



Financial Overview

Texas Parks and
Wildlife Department

DECEMBER 2024



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INTRODUCTION

The Texas Parks and Wildlife Department Financial Overview document was developed by TPWD’s Financial Resources Division to provide information on agency responsibilities, sources of funding, budget and financial issues, and appropriation requests. Its primary design is to function as a reference tool for commissioners, management, employees, oversight entities, constituent groups and other agency customers.

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Roles and Responsibilities

The mission of TPWD is “to manage and conserve the natural and cultural resources of Texas and to provide hunting, fishing, and outdoor recreation opportunities for the use and enjoyment of present and future generations.”

As reflected in the Parks and Wildlife Code, the department’s responsibilities encompass a range of activities:

State law authorizes TPWD to plan, acquire, improve, operate, and maintain a system of public lands. These resources include approximately 1.4 million acres of parks and recreation areas, wildlife management areas, natural areas, and historic/cultural areas. In all, the department manages 88 state parks and 49 wildlife management areas.

TPWD also continues to serve as the state agency with primary responsibility for conserving, protecting, and enhancing the state’s fish and wildlife resources. In fulfilling these responsibilities, the department monitors and assesses habitats, surveys fish and game populations, conducts research and demonstration projects, provides technical guidance and assistance to landowners, and currently operates eight fish hatcheries.

The department is also charged with regulating and enforcing commercial and recreational fishing, hunting, and boating laws in the state. Since the consolidation of related regulatory powers in 1983, TPWD sets and administers all rules regarding the taking of fish and wildlife in Texas. A force of approximately 550 commissioned peace officers serving as TPWD game wardens, as well as over 150 commissioned park police officers, ensure compliance with these regulations, and with provisions of the Parks and Wildlife Code, certain portions

of the Penal Code, the Water Code and the Antiquities Code. TPWD game wardens have the same authority as a sheriff to apprehend, convict, fine, and jail violators, in coordination with state and local prosecutors and courts.

TPWD serves an important role in environmental protection by monitoring, conserving, and enhancing the quality of rivers, streams, lakes, coastal marshes, bays, beaches, gulf waters, and other aquatic and wildlife habitats. These activities incorporate pollution surveillance and enforcement of certain environmental laws. By statute, the department coordinates much of this activity with other state and federal agencies such as the Texas Commission on Environmental Quality and the U.S. Environmental Protection Agency.

The department is the primary educator of the public regarding laws and rules related to fish, game and environmental habitats, boating safety, firearm safety for hunters, fish and wildlife conservation, and outdoor recreation in general. In addition to offering workshops, certification classes and outreach events, the agency disseminates information to the public through the *Texas Parks & Wildlife* magazine, a weekly television show that airs on numerous public broadcasting systems throughout the state, and other means such as email communications, podcasts, and social media.

Finally, the department also provides assistance and direct matching grants to local political subdivisions and nonprofit entities for planning, acquisition or development of local parks, indoor and outdoor recreational facilities, and for recreation, conservation and education programs for underserved populations. These grants are funded through a combination of state and federal sources.

Organization

The department is functionally organized into 13 divisions that range in size from 10 positions to 1,376 regular full-time equivalent positions (see Figure 1). Division oversight responsibilities rest with the Executive Director and the Chief Operating Officer. Except for some administrative functions, all divisions of the agency have locations at regional and other offices throughout the state.

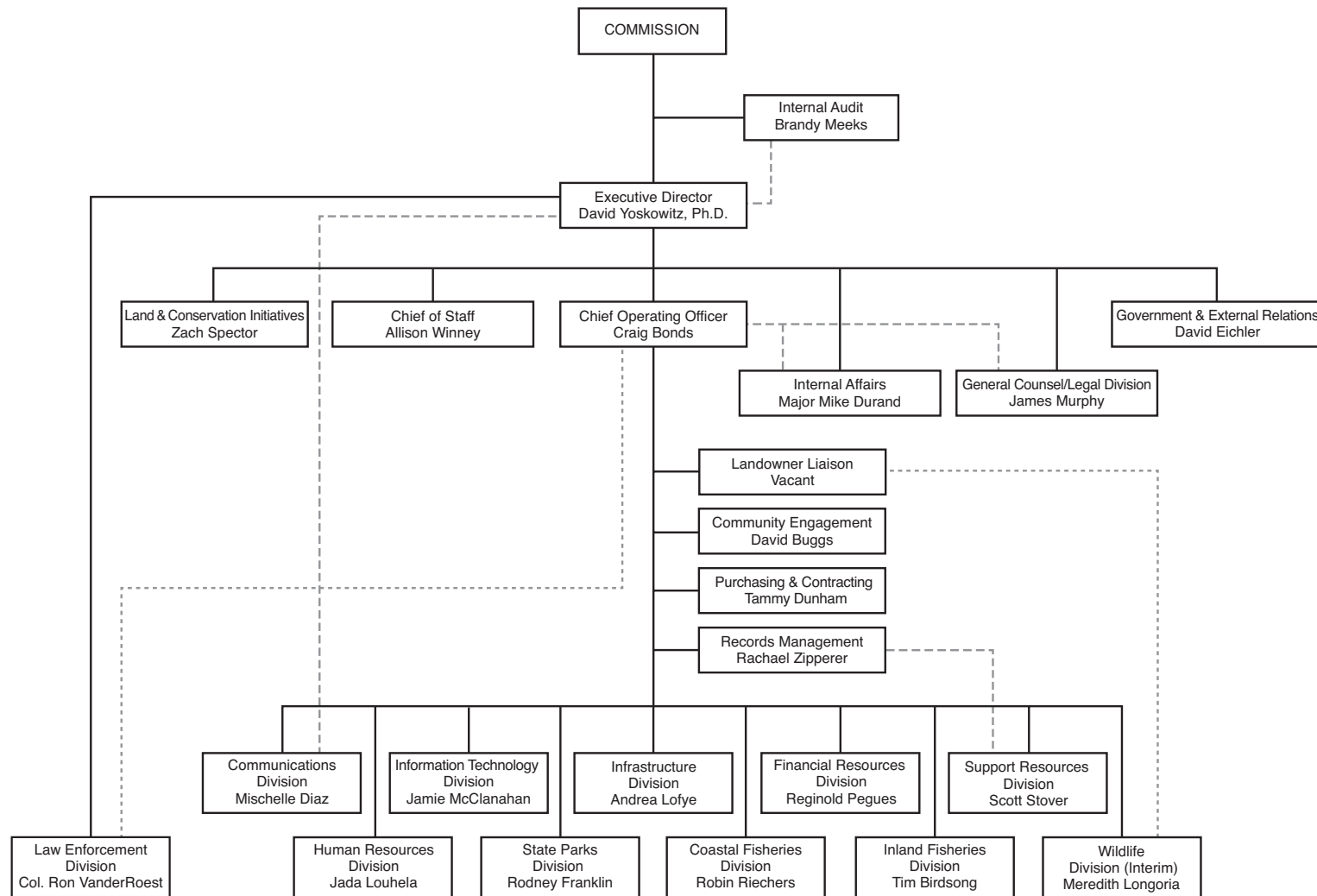


Figure 1

The COASTAL FISHERIES DIVISION is responsible for protecting, managing, and ensuring the long-term sustainability of Texas's marine resources. Major activities and programs of this division include assessments for marine resource management; stock identification and research; fisheries enhancement; and habitat conservation and restoration activities, including the Artificial Reef program. The Coastal Fisheries Division also operates three marine fish hatcheries to produce and stock saltwater fish into public waters.

The COMMUNICATIONS DIVISION is the marketing and public information arm of the department, responsible for administering outreach and education programs and disseminating outdoor recreation/conservation-related information to the public through both internal and external media.

The EXECUTIVE OFFICE provides management and oversight and sets strategic direction for all agency divisions, programs and functions. It also houses functions such as Chief of Staff, Chief of Land and Conservation Initiatives, Internal Audit, Internal Affairs, Purchasing and Contracting, Office of Community Engagement, and Government and External Relations.

The FINANCIAL RESOURCES DIVISION provides financial management, accounts payable, and budget and planning services for the entire department. Boat registration, licensing functions, and distribution services are also included in this division.

The HUMAN RESOURCES DIVISION provides recruitment, payroll, benefits, employee retention, and employee relation services. Responsibilities include the development of and advisement on personnel related policy and procedures; determination of training needs and priorities; and oversight of the agency volunteer program.

The INFORMATION TECHNOLOGY DIVISION provides customer service driven technological advancement of the agency's mission with cost-effective, secure, and reliable services to all TPWD divisions. Responsibilities include utilizing dependable and secure infrastructure, developing policies and procedures, providing outstanding customer support, and the continued integration of existing, new, and innovative technology services and applications within the agency.

The INFRASTRUCTURE DIVISION manages the capital construction program for TPWD facilities statewide. Division functions include project planning, budgeting, accounting, engineering and architectural design, design and construction contracting, construction, construction inspections, construction management, and land surveying. The division also administers the Land Conservation Program, including activities such as land acquisition and disposition, leasing, negotiation of easements and surface use agreements, and real estate administration; and the Texas Farm and Ranch Lands Conservation Program, which provides funds for qualified easement holders to acquire conservation easements for long-term protection of privately owned lands with high values for agriculture production, water, fish and wildlife that are at risk of development.

The INLAND FISHERIES DIVISION is responsible for the protection, enhancement, and regulation of the state's freshwater resources. Activities include fisheries management and research; fish habitat assessment and enhancement; aquatic invasive species monitoring and treatment; fish population monitoring and conservation; fish production and stocking; fish kill assessments; natural resource damage recovery; regulatory consultations and permitting; angler public engagement; and fishing access improvement. The Inland Fisheries Division operates five freshwater fish hatcheries.

The LAW ENFORCEMENT DIVISION's main responsibility is to serve the citizens of Texas by working to conserve and protect the natural resources of Texas by providing professional law enforcement, water safety, and search and rescue.

The LEGAL DIVISION provides legal assistance and advice to the TPW Commission and TPWD staff; represents the department in administrative legal proceedings; assists the Attorney General's office in litigation involving TPWD; and coordinates responses to requests for information under the Texas Public Information Act.

The STATE PARKS DIVISION is the largest (both organizationally and financially) of the agency's divisions, employing 1,376 FTEs responsible for the management and operation of state parks, state natural areas, and historic sites, and for administration of the department's local parks grants program. Additionally, state park police officers are responsible for ensuring the overall safety, security and protection of state parks, visitors, and resources.

The SUPPORT RESOURCES DIVISION provides agency-wide support for risk management, safety, Federal Emergency Management Agency coordination, fleet and radio, sustainability, Americans with Disabilities Act coordination, Austin HQ facility and grounds management, records management, and agency policies and procedures.

The WILDLIFE DIVISION manages the taking of state wildlife; coordinates wildlife management on department owned and other public lands; administers the public hunt program; conducts surveys and research studies; issues scientific permits; and provides wildlife management assistance to private landowners.

The Budget and Where It Goes

The Fiscal Year 2025 combined budget for TPWD, which includes operating expenses, capital projects, grants and employee benefits, totals approximately \$534.1 million.

BY DIVISION/FUNCTION

As shown in Figure 2, the State Parks Division accounts for the largest portion (32.9 percent) of the budget. Of the total State Parks Division budget of \$175.7 million, approximately \$23.2 million will be “passed through” in the form of grants to local governments and other entities. Funding for the Law Enforcement Division comprises the second-largest portion of the budget at 16.9 percent, or \$90.3 million.

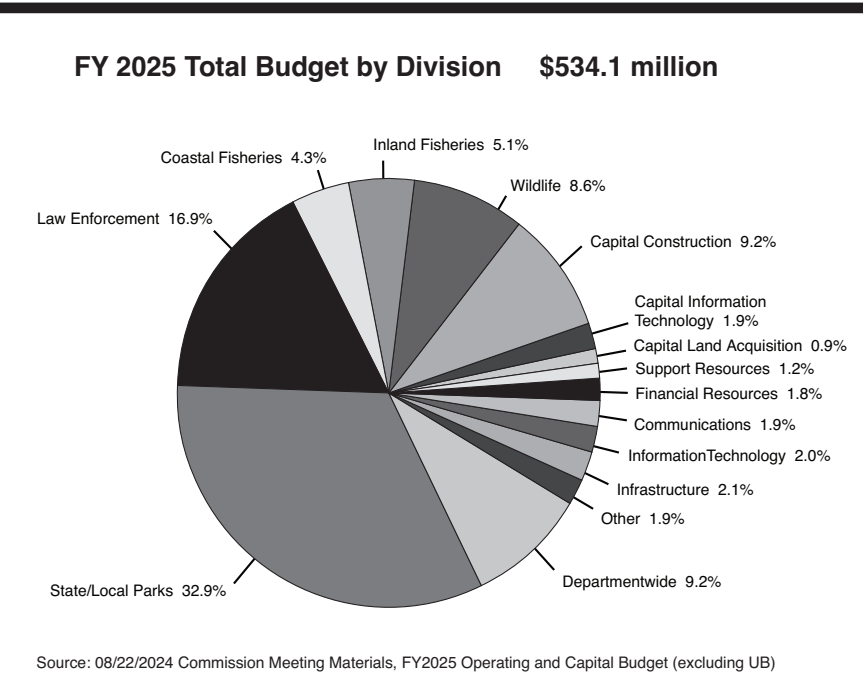


Figure 2

Allocations for aquatic resource protection and fish and wildlife management activities, reflected in the Wildlife, Coastal, and Inland Fisheries divisions, together represent roughly 18.0 percent of the budget. The Wildlife Division budget is the largest, at \$45.9 million, followed by Inland Fisheries (\$27.2 million) and Coastal Fisheries (\$22.9 million).

Support functions provided by Communications, Financial Resources, Human Resources, Information Technology, Infrastructure, Legal, Support Resources and the Executive Office account for 10.9 percent of the budget, while Capital Construction, Capital Information Technology, and Capital Land Acquisition categories together account for approximately 12.0 percent of the budget.

Finally, department-wide initiatives, such as estimated federal apportionments, across-the-board salary increase holding, and payments to license agents, Tax Assessor Collectors, and the license vendor, make up 9.2 percent (or \$49.4 million) of the overall Fiscal Year 2025 budget.

BY CATEGORY

As a heavily service-oriented agency with roughly 3,161 authorized full-time equivalent positions, personnel costs comprise the largest portion of TPWD’s budget. As shown in Figure 3, approximately 43.2 percent (or \$230.9 million) of the overall budget is allocated for salaries in Fiscal Year 2025. Employee benefits account for an additional 16.2 percent (or \$86.6 million) of the Fiscal Year 2025 budget. It is important to note that benefits are not considered part of TPWD’s appropriated amounts; rather, they are transferred to the state’s retirement system in compliance with provisions that require payments for employee benefit costs to be proportional to the source from which the salaries are paid. For a majority of state agencies, general revenue

is used to fund salaries and as a result, general revenue is directly appropriated to the retirement system for payment of benefits. However, because much of TPWD funding is derived from agency-specific accounts and most salaries are paid from these sources, payments for benefit costs must be transferred out of the specific accounts to the state’s retirement system.

The next-largest category of TPWD spending is operating costs, accounting for 19.9 percent (\$106.2 million) of the total budget, followed by critical infrastructure repairs and other items that comprise the agency’s capital budget, which account for approximately 15.3 percent (or \$81.5 million) of the overall budget. Finally, the department’s grant budget comprises 5.4 percent (or approximately \$28.9 million) of overall funding. This includes amounts for local parks, outreach, boating access, and other grant programs.

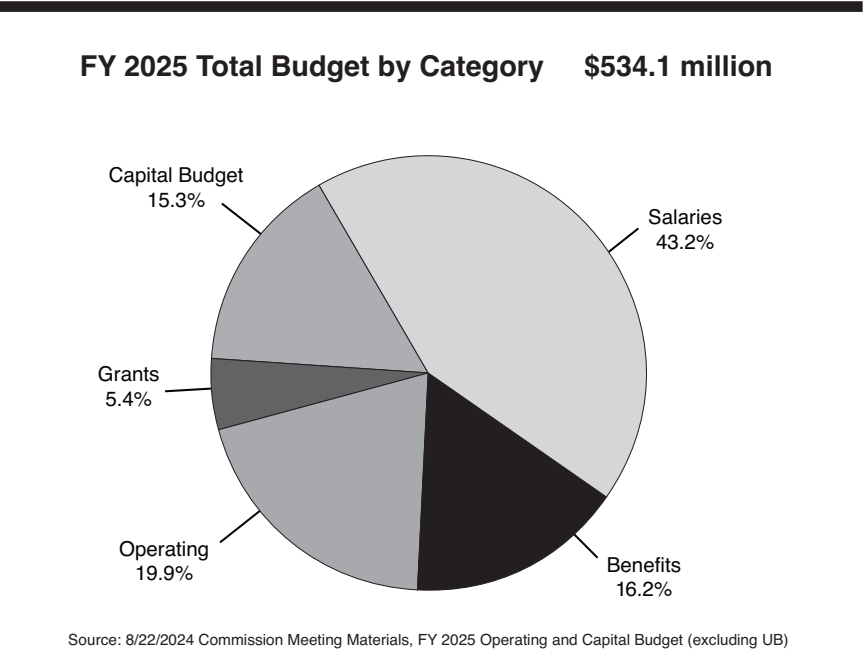


Figure 3

Financing the Budget

DEPARTMENT FUNDING AND ACCOUNTS

TPWD generates significant revenues from the sale of Parks and Wildlife products and services, such as hunting and fishing licenses and state park entrance and facility use fees. These revenues help fund a sizable amount of TPWD’s budget, but they are not sufficient to cover all funding needs. As a result, TPWD is funded from a combination of general revenue, general revenue-dedicated, federal, and other funds. Figure 4 depicts the major funding sources for the department.

**FY 2025 Total Budget by Funding Source
(in millions)**

General Revenue – Fund 1	265.3	49.7%
Game, Fish and Water Safety – Fund 9	152.5	28.6%
State Parks – Fund 64	40.5	7.6%
GR Ded. – Other	0.4	0.1%
Federal	70.2	13.1%
Other	5.2	1.0%
Total	534.1	100.0%

Source: 8/22/2024 Commission Meeting Materials, FY 2025 Operating and Capital Budget (excluding UB)

Figure 4

GENERAL REVENUE-DEDICATED

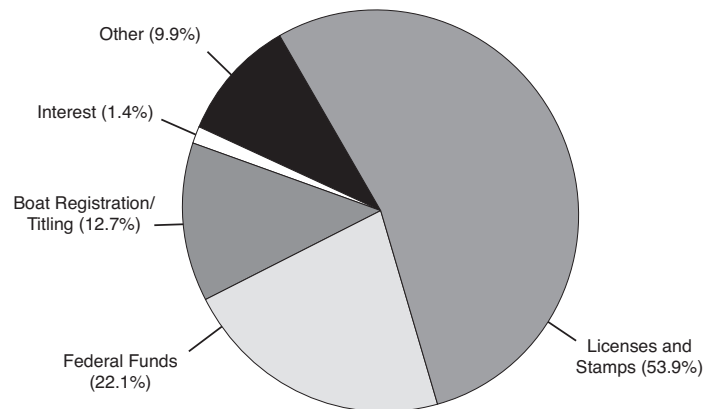
TPWD’s special, or dedicated funds, together account for approximately 36.2 percent of the Fiscal Year 2025 budget. Compared to general revenue, which is derived from general state taxes, these dedicated funds primarily consist of revenues generated from the Texas Parks and Wildlife Department’s customers. They are also distinguished from

general revenue in that their appropriation and use is restricted to specific purposes as stated in statute.

The largest of the agency's special funds is the Game, Fish and Water Safety Account (Fund 9), which accounts for 28.6 percent of the agency's budget for Fiscal Year 2025. The main sources of revenue for Fund 9 (shown in Figure 5) include:

1. all types of fishing and hunting licenses, permits, and stamps;
2. federal funds received for fish and wildlife research and activities, including federal apportionments under the Sport Fish and Wildlife Restoration Acts;
3. boat user, manufacturer, and dealer registration and titling fees, as well as boat and boat motor sales and use tax;
4. other activities and sources, such as the sale/lease of grazing rights on public lands, the sale of sand, shell and gravel, fines and penalties collected for violations of laws pertaining to the protection of fish, game and wildlife, and interest earnings.

Game, Fish and Water Safety Account (Fund 9)
2025 Estimated Revenue – \$207.2 million



Source: Comptroller's Biennial Revenue Estimate (Jan. 2023).

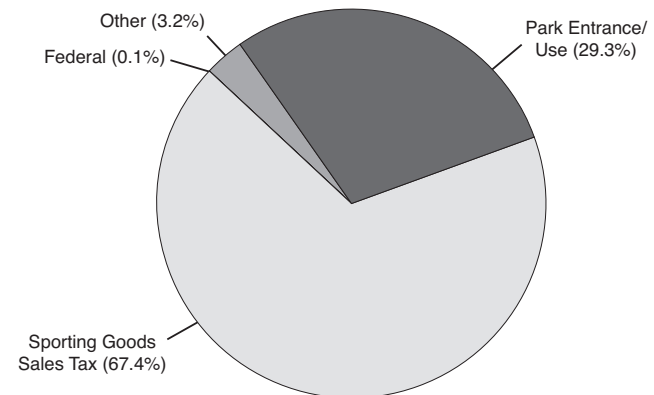
Figure 5

As a statutorily dedicated account, Fund 9 may be used only for purposes related to the protection, regulation and conservation of the state's fish and wildlife, sand, shell, and gravel, and the enforcement of water safety laws. Therefore, this fund pays for the operational activities and capital projects of the Inland Fisheries, Coastal Fisheries, Wildlife, and Law Enforcement divisions, as well as some support services of the administrative and support divisions.

The State Parks Account (Fund 64) is the second-largest dedicated funding source for the department and accounts for about 7.6 percent of the Fiscal Year 2025 operating budget. The sources and uses of this account are associated with the operation of state parks, historic sites and natural areas (see Figure 6), and consist primarily of:

1. entrance and use fees for state parks;
2. a portion of the state sales tax on sporting goods;
3. other revenues, such as gifts, grants and donations, oil and gas royalties and leases, and federal funds.

State Parks Account (Fund 64)
2025 Estimated Revenue – \$216.6 million



Source: Comptroller's Biennial Revenue Estimate (Jan. 2023), adjusted to include SGST allocations intended for TPWD State Parks Account 64 purposes as shown in GAA (plus fringe).

Figure 6

Note that while Sporting Goods Sales Tax revenues are deposited into the State Parks Account, for the purpose of method of finance in the appropriations bill, and from a budgeting perspective, this source it is treated as General Revenue. Further information on this is available in the next section.

In addition to the accounts mentioned above, several smaller dedicated accounts also fund TPWD operations. A more comprehensive listing of agency accounts/funds, including statutory authorization and revenue streams, can be found in Appendix A.

GENERAL REVENUE

The General Revenue Fund (Fund 1) is another important source of funding for TPWD, comprising 49.7 percent of TPWD's Fiscal Year 2025 budget. The largest portion of general revenue funding appropriated to TPWD consists of allocations of sporting goods sales tax (SGST), which is used to fund state and local park-related needs.

For Fiscal Year 2025, TPWD's initial allocation of SGST totaled \$221.8 million, including amounts for transfers for retiree insurance and debt service payments. Updated revenue estimates from the Comptroller's Office in October 2023 resulted in an additional \$28.6 million of SGST available to TPWD for Fiscal Year 2025, for a new Fiscal Year 2025 total of \$250.4 million. Allocation of these additional amounts to specific programs and strategies is based on an assessment of current needs in consultation with and subject to approval by the Legislative Budget Board. Additional information on SGST can be found in Appendix B.

The next-largest portion of general revenue appropriated to TPWD consists of unclaimed refunds of motorboat fuel taxes. By statute,

75 percent of the revenue from unclaimed refunds of motorboat fuel taxes may be appropriated only to the Texas Parks and Wildlife Department (V.T.C.A. Tax Code, 162.502). TPWD's Fiscal Year 2025 appropriation reflects \$20.2 million from this source for aquatic vegetation management and law enforcement purposes.

Finally, TPWD has also historically received "pure" general revenue appropriations to cover agency costs such as debt service on revenue bonds, and law enforcement-related operations.

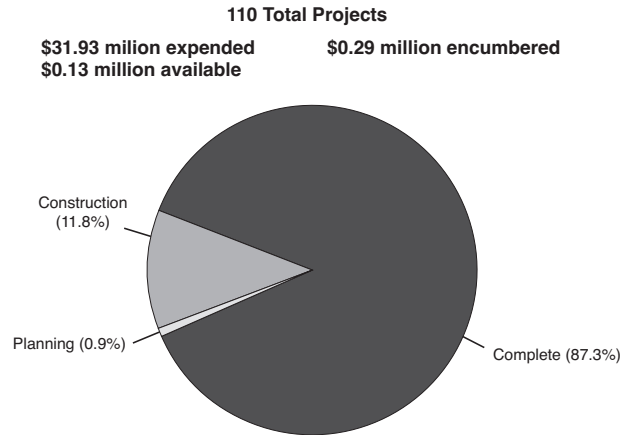
BOND AUTHORITY

Bonds also comprise a portion of agency finances and have helped enhance TPWD's ability to undertake construction and repair projects at parks, wildlife management areas, fish hatcheries, and other facilities.

For the 2010-11 biennium, the 81st Legislature authorized issuance of \$38 million of Proposition 4 general obligation bonds for critical repairs and improvements at state parks, wildlife management areas and other facilities statewide. A total of \$10 million of this amount was dedicated to addressing weather related damages at Mother Neff State Park, Palo Duro Canyon State Park, and Government Canyon State Natural Area. TPWD received this issuance in April 2010, and as of September 2024 had closed out this funding source, having fully expended the amounts on projects statewide.

In 2011, the 82nd Legislature authorized the third issuance of Proposition 4 general obligation bond authority, totaling \$32.35 million, for repair and replacement of TPWD facilities statewide. TPWD received this issuance in April 2012, and as of September 2024 had expended or encumbered \$32.2 million on a total of 110 projects (see Figure 7).

**General Obligation Bond Project Status
(Prop. 4, 3rd Issue – April 2012) as of September 30, 2024
(\$32.35 million)**



Source: TPWD–Infrastructure Division

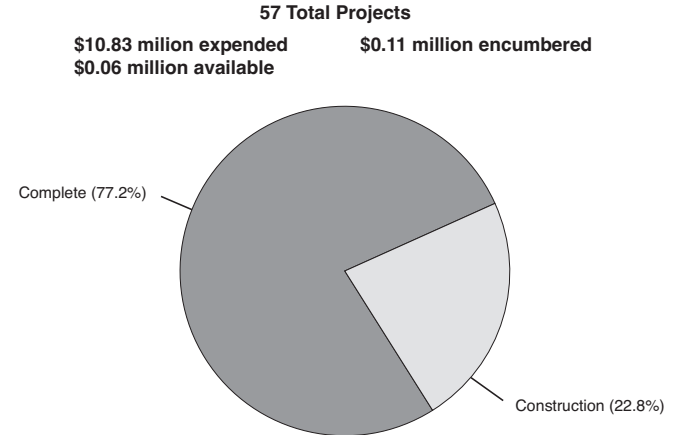
Figure 7

Finally, for the 2014-15 biennium, the 83rd Legislature authorized issuance of \$11 million of Proposition 4 general obligation bonds for deferred maintenance. A total of 57 projects have been funded from this source, and as of September 2024, TPWD had expended or encumbered a total of \$10.9 million of this issuance (see Figure 8).

FEDERAL SOURCES

In Fiscal Year 2025, approximately \$70.2 million of department funding is estimated to come from the federal government in the form of apportionments, grants and contracts. Almost all federal programs from which the department receives funding require the state to match contributions by a set percentage. In addition, each program has specific requirements to maintain the state’s eligibility for participation. Some federal sources are project specific, while others are more flexible in terms of how the funds may be used.

**General Obligation Bond Project Status
(Prop. 4, 4th Issue – March 2014) as of September 30, 2024
(\$11.0 million)**



Source: TPWD–Infrastructure Division

Figure 8

Two of the largest federal funding sources are apportionments allocated by the U.S. Fish and Wildlife Service to states by formula under the Wildlife Restoration Act (a.k.a. Pittman-Robertson programs) and the Sport Fish Restoration Act (a.k.a. Dingell-Johnson/Wallop-Breaux programs). Of the department’s total estimated federal funds budget, \$32.3 million consisted of Wildlife Restoration funds, and \$20.6 million was Sport Fish Restoration funds, for a total of \$52.9 million from these two sources combined.

Other significant federal funding sources anticipated in Fiscal Year 2025 include Outdoor Recreation – Acquisition, Development and Planning, National Recreational Trails, Recreational Boating Safety, State Wildlife, and Cooperative Endangered Species grants. Under the state’s accounting mechanisms, the department’s federal funds flow into state funds. For example, both Wildlife Restoration and Sport Fish Restoration funds are deposited to Fund 9.

OTHER

Centennial Parks Conservation Fund. This new funding source was created by the 88th Legislature for the purpose of creating and improving state parks. The fund is established as a trust fund outside the treasury, to be held and invested by the Texas Treasury Safekeeping Trust Company, and administered by TPWD. Money in the fund cannot be used to pay salaries, benefits, or related costs, administration, operating or program costs of the department, or for maintenance and operation of state parks.

Foundation Support. The department receives additional support from the Texas Parks and Wildlife Foundation. The Foundation was incorporated in 1991 as a nonprofit entity for the purpose of assisting TPWD in carrying out its mission.

Friends Organizations. Numerous friends groups support the operations of specific TPWD sites, such as parks and hatcheries. These groups raise funds through private donations, gifts, concession operations and other sources and expend the receipts on behalf of the specific sites.

The Budget Process

LEGISLATIVE APPROPRIATIONS

In Texas, the Legislature meets and develops the state budget, or General Appropriations Act (GAA), every two years. The GAA establishes specific funding and performance levels for each state agency for the upcoming biennium, specifies the amounts that may be spent from each source of funding, and sets agency staffing levels.

Agency-specific riders set further restrictions or more clearly specify the purposes for which appropriated funds may be used. In some cases, agency riders authorize appropriation of additional funds to the agency. As a result, riders can either increase or limit budgeting flexibility for TPWD. Examples of current riders that increase flexibility include Rider 5, Fund Transfer Authority (which helps alleviate cash flow problems), and Rider 23, Unexpended Balances Authority Within the Biennium (which allows the department to carry forward unexpended appropriations from one year to the other within a biennium). Rider 2, Capital Budget, which specifically delineates the capital budget amounts and items on which appropriations may be spent, is an example of a rider that directs and limits expenditures.

In addition to agency-specific information, the GAA includes general provisions within Article IX that are applicable to all state agencies. These general provisions include items related to salary administration, various limitations on expenditures (including travel and salary caps) and additional appropriation authority.

In general, agency spending is limited to the agency-specific amounts set forth in the GAA, plus any additional authority granted through agency rider and the general provisions of Article IX. In Fiscal Year 2025, the GAA initial bill pattern appropriation authority for TPWD totaled \$447.5 million (see Figure 9).

FY 2025 Appropriation Authority (in millions)

General Revenue – Fund 1	220.6
Game, Fish and Water Safety Account – Fund 9	123.0
State Parks Account – Fund 64	33.9
Federal	64.5
Other (Appropriated Receipts, Other GR-D Accts, etc.)	5.5
Total	447.5

Does not include authority associated with fringe benefits.

Source: 88th Legislature Regular Session, General Appropriations Act (2024-2025 GAA)

Figure 9

TPWD BUDGET

Within the framework of appropriations authority granted by the Legislature, the department develops its annual, agency-wide budget. The budget is based on agency needs and priorities balanced against available and anticipated revenues and appropriation authority.

Budget development generally begins during the spring and culminates in the adoption of the TPWD budget by the Commission in August of each year. Amounts budgeted by TPWD for any given year will generally exceed the original appropriation authority as shown in the GAA. This is primarily due to the fact that the budget will reflect increases in funding authorized in riders and general provisions. In addition, the agency budget includes amounts associated with employee benefits, which are not reflected in TPWD appropriations.

For Fiscal Year 2025, the starting point for development of TPWD's internal budget was the GAA. As compared to original appropriation authority, additional amounts reflected in the final approved Fiscal Year 2025 budget were those associated with estimated employee benefits and estimated unexpended balances. Additional Fiscal Year 2025 SGST appropriations resulting from updated Comptroller revenue estimates will be reflected as additional adjustments and were not reflected in the Commission-approved totals shown in this document.

Financial Issues

Due to TPWD's unique and varied funding streams and funding structure, the department faces a number of issues not often encountered by general revenue funded state agencies.

APPROPRIATION AUTHORITY VS. CASH AVAILABLE

For agencies such as TPWD that generate revenue through user fees and rely on dedicated accounts for funding, it is possible for the amount of appropriation authority granted by the Legislature to be different than the actual amount of cash generated and available for use. This is the result of a number of factors, including the fact that appropriation authority for agency funds such as Fund 9 or 64 is based on estimates of the amount of available balances and revenue to be generated two to three years in the future.

This feature of the budgeting process can have implications for agency cash and appropriations. For example, if appropriation authority exceeds actual cash available (including beginning balances and revenues), TPWD would be limited to expending the cash amounts available and would lapse appropriation authority — there would simply not be enough cash to cover appropriations. If the reason for such a lapse is not clearly understood, it could be perceived as an ineffective use of state funds.

On the other hand, absent specific rider or other appropriation authority, if actual cash exceeds the amounts appropriated in dedicated funds, TPWD's ability to utilize the excess funds to respond to increased demand would be restricted, since agency spending is limited to amounts appropriated. In these cases, excess revenue and balances would remain in the dedicated fund, helping to build balances which could be requested for appropriation in subsequent biennia.

FUND BALANCES VS. FUND AVAILABILITY

Another feature of general revenue-dedicated accounts is that fund balances do not always reflect actual fund availability. For example, Fund 9 includes revenues generated from the sale of various stamps, which by statute are restricted only for use on research, management and protection of certain species or their habitats. As a result, there is a distinction between the total balances/revenue within general revenue-dedicated funds and the actual amounts available for appropriation or expenditure on general agency operations.

Fund balances are also affected by allocations that are required, but not specifically or directly appropriated to the agency by the Legislature. Some of the more significant examples include employee benefit costs, which must be paid out of the funds from which salaries are paid and be proportional to each agency's method of finance, and required cash transfers to various state agencies, such as those made to the Employee Retirement System to cover insurance costs for current retirees and to the Texas Public Finance Authority for debt service. Sufficient general revenue-dedicated fund balances must be reserved for payment of these types of costs and associated amounts are not available for other uses.

FUND 9 BALANCE CONCERNS

Declines in general Fund 9 cash balances pose a significant concern to the department. As expenditures continue to outpace revenues, cash balances will continue to decline and may be inadequate to effectively support conservation, recreation and enforcement efforts over the long term. As such, many of TPWD's additional funding needs for the 2026-27 biennium, as outlined below, request General Revenue appropriations rather than General Revenue-Dedicated sources.

Additionally, TPWD has been evaluating possible solutions and plans to work with the Legislature during this upcoming session to identify and implement other options to address the general Fund 9 balance issues. These can include seeking General Revenue appropriations for current law enforcement activities in lieu of Fund 9, the possibility of modernizing the fee structure, developing new funding sources, and exploring statutory changes to better position the department to support fisheries and wildlife conservation and recreation now and into the future.

FEDERAL DIVERSION CONSIDERATIONS

In addition to state statutory restrictions, Fund 9 and Fund 544 (Lifetime License Endowment Fund) are also subject to specific federal restrictions regarding uses of revenues. A large portion of TPWD's federal funding is derived from the Sport Fish and Wildlife Restoration acts. As noted previously, roughly \$52.9 million of TPWD's Fiscal Year 2025 budget is derived from these two sources. As a condition of receiving these federal funds, each state must adopt legislation prohibiting the diversion of hunting and fishing license fees and related revenues for purposes other than administration of that state's fish and wildlife agency. If diversion occurs, the state would become ineligible to receive federal aid under these programs. As a result, TPWD is very careful to use these funds appropriately and mindful that any proposals to change uses of hunting and fishing license fees and related revenues must take into account these restrictions and possible impacts to federal revenue.

Fiscal Year 2026-2027 Funding and Rider Requests

TPWD’s 2026-2027 Legislative Appropriations Request (LAR) submission includes base and exceptional item requests which were carefully considered and express TPWD’s priorities for programs that are cost effective, provide quality customer service and meet the needs of Texas’ hunters, anglers, boaters, park-goers, landowners, and other outdoor enthusiasts whose support and participation largely finance the agency’s work.

TPWD’s 2026-2027 Legislative Appropriations Request			
Funding Request (in millions):	FY2026	FY2027	Biennial
Total Base	\$513.6	\$503.7	\$1,017.3
Total Exceptional	\$149.8	\$81.0	\$230.8
Grand Total	\$663.4	\$584.7	\$1,248.1
Method of Finance			
General Revenue	\$390.8	\$318.5	\$709.3
General Revenue-Dedicated	\$203.2	\$196.8	\$400.0
Federal Funds	\$64.5	\$64.5	\$129.0
Other Funds	\$4.9	\$4.9	\$9.8
Grand Total, Method of Finance	\$663.4	\$584.7	\$1,248.1

Figure 10

BASE FUNDING

The Texas Parks and Wildlife Department’s Legislative Appropriations Request (LAR) for 2026-2027 reflects a biennial base funding request of \$1,017.3 million and 3,160.9 full-time equivalent (FTE) employee positions in each year. This base level funding maintains Sporting Goods Sales Tax authority at levels roughly equivalent to the Comptroller’s most recent updated 2024-2025 estimates (October

2023 Certification Revenue Estimate). TPWD’s plans for use of this SGST, as laid out in Rider 14, will fund state park operations, minor repairs, local park grants, capital construction, and land acquisition, as well as operations and staffing for expanded parks. Note that TPWD’s overall plan for use of SGST will be revisited and revised as necessary upon release of the Comptrollers Biennial Revenue Estimate in January 2025.

An additional 106 FTEs are requested to operate existing state parks and to staff additional park sites that will be in the process of or are expected to be opened during the 2026-27 biennium. This request is for FTE authority only and does not require appropriation of any additional funding over amounts in the base.

EXCEPTIONAL ITEMS

TPWD is requesting seven exceptional items totaling \$230.8 million and 38 FTEs over the biennium.

Capital Transportation

This request is for \$14.8 million (GR & GR-D) over the biennium to allow TPWD to replace vehicles according to schedule in the face of increasing inflationary pressures, as well as to secure additional vehicles, including those needed for staff and operations at newly opened or soon to be opened parks such as Albert and Bessie Kronkosky, Devils River, and other recently acquired sites.

TPWD’s GR-GRD limits, approved by LBB and GOBP, reduced authority tied to all TPWD capital transportation vehicles except those associated with game warden law enforcement and border security activities. It is crucial for TPWD to have ongoing capital transportation authority to replace vehicles as they meet/exceed state and agency replacement thresholds.

The TPWD vehicle fleet is critical to TPWD’s ongoing operations across the state, as they are needed for activities such as conducting

wildlife and aquatic biological studies, providing wildlife technical guidance to private landowners, operating state parks and WMAs, providing outreach and education services, managing construction projects, responding to violations and accidents involving natural resources, mail delivery, maintenance of facilities and security, and more.

Agency vehicles are utilized heavily and must be replaced according to an ongoing/recurring replacement schedule. Delays in the ability to replace vehicles could result in unsafe and unreliable equipment, possible interruption of services, and increased repair expenses. Likewise, as the number of state parks begins to grow, TPWD requires additional vehicles for staff at those locations to effectively carry out their duties.

Critical Capital Repair and Improvement Needs – Headquarters

This request is for \$24.1 million (GR) over the biennium to address capital repair needs at the TPWD Headquarters (HQ) building and complex, including amounts for planning and design of HQ building modernization, building envelope repairs, roadway access control, ADA facility upgrades, replacement of HVAC units, entrance door replacement/foyer installation, and backup generator replacement.

The Austin headquarters building dates from 1976 and is in dire need of repair, renovations and upgrades. Repair backlogs and emergencies, such as recent sewer line issues which rendered restrooms unusable for staff and the visiting public, often result in disruptions to daily business and more expensive strategies to administer building improvements. Additional funding to address critical HQ complex maintenance and repairs is needed to operate efficiently and provide a safe environment for employees and visitors.

Over the longer term, consideration must be given to a complete renovation or replacement of the current HQ building, given its age and ongoing annual costs for upkeep. Providing a renovated, modern and energy efficient building would save TPWD operating expenses,

reduce TPWD's footprint and costs by reducing use of leased space in Austin, protect agency assets, and address safety issues associated with structural hazards, fire, security, and accessibility.

Employee Compensation

This request would provide \$69.8 million (GR) over the biennium to provide targeted salary actions for TPWD employees. The amounts would be directed at increasing salaries for TPWD classification titles where salaries are below the same classification titles at other Article VI (Natural Resources) agencies and implementing other salary actions for TPWD employees (excluding Schedule C) to address salary equity issues that were not addressed by and/or have arisen since the salary increases approved last session. These actions will help ensure the agency's salaries are externally competitive and internally equitable.

The legislatively mandated salary actions last session, including those directed to law enforcement in Schedule C, gave much needed increases to agency staff, while approved targeted salary actions were focused on TPWD priority hard-to-fill, high turnover, and high vacancy rate positions. However, these actions collectively resulted in internal inequities and compression issues and did not address wage inequities with other state agencies.

Employee compensation surveys, studies, and exit surveys have consistently identified pay as a significant issue for department recruitment and retention efforts. Analysis of TPWD's salary structure indicates an average salary of \$57,879 at the end of FY2024, which lags behind the Article VI agency average of \$69,505 by \$11,626 (20%) annually. Other factors, such as the remote location of many TPWD sites, which present a limited labor pool, the availability of higher paying private sector jobs, and inflationary pressures on the purchasing power of wages, also complicate TPWD's ability to recruit and retain qualified staff. For example, the combined effect of a highly competitive job market and cost of living has made it difficult to recruit/retain staff for Austin headquarters-based positions, particularly those

related to support functions such as finance, accounting, legal, communications, infrastructure, human resources, and information technology.

Expand and Modernize Game Warden Presence

This exceptional item requests \$78.1 million (GR & GR-D) over the biennium and 30 FTEs to expand and modernize the game warden presence across the state.

Amounts would provide funding for salaries, operating and equipment needed for additional game wardens and related support staff and would also allow the department to implement a 50-hour work week for game wardens, similar to DPS. Funding would also ensure ongoing operations, including amounts needed for new aircraft and vehicle maintenance and fuel; purchase of equipment and services to modernize, improve and enhance the ability of game wardens to conduct essential functions, including funding to maintain the vehicle fleet, purchase of new computers, body camera/data storage and in-car automation; and to allow for needed repairs and upgrades at the Game Warden Training Academy and other law enforcement offices across the state.

Amounts are also requested to enhance boater education/boater safety efforts by appropriating boater education revenues directly to the boater education program.

With the growth in population of the state as well as growth in recent statewide initiatives involving TPWD game warden participation, it is important that TPWD game wardens be adequately funded and outfitted with the equipment and tools needed to safely, effectively and efficiently provide public safety and law enforcement services to the state.

Agency Technology Modernization

This exceptional item requests \$7.75 million (GR) over the biennium for projects identified during a recent initiative examining critical agency modernization needs.

Funding would allow for: (1) expansion and improvement of the agency network to support connectivity upgrades; (2) expanded Data Center Services to allow TPWD to increase cybersecurity capabilities and to procure additional digital tools, data oversight and software licenses to improve support of mission initiatives; (3) development of low code applications to allow TPWD to develop and implement applications giving staff efficient tools to track, strategize and manage mission critical work and decisions utilizing new, secure, scalable platforms; (4) Data Management Program, to allow TPWD to migrate to a centralized, more secure and scalable enterprise data environment; (5) Robotic Process Automation (RPA) software licenses/resources to allow programming automated processes to improve efficiencies in repetitive workflows; and (6) software procurements to enhance or modernize current processes, moving towards more secure and efficient business practices to support all customers.

With roughly 9.3 million state park visits, 2.4 million hunting, fishing and combination licenses sold, and 504,000 boat registration/titling and related transactions processed annually, as well as numerous other customer interactions with TPWD, it is imperative that the department make the best use of technology to ensure top notch experiences for constituents, both as they conduct business with TPWD and as they enjoy the rich hunting, fishing and outdoor recreational experiences Texas has to offer.

Funds requested in this exceptional item will create efficiencies and associated cost savings that could be re-directed to other program areas, ultimately improving the ability to carry out the core mission.

Access to/Conservation of Fisheries and Wildlife Resources

This item requests \$6.3 million (GR & GR-D) and six FTEs over the biennium to maintain and improve access to and conservation of fisheries and wildlife resources for the enjoyment of hunters, anglers, and Texans.

Requested funding sources reflect dedicated TPWD streams such as Saltwater and Freshwater Fish Stamps, Big Time Texas Hunt fees, Sand, Shell and Gravel fees, and Unclaimed Refunds of Motorboat Fuels Tax. Approval of this request would allow TPWD to direct these funding streams, many of which are user funded, to programs offering direct benefits to the fee-paying constituents/related resources.

Funding would address staffing needs related to saltwater hatchery flounder production, retention/expansion of hunting leases, design and implementation of small- and large-scale bank and shoreline-based angler access and fish habitat enhancements in streams and reservoirs statewide, conservation of fisheries and aquatic resources that provide access to angling, boating and other water-based recreation in public waterbodies, and scheduled maintenance and repair projects at freshwater hatchery facilities.

Texas Farm and Ranch Lands Conservation Program

The Texas Farm and Ranch Lands Conservation Program (TFRLCP) is aimed at conserving working lands that have high values for agricultural production, water, fish and wildlife and that are at risk of development. Conservation is achieved by providing grant funds to purchase long-term conservation easements. These easements are a voluntary tool to permanently conserve lands by perpetually restricting development rights on contracted properties while enabling the continuation of agricultural practices.

To date, under TPWD, the TFRLCP Council has approved funding for a total of 37 projects, bringing more than 47,000 acres of the state's high-value working farms and ranchlands under perpetual protection. Since inheriting the program in 2015, TPWD grant funds

totaling \$8.26 million have been leveraged with landowner in-kind matches and the U.S. Department of Agriculture's Natural Resources Conservation Service funds for a total conservation value of over \$60 million.

Based on the success of this program, TPWD requests \$30.0 million (GR) and two FTEs over the biennium to increase grants awarded for the purchase of long-term conservation easements. The funding would help address burgeoning landowner demand for such easements, facilitate an increase in acreage protected from fragmentation and development, and increase effectiveness in conserving the state's fish, wildlife, water, and open space resources, which are largely found on private lands.

SELECTED RIDER REQUESTS

Sporting Goods Sales Tax (SGST)

TPWD is requesting changes to clarify the timing of LBB approval of SGST amounts as well as funding options in the event Comptroller estimates are revised down. The timing of LBB approval of additional SGST amounts received during the biennium is often uncertain, and in some instances has taken many months. Depending on the length and specific timing of the approval, this can have consequences for effectively/efficiently planning and expending these dollars within the biennium. Approval of these amounts within a 90-calendar-day time frame would ensure TPWD can make the best use of the funds as intended according to the submitted plan.

Additionally, Comptroller estimate updates have in some cases resulted in less SGST available to TPWD. To avoid unanticipated fluctuations in funding for state and local park operations, TPWD requests new language that holds TPWD harmless in the event Comptroller SGST estimates are subsequently revised down by the Comptroller, by allowing the option to use SGST balances or GR-D State Parks Account funds to replace any lost SGST.

Unexpended Balance Authority for Land Acquisition Appropriations

The ability to carry forward unexpended balances of land acquisition appropriations allows for strategic planning to target conservation efforts and strategic tracts of land and allows the department to respond to emerging business needs. Due to the complicated nature of major land transactions, which will inevitably span across biennia, UB authority would provide flexibility to manage the land acquisition portfolio and mitigate risks without jeopardizing negotiations, improving TPWD's ability to acquire strategic tracts of land at the best value for the state.

Appropriation of Boater Education Fees

House Bill 2755 of the 88th Legislature amended Parks & Wildlife Code to provide that revenues collected from Boater Education would be deposited to the Game, Fish and Water Safety Account. However, these amounts are not appropriated directly for use on the boater education program.

The current budget for the boater education program is insufficient to cover all needs. Additional funding for the program, via appropriation of boater education fees directly back to the program, would allow the agency to address staffing and related operating needs to better address demand. In tandem with approval of the associated exceptional item, this rider would allow TPWD to spend any boater education revenues collected (in an estimated amount) for the boater education program.

Reporting on Centennial Parks Conservation Fund

Ongoing discussions with oversight and other entities regarding this new fund have highlighted issues with current statutory provisions, as well as with expectations regarding reporting requirements. TPWD is requesting a new rider to formalize reporting requirements, including specific information and the timing/frequency of reports, related to the new Centennial Parks Conservation Fund.

Appropriation Life of Habitat and Angler Access Program Grants

This rider requests that Angler Access and Fish Habitat Restoration Grants be treated as construction appropriations for the purpose of determining the life of the appropriation. The expanded time frame will help address issues experienced with project completion timelines and will allow TPWD to take on the larger projects, create more flexibility, and better meet the habitat and access needs that this program was intended to address.

A P P E N D I X A

TPWD Key Funding Sources

GENERAL REVENUE

Account 001

ALLOWABLE USES:	Supplemental funding for any departmental program. Historically used to subsidize park operations and support administrative divisions, but recently used for aquatic vegetation management, border security and other law enforcement related operations.
SOURCE(S):	Undedicated and unspecified state general revenue, unclaimed refunds of motorboat fuel taxes, other specific general revenue streams.
AUTHORITY:	General Appropriations Act; Tax Code Chapter 160, 162.502.

GAME, FISH AND WATER SAFETY

Account 009

ALLOWABLE USES:	Fisheries and wildlife management activities, including conservation, resource protection, research, habitat management and acquisition, private lands initiatives, fish hatcheries, and enforcement of game and fish laws. Also finances administrative costs of boat registration, boat and motor titling, construction, and maintenance of boat ramps, issuing licenses, enforcement of the Texas Water Safety Act, and related support. Proceeds credited to the account from the sale of certain stamps (such as migratory and upland game bird, freshwater and saltwater sportfishing) may only be spent for specific purposes as set forth in statute. Fund is subject to specific federal requirements regarding use of recreational hunting and fishing license revenues and related revenues.
SOURCE(S):	Hunting and fishing licenses and stamps, federal funds, boat user, manufacturer and dealer registration and titling fees, fines and penalties, interest income, and revenue from other activities.
AUTHORITY:	Includes PW Code 11.033, 43.405, 43.655, 43.657, 43.805; Tax Code 160.121

STATE PARKS

Account 064

ALLOWABLE USES:	Acquisition, planning, development, administration, operation, maintenance and improvements of state parks and historic sites and related support functions.
SOURCE(S):	Park entrance and use fees, sporting goods sales tax revenues, revenue derived from park concessions, donations, publications, fines and penalties, a portion of vessel registration and titling fees, and any other source provided by law.
AUTHORITY:	Includes PW Code 11.035 and 13.004; Tax Code 151.801; Texas Constitution, Article VIII, Sec. 7-d

TEXAS RECREATION AND PARKS

Account 467

ALLOWABLE USES:	Matching grants to counties/municipalities with populations of less than 500,000 and to any other political subdivision. Grants may be provided for planning, acquisition, or development of local parks and grants for recreation, conservation, or education programs for underserved populations. Once revenues to the account exceed \$14 million per year, at least 15 percent must be used to fund indoor recreational facility grants.
SOURCE(S):	Sporting goods sales tax revenues, other sources as authorized.
AUTHORITY:	PW Code Chapter 24; Tax Code 151.801; Texas Constitution, Article VIII, Sec. 7-d

LARGE COUNTY AND MUNICIPALITY RECREATION AND PARKS ACCOUNT

Account 5150

ALLOWABLE USES:	Matching grants to counties/municipalities with populations of 500,000 or more, and to non-profit corporations for use in large counties/municipalities. Grants may be provided for planning, acquisition, or development of local parks and grants for recreation, conservation, or education programs for underserved populations. Once revenues to the account exceed \$14 million per year, at least 15 percent must be used to fund indoor recreational facility grants.
SOURCE(S):	Sporting goods sales tax revenues, other sources as authorized.
AUTHORITY:	PW Code Chapter 24; Tax Code 151.801; Texas Constitution, Article VIII, Sec. 7-d

NON-GAME SPECIES AND ENDANGERED SPECIES CONSERVATION

Account 506

ALLOWABLE USES:	Any department activity or program relating to non-game and endangered species, including management, research, conservation, restoration, dissemination of information, acquisition and development of habitat.
SOURCE(S):	Private contributions, grants and donations, proceeds from sale of wildlife prints and stamps, endangered species propagation permits, entrance fees, other income.
AUTHORITY:	PW Code 11.052, 68.018

LIFETIME LICENSE ENDOWMENT

Account 544

ALLOWABLE USES:	Corpus and interest earned may be used for capital expenditures related to fisheries and wildlife resources, including land acquisition, construction, and purchase of transportation items, equipment, and IT resources. Interest may further be used to develop, acquire, manage, and repair public hunting and fishing areas. The fund may not be used to pay salary or benefit costs, and an unencumbered balance of \$20 million must be maintained in the corpus of the fund. Fund is subject to specific federal requirements regarding use of recreational hunting and fishing license and related revenues.
SOURCE(S):	Revenues from lifetime hunting, fishing, or combination licenses, gifts, grants and donations, interest income, other.
AUTHORITY:	PW Code 11.061

ARTIFICIAL REEF

Account 679

ALLOWABLE USES:	Promotion, development, maintenance, and enhancement of the state's artificial reef program.
SOURCE(S):	Gifts and donations from private and public sources; interest.
AUTHORITY:	PW Code 89.041

PARKS AND WILDLIFE CONSERVATION AND CAPITAL

Account 5004

ALLOWABLE USES:	For expenditure only on acquisition, development, maintenance or operation of parks, fisheries or wildlife projects that have been individually approved by the Commission.
SOURCE(S):	Receives sporting goods sales tax revenues, revenue bond proceeds and other funds. Note: House Bill 7 (83rd Legislature) provided that effective September 1, 2013, all revenue from the sale of specialty plates shall be paid to the credit of a new trust fund created by the Comptroller outside the general revenue fund (License Plate Trust Fund Account 0802). As such, language in Section 504.618 of the Transportation Code which specifies that conservation plate revenues shall be deposited to the Parks and Wildlife Conservation and Capital Account is obsolete.
AUTHORITY:	PW Code 11.043; Texas Constitution, Article VIII, Sec. 7-d

LICENSE PLATE TRUST FUND

Account 0802

ALLOWABLE USES:	<p>To be used in accordance with the statutory purpose of each individual specialty license plate as specified in the Transportation Code or other source.</p> <p>Note: This is not a TPWD specific fund. The appropriated fund includes subaccounts for all specialty license plates, both TPWD and non-TPWD related. TPWD related subaccounts include TPWD Conservation Plates (3042-Monarch Butterfly, 3043-Horned Toad, 3044-Bluebonnet, 3045-Whitetail Deer, 3046-Camping, 3047-Largemouth Bass, 3048-Hummingbird, 3049-Rattlesnake, 3050-Texas Rivers, 3051-Bighorn Sheep, 3052-Roadrunner) and pass-through non-profit plates (3030-Big Bend, 3057-Waterfowl/Wetlands, 3116-Texas Lions Camp, 3120-Marine Mammal Recovery, 3142-Marine Conservation, 3151-Save Texas Ocelots, 3152-Quail, 3153-Big Bend Fossil Plate, 3154-Houston Audubon-Meadowlark and 3155-Guadalupe Mountains National Park).</p>
SOURCE(S):	Revenues from the sale of specialty license plates, interest.
AUTHORITY:	Transportation Code 504.6012

DEFERRED MAINTENANCE FUND
Account 5166

ALLOWABLE USES: To fund deferred maintenance projects to bring state facilities into a better state of repair to ensure the safety of employees and visitors, the efficiency of building operations, and a long-term reduction in repair costs.

SOURCE(S): Fund consists of money appropriated, credited, or transferred to the fund by or at the discretion of the Legislature.

Note: This is not a TPWD specific fund. The appropriated fund includes amounts transferred from other funding sources to cover appropriations at multiple state agencies. For the 2016-17 biennium, a total of \$91.0 million was appropriated to TPWD from the Deferred Maintenance Account, consisting of the following sources: General Revenue (\$27.6 million), Sporting Goods Sales Tax - 64 (\$47.9 million), SGST - 5004 (\$6.6 million), and Game, Fish and Water Safety Account (\$8.9 million). For the 2024-25 biennium, remaining balances and interest earnings associated with and accrued on the Game, Fish and Water Safety Account amounts were appropriated to TPWD (see 2024-2025 GAA, 88th Legislature R.S., bill pattern method of finance and TPWD Rider 38).

AUTHORITY: Government Code 2165.403

CENTENNIAL PARKS CONSERVATION FUND

Account 1205

ALLOWABLE USES:	New fund established by 88th Legislature, to be held outside the treasury by the Texas Treasury Safekeeping Trust Company, to be used for the purpose of creation and improvement of state parks. Requests for proposed acquisitions must be submitted to the LBB before the property is acquired. Money in the fund may not be used to pay salaries, employee benefits, or related costs, administration, operating or program costs of the department, or for maintenance or operation of state parks.
SOURCE(S):	Fund consists of: (1) money appropriated, credited, or transferred to the fund by the Legislature; (2) gifts, grants, and donations received by the Parks and Wildlife Department or the department's successor in function for a purpose for which money in the fund may be used under Texas Constitution, Art. III, Section 49-e-1; and (3) investment earnings and interest earned on amounts credited to the fund.
AUTHORITY:	Texas Constitution, Art. III, 49-e-1; Parks and Wildlife Code Chapter 21A.

GENERAL OBLIGATION BONDS

ALLOWABLE USES:	Critical infrastructure repair, maintenance, improvements and other projects.
AUTHORITY:	General Appropriations Act; Texas Constitution, Article III, 50 (f) and 50 (g)

REVENUE BONDS

ALLOWABLE USES:	Construction of a new freshwater fish hatchery in East Texas, including construction project management and necessary equipment.
AUTHORITY:	General Appropriations Act, 79th Legislature, Rider 24

A P P E N D I X B

Sporting Goods Sales Tax

SPORTING GOOD SALES TAX DEFINITION

Sporting Goods Sales Tax (SGST) reflects that portion of the existing 6.25 percent state sales tax attributed to the sale of items that fall within the definition of sporting goods. The Comptroller derives estimates for sporting goods sales tax based primarily on product sales detail, data relating to sales tax remittances from taxpayers in certain National American Industry Classification System (NAICS) codes, and other sources.

Sporting goods are defined in both constitution (Article VIII, Sec. 7-d) and statute (Tax Code, 151.801(e)(2)) as “... an item of tangible property designed and sold for use in a sport or sporting activity, excluding apparel and footwear except that which is suitable for use only in a sport or sporting activity, and excluding board games, electronic games, and similar devices, aircraft and powered vehicles, and replacement parts and accessories for any excluded item.”

Some of the more significant categories of sporting goods in the SGST definition include:

- Bicycles and supplies
- Hunting and firearms equipment
- Exercise equipment
- Fishing tackle
- Golf equipment
- Camping equipment

SIGNIFICANT SGST LEGISLATION

In 1993, House Bill 706 (73rd R.S.) replaced cigarette tax funding for state parks by establishing SGST as a funding source for TPWD. This bill directed that proceeds from the sale of sporting goods, up to a specified amount of \$27 million were to be divided in half between the State Parks Account-64 and the Texas Recreation and Parks Account-467. In addition, starting in Fiscal Year 1996, proceeds above the \$27 million, up to a statutory cap of \$32 million, were to be split 40 percent to the State Parks Account, 40 percent to the Texas Recreation and Parks Account, and 20 percent to the Texas Parks and

Wildlife Conservation and Capital Account-5004 (overall equating to \$15.5 million each to Account 64 and 467, and \$1 million to Account 5004).

In 2007, the 80th Legislature passed House Bill 12, which directed 94 percent of total SGST proceeds to TPWD and the remaining 6 percent to the Texas Historical Commission, subject to legislative appropriations. House Bill 12 also required that SGST appropriations to TPWD be credited 74 percent to the State Parks Account, 15 percent to the Texas Recreation and Parks Account, 10 percent to the Large County and Municipality Recreation and Parks Account, and 1 percent to the Texas Capital and Conservation Account.

In 2013, the 83rd Legislature passed House Bill 7, amending Tax Code to allow TPWD to receive SGST funding in amounts sufficient to cover related employee benefit costs.

In 2015, the 84th Legislature enacted new legislation (House Bill 158 and Senate Bill 1366) which dedicated SGST to state and local parks purposes and increased flexibility in how these funds could be allocated between TPWD funds, effectively removing the by-fund percentages previously mandated. There was conflicting language in the two bills regarding amounts to be credited to TPWD; ultimately, the final interpretation was that TPWD was limited to amounts appropriated by the Legislature.

In 2019, the 86th Legislature passed the following:

- Senate Joint Resolution 24: This joint resolution automatically appropriated the full amount of SGST to TPWD and the Texas Historical Commission (THC) effective September 1, 2021 (start of Fiscal Year 2022). Amounts would be allocated as provided by general law. The Legislature, by resolution approved by 2/3 of the members of each house, may reduce appropriations by up to 50 percent. This joint resolution (Proposition 5) was approved by voters on November 5, 2019.

- Senate Bill 26: This bill was the enabling legislation for SJR24, and established mechanisms allowing for the receipt and allocation of the automatic SGST appropriations. The bill outlined where, how and for what purposes the automatic appropriations can be directed, and provided that the Legislature, via the GAA, will specify how the SGST appropriations will be allocated to specific accounts/purposes.
- House Bill 1422: This bill transferred several historic sites from TPWD to THC and amended Tax Code to change the SGST allocation to designate 93 percent for TPWD and 7 percent for THC (was previously 94 percent TPWD/6 percent THC).

SGST APPROPRIATIONS TO TPWD

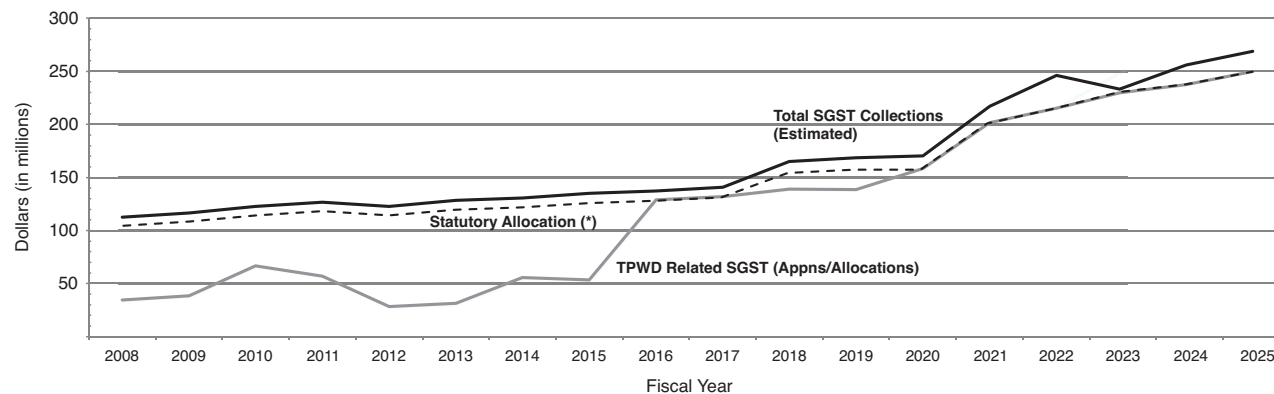
The Comptroller's estimate of total sporting goods sales tax revenues has steadily increased over the years — from \$112.5 million in Fiscal Year 2008 to an estimated \$269.3 million in Fiscal Year 2025.

For the 2024-2025 biennium, the General Appropriations Act (GAA) allocated TPWD a total of \$441.5 million in SGST, which reflected the full amount allowable under Tax Code, equating to 93 percent of the

total \$474.8 estimated by the Comptroller for the biennium in the January 2023 Biennial Revenue Estimate. Subsequent Comptroller updates in October 2023 have resulted in an additional \$47.2 million in SGST allocated to TPWD, for a new total of \$488.8 million over the 2024-25 biennium. Under the process set forth in GAA Rider 14, Sporting Goods Sales Tax (SGST), allocation of these additional amounts to programs and strategies is based on an assessment of current needs in consultation with and subject to approval by the Legislative Budget Board.

As shown in the chart below, while TPWD SGST appropriations have reflected growth over time, until recently amounts were not consistent or predictable from biennium to biennium, and the total amounts provided to TPWD were below the statutory allocations, with a few exceptions. These fluctuations in SGST appropriations created challenges for long-term planning and TPWD's ability to effectively address changing and growing state and local park needs. Passage of SJR 24 by the 86th Legislature, and Proposition 5 by voters in November 2019, has helped to provide more predictable and sustained funding streams for state and local parks.

**Sporting Goods Sales Tax Collections
Compared to TPWD Related SGST Allocations**



Source: Comptroller's Office and GAAs

* Statutory allocation percent changed from 94% to 93% effective for the 2020-21 biennium and forward.



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