



LEGISLATIVE BUDGET BOARD

**Fiscal Year 2020
Operating Budget Instructions
for
Executive and Administrative Agencies,
Appellate Courts, and Judicial Branch Agencies**

**LEGISLATIVE BUDGET BOARD STAFF
GOVERNOR'S OFFICE, BUDGET DIVISION**

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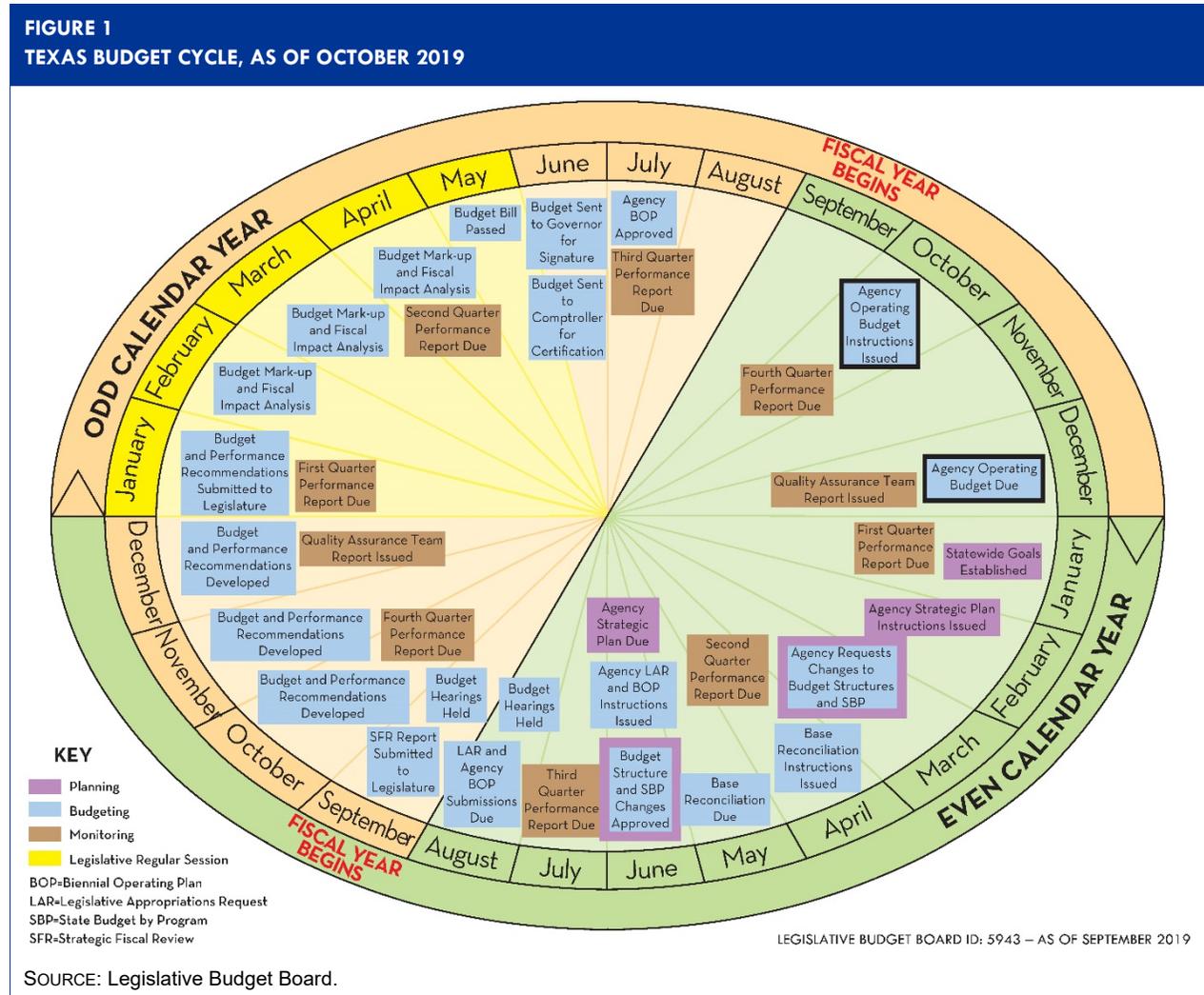
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INTRODUCTION

The Eighty-sixth Legislature, General Appropriations Act (GAA), 2020–21 Biennium, Article IX, Section 7.01, provides that itemized operating budgets must be filed by each state agency with the Office of the Governor, the Legislative Budget Board (LBB), and the Legislative Reference Library each fiscal year by December 1. Note that the terms state agency or agency used throughout these instructions includes the appellate courts.

STATE BUDGET CYCLE

Figure 1 shows the two-year state budgeting cycle, which may be subject to change. The portion of the cycle that pertains to the information in this document is outlined in black.



OPERATING BUDGET COMPONENTS

The two primary components in the operating budget are the Summary of Budget by Strategy and the Summary of Budget by Method of Finance. The Summary of Budget by Strategy will reflect the appropriation bill pattern contained in the GAA for each agency.

The Summary of Budget by Method of Finance must identify all methods of finance (MOF) from which funds have been appropriated, expended, or budgeted. For each MOF, enter the Regular Appropriation amounts from the Conference Committee Report on Senate Bill 1, Eighty-fifth Legislature, 2017, for fiscal years 2018 and 2019, and

from the Conference Committee Report on House Bill 1, Eighty-sixth Legislature, 2019, for fiscal year 2020. These reports are available on the LBB website at www.lbb.state.tx.us → Budget → Budget Documents by Session. Any adjustments to the amounts appropriated (i.e., Regular Appropriations) in Senate Bill 1 for fiscal years 2018 and 2019 and House Bill 1 for fiscal year 2020 must be reflected in the Summary of Budget by Method of Finance.

Adjustments include:

- changes in appropriated amounts to reflect specific GAA provisions in Article IX, end-of-article Special Provisions, and agency-specific riders;
- the enactment of the following legislation:
 - House Bill 2, Eighty-fifth Legislature, Regular Session, 2017;
 - House Bill 3849, Eighty-fifth Legislature, Regular Session, 2017;
 - House Bill 21, Eighty-fifth Legislature, First Called Session, 2017;
 - House Bill 30, Eighty-fifth Legislature, First Called Session, 2017;
 - Senate Bill 500, Eighty-sixth Legislature, 2019;
 - House Bill 3317, Eighty-sixth Legislature, 2019;
- the Governor’s Veto Proclamation reductions;
- the most recent projections of Federal Funds and other estimated funds, federal reimbursements, and Earned Federal Funds; and
- any other legislation passed by the Eighty-fifth or Eighty-sixth Legislatures that makes, reduces, or reclassifies appropriations to the agency, including any other funds available for expenditure that were not foreseen at the time Senate Bill 1, 2017, or House Bill 1, 2019, were enacted.

Other adjustments to fiscal year 2020 relating to Article IX provisions should be made to the extent that they are known when the operating budget is filed. The information for fiscal years 2018 and 2019 in the summary must match the 2018–19 Biennial Base Reconciliation previously approved by the LBB and the Office of the Governor, Budget Division, except for appropriation adjustments for Senate Bill 500, Eighty-sixth Legislature, 2019, and updated data.

These instructions and the instructions for entering data into the Automated Budget and Evaluation System of Texas (ABEST) are prepared by the LBB and are available on the LBB website at www.lbb.state.tx.us/Agencies_Portal.aspx → Instructions → Operating Budget. Any questions regarding these instructions should be directed to the LBB.

GENERAL OPERATING BUDGET INSTRUCTIONS

HIGHLIGHTS AND WHAT'S NEW

These instructions are similar to those used to prepare operating budgets for fiscal year 2018. Please see the following notable highlights and differences:

- **Centralized Accounting and Payroll/Personnel System (CAPPS).** Agencies utilizing or deploying onto the Texas Comptroller of Public Accounts' (CPA) statewide enterprise resource planning system, known as CAPPS, are required to identify CAPPS-related expenditures using Capital Expenditure Category Code 8000 when preparing the Capital Budget Project Schedule. Agencies transitioning to or implementing CAPPS as a hub agency, such as the Department of Transportation and the Health and Human Services Commission, should also identify related expenditures in accordance with this schedule. Please note the following requirements:
 - all CAPPS costs, including ongoing maintenance, should be identified appropriately as capital expenses within Capital Expenditure Category Code 8000, including salaries and other staffing costs; and
 - as a reminder, agencies that make payments to CPA for converted PeopleSoft licenses used for internal accounting systems should identify these costs in Capital Budget Project Schedules.
- **Relevant Legislation for Fiscal Year 2020.** Consistent with the approach taken in previous years, agencies should adjust the 2020 appropriated amounts, as shown in the Conference Committee Report on House Bill 1, Eighty-sixth Legislature, Regular Session, 2019. The report is available on the LBB website. Agencies should adjust amounts for the following:
 - Senate Bill 500, Eighty-sixth Legislature, 2019; and
 - House Bill 3317, Eighty-sixth Legislature, 2019.
- **Budgetary Impacts Related to Recently Enacted State Legislation Schedule.** Agencies implementing new state legislation enacted by the Eighty-sixth Legislature should complete this schedule showing expended and estimated amounts for fiscal years 2019 to 2023.
- **Hurricane Harvey.** Agencies that continue to receive and expend federal funding related to Hurricane Harvey should continue to report those expenditures in the agencies' Federal Funds Supporting and Tracking schedules. Additionally, agencies should report All Funds expenditures related to the storm in the Homeland Security Funding Schedule, Part B: Natural or Human-Made Disaster Expenditures.
- **Federal Funds Tracking Schedule.** All agencies are required to submit Federal Funds tracking schedules for any grant award that equaled or exceeded \$10.0 million in fiscal year 2018 or upon request by the LBB or Office of the Governor. Please note that the \$10.0 million threshold refers specifically to the award and not the final expended amount.
- **Grants from Trusteed Programs within the Office of the Governor.** Use MOF Code 8000 (Other Funds) to report grant funds received from the Trusteed Programs within the Office of the Governor. These funds include any grant received pursuant to the Eighty-fifth and Eighty-sixth Legislatures, General Appropriations Act (GAA) of either the 2018–19 or 2020–21 biennium, Article I, Trusteed Programs within the Office of the Governor, Rider 2, Disaster and Deficiency Grants, which should be cited as the authority for these funds. MOF Code 8000 is also required to report any funds received from Trusteed Programs when the sources were the emergency appropriations made available by the 2018–19 or 2020–21 GAAs, Article I, Trusteed Programs, Rider 3, Governor's Emergency Appropriations, which is the authority to cite for these funds. Entries reported as a Governor's Disaster/Deficiency/Emergency Grant will be treated similarly to Interagency Contracts for budget summary purposes.
- **Fund Transfers.** Funds transferred pursuant to House Bill 21, Eighty-fifth Legislature, First Called Session, 2017, and House Bill 30, Eighty-fifth Legislature, First Called Session, 2017, should be identified as Transfers, not Supplemental or Special Appropriations.
- **Payroll Contribution for Group Health Insurance and Additional Payroll Contribution for Retirement Contribution.** The payroll contribution for Group Health Insurance, pursuant to the 2018–19 and 2020–21 GAAs, Article IX, §17.03, and the retirement contribution, pursuant to the 2018-19 and 2020–21 GAAs, Article IX, §17.06, should be treated as expenditures and not as Transfers. Accordingly, they should not be shown as appropriations adjustments in Schedule 2.B. Summary of Budget by Method of Finance. Instead, for contributions pursuant to these provisions, agencies should use Objects of Expense 2009. Please contact your LBB or Office of the Governor, Budget Division, analyst if you have additional questions.

DEADLINE

Agencies must submit their completed operating budgets, through ABEST and via PDF, on or before December 1, 2019.

ELECTRONIC SUBMISSION

Agencies are required to submit a searchable and accessible PDF version of the operating budget electronically through the LBB Document Submissions application and via email to the Office of the Governor, Budget Division, at budgetandpolicyreports@gov.texas.gov. The LBB Document Submissions application is available on the LBB website at docs.lbb.state.tx.us. If LBB analysts require paper copies, they will make these requests separately. The Office of the Governor and the Legislative Reference Library require paper copies; the State Publications Clearinghouse requires a PDF copy only.

All agencies, institutions of higher education, and appellate courts and judicial branch agencies should include their Dual Submission certification in the PDF submission that is submitted through the LBB application (Document Submissions) located on the LBB's website at docs.lbb.state.tx.us and submit a copy to the Office of the Governor, Budget Division at budgetandpolicyreports@gov.texas.gov.

Agencies with a valid user ID and password for ABEST can access the application. The Help tab on the login screen of the Document Submissions application provides additional instructions for completing the electronic submission.

Agencies that do not have a user ID and password for ABEST must request access by submitting a Logon Request Form at loginreqqy.lbb.state.tx.us.

Use the Contact Us tab within the LBB Document Submissions application to request support or assistance.

NOTE

If an agency needs and has received permission to revise the completed operating budget in ABEST, the agency must submit a PDF version of the revised operating budget through the Document Submissions application.

CERTIFICATION OF DUAL SUBMISSIONS

The Operating Budget is submitted electronically, both through ABEST and as a PDF document. The request submitted in ABEST is the official submission. A certification of the content of the dual submissions, and assurance that the ABEST submission and the PDF document are identical, shall be submitted as part of the PDF document. If there is a discrepancy between the ABEST submission and the PDF document, the ABEST submission will be presumed correct. The certification form is available on the LBB website at www.lbb.state.tx.us/Agencies_Portal.aspx → Instructions → Operating Budget Instructions → Certificate of Dual Submission Template.

If an elected official is the head of an office, the first assistant may sign for the elected official.

OPERATING BUDGETS ON AGENCY WEBSITES

Each agency is required to place its operating budget for fiscal year 2020 on the agency website within five days of submitting the required PDF file. If an agency needs technical assistance, contact LBB PC Technical Support at (512) 936-4026. Any revisions to an agency's operating budget, including all changes to affected forms and schedules, should be posted to the agency website within five days of submitting the revision to the two budget offices.

An operating budget includes an overview and up to 11 ABEST schedules. Agencies enter ABEST data into various data-entry screens. Figure 2 shows the summaries and schedules and the corresponding data-entry screen or screens for each summary. Data-entry screens used in entering data for the Legislative Appropriations Request are also used for the corresponding operating budget summaries and schedules.

**FIGURE 2
AUTOMATED BUDGET AND EVALUATION SYSTEM OF TEXAS (ABEST) SUMMARIES FOR FISCAL YEAR 2020 OPERATING BUDGETS**

OPERATING BUDGET	ABEST DATA ENTRY TABS AND SUBMENUS
Budget Summaries:	
Budget Overview	Strategy / Budgeting; Strategy / CFDAs; Strategy / FTEs
2.A. Summary of Budget by Strategy	Strategy / Budgeting; Strategy / CFDAs; Strategy / FTEs
2.B. Summary of Budget by Method of Finance	Summary of Requests / MOFs Summary of Requests / FTEs
2.C. Summary of Budget by Object of Expense	Strategy / Budgeting
2.D. Summary of Budget by Objective Outcomes	Measures / Outcomes
3.A. Strategy Level Detail	Strategy / Budgeting Measures / Strategy-related
Supporting Schedules:	
4.A. Capital Budget Project Schedule Capital Budget Allocation to Strategies	Capital Projects / Project List; Capital Projects / Projects Detail; Capital Projects / Financing; Capital Projects / Strategy Allocation
4.B. Federal Funds Supporting Schedule	Supporting Information / Federal Funds / Supporting Schedule
4.C. Federal Funds Tracking Schedule	Supporting Information / Federal Funds / Tracking Schedule
4.D. Estimated Revenue Collections Supporting Schedule	Supporting Information / Estimated Revenue Collections Schedule
4.E. Homeland Security Funding Schedule	Supporting Information / Homeland Security / OOE / MOFs; Supporting Information / Homeland Security / CFDA; Supporting Information / Homeland Security / Pass Through Funds
4.F. Part A. Budgetary Impacts Related to Recently Enacted State Legislation Schedule	Supporting Information / Budgetary Impacts of Recently Enacted Legislation (BIREL) / Descriptions;
4.F. Part B. Summary of Costs Related to Recently Enacted State Legislation Schedule	Supporting Information / BIREL / IT Components; Supporting Information / BIREL / Contract Details; Supporting Information / BIREL / Strategy Related Details; Supporting Information / BIREL / CFDAs; and Supporting Information / BIREL / Outcomes

Data for one additional schedule, Substrategy Detail, is not submitted through ABEST; it is submitted using Microsoft Excel spreadsheets. The template for this schedule is available on the LBB website at www.lbb.state.tx.us/Agencies_Portal.aspx → Instructions → Operating Budget Instructions. The Substrategy Detail is required only upon request of your LBB budget analyst or Office of the Governor, Budget Division, analyst.

ASSEMBLY AND DISTRIBUTION OF COPIES

To assemble bound paper copies of the operating budget, all pages—whether produced by using ABEST reports, word-processing software, or spreadsheets—should be on letter-size paper (8.5 inches by 11 inches) and bound along the left margin in a document with a durable cover. The operating budget should be printed on both sides, numbered, and assembled in the manner described in these instructions. Additional support documents may be included, and a pagination system other than the ABEST system may be used.

The following instructions apply to both the searchable PDF copy and the bound paper copies of the operating budget. These instructions and spreadsheet forms may be accessed on the LBB website at www.lbb.state.tx.us/Agencies_Portal.aspx → Instructions → Operating Budget Instructions. Agencies may develop and modify these spreadsheet forms as needed as long as the basic information and structure are maintained.

For additional information regarding ABEST schedules, refer to instructions contained in *Fiscal Year 2020 Operating Budget Instructions—ABEST Data Entry for Executive and Administrative Agencies, Appellate Courts, and Judicial Branch Agencies*, October 2019, or contact the ABEST Help Desk at (512) 463-3167.

Assemble requested documents in the following order:

1. Cover and Title Sheet;
2. Table of Contents;
3. Budget Summaries;
4. Strategy-level Detail;
5. Substrategy Detail (if required); and
6. Supporting Schedules:
 - a. Capital Budget Project Schedule;
 - b. Federal Funds Supporting Schedule;
 - c. Federal Funds Tracking Schedule (if required);
 - d. Estimated Revenue Collections Supporting Schedule (if required);
 - e. Homeland Security Funding Schedule (if required); and
 - f. Budgetary Impacts Related to Recently Enacted State Legislation Schedule (if required).

DISTRIBUTION OF COPIES

The operating budget is submitted to the LBB electronically when agencies change the budget status in ABEST to *complete*. Use the information shown in Figure 3 to electronically submit PDF versions of the operating budget, mail or deliver bound paper copies, and submit any supplemental (i.e., non-ABEST) information required by either the LBB or the Office of the Governor.

The LBB or Office of the Governor, Budget Division, analyst assigned to an agency may request one or more bound paper copies of the operating budget. The requested copies may be mailed to the addresses shown in Figure 3, to the attention of the requesting analyst.

Other word processing and spreadsheet forms must be emailed to the Office of the Governor at budgetandpolicyreports@gov.texas.gov and must be included in the searchable PDF submitted through the LBB Document Submissions application at docs.lbb.state.tx.us.

**FIGURE 3
SUBMISSION OF ELECTRONIC AND BOUND COPIES AND SUPPLEMENTAL FILING**

Legislative Budget Board Robert E. Johnson Building, Fifth Floor (P.O. Box 12666, Austin, Texas 78711) lar@lbb.state.tx.us	ABEST and accessible PDF submissions Login: docs.lbb.state.tx.us
Office of the Governor, Budget Division 1100 San Jacinto Blvd., Fourth Floor (P.O. Box 12428, Austin, Texas 78711)	Accessible PDF submission Email: budgetandpolicyreports@gov.texas.gov
Legislative Reference Library State Capitol, Room 2N.3 (P.O. Box 12488, Austin, Texas 78711)	One bound paper copy and accessible PDF submission Email: lrl.techservices@lrl.texas.gov
Texas State Publications Clearinghouse, State Library Lorenzo de Zavala State Archives and Library Building (P.O. Box 12927, Austin, Texas, 78711-2927)	Accessible PDF submission Email: ref@tsl.texas.gov

OPERATING BUDGET SUMMARIES

These summaries include the agency's total operating budget and method of finance, reconcile expenditures and budgeted amounts to the original appropriations, summarize the agency's total operating budget by the Automated Budget and Evaluation System of Texas (ABEST) object of expense and strategy, and show the associated outcome measures.

GENERAL INFORMATION

The budget summaries include the following: Budget Overview; 2.A. Summary of Budget by Strategy; 2.B. Summary of Budget by Method of Finance; 2.C. Summary of Budget by Object of Expense; and 2.D. Summary of Budget Objective Outcomes. The Budget Overview includes data for fiscal years 2019 and 2020, and the other summaries also include fiscal year 2018.

IMPORTANT

- Amounts reported for fiscal years 2018 and 2019 include expenditures plus accruals and encumbrances payable from respective fiscal years.
- Amounts reported for fiscal year 2020 include the agency's best estimate for anticipated expenditures and encumbrances.
- Transferred programs should be reported at the agency in which the expenditure was actually made.
- Be prepared to provide an explanation for any significant differences from the agency appropriations to expended and budgeted amounts.

DATA ENTRY

The budget summaries include data for five ABEST-generated summaries. The names of the ABEST data-entry screens associated with each summary are in the ABEST data-entry tabs and submenus table on page 5. The agency status does not have to be set to complete to generate a summary. However, agencies must set the status of the general budget submission to complete before generating a final copy to ensure that no contradictions exist among sections of the request.

BUDGET OVERVIEW

The budget overview provides a concise summary of the agency's actual expenditures for fiscal year 2019, including accruals and encumbrances, and budgeted expenditures for fiscal year 2020, by strategy and method of finance. The schedule reflects the agency's goal and strategy appropriation pattern from House Bill 1, Eighty-sixth Legislature, Regular Session, 2019. For all fiscal years, the method of finance (MOF) and full-time-equivalent (FTE) position amounts, when totaled, must equal the Adjusted MOF and FTE Totals included in the Summary of Budget by Method of Finance in Schedule 2.B.

See the budget summary sample on page 1 of Budget Overview in the Appendix of Schedule Examples.

SUMMARY OF BUDGET BY STRATEGY

2.A. Summary of Budget by Strategy reflects the agency's goal and strategy appropriation pattern from House Bill 1, Eighty-sixth Legislature, Regular Session, 2019. The schedule contains information for fiscal years 2018 and 2019 actual expenditures, including accruals and encumbrances, and budgeted 2020 expenditures. For fiscal years 2018 and 2019, the strategy amounts when totaled should equal, except for appropriation adjustments for Senate Bill 500 and updated data, the 2018-19 Base Reconciliation previously approved by the Legislative Budget Board (LBB) and the Office of the Governor. For fiscal year 2020, the strategy amounts should include any appropriation adjustments for legislation passed by the Eighty-sixth Legislature that makes, reduces, or reclassifies appropriations to the agency and other updated data. For all fiscal years, the MOF and FTE position amounts, when totaled, must equal the Adjusted MOF and FTE positions totals included in the Summary of Budget by Method of Finance in Schedule 2.B.

See the Summary of Budget by Strategy sample on page 1 of Appendix 2.A in the Appendix of Schedule Examples.

SUMMARY OF BUDGET BY METHOD OF FINANCE

2.B. Summary of Budget by Method of Finance summarizes the agency's expenditures for fiscal years 2018 and 2019 and budget for fiscal year 2020 by MOF. This summary enables the LBB and the Office of the Governor to reconcile the original appropriation with the final expended and adjusted budgeted amounts. Each MOF is assigned to a category of fund (General Revenue Funds, General Revenue–Dedicated Funds, Federal Funds, or Other Funds). Each MOF is further detailed by Types of Appropriation (Regular, Rider, Transfers, etc.). See Categories of Funds and Types of Appropriation in the Method of Finance section of these instructions beginning on page 11.

IMPORTANT

- Be sure to show any authorized unexpended balances carried forward into the second year of the biennium, or from one biennium to the next, from each method of finance.
- An agency purchasing goods or services from another state entity uses the original method of finance (General Revenue Funds, Federal Funds, etc.). The agency acting as the vendor or provider of goods or services uses Interagency Contracts (or in some instances, Appropriated Receipts) as the method of finance.

For each MOF, enter the Regular Appropriation amounts from the respective Conference Committee Report of the General Appropriations Act (GAA). Specifically, enter the Regular Appropriation amounts from the Conference Committee Report on Senate Bill 1, Eighty-fifth Legislature, 2017, for fiscal years 2018 and 2019, and from the Conference Committee Report on House Bill 1, Eighty-sixth Legislature, 2019, for fiscal year 2020. Refer to Budget Documents by Session (www.lbb.state.tx.us/Legislative_Session.aspx?Session=86 → 86th Legislature → Conference and www.lbb.state.tx.us/Legislative_Session.aspx?Session=86 → View Other Legislative Sessions → 85th Legislature → Conference).

Adjustments to the Regular Appropriation amounts are made using the Types of Appropriation. These adjustments should include specific Article IX provisions, end-of-article Special Provisions, and agency-specific riders from the GAA; appropriating legislation; and other adjustments, including the following:

- latest estimates of Federal Funds and federal reimbursements;
- changes in appropriations (including Earned Federal Funds) based on changes to revenue estimates;
- appropriating riders in agency bill patterns, and Special and General Provisions;
- Governor's Veto Proclamation reductions;
- House Bill 2, Eighty-fifth Legislature, Regular Session, 2017; House Bill 3849, Eighty-fifth Legislature, Regular Session, 2017; House Bill 21, Eighty-fifth Legislature, First Called Session, 2017; House Bill 30, Eighty-fifth Legislature, First Called Session, 2017; Senate Bill 500, Eighty-sixth Legislature, 2019; House Bill 3317, Eighty-sixth Legislature, 2019; and any other legislation passed by the Eighty-sixth Legislature, 2019, that makes, reduces, or reclassifies appropriations to the agency;
- any funds that are specifically authorized for expenditure on agency operations such as appropriated unexpended balances authorized by agency riders; Article IX provisions, including salary adjustments; and legislation adopted by the Eighty-sixth Legislature, 2019, and funded by an appropriating rider contained in Article IX;
- budget reductions and transfers mandated by Special and General Provisions in the GAA;
- executive orders; and
- lapsed funds.

The information in the summary for fiscal years 2018 and 2019 should match the 2018-19 Base Reconciliation previously approved by the LBB and Office of the Governor. The only exceptions from the approved base

reconciliation are for appropriation adjustments for Senate Bill 500, Eighty-fifth Legislature, Regular Session, 2019; any other legislation passed by the Eighty-sixth Legislature that makes, reduces, or reclassifies appropriations to the agency; and any updated data including, but not limited to estimated appropriations, Federal Funds receipts, and lapses. For all fiscal years, the Adjusted MOF Totals in the Summary of Budget by Method of Finance must equal the total of the strategy amounts by MOF included in the Summary of Budget by Strategy. See the Summary of Budget by Method of Finance sample on page 1 of Appendix 2.B in the Appendix of Schedule Examples.

In addition to the MOF summary entered by the agency, the summary also reconciles the FTE positions as reported in agency strategies. See the Summary of Budget by Method of Finance sample on page 6 of Appendix 2.B in the Appendix of Schedule Examples.

SUMMARY OF BUDGET BY OBJECT OF EXPENSE

2.C. Summary of Budget by Object of Expense summarizes the agency's budget by object of expense codes to show the goods and services purchased by the agency. Eighteen objects of expense will be used for this summary. These objects of expense are shown in *ABEST Object of Expense Codes*, which is available on the LBB website at www.lbb.state.tx.us/Agencies_Portal.aspx → Reference Documents → ABEST → Object of Expense Codes. See the Summary of Budget by Object of Expense sample on page 1 of Appendix 2.C in the Appendix of Schedule Examples.

SUMMARY OF BUDGET BY OBJECTIVE OUTCOMES

2.D. Summary of Budget by Objective Outcomes summarizes agency outcome measures. Enter actual performance for fiscal years 2018 and 2019. For budgeted fiscal year 2020, enter the agency's current projected performance for each key and non-key outcome measure. For estimates that are not the same as the 2020 targeted performance identified in the 2020–21 GAA, updating the current estimate does not constitute a request to change the target. See the Summary of Objective Outcomes sample on page 1 of Appendix 2.D in the Appendix of Schedule Examples.

METHOD OF FINANCE

The method of finance (MOF) section in each applicable summary identifies the sources from which funds have been appropriated, expended, or budgeted.

GENERAL INFORMATION

The MOF section should identify all of the MOF codes from which funds have been appropriated, expended, or budgeted. These *Method of Finance Codes* are available on the Legislative Budget Board (LBB) website at www.lbb.state.tx.us/Agencies_Portal.aspx → Reference Documents → ABEST → Method of Finance (MOF) Codes. Agencies should consult their analysts at the Legislative Budget Board (LBB) or the Office of the Governor, Budget Division, with questions about which MOF code to use for a particular source of funds.

The Summary of Budget by Method of Finance enables the budget offices to reconcile the final expended amounts for fiscal years 2018 and 2019 and the budgeted amounts for fiscal year 2020 with the General Appropriations Acts for these years. To provide the necessary level of detail, this section should identify the MOF code for all amounts included in the operating budget. The MOF code cited should reflect the fund category applicable to the year in which the amounts were appropriated. This schedule also enables agencies to reconcile the number of full-time-equivalent (FTE) positions for each fiscal year. See the Summary of Budget by Method of Finance sample report on page 1 of Appendix 2.B in the Appendix of Schedule Examples.

IMPORTANT

For each MOF, enter the Regular Appropriation amounts from the Conference Committee Reports of the General Appropriations Acts. Specifically, enter the Regular Appropriation amounts from the Conference Committee Report on Senate Bill 1, Eighty-fifth Legislature, Regular Session, 2017, for fiscal years 2018 and 2019 and from the Conference Committee Report on House Bill 1, Eighty-sixth Legislature, 2019, for fiscal 2020. Both reports can be found on the Legislative Budget Board website at www.lbb.state.tx.us → Budget → Budget Documents by Session.

CATEGORIES OF FUNDS

The Automated Budget and Evaluation System of Texas (ABEST) uses four categories of funds: General Revenue Funds, General Revenue–Dedicated Funds, Federal Funds, and Other Funds. Each MOF code is assigned to a particular category of fund and ABEST subtotal amounts in the operating budget.

General Revenue Funds

General Revenue Funds include all non-dedicated General Revenue Funds and accounts, and Earned Federal Funds.

- Earned Federal Funds include funds received as a reimbursement for previous expenditures. All Federal Funds reimbursements received in connection with a federally funded program are treated as General Revenue Funds when the governing agreement does not require the funds to be spent on that program. Earned Federal Funds include, but are not limited to, indirect cost receipts and interest earned on advances of Federal Funds. Figure 4 shows citations for these funds.
- Tobacco Settlement Receipts require the appropriate MOF codes for funds received as tobacco settlement receipts that are not dedicated.

FIGURE 4 DEFINITION, APPROPRIATION, REPORTING, AND AUDIT OF EARNED FEDERAL FUNDS

Pursuant to Article IX, §13.11, in the biennial 2018–19 and 2020–21 General Appropriations Acts (GAA), Earned Federal Funds (EFF) are classified as collected revenue to the General Revenue Fund and included as part of the MOF code 0001. Article IX, §13.11(b), provides the amount of General Revenue Funds appropriations contingent on the collection of EFF by agency.

The Summary of Budget by Method of Finance should identify the incremental amount of EFF greater than or less than the fiscal years 2018, 2019, and 2020 amounts estimated in Article IX, §13.11(b). Affected agencies should identify the incremental amount of EFF greater than the amounts estimated in Article IX, §13.11(b) as Rider Appropriations within the General Revenue Funds MOF. Reductions due to uncollected revenue should be shown as a Lapsed Appropriation. Affected agencies receiving additional appropriation authority via this provision should review and comply with the notification and reporting requirements contained in Article IX, §13.11(c) and (d). (See page 1 of Appendix 2.B. Summary of Budget by Method of Finance for an example.)

Pursuant to Article IX, §13.11(h), EFF collected for post-retirement health insurance should not be included in agency appropriations. Agencies currently including collections for post-retirement health insurance in General Revenue Funds appropriations will need to adjust the appropriation down by this amount. Agencies should contact the Employees Retirement System of Texas to determine amounts for retiree insurance.

Any unexpended and unobligated balances in General Revenue Funds appropriations contingent on EFF at the end of fiscal year 2018 may be carried forward into fiscal year 2019 and identified as a Rider Appropriation adjustment. Pursuant to Article IX, §13.11(e), however, no unexpended balance authority carries over between biennia, and any unexpended balances of EFF that remained on August 31, 2019, lapse to the General Revenue Fund. Affected agencies should include unspent, unobligated amounts as a negative entry in the Summary of Budget by Method of Finance. (See page 16 for more on Unexpended Balance Authority.)

General Revenue–Dedicated Funds

General Revenue–Dedicated Funds include all dedicated General Revenue Fund accounts. The MOF codes on the LBB website incorporate changes made by House Bill 3849, Eighty-fifth Legislature, Regular Session, 2017, and House Bill 3317, Eighty-sixth Legislature, 2019, relating to the establishment and reestablishment of funds, and list the General Revenue–Dedicated Funds accounts. The MOF codes are available at www.lbb.state.tx.us/Agencies_Portal.aspx → Reference Documents → ABEST → Method of Finance (MOF) Codes.

Federal Funds

Federal Funds include all revenue received from the federal government that is not classified as Earned Federal Funds. The MOF code for most Federal Funds is 0555. Federal reimbursements related to natural disasters should be shown as Federal Funds. Use the appropriate Catalog of Federal Domestic Assistance (CFDA) number and extension to correctly identify Federal Funds awards and expenditures.

See the Federal Funds Supporting Schedule for additional information on how to enter a new CFDA number in ABEST.

IMPORTANT

For all Federal Funds method of finance codes, ABEST requires agencies to enter data at the federal program level using numbers assigned by the CFDA. If a CFDA number is not shown in ABEST, send an email to cfda@lbb.texas.gov.

Other Funds

Other Funds include Appropriated Receipts, Interagency Contract revenue, Bond Proceeds, and certain constitutionally or statutorily dedicated funds. These funds should be itemized using MOF codes from Method of Finance Codes at www.lbb.state.tx.us/Agencies_Portal.aspx → Reference Documents → ABEST → Method of Finance (MOF) Codes.

Appropriated Receipts include all receipts—such as fees, reimbursements, and other revenue—received for an authorized service and appropriated to the agency, usually to offset costs of providing the service. The MOF code for Appropriated Receipts is 0666.

The Summary of Budget by Method of Finance should itemize Appropriated Receipts by specific appropriation authority, such as 2020–21 GAA, Article IX, Section 8.02, Reimbursements and Payments; Section 8.03, Surplus Property; Section 8.07, Appropriation of Collections for Seminars and Conferences; or other relevant authority.

Interagency Contracts include funds received from another state agency in exchange for services, material, or equipment through a written agreement. Unless directed otherwise by the budget offices, these funds do not include transfers of funds from another state agency due to enactment of legislation that transfers programs. The MOF code for Interagency Contracts is 0777.

The Summary of Budget by Method of Finance should show the source of funds applicable to the fiscal year for which the amount was appropriated. An agency purchasing goods or services from another state entity uses the original MOF (General Revenue Funds, Federal Funds, etc.). The agency acting as the vendor or provider of goods or services uses Interagency Contracts as the MOF.

Agencies receiving criminal justice grants from the Trusteed Programs within the Office of the Governor, regardless of the original funding source, should identify those funds by using MOF Code 0444, Criminal Justice Grants, which are considered a type of Interagency Contract. Agencies should explain in the comments section the amount, purpose, and original funding source of each criminal justice grant.

Bond Proceeds include appropriated funds from authorized General Obligation or revenue bond issuances. Agencies appropriated Bond Proceeds for new construction, rehabilitation, and repair projects may be required to submit supplemental information regarding budgeted projects, including project categories and descriptions. Examples include water and wastewater improvements, deferred maintenance, locations, and timelines.

TYPES OF APPROPRIATION

An agency's operating budget may include eight types of appropriation. The Summary of Budget by Method of Finance must include descriptions that identify the appropriation authority for every type of appropriation included in the operating budget. Provide comments to explain the reasons for various appropriation adjustments. See the Summary of Budget by Method of Finance sample on page 1 of Appendix 2.B in the Appendix of Schedule Examples for sample descriptions and comments.

Regular Appropriations

Regular Appropriations (RA) include direct appropriations that are included in the agency's MOF table in the relevant Conference Committee Reports of the GAA. In the Summary of Budget by Method of Finance, MOF codes are organized by category of fund (General Revenue Funds, General Revenue–Dedicated Funds, Federal Funds, and Other Funds). Regular Appropriations are typically the first entry for each MOF code, and all other entries are shown as adjustments to this amount. As previously indicated, for each MOF, enter the Regular Appropriation amounts from the GAAs. Specifically, enter the Regular Appropriation amounts from the Conference Committee Report on Senate Bill 1, Eighty-fifth Legislature, Regular Session, 2017, for fiscal years 2018 and 2019, and from the Conference Committee Report on House Bill 1, Eighty-sixth Legislature, 2019, for fiscal year 2020. The reports are available on the LBB website at www.lbb.state.tx.us → Budget → Budget Documents by Session.

For example, the Conference Committee Report on House Bill 1, Eighty-sixth Legislature, Regular Session, 2019, appropriates a total of \$58,685,817 to the Secretary of State for fiscal year 2020, including \$38,858,588 in General Revenue Funds, \$200,000 in General Revenue–Dedicated Funds, \$10,881,229 in Federal Funds, and \$8,746,000 in Appropriated Receipts.

The Summary of Budget by Method of Finance for this example would show the following:

- the General Revenue Funds amount as a Regular Appropriation in the General Revenue Funds category;
- the General Revenue–Dedicated Funds amount as a Regular Appropriation in the General Revenue–Dedicated Funds category;

- the Federal Funds amount as a Regular Appropriation in the Federal Funds category; and
- the Appropriated Receipts amount as a Regular Appropriation in the Other Funds category.

Rider Appropriations

Rider Appropriations (RI) include amounts not specifically itemized in the agency's MOF table in the GAA, but which are appropriated to the agency by a general, special, or agency-specific provision of a GAA. General Provisions are in Article IX of the GAA; Special Provisions are at the end of some articles; and agency-specific provisions are at the end of the agency's bill pattern.

For each fund or account, enter each Rider Appropriation made in the GAA for the agency. Each entry should reflect the amount stated in the rider as the sum-certain or estimated amount. Subsequent entries or adjustments must reflect increases or decreases to the original rider amount. Enter the correct citation for each rider amount and adjustment. Note that the reference number for a rider in the GAA for one biennium may be different from the corresponding rider in the GAA for the next biennium.

Additional considerations include the following:

- Some riders provide estimated appropriation authority for revenue collections or unexpended balances, with the estimated amounts identified in the riders and included in the agency's regular appropriations in the MOF table. If the actual amounts are greater or less than the amount stated in the rider, show the incremental difference as a separate entry. If multiple revisions to an estimate result from different events, list each revision separately and show the same rider authorization for each. Appropriation reductions due to uncollected revenue may be shown either as a revised receipt Rider Appropriations adjustment or as a Lapsed Appropriation adjustment (see page 17 of these instructions);
- In addition to riders in agency bill patterns, several provisions in Article IX of the GAA authorize agencies to increase or decrease appropriations. Examples of the most commonly used provisions to show adjustments to original appropriations include Article IX, Part 13, Federal Funds, and Article IX, Section 8.02, Reimbursements and Payments (2018-19 and 2020-21 GAAs);
- Use caution when identifying appropriation adjustments related to a Capital Budget rider. Amounts shown in Capital Budgets are included in the agency's MOF table. However, agencies may be authorized to carry forward an unspent appropriation for a Capital Budget item. For example, Article IX, Section 14.03, Limitation on Expenditures—Capital Budget (2018-19 GAA) and Article IX, Section 14.03, Transfers – Capital Budget (2020-21 GAA), enables agencies to carry forward unspent capital budget amounts from the first year to the second year of the biennium. Capital Budget riders in agency bill patterns may provide other authority for capital budget adjustments or may contain restrictions on that authority; and
- In cases when an appropriation is contingent upon certification by the Texas Comptroller of Public Accounts (CPA), include only the certified amount. If the entire appropriation is not certified, include the appropriation stated in the rider, then show a negative entry for the amount not certified. Note that the appropriation related to the certification might be included in the Regular Appropriation in the MOF table. In these instances, do not enter the amount as a Rider Appropriation because the result will double-count the appropriation.

Supplemental, Special, or Emergency Appropriations

Supplemental, Special, or Emergency Appropriations (SU) may apply to any fund or account; enter appropriation amounts made specifically by legislation other than the GAA. Subsequent entries or adjustments must include increases to the original supplemental or special appropriations amount. However, any lapses of supplemental or special appropriations, should be entered as a Lapsed Appropriation type. Enter the correct citation for each adjustment.

Supplemental, special, or emergency appropriations include, but are not limited to the following:

- House Bill 2, Eighty-fifth Legislature, Regular Session, 2017;
- House Bill 21, Eighty-fifth Legislature, First Called Session, 2017;
- House Bill 30, Eighty-fifth Legislature, First Called Session, 2017;
- Senate Bill 500, Eighty-sixth Legislature, 2019; and
- Governor's Veto Proclamation reductions.

Appropriations referenced in the Governor's Veto Proclamation should reflect their current status in CPA's Uniform Statewide Accounting System (USAS), and should be shown as SU reductions. Therefore, amounts related to Governor's vetoes must be negative entries in this category.

Governor's Disaster/Deficiency/Emergency Grants

Governor's Disaster/Deficiency/Emergency Grants require the use of MOF Code 8000 (Other Funds) to report grant funds received from the Trusteed Programs within the Office of the Governor. These funds include any grant received pursuant to Article I, Trusteed Programs within the Office of the Governor, Rider 2, Disaster and Deficiency Grants (2018–19 GAA and 2020–21 GAA), which should be cited as the authority for these funds. MOF Code 8000 is also required to report any funds received from Trusteed Programs when the sources were the emergency appropriations made available by Article I, Trusteed Programs, Rider 3, Governor's Emergency Appropriations (2018–19 GAA and 2020–21 GAA), which is the authority to cite for these funds. Entries reported as a Governor's Disaster/Deficiency/Emergency Grant will be treated similarly to Interagency Contracts for budget summary purposes.

Transfers

Transfers (TR) include transfers affecting the agency for each affected fund and account. Indicate funds received as a positive entry and funds transferred as a negative entry. Separately identify each transfer by authority and amount. All subsequent entries or adjustments must reflect increases or decreases to the original transfer amount. Transfers include funds transferred to the agency for expenditure by the agency (positive entry), and funds transferred from the agency for expenditure by another agency (negative entry). These transfers may be pursuant to a provision in the GAA, a budget execution order, or other statutory authority relating to the transfer of programs and funds between agencies. Transfers may also include appropriation increases or decreases required by legislation and Article IX provisions.

Both the receiving agency and transferring agency should identify expenditures and budgeted amounts, including FTE positions, for transferred programs only for the years (or portion of a year) in which program funds were transferred. The receiving agency reports expenditures and budgeted amounts associated with transferred programs and related FTE positions. Both the transferring agency and the receiving agency should report the authorization for the program transfer. Program expenditures in years before the transfer should be shown at the agency that made the expenditures; receiving agencies should not recreate historical expenditures for a transferred program as if the program had existed at the receiving agency during those years. This direction applies to transferred programs for which appropriations are transferred between agencies, and to programs for which appropriations were made directly to the receiving agency. Classify the following as Transfers:

- budget reductions related to efficient use of state-owned and state-leased space, Article IX, Section 11.04 (2018–19 GAA and 2020–21 GAA), and lease savings, Article IX, Section 11.06 (2018–19 GAA and 2020–21 GAA);
- budget transfers authorized by contingency appropriation provisions; for example, Article IX, Section 18.24, Contingency for House Bill 3078 (2018–19 GAA), which transfers the authority and appropriations for a program from one agency to another;
- funds transferred by a budget execution order (do not reference cases in which budget execution authority transfers funds between strategy items within the agency);

- disaster-related transfers authorized by Article IX, Section 14.04 (2018–19 GAA and 2020–21 GAA); and
- program transfers between agencies pursuant to legislation, but not addressed in the GAA or other appropriation legislation.

Do not classify the following as Transfers:

- benefit replacement pay and employee benefits such as retirement, group insurance, Social Security, and post-retirement healthcare costs should not be included, except as directed in the following schedules:
 - Estimated Revenue Collections Supporting Schedule;
 - Federal Funds Supporting Schedule; and
 - Federal Funds Tracking Schedule;
- the 50.0 percent reimbursement paid to the Texas Workforce Commission (TWC) for unemployment benefits, Article IX, Section 15.01 (2018–19 GAA and 2020–21 GAA)—these are payments made from agency appropriations and should be treated as expenditures at the strategy level; agencies that are required to reimburse TWC an additional 50.0 percent from unappropriated fund balances should likewise not show the additional 50.0 percent as a Transfer or other adjustment in the Summary of Base Request by Method of Finance;
- amounts transferred pursuant to the Statewide Cost Allocation Plan, Article IX, Section 15.04 (2018–19 GAA and 2020–21 GAA)—these amounts, when transferred from appropriated funds, should be treated as expenditures;
- amounts transferred to the Health Professions Council pursuant to Article VIII, Special Provisions Relating to All Regulatory Agencies, Section 3, Funding for Health Professions Council (2018–19 GAA and 2020–21 GAA)—these amounts, when transferred from appropriated funds, should be treated as expenditures;
- payroll contributions for group health insurance authorized by Article IX, Section 17.03 (2018–19 GAA and 2020–21 GAA)—these amounts, when transferred from appropriated funds, should be treated as expenditures; and
- additional payroll contribution for retirement contribution pursuant to Article IX, Section 17.06 (2018–19 GAA and 2020–21 GAA)—these amounts, when transferred from appropriated funds, should be treated as expenditures.

Unexpended Balances (UB)

Unexpended Balances (UB) are funds carried forward from a previous fiscal year’s appropriation as authorized by a specific provision in the GAA, or other legislative or constitutional authority. See Article IX, Section 6.01, (2018–19 GAA and 2020–21 GAA) for a complete definition. Agencies should include unexpended balances by MOF and indicate amounts unspent and unobligated as a negative entry in the first year and a corresponding positive entry in the following fiscal year. If UB authority is provided by a rider or Article IX provision, it should be cited as a Rider Appropriation as previously described. See Rider Appropriations and Summary of Budget by Method of Finance example, page 1 of Appendix 2.B in the Appendix of Schedule Examples. Otherwise, indicate the specific carry-forward authority, which typically is a designated MOF or strategy, and list it as a UB type of appropriation. Agencies with UB authority for Bond Proceeds must provide a reasonable estimate of unencumbered and unissued appropriation balances appropriated by prior legislatures.

For each fund and account, enter amounts for unexpended balances carried forward and cite the authority for each UB for that MOF. Subsequent entries or adjustments must reflect increases or decreases to the original unexpended balance amount. Enter the correct citation for each adjustment.

Base Adjustments (BA)

Base Adjustments include adjustments to estimated strategy appropriations or MOF due to revised revenue receipts or changes in spending demands. Note that entries of this type should not include estimated appropriations for which the authority is explicitly granted by an agency-specific rider, General Provision, or Special Provision; those adjustments should be cited and entered as a Rider Appropriation type.

Lapsed Appropriations (LA)

Lapsed Appropriations within each fund and account should be identified as negative entries. Lapsed appropriations are amounts left unspent and unobligated at the end of a fiscal year. Uncollected revenue may be shown as a lapse or a revised receipt in another appropriation type. Do not include amounts identified as unexpended balances. Include amounts that have lapsed as a negative entry by each applicable MOF code. Report any anticipated lapses for fiscal year 2020.

FULL-TIME-EQUIVALENT POSITIONS

Agencies are required to submit summary information on full-time-equivalent (FTE) positions as part of the Summary of Budget by Method of Finance. However, ABEST has a separate data-entry screen for FTE position information. As indicated in the Method of Finance and Strategy Level Detail instructions, the number of FTE positions associated with the actual and budgeted amounts for each strategy should be identified. The sum of the FTE positions across all strategies must equal the Adjusted FTEs Total for each fiscal year included in the Summary of Budget by Method of Finance.

The FTE position summary follows the same format previously described for MOFs regarding the source for Regular Appropriations: an agency's authorized position cap as identified in the Conference Committee Report on Senate Bill 1, 2017, for fiscal years 2018 and 2019, and in the Conference Committee Report on House Bill 1, 2019, for fiscal year 2020. Adjustments should be itemized following the Regular Appropriations using the remaining categories of appropriation types (Rider, Transfer, etc.) and specific authority for each.

Unless specific legislative exceptions have been made for an agency, the total adjusted FTE positions reported as expended for fiscal years 2018 and 2019 should equal the average of the four quarterly position amounts reported to the Classification Division of the State Auditor's Office. The only exception is for interagency position transfers due to program transfers. The FTE position reports are available online at www.sao.texas.gov → Resources → Tools → Online Systems → Full-Time-Equivalent (FTE) State Employee System.

Three additional categories of appropriation types are unique to FTE positions:

- Request to Exceed Adjustments (RE) show the incremental increase authorized by joint LBB and Office of the Governor, Budget Division, approval of a request to exceed FTE limitations set forth in Article IX, Section 6.10, Limitation on State Employment Levels (2018–19 GAA). If more than one approval has been made, list each approved FTE increase separately. Approvals by the LBB and Office of the Governor must be consistent to be effective. If a difference between the increases approved by the two offices exists, the lower FTE cap increase would be effective. Be sure to review both approval letters to determine if any differences exist between the budget offices. Please note that RE adjustments would apply only to fiscal years 2018 and 2019. Beginning in fiscal year 2020, Section 6.10 no longer authorizes agencies to request approval from the LBB and Office of the Governor to exceed FTE limitations.
- Unauthorized Number Over (Below) Cap (UN) is entered to reflect if any difference exists between the agency's adjusted cap and the actual number of FTE positions (in completed fiscal years) or budgeted FTE positions (in the current fiscal year) after all authorized adjustments to an agency's cap have been entered.
- Board or Administrator FTE Positions Adjustments: Pursuant to Article IX, Section 6.10, Limitation on State Employment Levels (2018–19 GAA and 2020–21 GAA), without the written approval of the LBB or Office of the Governor, a state agency may increase its FTE position cap by the lesser of 50.0 FTE positions or 10.0 percent of the cap in its bill pattern. Show these adjustments as a rider appropriation and use the appropriate ABEST dropdown selection.

100 Percent Federally Funded FTE Positions

The number of 100 Percent Federally Funded FTE Positions are the number of FTE positions that are included in the expended and budgeted position totals that are funded entirely with Federal Funds. These positions are entered in the separate ABEST data entry screen for each fiscal year. Note that these FTE positions are not in addition to those entered in the summary of FTE positions, but rather describe a portion of the total. Do not include positions that are partially funded with Federal Funds in these totals.

CHECKLIST ITEMS

- Does the summary reflect appropriate and specific General Appropriations Act, Article IX provisions, end-of-article Special Provisions, agency-specific riders, and vetoes?
- Does the summary include all Transfers, including Interagency Transfers?
- Do the Regular Appropriation amounts reflect the biennial 2018–19 and fiscal year 2020 Regular Appropriation amounts, as shown in the Conference Committee Reports on Senate Bill 1, 2017, and House Bill 1, 2019, MOF tables?
- Excluding adjustments for Senate Bill 500, 2019; House Bill 3317, 2019; and updated data, do the biennial 2018–19 amounts in the Summary of Budget by Method of Finance reconcile to the approved 2018–19 Base Reconciliation?
- Does the summary include Rider Appropriations, Unexpended Balances, and Supplemental Appropriations adjustments as necessary?
- Does the summary indicate lapsed appropriations and revised receipts?
- Do FTE positions equal the sum of positions in each strategy?
- Do FTE positions include all positions that are 100 percent federally funded?
- Where applicable, are significant variances in expenditures, such as lapses or unanticipated changes in unexpended balances, addressed in the comments section?

STRATEGY LEVEL DETAIL

The Strategy Level Detail summary includes historical and projected spending and performance information.

DATA ENTRY

This summary is generated by the Automated Budget and Evaluation System of Texas (ABEST). Goals, objectives, strategies, and performance measures included in the Strategy Level Detail summary must reflect the budget structure in House Bill 1, Eighty-sixth Legislature, 2019. The names of the ABEST data-entry screens associated with this summary are in the ABEST Data-entry Reference table on page 5 of this document. Refer to *Fiscal Year 2020 Operating Budget Instructions—ABEST Data Entry for Executive and Administrative Agencies, Appellate Courts, and Judicial Branch Agencies*, October 2019, for more detailed data-entry instructions.

Performance measures include an agency's actual performance for all measures for fiscal years 2018 and 2019 and budgeted performance levels for fiscal year 2020. For fiscal year 2020 budgeted performance, report the agency's projected performance for all measures, both key (those cited in the General Appropriations Act (GAA)) and non-key (those not included in the GAA, but that are part of the agency's approved strategic plan and budget structure). Projected performance should be the agency's most current estimate, not necessarily the established target included in House Bill 1, Eighty-sixth Legislature, 2019. Submission of the operating budget does not constitute a request to change the targets for fiscal year 2020 established in House Bill 1.

OBJECTS OF EXPENSE

Objects of expense include strategy costs by the 18 objects of expense listed and defined in *ABEST Object of Expense Codes* on the Legislative Budget Board (LBB) website at www.lbb.state.tx.us/Agencies_Portal.aspx → Reference Documents → ABEST → Object of Expense (OOE) Codes. Incorporate all direct strategy costs, all capital budget costs allocated to the strategy, and other direct capital costs. Refer to the Capital Budget section for more detail on identification and allocation of capital budget expenditures.

METHOD OF FINANCE

Method of finance (MOF) includes each fund or account and amount used as a funding source for the strategy for expended fiscal years 2018 and 2019 and budgeted fiscal year 2020. Refer to *Method of Finance Codes* on the LBB website at www.lbb.state.tx.us/Agencies_Portal.aspx → Reference Documents → ABEST → Method of Finance (MOF) Codes. Federal funding sources must be detailed by Catalog of Federal Domestic Assistance (CFDA) number. See the Federal Funds Supporting Schedule for additional information and clarification regarding appropriate MOFs and how to enter CFDA numbers in ABEST.

FULL-TIME-EQUIVALENT POSITIONS

The number of full-time-equivalent (FTE) positions are the total number of positions associated with each strategy and rider appropriation for expended fiscal years 2018 and 2019 and budgeted fiscal year 2020. Refer to page 26 of *2020–21 Legislative Appropriation Request—Detailed Instructions for Agencies*, June 2018, for FTE position definitions. The sum of positions across all strategies must equal the Adjusted FTE Total for each fiscal year included in the Summary of Budget by Method of Finance in Schedule 2.B.

TRANSFERRED PROGRAMS

Expended and budgeted amounts, FTE positions, and performance measure data of a transferred program should be shown by both the transferring and receiving agencies, depending on the fiscal year during which the program existed at the agency. Program expenditures, positions, and performance measure data in years before the transfer should be shown at the agency that made the expenditures; receiving agencies should not enter historical expenditures for a transferred program as if the program had existed at the receiving agency during those years. Both the transferring agency and receiving agency should report the authorization for the funds transfer for fiscal years 2018, 2019 and 2020 in the Summary of Budget by Method of Finance only.

RIDER APPROPRIATIONS

Rider appropriations in the strategy-level detail must include appropriation and unexpended balance riders in the strategy-level amounts for each fiscal year.

USE OF SUBSTRATEGIES IN THE OPERATING BUDGET

Agencies may be required by either the LBB or Office of the Governor to submit detailed budget information for certain strategies on a substrategy basis. When required, complete the Substrategy Detail and Substrategy Summary spreadsheets provided in electronic format on the websites of the LBB and the Office of the Governor. Spreadsheet forms must be emailed to the Office of the Governor at budgetandpolicyreports@gov.texas.gov and included in the searchable PDF submitted through the LBB Document Submissions application at docs.lbb.state.tx.us.

CHECKLIST ITEMS

- Do the totals for object of expense and method of finance balance for each strategy?
- Does the sum of the Strategy Level Detail summaries equal the totals by fiscal year shown in the Summary of Budget by Method of Finance?
- Does the sum of the FTE positions in the Strategy Level Detail summaries equal the Adjusted FTE totals by fiscal year in the Summary of Budget by Method of Finance?
- Are rider appropriations, expenditures, and FTE positions for fiscal years 2018, 2019 and 2020 included?
- Is the Catalog of Federal Domestic Assistance number and the dollar amount shown with the heading Federal Funds in the Summary of Budget by Method of Finance?

CAPITAL BUDGET PROJECT SCHEDULE

The Capital Budget Project Schedule:

- itemizes authorized capital budget projects;
- classifies capital budget projects into defined categories; and
- provides information on historical and budgeted expenditures, method of finance, and type of financing for capital budget projects.

Each agency that has made expenditures for capital budget projects during fiscal years 2018 or 2019, or that anticipates expending appropriated funds for capital budget projects for fiscal year 2020, shall prepare and include a Capital Budget Project Schedule (see page 1 of Appendix 4.A in the Appendix of Schedule Examples). For the purposes of the operating budget, the term capital budget projects has the definition established on pages 42 through 45 of *2020–21 Legislative Appropriation Request—Detailed Instructions for Agencies*, June 2018, including the Special Instructions for Master Lease Purchase Program (MLPP) Acquisitions and Other Lease-Purchase Payments on pages 48–49.

IMPORTANT

- Capital projects included in the Governor's Veto Proclamation, that are not considered authorized, should be excluded;
- Capital budget projects should reflect all funding sources, including Interagency Contracts (Code 0777) and Federal Funds (Code 0555);
- Amounts reflected in Category Code 5005, Acquisition of Information Resource Technologies, should be consistent with the agency's approved Biennial Operating Plan; and
- Agencies should use Capital Expenditure Category Code 7000 for Data Center Services, Code 8000 for Centralized Accounting and Payroll/Personnel System (CAPPS) maintenance and deployment costs, and Code 9000 for cybersecurity projects.

If applicable, the Capital Budget Project Schedule should also reflect:

- expenditures for capital budget projects not originally included as part of the capital budget rider provision for an agency;
- expenditures for capital budget projects made in accordance with additional spending authority provided in Article IX, Section 14.03, Limitation on Expenditures—Capital Budget, 2018–19 General Appropriations Act (GAA), and Article IX, Section 14.03, Transfers—Capital Budget, 2020–21 GAA;
- contingency appropriations included in agency-specific riders and Article IX provisions (2018–19 GAA and 2020–21 GAA);
- payments to the Department of Information Resources (DIR) for services provided through the Data Center Services program, as defined by the Texas Government Code, Chapter 2054, Subchapter L, Statewide Technology Centers; and
- expenditures related to the Comptroller of Public Accounts' (CPA) Centralized Accounting and Payroll/Personnel System (CAPPS), including deployment-related and ongoing maintenance and support costs. Agencies transitioning to or implementing CAPPS as a hub agency should also identify related expenditures in accordance with the Capital Budget Project Schedule.

The Capital Budget Project Schedule in this document is an informational item only and should not be used to request authorization to exceed the capital budget expenditure limitations established by Article IX, Section 14.03, Limitation on Expenditures—Capital Budget, 2018–19 GAA, and Article IX, Section 14.03, Transfers – Capital Budget, 2020–21 GAA.

Any Automated Budget and Evaluation System of Texas (ABEST) Object of Expense code may be used for capital costs or for noncapital informational costs, with the exception that 2001 should be used for all payments to DIR for Data Center Services, and 5000 may not be used for noncapital costs. The object of expense codes should detail asset acquisition costs and noncapital expenditures incurred in the acquisition or required to place the asset in service.

For fiscal year 2020, the Data Center Consolidation capital budget project should include agency estimates of data center services costs, considering the following factors: program transfers authorized by the Eighty-sixth Legislature, 2019; changes in operation; utilization; and vendor credits associated with contract amounts for Data Center Services. Use Capital Expenditure Category 7000 for all Data Center Services projects.

Examples of noncapital expenditures to include in the Capital Budget Project Schedule:

- design consultant services for construction projects or acquisition of Information Resource Technologies;
- surveying fees incurred as part of a land acquisition;
- installation costs (e.g., remodeling required to house a mainframe computer);
- Data Center Services (Capital Expenditure Category 7000);
- CAPPs enterprise resource planning (ERP) system expenditures (Capital Expenditure Category 8000), including deployment, ongoing maintenance, and support costs; and
- training costs required or necessary to put the asset in service.

Examples of noncapital expenditures to exclude:

- cost of additional full-time-equivalents to operate a newly constructed prison; and
- utility, grounds maintenance, and other operating costs for a new facility.

Use method of finance (MOF) codes for each project entry. The MOF should detail the source of funding by fund or account number(s) using the following guidelines:

- use MOF code 0780 for General Obligation Bond Proceeds;
- use MOF code 0781 for Revenue Bond Proceeds; and
- use type of financing codes to indicate the type of financing proposed for each project, which include:
 - CA for Current Appropriations;
 - GO for General Obligation Bonds;
 - RB for Revenue Bonds;
 - ML for Master Lease Purchase Program (MLPP); and
 - LP for Other (non-MLPP) Lease Purchase.

Use Capital Expenditure Categories to indicate the type of expenditure for each project. The categories are defined on pages 54 to 56 of the *2020–21 Legislative Appropriation Request—Detailed Instructions for Agencies*.

CENTRALIZED ACCOUNTING AND PAYROLL/PERSONNEL SYSTEM

All CAPPs-related expenditures, including salaries and other staffing costs, should be identified appropriately as capital expenses in the Capital Budget Project Schedule under Capital Expenditure Category Code 8000. Agencies that should show CAPPs-related expenditures include:

- CPA;

- agencies with a CAPPs capital budget project in their bill patterns in the 2018–19 GAA and 2020–21 GAA;
- hub agencies that have implemented or are in the process of implementing separate, agency-managed systems; these agencies should show both implementation and ongoing maintenance and support costs; and
- agencies that make payments to the CPA for converted PeopleSoft licenses used for internal accounting systems; these agencies are identified in the in the Article I, CPA, Rider 14 (2018-19 GAA and 2020–21 GAA).

Agencies that are interested in participating in CAPPs or that are planning to initiate any ERP project are reminded that certain information must be submitted to the CPA to ensure that those systems are consistent with statewide ERP goals. Agencies should submit the required information using the Agency ERP Project Request form available at comptroller.texas.gov/forms/74-222.pdf.

DATA ENTRY

The Capital Budget Project Schedule is generated in ABEST. Refer to *Fiscal Year 2020 Operating Budget Instructions—ABEST Data Entry for Executive and Administrative Agencies, Appellate Courts, and Judicial Branch Agencies*, October 2019, and the Data-entry Reference table on page 5 for data-entry screen names.

Assign capital budget projects to appropriate capital expenditure categories. After entering the expended or budgeted amounts for each project for fiscal years 2018 to 2020, generate the schedule. ABEST will group projects by category and calculate subtotals. See page 1 of Appendix 4.A.

CHECKLIST ITEMS

- Were capital acquisitions reviewed to determine whether they should be included in the Capital Budget Project Schedule? (This step includes past, present, and future acquisitions and MLPP agreements.)
- Does the Capital Budget Project Schedule reflect CAPPs expenditures, including ongoing maintenance, for fiscal years 2018 to 2020 in Capital Expenditure Category 8000?

FEDERAL FUNDS SUPPORTING SCHEDULE

The Federal Funds Supporting Schedule:

- shows how Federal Funds support agency programs;
- provides historical and projected expenditures of federal funding sources;
- assists in analysis of the effects of federal legislation on the state budget; and
- identifies Federal Funds and related General Revenue Funds for employee benefits.

The Federal Funds Supporting Schedule identifies:

- state agency expenditures and projections of Federal Funds by program title and Catalog of Federal Domestic Assistance (CFDA) number;
- strategy-specific information for each federal program; and
- for agencies expending more than \$10.0 million in total Federal Funds for fiscal year 2018, additional information related to employee benefits paid with Federal Funds and General Revenue Funds used as a match for employee benefits or maintenance of effort for employee benefits.

See page 1 of Appendix 4.B. for a sample schedule.

DATA ENTRY

The Federal Funds Supporting Schedule is generated in the Automated Budget and Evaluation System of Texas (ABEST). Refer to *Fiscal Year 2020 Operating Budget Instructions—ABEST Data Entry for Executive and Administrative Agencies, Appellate Courts, and Judicial Branch Agencies*, October 2019, and the Data-entry Reference table on page 5 for data-entry screen names. After entering the method of finance (MOF) for each strategy request and all additional required information in ABEST, generate the Federal Funds Supporting Schedule. The agency must set the status of the general budget submission in ABEST to complete before generating a final copy of the Federal Funds Supporting Schedule.

FEDERAL FUNDS

Include all Federal Funds used as sources of agency funding and complete the following actions:

- select the appropriate MOF code to identify Federal Funds, which is usually 0555;
- provide the CFDA number and title for each source of funding. If a CFDA number cannot be found in ABEST or if a new CFDA number is replacing another CFDA number, email cfda@lbb.texas.gov and provide the following information:
 - contact information (name and phone number of requestor);
 - agency code and agency name;
 - CFDA number;
 - program name for the CFDA number you are requesting; and
 - notice of grant award or other documentation that demonstrates that the agency has received Federal Funds, along with the intended use. For example, a subrecipient who has entered into a contract with a primary recipient of a grant award will need to provide a copy of the contract or agreement that they received from the primary recipient;
- provide Federal Funds amounts for expended fiscal years 2018 and 2019, and for budgeted fiscal year 2020;

To ensure accurate counts of Federal Funds and to reflect their actual expenditure, use the following guidelines to report Federal Funds that pass through multiple entities:

- if any portion of Federal Funds are passed through from one state agency to another state agency or institution of higher education, the expending agency—not the initial recipient—should report the funding as Federal Funds;
- if any portion of Federal Funds are passed through to a non-state entity, the initial recipient should report the funding as Federal Funds; and
- any exceptions to this policy should be discussed with your LBB budget analyst and your Governor’s Office advisor.

ADDITIONAL FUNDS FOR EMPLOYEE BENEFITS

Agencies expending more than \$10.0 million in total Federal Funds for fiscal year 2018 must:

- identify by CFDA expended 2018, estimated 2019, and budgeted 2020 amounts for employee benefits paid with Federal Funds (including group insurance, retirement, Social Security, and benefit replacement pay);
- identify expended 2018, estimated 2019, and budgeted 2020 amounts for employee benefits paid with General Revenue Funds used as match or maintenance of effort in each federal program (including group insurance, retirement, Social Security, benefit replacement pay, and post-retirement healthcare costs); and
- exclude any additional funds for employee benefits in the strategy amounts.

HURRICANE HARVEY GRANTS

Agencies receiving federal assistance funding for Hurricane Harvey response and recovery activities should continue to use and report the expenditures using the appropriate CFDA number for the specific Hurricane Harvey grant. For grants that do not have a specific Hurricane Harvey CFDA, please report grants and reimbursements for the disaster under the standard CFDA for each program.

CHECKLIST ITEMS	
<input type="checkbox"/>	Does the report include all federal programs and grants?
<input type="checkbox"/>	If the agency meets the \$10.0 million Federal Funds threshold, does the report include expenditures and estimates for the related employee benefits (Federal Funds and General Revenue Funds) for each program?

FEDERAL FUNDS TRACKING SCHEDULE

The Federal Funds Tracking Schedule:

- cross-references annual federal awards that exceed \$10.0 million with actual and projected state fiscal year amounts;
- provides historical and projected expenditures of federal funding sources;
- assists in analysis of the effects of federal legislation on the state budget; and
- identifies Federal Funds carried forward from previous fiscal years.

All agencies in receipt of Federal Funds are required to submit the Federal Funds Tracking Schedule for any grant award that equaled or exceeded \$10.0 million in fiscal year 2018. Please note that the \$10.0 million threshold refers to the federal award and not the final expended amount. Grants under that threshold are not required to be tracked via this schedule unless requested by the Legislative Budget Board (LBB) or Office of the Governor, Budget Division. The request(s) may include one or more federal programs by Catalog of Federal Domestic Assistance (CFDA) number and title. Contact the budget analyst at either budget office for additional information.

The Federal Funds Tracking Schedule is generated in the Automated Budget and Evaluation System of Texas (ABEST). See page 1 of Appendix 4.C. for a sample schedule.

DATA ENTRY

Enter the requested information into ABEST. Refer to the Data-entry Reference table on page 5 for data-entry screen names. Include any CFDA programs by number and title that meet the \$10.0 million award threshold or that have been requested by the LBB or Office of the Governor, Budget Division, analyst. Refer to the LBB website at www.lbb.state.tx.us/Agencies_Portal.aspx → Reference Documents → ABEST → CFDA Program Names and Numbers. See the Federal Funds Supporting Schedule for additional information on how to add a new CFDA in ABEST.

When entering Federal Fiscal Year Grant and Award amounts, begin with the original grant or award year and include all federal fiscal years that had or have funds available for expenditure.

For federal grants that are appropriated across agencies, such as Temporary Assistance for Needy Families, each agency should report the amount of the grant appropriated to it, except for the lead agency, which should report on any amounts not otherwise appropriated.

Although additional funds for employee benefits are excluded in agency strategy amounts, such funds are included in this Federal Funds Tracking Schedule. However, use the section at the bottom of this schedule to identify the employee benefit amounts for a given fiscal year. Employee benefits are a subset of the total expenditures.

CHECKLIST ITEMS

- If the agency received an award of \$10.0 million or more in fiscal year 2018, did the agency provide current, historical, and projected expenditures through this schedule?
- Did the agency provide additional information to identify employee benefits payment amounts?
- Do the totals across state fiscal years equal the annual totals in the Federal Funds grant and award totals?

ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

The Estimated Revenue Collections Supporting Schedule provides details for actual and estimated revenue collections included in the Summary of Budget by Method of Finance Schedule, by fund or account, for fiscal years 2018 to 2020.

Submit this schedule if any of the following applies:

- the agency is an Article II, Health and Human Services, or Article VIII, Regulatory, agency;
- the agency has an Appropriations Limited to Revenue Collections rider in the 2018–19 General Appropriations Act (GAA) or 2020–21 GAA;
- the agency collects any revenues, including those deposited to General Revenue Funds or General Revenue–Dedicated Fund accounts, that are budgeted in the agency’s Method of Finance (MOF), including riders; or
- the agency is instructed to do so by the Legislative Budget Board (LBB) or the Office of the Governor, Budget Division.

Report Appropriated Receipts in this schedule. Include a separate section in the Estimated Revenue Collections Supporting Schedule for Earned Federal Funds if the agency is affected by Article IX, Section 13.11 (2018–19 GAA or 2020–21 GAA).

Do not report other Federal Funds in this schedule. Federal Funds are reported in the Strategy Request and can be printed using the Federal Funds Supporting Schedule.

IMPORTANT

- Work with the Office of the Governor, Budget Division, and LBB analyst(s) to determine the funds and accounts to be reported in this schedule.
- List total revenue collections, including the amounts collected that are greater than appropriated amounts.

DATA ENTRY

The Estimated Revenue Collections Supporting Schedule is generated in the Automated Budget and Evaluation System of Texas (ABEST). Generating this schedule requires the following information:

- fund or account names and numbers;
- beginning unencumbered balance of funds or accounts, as applicable;
- total actual and estimated revenue, detailed by revenue code (excluding Federal Funds, but including Earned Federal Funds);
- deductions and transfers from funds or accounts;
- ending fund or account balance, if applicable; and
- assumptions used in projecting revenue.

Refer to the ABEST Data-Entry Reference table on page 5 for data-entry screen names. See the sections below for more detail on each item.

BEGINNING BALANCE

For each fund or account, list actual unencumbered beginning balances for fiscal years 2018, 2019, and 2020. If revenues are deposited into a nonspecific account in the General Revenue Fund, it is not necessary to calculate a

beginning balance. Review House Bill 3317, Eighty-sixth Legislature, 2019, and the Comptroller of Public Accounts' (CPA) Manual of Accounts to determine if the fund or account exists for each fiscal year being entered.

ACTUAL AND ESTIMATED REVENUE

List actual revenue collections for fiscal years 2018 and 2019 and estimated collections for fiscal year 2020. List collections by revenue source using CPA's revenue object codes. These codes are available on the LBB website at www.lbb.state.tx.us/Agencies_Portal.aspx → Reference Documents → ABEST → Revenue Object Codes. Revenue sources must include Appropriated Receipts and receipts shown in Article IX, General Provisions, 2020–21 GAA that are specific to your agency.

The Estimated Revenue Supporting Schedule includes separate sections for each fund or account to which agencies deposit revenue. Agencies affected by Article IX, Section 13.11 (2018–19 GAA and 2020–21 GAA) should include a separate section in the schedule for Earned Federal Funds, using the following guidelines:

- include revenues collected and deposited into the General Revenue Fund for CPA revenue object codes 3602, 3702, 3726, 3745, 3750, 3773, 3851, 3965, 3971, and 3972; and
- use MOF Code 0888 for the fund or account in the Estimated Revenue Collections Supporting Schedule.

IMPORTANT

- Estimated revenues may exceed amounts budgeted.
- Subtotal Actual/Estimated Revenues: adds all revenue sources.
- Total Available: adds Beginning Balance and Subtotal Actual/Estimated Revenues.

DEDUCTIONS AND TRANSFERS

List deductions made from the fund or account, including:

- amounts expended or budgeted, including the 50.0 percent reimbursement paid from agency appropriations to the Texas Workforce Commission (TWC) for unemployment benefits;
- the additional 50.0 percent that some agencies are required to reimburse TWC from unappropriated General Revenue–Dedicated Funds and other special fund balances; these reimbursements are shown as transfers;
- transfers for employee benefits (retirement, group insurance, Social Security, and benefit replacement pay);
- emergency or deficiency grant amounts; and
- employee benefits including collections for post-retirement health insurance, which are not transferred by the agency, but are captured by the Employees Retirement System of Texas after the agency deposits the collections into unappropriated General Revenue Funds.

Do not include deductions that contain Federal Funds, because Federal Funds are excluded from this schedule. Also, do not include depreciation costs or other tax deferral mechanisms.

Total Deductions include all deductions.

ENDING FUND OR ACCOUNT BALANCE

Ending Fund/Account Balance subtracts the Total Deductions from Total Available to determine Ending Fund or Account Balance. The ending fund or account balance in a given year is the beginning balance for the next year. Calculating an Ending Fund Balance is not necessary if revenues are deposited to a nonspecific account in the General Revenue Fund.

Pursuant to Article IX, Section 6.09 (2018–19 GAA and 2020–21 GAA), appropriation amounts from special funds or General Revenue–Dedicated Accounts may not exceed actual balances and available revenues in the fund or

account. Accordingly, agencies may not show an estimated negative balance in a special fund or General Revenue–Dedicated Account. Any anticipated shortfalls in a special fund or General Revenue–Dedicated Account must be offset by an appropriation reduction in the Summary of Budget by Method of Finance.

ASSUMPTIONS USED IN PROJECTING REVENUE

List and explain revenue assumptions used in estimating revenue collections for each fund or account, including fee rates, potential increases or decreases in fee rates, expected trends in population paying fees, or the effects of federal or state legislation on the collection of fees (e.g., increases in, decreases in, establishment of, or abolition of fees). Note whether fee rate changes require statutory amendments or governing board action.

CHECKLIST ITEMS

- Does Beginning Balance plus Estimated Revenue equal Total Available?
- Do expended and budgeted plus miscellaneous deductions equal Total Deductions?
- Does Total Available less Total Deductions equal Ending Fund/Account Balance?
- Does Ending Fund/Account Balance equal the next year's Beginning Balance?
- Are associated employee benefit costs, including post-retirement health insurance, included in Total Deductions?
- Are the revenue assumptions explained, particularly for changes affecting revenue collections?

HOMELAND SECURITY FUNDING SCHEDULE

The Homeland Security Funding Schedule identifies expenditures related to homeland security by object of expense and method of finance. Corresponding full-time-equivalent (FTE) positions are recorded, a description and funding amount for items are included, and attachments listing amounts passed through to local entities and state agencies or institutions of higher education are required. Part A of the schedule covers expenditures related to terrorism, and Part B covers expenditures related to natural or human-made disasters.

GENERAL INFORMATION

This supplemental schedule applies to all agencies and institutions of higher education that expend funds on homeland security or pass through funds to other state agencies, institutions of higher education, or local entities for homeland security purposes.

State agencies and institutions of higher education that do not receive or expend funds described in this schedule do not have to complete this schedule.

PART A: TERRORISM-RELATED EXPENDITURES

Use the following definition, adapted from the federal definition of Homeland Security followed by the U.S. Congressional Budget Office and the U.S. Administration of the President, Office of Management and Budget, to determine terrorism-related expenditures:

Homeland security expenditures are funds used to prevent terrorist attacks, reduce vulnerability to terrorism, minimize the damage from attacks that do occur, and assist in recovery from attacks. This effort includes activities such as protection of critical infrastructure and key assets, defense against terrorist threats, emergency preparedness, and response specifically related to terrorism.

NOTE

Include border security funding to the extent that its use meets the definition provided.

PART B: NATURAL OR HUMAN-MADE DISASTER EXPENDITURES

This section is intended to show the remaining elements of Homeland Security Activity as defined by the Texas Government Code, Chapter 421, Subchapter A. Other homeland security activity expenditures are defined as those related to natural or human-made disasters such as wildfires, hurricanes, floods, and tornadoes. These disasters include any fires or medical emergencies requiring resources beyond the capabilities of a local jurisdiction.

Please include any Hurricane Harvey-related impacts incurred by the agency in this section. Agencies receiving Federal Emergency Management Agency Public Assistance funding for Hurricane Harvey response and recovery activities should use the Catalog of Federal Domestic Assistance (CFDA) 97.036.002 Hurricane Harvey Public Assistance Grants. Activities may include debris removal, emergency protective measures, or the repair, replacement, or restoration of disaster-damaged, publicly owned facilities. Please report all other grants and reimbursements for the disaster under the standard CFDA for each program.

DATA ENTRY

The Homeland Security Funding Schedule is generated in the Automated Budget and Evaluation System of Texas (ABEST). Refer to *Fiscal Year 2020 Operating Budget Instructions—ABEST Data Entry for Executive and Administrative Agencies, Appellate Courts, and Judicial Branch Agencies*, October 2019. At the request of analysts from the Legislative Budget Board or the Office of the Governor, Budget Division, information will be submitted at the strategy level. See page 1 of Appendix 4.E. in the Appendix of Schedule Examples for a sample schedule.

OBJECTS OF EXPENSE AND METHOD OF FINANCE

Amounts identified in the Object of Expense and Method of Finance sections should include all funding sources expended by the agency for state homeland security programs. Federal Funds passed through to another state agency

or institution of higher education should be reported as Federal Funds by the expending agency, not by the initial recipient. Funds received via procurement contracts for goods or services should be reported as Interagency Contracts, not Federal Funds. These funds should be reported as Federal Funds by the original agency. Federal Funds passed through to a non-state entity should be reported as Federal Funds by the initial recipient.

FULL-TIME-EQUIVALENT POSITIONS

Identify the total number of FTE positions paid with Homeland Security funds for each fiscal year.

LOCAL ENTITIES AND OTHER STATE AGENCIES OR INSTITUTIONS OF HIGHER EDUCATION

Agencies that pass through funds to local entities and state agencies or institutions of higher education must submit recipients by fiscal year and method of finance, including the CFDA number for each source of Federal Funds. Provide the information for as many years as data are available.

Amounts shown for local entities should be included in the expended amounts in the Homeland Security Funding Schedule. However, amounts shown as pass-through to other state agencies or institutions of higher education should not be included in amounts reported in the Homeland Security Funding Schedule, because they are not expended by the initial recipient agency.

USE OF HOMELAND SECURITY FUNDS

List the strategies from which funds are expended, and describe the type of activities or expenses included in the amounts (e.g., surveillance, equipment purchases, competitively bid grants, unit or FTE positions supported by the funds, etc.). If relevant, also describe the methodology used for allocating costs to homeland security.

BUDGETARY IMPACTS RELATED TO RECENTLY ENACTED STATE LEGISLATION SCHEDULE

The Budgetary Impacts Related to Recently Enacted State Legislation Schedule provides detailed information about agency costs and savings resulting from the implementation of new state legislation enacted by the Eighty-sixth Legislature, 2019. The schedule allocates amounts to each strategy in which the expanded or new initiative is budgeted. It also indicates the method of finance (MOF) and object of expense (OOE) for the expanded or new initiative budgeted in each strategy.

GENERAL INFORMATION

This supplemental schedule applies to all agencies and institutions of higher education that are implementing or expanding programs because of recently enacted state legislation.

Information on these schedules should be limited to agency costs and savings that are directly or indirectly related to an expanded or new initiative for expended fiscal year 2019, budgeted fiscal year 2020, and estimated fiscal years 2021 to 2023. This information includes direct and indirect impacts to services, programs, and benefits, and any impacts to the agency's administrative and capital budgets. Do not include cost changes that the agency would have incurred without the implementation of recently enacted state legislation.

Identify the cost or savings of the expanded or new initiative by strategy and indicate the MOF and OOE within each strategy for each item. Budgetary impacts should be expended for fiscal year 2019, budgeted for fiscal year 2020, and estimated for fiscal years 2021 to 2023.

Agencies should not include existing staff and resources that have been reassigned to implement these expansions or new initiatives due to recently enacted state legislation. Agencies should attempt to identify, to the extent possible, changes in federal funding that are projected to occur as a result of newly enacted state legislation. Agencies are encouraged to discuss the items with analysts from the Legislative Budget Board (LBB) and the Office of the Governor, Budget Division before submitting the operating budget to ensure complete reporting.

If an expanded or new initiative contains information technology (IT) components, agencies should provide additional information, including a description of the new or existing project, proposed hardware and software, and development costs. If an expanded or new initiative anticipates out-year costs, agencies should provide a description of the anticipated costs, and an estimate of those costs for fiscal years 2021 to 2023. If an expanded or new initiative request contains expected contracted costs of \$50,000 or more, agencies should provide a description of the goods or services to be procured by contract and the type of contract to be awarded, among other information.

PART A. BUDGETARY IMPACTS OF RECENTLY ENACTED LEGISLATION

The Budgetary Impacts Related to Recently Enacted State Legislation Schedule is generated in the Automated Budget and Evaluation System of Texas (ABEST). Refer to *Fiscal Year 2020 Operating Budget Instructions—ABEST Data Entry for Executive and Administrative Agencies, Appellate Courts, and Judicial Branch Agencies*, October 2019 for more details. See page 1 of Appendix 4.F in the Appendix of Schedule Examples for a sample schedule.

Submit each expanded or new initiative on a separate schedule. The agency should summarize and describe any applicable costs, savings, and Federal Funds related to the initiatives. Fiscal year 2019 should reflect actual impacts on expenditures, fiscal years 2020 and 2021 should reflect budgeted impacts, and fiscal years 2022 and 2023 should reflect out-year estimates.

Agencies should include the following information:

- name of the expanded or new initiative;
- the State Budget by Program name for the initiative;

- the legal authority for the initiative, including the session law and the specific section of the state statute to which the costs are related;
- a narrative description of each expanded or new initiative, including which costs are related to start-up or implementation and which costs are ongoing;
- the strategy or strategies that have a budgetary impact;
- detail for objects of expense, MOF, full-time-equivalent (FTE) positions, and performance measures; and
- estimated savings or cost reductions as a negative value.

For IT components, agencies should also include the following information in the schedule:

- the project description related to the expanded or new initiative, including whether it is an existing or new project;
- for fiscal years 2019 to 2023, the number of FTE positions and estimated costs related to the project;
- all development costs associated with the proposed project;
- the type of project – Centralized Accounting and Payroll/Personnel System (CAPPS), cybersecurity, application remediation for Data Center Services, or other; and
- the proposed hardware and software and an indication of whether the proposal can be scalable (i.e., implemented across multiple years).

If implementation of an expanded or new initiative will require awarding a contract that will exceed \$50,000, provide the following information about the potential contract or contracts:

- percentage of the total initiative cost for fiscal years 2020 to 2021 estimated to be expended on contracted goods or services;
- description of the good or services to be procured by contract, including the type of contract or contracts to be awarded (consulting, professional, construction, major information systems, other services, or goods) and expected duration of the anticipated contract or contracts;
- anticipated method of procurement for the contract or contracts (e.g., sole source, proprietary, request for qualifications or proposal, etc.); and
- for consulting, professional, or other services, a description of the factors the agency considered to contract these services (e.g., cost benefit analysis, identification of advantages and disadvantages, etc.). See page 1 of Appendix 4.F in the Appendix of Schedule Examples for a sample schedule.

PART B. SUMMARY OF COSTS RELATED TO RECENTLY ENACTED STATE LEGISLATION

This report automatically generates data from submitted Part A. Budgetary Impacts Related to Recently Enacted State Legislation Schedules to provide a summary of all budgetary impacts for fiscal years 2019 to 2023. No additional data entry is necessary. See page 1 of Appendix 4.F Part B for a sample report.