$500,014</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	407,482	500,014
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$407,482</b>	<b>\$500,014</b>

**DESCRIPTION / JUSTIFICATION:**

RRC continues to make all oil and gas records available digitally online to the public for greater transparency. Records held at the district offices should be completely digitized by the end of fiscal year 2025. This project would digitize existing microfilm records in Austin from inclusion with existing digital resources available from the RRC website.

**EXTERNAL/INTERNAL FACTORS:**

Digitizing the records will allow the public to view historical records online instead of having to travel to the Austin headquarters . With the addition of historical records, the public has access to a greater range of permits, completions, plugging, and other forms used to permit and regulate oil and gas wells.

Digitizing the records and making them available online will also increase RRC staff efficiency and response time because there will not always be a need for research staff to retrieve the physical records to fulfill requests.

**PCLS TRACKING KEY:**

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

**CONTRACT DESCRIPTION :**

Deliverable-Based Contracts

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

CODE	DESCRIPTION	Excp 2026	Excp 2027
	<b>Item Name:</b> Vehicle Replacements <b>Item Priority:</b> 8 <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		
	02-02-01 Regulate Alternative Fuel Resources		
	03-01-02 Surface Mining Monitoring and Inspections		
	03-02-01 Oil and Gas Well Plugging and Remediation		
	03-04-01 Critical Infrastructure Weather Preparedness		

**OBJECTS OF EXPENSE:**

5000	CAPITAL EXPENDITURES	2,473,255	2,416,586
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>2,473,255</b>	<b>2,416,586</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	2,473,255	2,416,586
	<b>TOTAL, METHOD OF FINANCING</b>	<b>2,473,255</b>	<b>2,416,586</b>

**DESCRIPTION / JUSTIFICATION:**

RRC will need to replace 82 trucks for field staff during the 2026-27 biennium. RRC replaces vehicles in accordance with the guidelines of the Texas State Vehicle Fleet Management Plan from the Comptroller's Office of Vehicle Fleet Management.

**EXTERNAL/INTERNAL FACTORS:**

Vehicle replacements for the 2024-25 biennium were funded by the supplemental appropriations bill (SB 30, 88th Legislature, Regular Session). This eliminated the line item in the agency's capital budget rider.

**PCLS TRACKING KEY:**

**4.A. Exceptional Item Request Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2024**  
 TIME: **9:17:19AM**

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2026</b>	<b>Excp 2027</b>
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**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

On-going vehicle replacements on normal replacement life cycle.

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

<u>2028</u>	<u>2029</u>	<u>2030</u>
\$2,500,000	\$2,500,000	\$2,500,000

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

**CONTRACT DESCRIPTION :**

Comptroller Smartbuy contract.

**4.A. Exceptional Item Request Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2024**  
 TIME: **9:17:19AM**

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

CODE	DESCRIPTION	Excp 2026	Excp 2027
	<b>Item Name:</b> Data Center Services Adjustment <b>Item Priority:</b> 9 <b>IT Component:</b> No <b>Anticipated Out-year Costs:</b> Yes <b>Involve Contracts &gt; \$50,000:</b> No <b>Includes Funding for the Following Strategy or Strategies:</b>		
	01-01-01 Promote Energy Resource Development Opportunities		
	02-01-01 Ensure Pipeline Safety		
	02-01-02 Pipeline Damage Prevention		
	02-02-01 Regulate Alternative Fuel Resources		
	03-01-01 Oil and Gas Monitoring and Inspections		
	03-01-02 Surface Mining Monitoring and Inspections		
	03-02-01 Oil and Gas Well Plugging and Remediation		
	03-02-02 Surface Mining Reclamation		
	03-03-01 Ensure Fair Rates and Compliance to Rate Structures		
	03-04-01 Critical Infrastructure Weather Preparedness		
	04-01-01 Public Information and Services		

**OBJECTS OF EXPENSE:**

2001	PROFESSIONAL FEES AND SERVICES	4,154,461	3,573,937
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$4,154,461</b>	<b>\$3,573,937</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	4,154,461	3,573,937
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$4,154,461</b>	<b>\$3,573,937</b>

**DESCRIPTION / JUSTIFICATION:**

RRC requests an additional funding for Data Center Services (DCS) cost for the biennium. The latest forecast from the Department of Information Resources (DIR) for RRC's DCS cost is \$23M which is a 50.5% increase from the \$15.2M appropriated in the 2024-25 biennium. DIR's forecast is based on the current services that RRC receives as well as additional licenses and server cost necessary in the statewide data center for the next biennium.

**EXTERNAL/INTERNAL FACTORS:**

RRC is utilizing more services in the data center as progress is made migrating systems off the existing mainframe-based systems.

**4.A. Exceptional Item Request Schedule**  
89th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2024**  
TIME: **9:17:19AM**

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2026</b>	<b>Excp 2027</b>
<b>PCLS TRACKING KEY:</b>			

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

Continued services that RRC receives from DIR as well as additional licenses and server cost necessary in the statewide data center.

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

<b>2028</b>	<b>2029</b>	<b>2030</b>
\$3,864,200	\$3,864,200	\$3,864,200

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2024**  
 TIME: **9:17:19AM**

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b>		Produced Water and Injection Data Reporting System	
<b>Allocation to Strategy:</b>		1-1-1	Promote Energy Resource Development Opportunities
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	274,132	274,132
1002	OTHER PERSONNEL COSTS	4,112	4,112
2001	PROFESSIONAL FEES AND SERVICES	4,441,602	2,627,734
2009	OTHER OPERATING EXPENSE	30,000	30,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$4,749,846</b>	<b>\$2,935,978</b>
<b>METHOD OF FINANCING:</b>			
1 General Revenue Fund		4,749,846	2,935,978
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$4,749,846</b>	<b>\$2,935,978</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		2.0	2.0

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Oil and Gas Authorized Pit Registration System			
<b>Allocation to Strategy:</b>		1-1-1	Promote Energy Resource Development Opportunities
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	274,132	274,132
1002	OTHER PERSONNEL COSTS	4,112	4,112
2001	PROFESSIONAL FEES AND SERVICES	1,272,907	858,605
2009	OTHER OPERATING EXPENSE	30,000	30,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,581,151</b>	<b>\$1,166,849</b>
<b>METHOD OF FINANCING:</b>			
1 General Revenue Fund		1,581,151	1,166,849
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,581,151</b>	<b>\$1,166,849</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		2.0	2.0



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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Oversight and Safety Regulatory Filing and Permitting Systems			
<b>Allocation to Strategy:</b> 2-2-1 Regulate Alternative Fuel Resources			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	2,366,070	1,577,380
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$2,366,070</b>	<b>\$1,577,380</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	2,366,070	1,577,380
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$2,366,070</b>	<b>\$1,577,380</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Oversight and Safety Regulatory Filing and Permitting Systems			
<b>Allocation to Strategy:</b> 3-3-1 Ensure Fair Rates and Compliance to Rate Structures			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	1,406,771	937,847
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,406,771</b>	<b>\$937,847</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	1,406,771	937,847
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,406,771</b>	<b>\$937,847</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2024**  
 TIME: **9:17:19AM**

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Site Remediation Program Support			
<b>Allocation to Strategy:</b> 3-2-1 Oil and Gas Well Plugging and Remediation			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	138,000	138,000
1002	OTHER PERSONNEL COSTS	2,070	2,070
2005	TRAVEL	1,000	1,000
2009	OTHER OPERATING EXPENSE	30,000	30,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$171,070</b>	<b>\$171,070</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	171,070	171,070
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$171,070</b>	<b>\$171,070</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		2.0	2.0

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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DATE: **8/30/2024**  
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Agency code: **455**                      Agency name: **Railroad Commission**

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b>	New Kilgore District Office Building		
<b>Allocation to Strategy:</b>	3-1-1 Oil and Gas Monitoring and Inspections		
<b>OBJECTS OF EXPENSE:</b>			
5000	CAPITAL EXPENDITURES	1,500,000	0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,500,000</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	1,500,000	0
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,500,000</b>	<b>\$0</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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DATE: **8/30/2024**  
 TIME: **9:17:19AM**

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> New Kilgore District Office Building			
<b>Allocation to Strategy:</b> 3-2-1                      Oil and Gas Well Plugging and Remediation			
<b>OBJECTS OF EXPENSE:</b>			
5000	CAPITAL EXPENDITURES	1,500,000	0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,500,000</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	1,500,000	0
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,500,000</b>	<b>\$0</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> GIS Cloud Upgrade			
<b>Allocation to Strategy:</b> 1-1-1 Promote Energy Resource Development Opportunities			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	141,209	141,209
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$141,209</b>	<b>\$141,209</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	141,209	141,209
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$141,209</b>	<b>\$141,209</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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DATE: **8/30/2024**  
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Agency code: **455**                      Agency name: **Railroad Commission**

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> GIS Cloud Upgrade			
<b>Allocation to Strategy:</b> 2-1-1 Ensure Pipeline Safety			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	78,640	78,640
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$78,640</b>	<b>\$78,640</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	78,640	78,640
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$78,640</b>	<b>\$78,640</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> GIS Cloud Upgrade			
<b>Allocation to Strategy:</b> 2-1-2 Pipeline Damage Prevention			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	3,428	3,428
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,428</b>	<b>\$3,428</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	3,428	3,428
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$3,428</b>	<b>\$3,428</b>



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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> GIS Cloud Upgrade			
<b>Allocation to Strategy:</b> 2-2-1 Regulate Alternative Fuel Resources			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	26,785	26,785
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$26,785</b>	<b>\$26,785</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	26,785	26,785
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$26,785</b>	<b>\$26,785</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> GIS Cloud Upgrade			
<b>Allocation to Strategy:</b> 3-1-1 Oil and Gas Monitoring and Inspections			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	203,992	203,992
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$203,992</b>	<b>\$203,992</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	203,992	203,992
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$203,992</b>	<b>\$203,992</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b>	GIS Cloud Upgrade		
<b>Allocation to Strategy:</b>	3-1-2 Surface Mining Monitoring and Inspections		
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	31,177	31,177
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$31,177</b>	<b>\$31,177</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	31,177	31,177
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$31,177</b>	<b>\$31,177</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> GIS Cloud Upgrade			
<b>Allocation to Strategy:</b> 3-2-1 Oil and Gas Well Plugging and Remediation			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	462,519	462,519
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$462,519</b>	<b>\$462,519</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	462,519	462,519
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$462,519</b>	<b>\$462,519</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> GIS Cloud Upgrade			
<b>Allocation to Strategy:</b> 3-2-2 Surface Mining Reclamation			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	8,250	8,250
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$8,250</b>	<b>\$8,250</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	8,250	8,250
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$8,250</b>	<b>\$8,250</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> GIS Cloud Upgrade			
<b>Allocation to Strategy:</b> 3-3-1 Ensure Fair Rates and Compliance to Rate Structures			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	22,178	22,178
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$22,178</b>	<b>\$22,178</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	22,178	22,178
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$22,178</b>	<b>\$22,178</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
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DATE: **8/30/2024**  
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Agency code: **455**                      Agency name: **Railroad Commission**

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> GIS Cloud Upgrade			
<b>Allocation to Strategy:</b> 3-4-1 Critical Infrastructure Weather Preparedness			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	77,890	77,890
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$77,890</b>	<b>\$77,890</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	77,890	77,890
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$77,890</b>	<b>\$77,890</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> GIS Cloud Upgrade			
<b>Allocation to Strategy:</b> 4-1-1 Public Information and Services			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	15,321	15,321
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$15,321</b>	<b>\$15,321</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	15,321	15,321
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$15,321</b>	<b>\$15,321</b>



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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Microfilm Digitization			
<b>Allocation to Strategy:</b> 4-1-1              Public Information and Services			
<b>OBJECTS OF EXPENSE:</b>			
2009	OTHER OPERATING EXPENSE	407,482	500,014
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$407,482</b>	<b>\$500,014</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	407,482	500,014
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$407,482</b>	<b>\$500,014</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b>	Vehicle Replacements		
<b>Allocation to Strategy:</b>	2-1-1 Ensure Pipeline Safety		
<b>OBJECTS OF EXPENSE:</b>			
5000	CAPITAL EXPENDITURES	284,661	175,884
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$284,661</b>	<b>\$175,884</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	284,661	175,884
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$284,661</b>	<b>\$175,884</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Vehicle Replacements			
<b>Allocation to Strategy:</b> 2-2-1 Regulate Alternative Fuel Resources			
<b>OBJECTS OF EXPENSE:</b>			
5000	CAPITAL EXPENDITURES	195,968	211,645
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$195,968</b>	<b>\$211,645</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	195,968	211,645
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$195,968</b>	<b>\$211,645</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Vehicle Replacements			
<b>Allocation to Strategy:</b> 3-1-2              Surface Mining Monitoring and Inspections			
<b>OBJECTS OF EXPENSE:</b>			
5000	CAPITAL EXPENDITURES	113,864	61,487
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$113,864</b>	<b>\$61,487</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	113,864	61,487
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$113,864</b>	<b>\$61,487</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> 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	1,480,237	1,783,110
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,480,237</b>	<b>\$1,783,110</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	1,480,237	1,783,110
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,480,237</b>	<b>\$1,783,110</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Vehicle Replacements			
<b>Allocation to Strategy:</b> 3-4-1              Critical Infrastructure Weather Preparedness			
<b>OBJECTS OF EXPENSE:</b>			
5000	CAPITAL EXPENDITURES	398,525	184,460
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$398,525</b>	<b>\$184,460</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	398,525	184,460
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$398,525</b>	<b>\$184,460</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Data Center Services Adjustment			
<b>Allocation to Strategy:</b> 1-1-1 Promote Energy Resource Development Opportunities			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	547,559	471,045
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$547,559</b>	<b>\$471,045</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	547,559	471,045
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$547,559</b>	<b>\$471,045</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Data Center Services Adjustment			
<b>Allocation to Strategy:</b> 2-1-1 Ensure Pipeline Safety			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	304,937	262,327
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$304,937</b>	<b>\$262,327</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	304,937	262,327
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$304,937</b>	<b>\$262,327</b>



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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Data Center Services Adjustment			
<b>Allocation to Strategy:</b> 2-1-2 Pipeline Damage Prevention			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	13,294	11,437
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$13,294</b>	<b>\$11,437</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	13,294	11,437
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$13,294</b>	<b>\$11,437</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Data Center Services Adjustment			
<b>Allocation to Strategy:</b> 2-2-1 Regulate Alternative Fuel Resources			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	103,862	89,348
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$103,862</b>	<b>\$89,348</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	103,862	89,348
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$103,862</b>	<b>\$89,348</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Data Center Services Adjustment			
<b>Allocation to Strategy:</b> 3-1-1 Oil and Gas Monitoring and Inspections			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	791,009	680,478
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$791,009</b>	<b>\$680,478</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	791,009	680,478
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$791,009</b>	<b>\$680,478</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Data Center Services Adjustment			
<b>Allocation to Strategy:</b> 3-1-2 Surface Mining Monitoring and Inspections			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	120,895	104,002
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$120,895</b>	<b>\$104,002</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	120,895	104,002
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$120,895</b>	<b>\$104,002</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Data Center Services Adjustment			
<b>Allocation to Strategy:</b> 3-2-1 Oil and Gas Well Plugging and Remediation			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	1,793,481	1,542,869
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,793,481</b>	<b>\$1,542,869</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	1,793,481	1,542,869
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,793,481</b>	<b>\$1,542,869</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Data Center Services Adjustment			
<b>Allocation to Strategy:</b> 3-2-2 Surface Mining Reclamation			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	31,989	27,519
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$31,989</b>	<b>\$27,519</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	31,989	27,519
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$31,989</b>	<b>\$27,519</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Data Center Services Adjustment			
<b>Allocation to Strategy:</b> 3-3-1 Ensure Fair Rates and Compliance to Rate Structures			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	85,997	73,980
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$85,997</b>	<b>\$73,980</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	85,997	73,980
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$85,997</b>	<b>\$73,980</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2024**  
 TIME: **9:17:19AM**

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Data Center Services Adjustment			
<b>Allocation to Strategy:</b> 3-4-1 Critical Infrastructure Weather Preparedness			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	302,029	259,825
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$302,029</b>	<b>\$259,825</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	302,029	259,825
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$302,029</b>	<b>\$259,825</b>



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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Data Center Services Adjustment			
<b>Allocation to Strategy:</b> 4-1-1 Public Information and Services			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	59,409	51,107
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$59,409</b>	<b>\$51,107</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	59,409	51,107
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$59,409</b>	<b>\$51,107</b>

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/30/2024**  
**TIME: 9:17:20AM**

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

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

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

CODE DESCRIPTION	Exp 2026	Exp 2027
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	548,264	548,264
1002 OTHER PERSONNEL COSTS	8,224	8,224
2001 PROFESSIONAL FEES AND SERVICES	6,403,277	4,098,593
2009 OTHER OPERATING EXPENSE	60,000	60,000
<b>Total, Objects of Expense</b>	<b>\$7,019,765</b>	<b>\$4,715,081</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	7,019,765	4,715,081
<b>Total, Method of Finance</b>	<b>\$7,019,765</b>	<b>\$4,715,081</b>

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

4.0	4.0
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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Produced Water and Injection Data Reporting System  
 Oil and Gas Authorized Pit Registration System  
 GIS Cloud Upgrade  
 Data Center Services Adjustment

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/30/2024  
**TIME:** 9:17:20AM

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 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	383,577	340,967
5000 CAPITAL EXPENDITURES	284,661	175,884
<b>Total, Objects of Expense</b>	<b>\$668,238</b>	<b>\$516,851</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	668,238	516,851
<b>Total, Method of Finance</b>	<b>\$668,238</b>	<b>\$516,851</b>

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

- GIS Cloud Upgrade
- Vehicle Replacements
- Data Center Services Adjustment

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/30/2024**  
**TIME: 9:17:20AM**

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

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

OBJECTIVE: 1 Improve Pipeline Safety

Service Categories:

STRATEGY: 2 Pipeline Damage Prevention

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

<b>CODE DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	16,722	14,865
<b>Total, Objects of Expense</b>	<b>\$16,722</b>	<b>\$14,865</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	16,722	14,865
<b>Total, Method of Finance</b>	<b>\$16,722</b>	<b>\$14,865</b>

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

GIS Cloud Upgrade

Data Center Services Adjustment

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/30/2024**  
**TIME: 9:17:20AM**

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

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

OBJECTIVE: 2 Alternative Energy & Safety Through Regulation

STRATEGY: 1 Regulate Alternative Fuel Resources

Service Categories:

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

<b>CODE DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	2,496,717	1,693,513
5000 CAPITAL EXPENDITURES	195,968	211,645
<b>Total, Objects of Expense</b>	<b>\$2,692,685</b>	<b>\$1,905,158</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	2,692,685	1,905,158
<b>Total, Method of Finance</b>	<b>\$2,692,685</b>	<b>\$1,905,158</b>

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

- Oversight and Safety Regulatory Filing and Permitting Systems
- GIS Cloud Upgrade
- Vehicle Replacements
- Data Center Services Adjustment

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/30/2024  
**TIME:** 9:17:20AM

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

STRATEGY: 1 Oil and Gas Monitoring and Inspections

Service Categories:

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

<b>CODE DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	995,001	884,470
5000 CAPITAL EXPENDITURES	1,500,000	0
<b>Total, Objects of Expense</b>	<b>\$2,495,001</b>	<b>\$884,470</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	2,495,001	884,470
<b>Total, Method of Finance</b>	<b>\$2,495,001</b>	<b>\$884,470</b>

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

New Kilgore District Office Building

GIS Cloud Upgrade

Data Center Services Adjustment

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/30/2024  
**TIME:** 9:17:20AM

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

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

OBJECTIVE: 1 Reduce Occurrence of Environmental Violations

Service Categories:

STRATEGY: 2 Surface Mining Monitoring and Inspections

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

<b>CODE DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	152,072	135,179
5000 CAPITAL EXPENDITURES	113,864	61,487
<b>Total, Objects of Expense</b>	<b>\$265,936</b>	<b>\$196,666</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	265,936	196,666
<b>Total, Method of Finance</b>	<b>\$265,936</b>	<b>\$196,666</b>

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

- GIS Cloud Upgrade
- Vehicle Replacements
- Data Center Services Adjustment

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/30/2024  
**TIME:** 9:17:20AM

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

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

OBJECTIVE: 2 Identify and Abate Environmental Threats

STRATEGY: 1 Oil and Gas Well Plugging and Remediation

Service Categories:

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

<b>CODE DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	138,000	138,000
1002 OTHER PERSONNEL COSTS	2,070	2,070
2001 PROFESSIONAL FEES AND SERVICES	2,256,000	2,005,388
2005 TRAVEL	1,000	1,000
2009 OTHER OPERATING EXPENSE	30,000	30,000
5000 CAPITAL EXPENDITURES	2,980,237	1,783,110
<b>Total, Objects of Expense</b>	<b>\$5,407,307</b>	<b>\$3,959,568</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	5,407,307	3,959,568
<b>Total, Method of Finance</b>	<b>\$5,407,307</b>	<b>\$3,959,568</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):** 2.0 2.0

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

- Site Remediation Program Support
- New Kilgore District Office Building
- GIS Cloud Upgrade
- Vehicle Replacements
- Data Center Services Adjustment



**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/30/2024**  
**TIME: 9:17:20AM**

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

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

OBJECTIVE: 2 Identify and Abate Environmental Threats

STRATEGY: 2 Surface Mining Reclamation

Service Categories:

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

<b>CODE DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	40,239	35,769
<b>Total, Objects of Expense</b>	<b>\$40,239</b>	<b>\$35,769</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	40,239	35,769
<b>Total, Method of Finance</b>	<b>\$40,239</b>	<b>\$35,769</b>

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

GIS Cloud Upgrade

Data Center Services Adjustment

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/30/2024  
**TIME:** 9:17:20AM

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

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

OBJECTIVE: 3 Maintain Competitive Prices and Adequate Supplies for Consumers

STRATEGY: 1 Ensure Fair Rates and Compliance to Rate Structures

Service Categories:

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

<b>CODE DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	1,514,946	1,034,005
<b>Total, Objects of Expense</b>	<b>\$1,514,946</b>	<b>\$1,034,005</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	1,514,946	1,034,005
<b>Total, Method of Finance</b>	<b>\$1,514,946</b>	<b>\$1,034,005</b>

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

Oversight and Safety Regulatory Filing and Permitting Systems

GIS Cloud Upgrade

Data Center Services Adjustment

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/30/2024  
**TIME:** 9:17:20AM

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

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

OBJECTIVE: 4 Critical Infrastructure

Service Categories:

STRATEGY: 1 Critical Infrastructure Weather Preparedness

Service: 33 Income: A.2 Age: B.3

<b>CODE DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	379,919	337,715
5000 CAPITAL EXPENDITURES	398,525	184,460
<b>Total, Objects of Expense</b>	<b>\$778,444</b>	<b>\$522,175</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	778,444	522,175
<b>Total, Method of Finance</b>	<b>\$778,444</b>	<b>\$522,175</b>

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

- GIS Cloud Upgrade
- Vehicle Replacements
- Data Center Services Adjustment

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/30/2024  
**TIME:** 9:17:20AM

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

GOAL: 4 Public Access to Information and Services

OBJECTIVE: 1 Increase Public Access to Information

STRATEGY: 1 Public Information and Services

Service Categories:

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

<b>CODE DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	74,730	66,428
2009 OTHER OPERATING EXPENSE	407,482	500,014
<b>Total, Objects of Expense</b>	<b>\$482,212</b>	<b>\$566,442</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	482,212	566,442
<b>Total, Method of Finance</b>	<b>\$482,212</b>	<b>\$566,442</b>

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

GIS Cloud Upgrade

Microfilm Digitization

Data Center Services Adjustment

**5.A. Capital Budget Project Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2024**  
 TIME : **9:17:20AM**

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

**OOE / TOF / MOF CODE**

**Est 2024**

**Bud 2025**

**BL 2026**

**BL 2027**

**5005 Acquisition of Information Resource Technologies**

*1/1 PC Refresh*

**OBJECTS OF EXPENSE**

Capital

General	2009	OTHER OPERATING EXPENSE		\$544,375	\$544,375	\$544,375	\$544,375
		Capital Subtotal OOE, Project	1	\$544,375	\$544,375	\$544,375	\$544,375
		Subtotal OOE, Project	1	<b>\$544,375</b>	<b>\$544,375</b>	<b>\$544,375</b>	<b>\$544,375</b>

**TYPE OF FINANCING**

Capital

General	CA	1	General Revenue Fund	\$123,137	\$301,258	\$301,258	\$301,258
General	CA	5155	Oil & Gas Regulation	\$421,238	\$243,117	\$243,117	\$243,117
		Capital Subtotal TOF, Project	1	\$544,375	\$544,375	\$544,375	\$544,375
		Subtotal TOF, Project	1	<b>\$544,375</b>	<b>\$544,375</b>	<b>\$544,375</b>	<b>\$544,375</b>

*3/3 Inspection/Enforcement Tracking and Reporting System - Phase 5*

**OBJECTS OF EXPENSE**

Capital

General	2001	PROFESSIONAL FEES AND SERVICES		\$0	\$0	\$3,000,000	\$0
		Capital Subtotal OOE, Project	3	\$0	\$0	\$3,000,000	\$0
		Subtotal OOE, Project	3	<b>\$0</b>	<b>\$0</b>	<b>\$3,000,000</b>	<b>\$0</b>

**TYPE OF FINANCING**

Capital

General	CA	1	General Revenue Fund	\$0	\$0	\$3,000,000	\$0
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**5.A. Capital Budget Project Schedule**  
 89th 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 2024**

**Bud 2025**

**BL 2026**

**BL 2027**

Capital Subtotal TOF, Project 3

\$0

\$0

\$3,000,000

\$0

Subtotal TOF, Project 3

**\$0**

**\$0**

**\$3,000,000**

**\$0**

Capital Subtotal, Category 5005

\$544,375

\$544,375

\$3,544,375

\$544,375

Informational Subtotal, Category 5005

**Total, Category 5005**

**\$544,375**

**\$544,375**

**\$3,544,375**

**\$544,375**

**5006 Transportation Items**

*7/7 Vehicle Replacements*

**OBJECTS OF EXPENSE**

Capital

General 5000 CAPITAL EXPENDITURES

\$9,104,506

\$1,132,092

\$0

\$0

Capital Subtotal OOE, Project 7

\$9,104,506

\$1,132,092

\$0

\$0

Subtotal OOE, Project 7

**\$9,104,506**

**\$1,132,092**

**\$0**

**\$0**

**TYPE OF FINANCING**

Capital

General CA 1 General Revenue Fund

\$6,532,884

\$0

\$0

\$0

General CA 555 Federal Funds

\$1,088,700

\$1,132,092

\$0

\$0

General CA 5155 Oil & Gas Regulation

\$1,482,922

\$0

\$0

\$0

Capital Subtotal TOF, Project 7

\$9,104,506

\$1,132,092

\$0

\$0

Subtotal TOF, Project 7

**\$9,104,506**

**\$1,132,092**

**\$0**

**\$0**

**5.A. Capital Budget Project Schedule**  
 89th 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 2024**

**Bud 2025**

**BL 2026**

**BL 2027**

Capital Subtotal, Category 5006

\$9,104,506

\$1,132,092

\$0

\$0

Informational Subtotal, Category 5006

**Total, Category 5006**

**\$9,104,506**

**\$1,132,092**

**\$0**

**\$0**

**7000 Data Center/Shared Technology Services**

*6/6 Data Center Services (DCS)*

**OBJECTS OF EXPENSE**

Capital

General 2001 PROFESSIONAL FEES AND SERVICES

\$7,411,243

\$7,869,131

\$7,411,243

\$7,869,131

Capital Subtotal OOE, Project 6

\$7,411,243

\$7,869,131

\$7,411,243

\$7,869,131

Subtotal OOE, Project 6

**\$7,411,243**

**\$7,869,131**

**\$7,411,243**

**\$7,869,131**

**TYPE OF FINANCING**

Capital

General CA 1 General Revenue Fund

\$1,677,308

\$4,562,239

\$4,101,424

\$4,562,239

General CA 5155 Oil & Gas Regulation

\$5,733,935

\$3,306,892

\$3,309,819

\$3,306,892

Capital Subtotal TOF, Project 6

\$7,411,243

\$7,869,131

\$7,411,243

\$7,869,131

Subtotal TOF, Project 6

**\$7,411,243**

**\$7,869,131**

**\$7,411,243**

**\$7,869,131**

Capital Subtotal, Category 7000

\$7,411,243

\$7,869,131

\$7,411,243

\$7,869,131

Informational Subtotal, Category 7000

**Total, Category 7000**

**\$7,411,243**

**\$7,869,131**

**\$7,411,243**

**\$7,869,131**

**9500 Legacy Modernization**

**5.A. Capital Budget Project Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2024**  
 TIME : **9:17:20AM**

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE		Est 2024	Bud 2025	BL 2026	BL 2027
<i>2/2 Inspection/Enforcement Tracking and Reporting System Phase 4</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	2001 PROFESSIONAL FEES AND SERVICES	\$2,000,000	\$1,000,000	\$0	\$0
	Capital Subtotal OOE, Project 2	\$2,000,000	\$1,000,000	\$0	\$0
	Subtotal OOE, Project 2	<b>\$2,000,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General	CA 1 General Revenue Fund	\$2,000,000	\$1,000,000	\$0	\$0
	Capital Subtotal TOF, Project 2	\$2,000,000	\$1,000,000	\$0	\$0
	Subtotal TOF, Project 2	<b>\$2,000,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>
<i>4/4 Mainframe Transformation Phase 3</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	2001 PROFESSIONAL FEES AND SERVICES	\$21,520,997	\$7,458,873	\$0	\$0
	Capital Subtotal OOE, Project 4	\$21,520,997	\$7,458,873	\$0	\$0
	Subtotal OOE, Project 4	<b>\$21,520,997</b>	<b>\$7,458,873</b>	<b>\$0</b>	<b>\$0</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General	CA 1 General Revenue Fund	\$4,351,721	\$3,049,887	\$0	\$0
General	CA 5155 Oil & Gas Regulation	\$17,169,276	\$4,408,986	\$0	\$0



**5.A. Capital Budget Project Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2024**  
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Agency code: **455**

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**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

**OOE / TOF / MOF CODE**

**Est 2024**

**Bud 2025**

**BL 2026**

**BL 2027**

Capital Subtotal TOF, Project 4

\$21,520,997

\$7,458,873

\$0

\$0

Subtotal TOF, Project 4

**\$21,520,997**

**\$7,458,873**

**\$0**

**\$0**

*5/5 Mainframe Transformation Phase 4*

**OBJECTS OF EXPENSE**

Capital

General 2001 PROFESSIONAL FEES AND SERVICES

\$0

\$0

\$14,016,774

\$7,458,873

Capital Subtotal OOE, Project 5

\$0

\$0

\$14,016,774

\$7,458,873

Subtotal OOE, Project 5

**\$0**

**\$0**

**\$14,016,774**

**\$7,458,873**

**TYPE OF FINANCING**

Capital

General CA 1 General Revenue Fund

\$0

\$0

\$2,304,000

\$2,303,889

General CA 5155 Oil & Gas Regulation

\$0

\$0

\$11,712,774

\$5,154,984

Capital Subtotal TOF, Project 5

\$0

\$0

\$14,016,774

\$7,458,873

Subtotal TOF, Project 5

**\$0**

**\$0**

**\$14,016,774**

**\$7,458,873**

Capital Subtotal, Category 9500

\$23,520,997

\$8,458,873

\$14,016,774

\$7,458,873

Informational Subtotal, Category 9500

**Total, Category 9500**

**\$23,520,997**

**\$8,458,873**

**\$14,016,774**

**\$7,458,873**

**AGENCY TOTAL -CAPITAL**

**\$40,581,121**

**\$18,004,471**

**\$24,972,392**

**\$15,872,379**

**AGENCY TOTAL -INFORMATIONAL**

**AGENCY TOTAL**

**\$40,581,121**

**\$18,004,471**

**\$24,972,392**

**\$15,872,379**

**5.A. Capital Budget Project Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2024**  
 TIME : **9:17:20AM**

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

**OOE / TOF / MOF CODE**

**Est 2024**

**Bud 2025**

**BL 2026**

**BL 2027**

**METHOD OF FINANCING:**

Capital

General	1	General Revenue Fund	\$14,685,050	\$8,913,384	\$9,706,682	\$7,167,386
General	555	Federal Funds	\$1,088,700	\$1,132,092	\$0	\$0
General	5155	Oil & Gas Regulation	\$24,807,371	\$7,958,995	\$15,265,710	\$8,704,993
Total, Method of Financing-Capital			\$40,581,121	\$18,004,471	\$24,972,392	\$15,872,379
<b>Total, Method of Financing</b>			<b>\$40,581,121</b>	<b>\$18,004,471</b>	<b>\$24,972,392</b>	<b>\$15,872,379</b>

**TYPE OF FINANCING:**

Capital

General	CA	CURRENT APPROPRIATIONS	\$40,581,121	\$18,004,471	\$24,972,392	\$15,872,379
Total, Type of Financing-Capital			\$40,581,121	\$18,004,471	\$24,972,392	\$15,872,379
<b>Total, Type of Financing</b>			<b>\$40,581,121</b>	<b>\$18,004,471</b>	<b>\$24,972,392</b>	<b>\$15,872,379</b>

**5.B. Capital Budget Project Information**  
 89th 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>1</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 equipment. This equipment is necessary to support the Commission in performing regulatory tasks.

**PLCS Tracking Key**

**Number of Units / Average Unit Cost** varies  
**Estimated Completion Date** August 31, 2027

**Additional Capital Expenditure Amounts Required**

<b>2028</b>	<b>2029</b>
0	0

**Type of Financing** CA CURRENT APPROPRIATIONS  
**Projected Useful Life** \$1,088,750  
**Estimated/Actual Project Cost** \$1,088,750  
**Length of Financing/ Lease Period** none

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</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>
R	1	0.00

**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**  
 89th 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>3</b>	Project Name:	<b>IETRS and Reporting System Phase 5</b>

**PROJECT DESCRIPTION**

**General Information**

The Inspection/Enforcement Tracking and Reporting System - Phase 5 The project continues the phased approach to modernize agency systems over multiple biennia. In the FY26-FY27 biennium, the Texas Damage Reporting Form (TDRF) will be built on this existing framework.

**PLCS Tracking Key**

**Number of Units / Average Unit Cost** varies  
**Estimated Completion Date** August 31, 2027

**Additional Capital Expenditure Amounts Required**

<b>2028</b>	<b>2029</b>
0	0

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

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</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:** The Railroad Commission seeks to improve efficiency and transparency by implementing an online system that allows the pipeline industry to submit damage reports , submit violation payments, and respond to non-compliance items. . Staff will have the ability to review and process these submissions.

**Project Location:** Statewide

**Beneficiaries:** 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, email, or fax documents to submit required information. Industry, legislators, and the public have asked for more access to Commission data. The systems in this project will make more information easily available to both the agency and the public.

**5.B. Capital Budget Project Information**  
 89th 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>4</b>	Project Name:	<b>Mainframe Transformation Phase 3</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 add to a newly architecture for agency IT offerings, including:

- An enterprise data model/repository to support the agency's business processes,
- Increased well management functionality to allow online submission and review of operator changes and updates,
- Enhanced data transparency by modernizing the production reporting process,
- More efficient processes for submission of annual reports, gas utility tax reports and payments by natural gas utilities, which will streamline the audit process,
- Modernized and more efficient processes of tariff and compliance submissions by operators, and data management of consumer complaints,
- Data integration with the new framework,
- Improved reporting capabilities within the data warehouse, and,
- Identification of obsolete or redundant business processes.

**PLCS Tracking Key**

**Number of Units / Average Unit Cost** varies  
**Estimated Completion Date** August 31, 2025

<b>Additional Capital Expenditure Amounts Required</b>	<b>2028</b>	<b>2029</b>
	0	0
<b>Type of Financing</b>	CA CURRENT APPROPRIATIONS	
<b>Projected Useful Life</b>	8 tears	
<b>Estimated/Actual Project Cost</b>	\$21,475,647	
<b>Length of Financing/ Lease Period</b>	none	

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

2026	2027	2028	2029	Total over project life
0	0	0	0	0

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

**5.B. Capital Budget Project Information**  
89th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2024  
TIME: 9:17:21AM

**Explanation:** RRC is reducing dependence on mainframe systems which hampers the ability to implement modern, flexible, and scalable systems. In the 20-21 biennium, RRC began a phased approach to transition business processes off the mainframe. In 2024-25, RRC will added to the architecture:  
An enterprise data model/repository,  
Increased well management functionality, Enhanced data transparency,  
More efficient processes for operator reports.

**Project Location:** Statewide

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

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

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

**5.B. Capital Budget Project Information**  
 89th 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 Phase 4</b>

**PROJECT DESCRIPTION**

**General Information**

In this biennium, RRC will add to a newly implemented architecture for agency IT offerings, including:  
 In the 26/27 biennium, we will continue to reduce our mainframe dependency on the mainframe by modernizing:  
 Well Management  
 Lease/Field Management  
 Well Testing  
 Support Functions for data integration  
 Expand the agency's central data repository  
 The evolution of RRC's regulated community, demands for wider access to Commission data and legislative requirements are more difficult to address using the current aging mainframe technologies. These challenges cannot be resolved in a single biennium. This project will build on the framework established in the 20-21 biennium by adding business functions and data to move the Commission forward.  
 As agencies move off the mainframe, DCS costs for the remaining agencies will rise. For RRC, beginning the process to leave the mainframe will avoid future cost increases. Without this project, challenges faced by RRC to keep up with its regulated industries will increase.

**PLCS Tracking Key**

**Number of Units / Average Unit Cost** varies  
**Estimated Completion Date** August 31, 2027

<b>Additional Capital Expenditure Amounts Required</b>	<b>2028</b>	<b>2029</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>	none	

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</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>



**5.B. Capital Budget Project Information**  
89th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2024  
TIME: 9:17:21AM

**Explanation:** RRC is reducing dependence on mainframe systems which hampers the ability to implement modern, flexible, and scalable systems. In the 20-21 biennium, RRC began a phased approach to transition business processes off the mainframe. In the 26/27 biennium, we will continue to reduce our mainframe dependency by modernizing:

Well Management

Lease / Field Management

Well Testing

Support Functions that enable data integration

Expand the agency's central data repository

**Project Location:** Statewide

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

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

Project assets will be used daily. New industry techniques, demands for wider access to Commission data, and legislative requirements have continued to require changes within the mainframe making it more complex, expensive, and difficult to modernize. Industry, legislators, and the public have asked for more access to Commission data.

**5.B. Capital Budget Project Information**  
 89th 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/Shared Technology Svcs</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 2022 and 2023. 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** varies  
**Estimated Completion Date** August 31, 2025

<b>Additional Capital Expenditure Amounts Required</b>	<b>2028</b>	<b>2029</b>
	0	0
<b>Type of Financing</b>	CA CURRENT APPROPRIATIONS	
<b>Projected Useful Life</b>	2 years	
<b>Estimated/Actual Project Cost</b>	\$12,612,118	
<b>Length of Financing/ Lease Period</b>	none	

<b><u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u></b>					<b>Total over project life</b>
<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</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 agency is required to use DIR-managed Data Center Services.

**Project Location:** Statewide

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

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

**5.B. Capital Budget Project Information**  
 89th 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>7</b>	Project Name:	<b>Vehicle Replacements</b>

**PROJECT DESCRIPTION**

**General Information**

Commission staff travel extensively for emergency response, monitoring and inspection of regulated industries, and industry training. Staff inspect oil and gas facilities, intrastate pipelines, LP-Gas systems, natural gas critical infrastructure, and coal surface mining locations. The RRC fleet must be maintained and replaced under a regular schedule to be responsive to emergency situations, minimize employees downtime, and reduce maintenance costs.

**PLCS Tracking Key**

**Number of Units / Average Unit Cost** varies  
**Estimated Completion Date** August 31, 2027

<b>Additional Capital Expenditure Amounts Required</b>		<b>2028</b>	<b>2029</b>
		0	0
<b>Type of Financing</b>	CA	CURRENT APPROPRIATIONS	
<b>Projected Useful Life</b>	5 years		
<b>Estimated/Actual Project Cost</b>	\$3,355,486		
<b>Length of Financing/ Lease Period</b>	none		

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</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:** This fleet must be maintained and replaced under a regular schedule to be responsive to emergency situations, minimize employee downtime, and reduce maintenance costs.

**Project Location:** Statewide

**Beneficiaries:** Railroad Commission staff and the citizens of Texas.

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

Assets will be used daily

**6.A. Historically Underutilized Business Supporting Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/30/2024**  
 Time: **9:17:21AM**

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 2022			Total Expenditures FY 2022		HUB Expenditures FY 2023			Total Expenditures FY 2023	
			% Actual	Diff	Actual \$	FY 2022	% Goal	% Actual	Diff	Actual \$	FY 2023	
11.2%	Heavy Construction	11.2 %	0.0%	-11.2%	\$0	\$0	11.2 %	0.0%	-11.2%	\$0	\$0	
21.1%	Building Construction	21.1 %	100.0%	78.9%	\$14,551	\$14,551	21.1 %	56.0%	34.9%	\$10,237	\$18,277	
32.9%	Special Trade	32.9 %	13.1%	-19.8%	\$2,554	\$19,481	32.9 %	25.2%	-7.7%	\$8,617	\$34,154	
23.7%	Professional Services	23.7 %	100.0%	76.3%	\$182,227	\$182,227	23.7 %	100.0%	76.3%	\$825,651	\$825,651	
26.0%	Other Services	26.0 %	32.5%	6.5%	\$6,191,058	\$19,078,519	26.0 %	22.7%	-3.3%	\$6,371,162	\$28,056,883	
21.1%	Commodities	21.1 %	35.1%	14.0%	\$1,143,250	\$3,257,280	21.1 %	97.2%	76.1%	\$1,601,754	\$1,648,066	
	<b>Total Expenditures</b>		<b>33.4%</b>		<b>\$7,533,640</b>	<b>\$22,552,058</b>		<b>28.8%</b>		<b>\$8,817,421</b>	<b>\$30,583,031</b>	

**B. Assessment of Attainment of HUB Procurement Goals**

**Attainment:**

The Commission attained or exceeded five of six of the applicable statewide HUB procurement goals in FY 2022 and four of six of the applicable statewide HUB procurement goals in FY 2023.

**Applicability:**

The Heavy Construction, Building Construction, and Special Trade Construction categories are not generally applicable to agency operations.

**Factors Affecting Attainment:**

Special Trade Construction statewide goals were not met because these services are generally not procured the commission. 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.

**C. Good-Faith Efforts to Increase HUB Participation**

**Outreach Efforts and Mentor-Protégé Programs:**

The agency participates in external HUB Economic Opportunity Forums with the purpose of identifying HUBs capable of providing goods and services and to make procurement opportunities available.

**HUB Program Staffing:**

The RRC has a dedicated HUB Coordinator and a HUB assistant that promotes the HUB program internally and externally at economic forums.

**6.A. Historically Underutilized Business Supporting Schedule**  
89th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/30/2024**Time: **9:17:21AM**

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

**Current and Future Good-Faith Efforts:**

The RRC is dedicated and committed to including Historically Underutilized Businesses (HUBs) in the procurement process through four key elements:

(1) executive management support;

(2) a strong emphasis on HUB vendor solicitation;

(3) HUB vendor outreach; and

(4) educating RRC employees on the HUB program. The agency strives to exceed the overall statewide average percentage of HUB participation. The agency will use good faith efforts to solicit HUB vendors on contract solicitations and will utilize a qualified and capable HUB vendor for all contracts of any dollar amount threshold.

6.C. Federal Funds Supporting Schedule

		455 Railroad Commission				
CFDA/ALN NUMBER/ STRATEGY		Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>00.000.003</b>	Salary Adjustments					
3 - 2 - 1	OIL&GAS WELL PLUGGING & REMEDIATI	0	82,780	168,280	168,280	168,280
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$0</b>	<b>\$82,780</b>	<b>\$168,280</b>	<b>\$168,280</b>	<b>\$168,280</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$0</b>	<b>\$82,780</b>	<b>\$168,280</b>	<b>\$168,280</b>	<b>\$168,280</b>
	<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>15.018.120</b>	IIJA Energy Comm. Revitalization Pg					
3 - 2 - 1	OIL&GAS WELL PLUGGING & REMEDIATI	23,128,443	31,067,687	97,900,000	47,286,012	47,286,012
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$23,128,443</b>	<b>\$31,067,687</b>	<b>\$97,900,000</b>	<b>\$47,286,012</b>	<b>\$47,286,012</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$23,128,443</b>	<b>\$31,067,687</b>	<b>\$97,900,000</b>	<b>\$47,286,012</b>	<b>\$47,286,012</b>
	<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>15.250.000</b>	Regulation of Surface Coa					
3 - 1 - 2	SURFACE MINING MONITORING/INSPECT	1,118,858	1,280,000	1,280,000	1,280,000	1,280,000
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$1,118,858</b>	<b>\$1,280,000</b>	<b>\$1,280,000</b>	<b>\$1,280,000</b>	<b>\$1,280,000</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$1,118,858</b>	<b>\$1,280,000</b>	<b>\$1,280,000</b>	<b>\$1,280,000</b>	<b>\$1,280,000</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	1,546,545	1,700,000	1,700,000	1,700,000	1,700,000
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$1,546,545</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$1,546,545</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>	<b>\$1,700,000</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	4,437,290	3,260,000	3,260,000	3,260,000	3,260,000

		<b>455 Railroad Commission</b>				
CFDA/ALN NUMBER/ STRATEGY		Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$4,437,290</b>	<b>\$3,260,000</b>	<b>\$3,260,000</b>	<b>\$3,260,000</b>	<b>\$3,260,000</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$4,437,290</b>	<b>\$3,260,000</b>	<b>\$3,260,000</b>	<b>\$3,260,000</b>	<b>\$3,260,000</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	234,774	180,000	180,000	180,000	180,000
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$234,774</b>	<b>\$180,000</b>	<b>\$180,000</b>	<b>\$180,000</b>	<b>\$180,000</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$234,774</b>	<b>\$180,000</b>	<b>\$180,000</b>	<b>\$180,000</b>	<b>\$180,000</b>
	<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>66.433.000</b>	State Underground Water S					
1 - 1 - 1	ENERGY RESOURCE DEVELOPMENT	481,264	320,000	320,000	320,000	320,000
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$481,264</b>	<b>\$320,000</b>	<b>\$320,000</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>\$481,264</b>	<b>\$320,000</b>	<b>\$320,000</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	120,000	120,000	120,000	120,000	120,000
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$120,000</b>	<b>\$120,000</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>\$120,000</b>	<b>\$120,000</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>

		<b>455 Railroad Commission</b>				
CFDA/ALN NUMBER/ STRATEGY		<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>BL 2026</b>	<b>BL 2027</b>
<b><u>SUMMARY LISTING OF FEDERAL PROGRAM AMOUNTS</u></b>						
00.000.003	Salary Adjustments	0	82,780	168,280	168,280	168,280
15.018.120	IIJA Energy Comm. Revitalization Pg	23,128,443	31,067,687	97,900,000	47,286,012	47,286,012
15.250.000	Regulation of Surface Coa	1,118,858	1,280,000	1,280,000	1,280,000	1,280,000
15.252.000	Abandoned Mine Land Recla	1,546,545	1,700,000	1,700,000	1,700,000	1,700,000
20.700.000	Pipeline Safety	4,437,290	3,260,000	3,260,000	3,260,000	3,260,000
20.720.000	State Damage Prevention Program	234,774	180,000	180,000	180,000	180,000
66.433.000	State Underground Water S	481,264	320,000	320,000	320,000	320,000
66.817.000	State and Tribal Response Program	120,000	120,000	120,000	120,000	120,000
<b>TOTAL, ALL STRATEGIES</b>		<b>\$31,067,174</b>	<b>\$38,010,467</b>	<b>\$104,928,280</b>	<b>\$54,314,292</b>	<b>\$54,314,292</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>\$31,067,174</b>	<b>\$38,010,467</b>	<b>\$104,928,280</b>	<b>\$54,314,292</b>	<b>\$54,314,292</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**



CFDA/ALN NUMBER/ STRATEGY	455 Railroad Commission Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Assumptions and Methodology:</b>					
CFDA 15.018 The Infrastructure Investment and Jobs Act of 2021 provided funding to address orphan wells. The Commission will receive the initial grant of \$25 million in FY 2023. In FY 2024, the Commission will receive the phase one of the formula grant. The Texas portion of the formula grant is estimate to be \$318.7 million.					
CFDA 15.250 and 15.252 The Commission's Surface Mining Division receives 100% federal funding for the reclamation of abandoned mines in the state and 50% federal funding for the environmental regulation of current coal mining activities.					
CFDA 20.700 The Commission's Pipeline Safety program falls under a federal/state partnership program administered by the U.S. Department of Transportation. The percent of funding is determined through a performance based allocation formula. Grant funds are now authorized to enhance the program with funding up to 80% of the enhanced program's costs. Enhanced funding is contingent on available funds to increase the state share equally with the increased federal share.					
CFDA 66.433 Federal funding for the Oil and Gas Underground Injection Control (UIC) program was created on the basis of a 75% federal share with a 25% general revenue state share. Due to federal funding limitations, the state share represents closer to 75% of the UIC funding.					
CFDA 66.817 The Commission's Oil and Gas division receives 100% federal funding to build and maintain an inventory of potential Brownfields sites and conduct a limited number of site assessments. Funding is anticipated to continue.					

**Potential Loss:**

CFDA 20.700  
The federal pipeline funding program is based on a 50% matching program, limited by the total amount of federal funds available. The Commission's programs are graded between 96% and 100%, however limited federal funding levels use up to 80% of the state's request as a base from which to apply grading ratios, resulting in a reduced funding level of the state's program.

**6.E. Estimated Revenue Collections Supporting Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2023	Exp 2024	Est 2025	Est 2026	Est 2027
<b><u>1</u> General Revenue Fund</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3035 Commercial Transportation Fees	2,665,554	2,980,000	2,900,000	2,900,000	2,900,000
3234 Gas Utility Pipeline Tax	40,196,141	39,800,000	39,800,000	39,800,000	39,800,000
3246 Compressed Natural Gas Licenses	61,095	52,500	55,000	55,000	55,000
3314 Oil & Gas Well Violations	1,629,375	2,828,000	1,500,000	1,500,000	1,500,000
3329 Surface Mining Permits	2,285,553	2,423,000	2,350,000	2,350,000	2,350,000
3717 Civil Penalties	15,200	0	0	0	0
3839 Sale of Motor Vehicle/Boat/Aircraft	73,482	165,976	20,000	20,000	20,000
Subtotal: Actual/Estimated Revenue	46,926,400	48,249,476	46,625,000	46,625,000	46,625,000
<b>Total Available</b>	<b>\$46,926,400</b>	<b>\$48,249,476</b>	<b>\$46,625,000</b>	<b>\$46,625,000</b>	<b>\$46,625,000</b>
<b>Ending Fund/Account Balance</b>	<b>\$46,926,400</b>	<b>\$48,249,476</b>	<b>\$46,625,000</b>	<b>\$46,625,000</b>	<b>\$46,625,000</b>

**REVENUE ASSUMPTIONS:**

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

**CONTACT PERSON:**

Pamela Darden

**6.E. Estimated Revenue Collections Supporting Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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<b>FUND/ACCOUNT</b>	<b>Act 2023</b>	<b>Exp 2024</b>	<b>Est 2025</b>	<b>Est 2026</b>	<b>Est 2027</b>
<b>666 Appropriated Receipts</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3045 Railroad Commission Svs Fees	208	327	320	320	320
3245 Compressed Nat Gas Train & Exams	96,863	127,315	75,000	75,000	75,000
3719 Fees/Copies or Filing of Records	45,705	47,867	48,000	48,000	48,000
3722 Conf, Semin, & Train Regis Fees	1,401,841	1,786,632	1,400,000	1,400,000	1,400,000
3752 Sale of Publications/Advertising	2,554	1,864	2,500	2,500	2,500
3754 Other Surplus/Salvage Property	6,172	3,390	0	0	0
3802 Reimbursements-Third Party	0	234,876	100,000	100,000	100,000
3839 Sale of Motor Vehicle/Boat/Aircraft	24,455	55,313	10,000	10,000	10,000
Subtotal: Actual/Estimated Revenue	1,577,798	2,257,584	1,635,820	1,635,820	1,635,820
<b>Total Available</b>	<b>\$1,577,798</b>	<b>\$2,257,584</b>	<b>\$1,635,820</b>	<b>\$1,635,820</b>	<b>\$1,635,820</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted	(1,371,735)	(2,038,400)	(1,410,820)	(1,410,820)	(1,410,820)
Benefits	(187,631)	(205,000)	(205,000)	(205,000)	(205,000)
Statewide Cost Allocation	(18,432)	(14,184)	(20,000)	(20,000)	(20,000)
<b>Total, Deductions</b>	<b>\$(1,577,798)</b>	<b>\$(2,257,584)</b>	<b>\$(1,635,820)</b>	<b>\$(1,635,820)</b>	<b>\$(1,635,820)</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 & Training Registration Fees (COBJ 3722) includes the annual Railroad Commission Regulatory Conference, the Oil and Gas Regulatory Forums, and the LP Gas Training Fees (Rider 4). The Commission assumes all revenues will be expended as intended.

**CONTACT PERSON:**

Pamela Darden

**6.E. Estimated Revenue Collections Supporting Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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<b>FUND/ACCOUNT</b>	<b>Act 2023</b>	<b>Exp 2024</b>	<b>Est 2025</b>	<b>Est 2026</b>	<b>Est 2027</b>
<b>888 Earned Federal Funds</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3702 Fed Receipts-Earned Federal Funds	2,683,580	2,877,214	2,415,000	2,415,000	2,415,000
Subtotal: Actual/Estimated Revenue	2,683,580	2,877,214	2,415,000	2,415,000	2,415,000
<b>Total Available</b>	<b>\$2,683,580</b>	<b>\$2,877,214</b>	<b>\$2,415,000</b>	<b>\$2,415,000</b>	<b>\$2,415,000</b>
<b>DEDUCTIONS:</b>					
87th Leg SB 1 RS - Article IX Section 13.10	(2,200,000)	0	0	0	0
88th Leg HB 1 RS - Article IX	0	(2,200,000)	(2,200,000)	0	0
89th Leg SB 1 RS - Article IX	0	0	0	(2,200,000)	(2,200,000)
Benefits	(331,138)	(212,668)	(215,000)	(215,000)	(215,000)
<b>Total, Deductions</b>	<b>\$(2,531,138)</b>	<b>\$(2,412,668)</b>	<b>\$(2,415,000)</b>	<b>\$(2,415,000)</b>	<b>\$(2,415,000)</b>
<b>Ending Fund/Account Balance</b>	<b>\$152,442</b>	<b>\$464,546</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

**CONTACT PERSON:**

Pamela Darden

**6.E. Estimated Revenue Collections Supporting Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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FUND/ACCOUNT	Act 2023	Exp 2024	Est 2025	Est 2026	Est 2027
<b><u>5155</u> Oil &amp; Gas Regulation</b>					
Beginning Balance (Unencumbered):	\$53,183,008	\$52,601,192	\$40,999,185	\$44,394,507	\$25,150,887
Estimated Revenue:					
3310 Oil and Gas Surcharges	22,362,287	22,087,552	22,930,000	22,930,000	22,930,000
3313 Oil & Gas Well Drilling Permit	6,530,494	6,333,858	6,500,000	6,500,000	6,500,000
3314 Oil & Gas Well Violations	11,980,642	14,574,297	14,000,000	14,000,000	14,000,000
3338 Organization Report Fees	3,695,920	3,578,954	3,470,000	3,470,000	3,470,000
3339 Voluntary Cleanup Program Fees	28,756	19,109	17,000	17,000	17,000
3369 Reimburse for Well Plugging Costs	1,425,593	2,231,139	1,400,000	1,200,000	1,200,000
3373 Injection Well Regulation	51,680	38,640	50,000	36,000	36,000
3381 Oil-Field Cleanup Reg Fee - Oil	11,130,784	10,762,962	10,000,000	10,000,000	10,000,000
3382 RR Commission - Rule Except Fee	1,512,760	1,414,161	1,400,000	1,400,000	1,400,000
3383 Oil-Field Cleanup Reg Fee-Gas	8,638,095	7,703,598	7,850,000	7,850,000	7,850,000
3384 Oil & Gas Compl Cert Reissue Fee	1,134,616	1,406,002	1,200,000	1,200,000	1,200,000
3393 Abandoned Well Site Eqpt Disposal	2,722,146	1,643,771	2,000,000	1,600,000	1,600,000
3553 Pipeline Safety Inspection Fees	10,830,418	10,876,187	11,000,000	11,000,000	11,000,000
3592 Waste Disp Fac, Genrtr, Trnsprttrs	221,860	202,130	185,000	190,000	190,000
3727 Fees - Administrative Services	1,286,675	412,675	500,000	500,000	500,000
3767 Supply, Equip, Service - Fed/Other	0	984,799	200,000	200,000	200,000
Subtotal: Actual/Estimated Revenue	83,552,726	84,269,834	82,702,000	82,093,000	82,093,000
<b>Total Available</b>	<b>\$136,735,734</b>	<b>\$136,871,026</b>	<b>\$123,701,185</b>	<b>\$126,487,507</b>	<b>\$107,243,887</b>
<b>DEDUCTIONS:</b>					
Expende/Budgeted	(73,770,665)	(89,707,638)	(72,907,072)	(94,931,015)	(94,937,016)
Transfer - SWCAP	(633,453)	(274,362)	(275,000)	(275,000)	(275,000)
Transfer - Employee Benefits	(4,315,091)	(4,624,605)	(4,324,605)	(4,624,605)	(4,624,605)
Benefits for Retired Employees (ERS Shared Cash)	(4,415,333)	(1,264,986)	(1,500,000)	(1,500,000)	(1,500,000)
<b>Total, Deductions</b>	<b>\$(83,134,542)</b>	<b>\$(95,871,591)</b>	<b>\$(79,006,677)</b>	<b>\$(101,330,620)</b>	<b>\$(101,336,621)</b>
<b>Ending Fund/Account Balance</b>	<b>\$53,601,192</b>	<b>\$40,999,435</b>	<b>\$44,694,508</b>	<b>\$25,156,887</b>	<b>\$5,907,266</b>

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

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<b>FUND/ACCOUNT</b>	<b>Act 2023</b>	<b>Exp 2024</b>	<b>Est 2025</b>	<b>Est 2026</b>	<b>Est 2027</b>
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**REVENUE ASSUMPTIONS:**

**CONTACT PERSON:**

Pamela Darden

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