

LEGISLATIVE BUDGET BOARD

2024–25 Legislative Appropriations Request

**Detailed Instructions for Agencies
for the Biennium Beginning September 1, 2023**

**LEGISLATIVE BUDGET BOARD STAFF
OFFICE OF THE GOVERNOR, BUDGET AND POLICY DIVISION**

WWW.LBB.TEXAS.GOV

JUNE 2022

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INTRODUCTION

These instructions guide each agency, public institution of higher education, and appellate court in preparing and submitting a Legislative Appropriations Request (LAR) for the 2024–25 biennium. The term state agency or agency used throughout these instructions includes the appellate courts.

An agency's appropriation request connects the development of the agency's strategic plan and the General Appropriations Act (GAA) by providing a fiscal expression of the agency's priorities. This fiscal expression includes quantitative information, such as projected performance, projected cost(s), and methods of finance proposed for state services; and qualitative information related to narrative language that is integral to preparation of the GAA.

The information contained in these instructions is for the purpose of preparing an agency's LAR and for ensuring that the resulting information is presented in a consistent and logical manner to inform the appropriations process. None of the information contained in these instructions constrains the constitutional powers and duties of either the legislative branch or executive branch with respect to the overall appropriations process. Any questions regarding these instructions may be directed to the Office of the Governor, Budget and Policy Division, or to the Legislative Budget Board (LBB).

The LAR has two components: (1) the baseline or base-level request; and (2) requests for consideration of exceptional items. Exceptional items are desired services in addition to the baseline request. The Governor or members of the Legislature may provide additional guidance for these two components.

These instructions may not provide all the information necessary for the presentation and analysis of an agency's LAR. An agency may supplement the required information with additional materials that express its needs and priorities. Similarly, an agency need submit only those schedules that apply to it unless the Office of the Governor, Budget and Policy Division, or LBB staff request additional information to better understand and analyze each request.

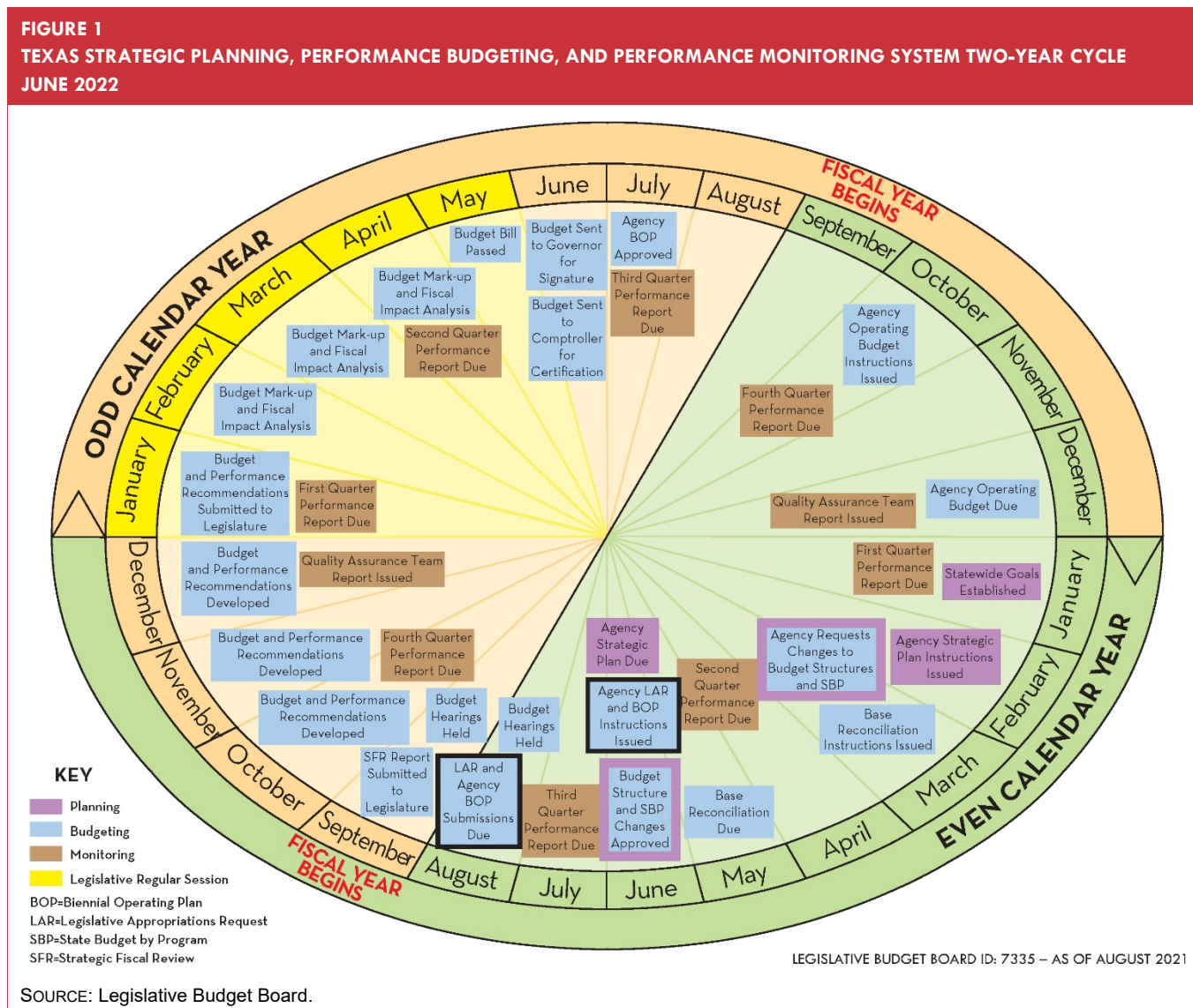
The submission schedule, indicating the due date for each agency LAR, is shown on page 9.

These instructions contain numerous references to additional appendices containing example Automated Budget and Evaluation System of Texas (ABEST) schedules and other forms. The appendices are available at www.lbb.texas.gov/Agencies_Portal.aspx → Instructions → Legislative Appropriations Request → Appendices for State Agencies, Institutions and Agencies of Higher Education.

The Office of the Governor, Budget and Policy Division, and the LBB look forward to receiving requests for appropriations and to continued joint efforts to provide accountability for necessary state services.

STATE BUDGET CYCLE

Figure 1 shows the two-year state budget cycle. The portion of the cycle that pertains to the information in this document has a black border.



STRATEGIC PLANNING AND BUDGETING SYSTEM

The Strategic Planning and Budgeting (SPB) system utilized by the state to allocate state government resources recognizes relationships between funding and performance, between accountability and resource allocation, and most important, between spending and results. The goal of SPB is to focus on the quality of services that state agencies provide and to emphasize accountability for expenditure of state resources. Major elements of the system include strategic planning, performance-based budgeting, budget implementation, and budget monitoring.

STRATEGIC PLANNING AND BUDGETING STRUCTURES

Although the strategic planning and budgeting structure serves as the starting point for developing an agency’s biennial budget request, the approved budget structure may differ from the strategic planning structure. Changes to existing budget structures must be approved by the Office of the Governor and the LBB.

Requested changes are reviewed by the Office of the Governor and the LBB to ensure that the structure will provide an appropriate basis for budgetary analysis. Please note that the budget structure approved in the Strategic Plan may be altered as the General Appropriations Bill advances through the legislative budget process. In addition, to enable comparison of performance between fiscal years, historical data must be maintained and available for any measures that are changed. The deadline has passed for agencies to request modifications to previously approved structures and measure definitions (see **Figure 2**).

If revisions are not requested or approved, the budget structure previously approved for use in preparing an agency's appropriation request for the 2022–23 biennium, as modified by Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021 (published version of 2022–23 GAA), is the approved structure for the 2024–25 biennium. When budget structures are finalized, the LBB will open ABEST to enable the agency to enter LAR data into the system.

PERFORMANCE MEASURES

Developing and maintaining an effective performance accountability system is critical to the SPB system. The overall value of the measurement system depends on the quality of the individual measures. A sound measurement system requires measures that are relevant, reliable, and valid and that provide sufficient coverage of agency activities in a cost-effective manner.

Measures developed and approved for an agency's strategic plan are used in its budget request. The agency should show the actual fiscal year 2021 performance for each measure, as reported in ABEST, to the LBB and the Office of the Governor, and make a good-faith effort to identify expected performance for fiscal year 2022 and projected performance for fiscal years 2023 to 2025.

Additional information on the state's performance measurement system appears in the *Instructions for Preparing and Submitting Agency Strategic Plans, Fiscal Years 2023 to 2027* (February 2022) on the LBB website (www.lbb.texas.gov/Documents/Instructions/Strategic_Plan/7376_Strategic_Plan_Instructions_2023_2027.pdf).

IMPORTANT

Projecting performance two years to three years in advance is difficult. As agencies receive additional information on performance trends after submission of the LAR, they are encouraged to provide both budget offices with written documentation of updated performance projections, as appropriate, throughout the legislative process.

MAJOR MILESTONES

The 2024–25 biennial cycle for allocating state resources began with the issuance of *Instructions for Preparing and Submitting Agency Strategic Plans, Fiscal Years 2023 to 2027* (February 2022). **Figure 2** shows major milestones in the cycle.

FIGURE 2 MILESTONES IN THE STATE BUDGET PROCESS, 2022–23 BIENNIUM	
MILESTONE	DATE
Strategic planning instructions issued	February 2022
Agency requests to modify budget structure submitted	March 18 to April 15, 2022
Policy Letter for 2024–25 Legislative Appropriations Requests released	June 2022
Instructions for biennial 2024–25 Legislative Appropriations Request issued	June 2022
Legislative Budget Board (LBB) and Office of the Governor, Budget and Policy Division, approve agency budget structures	May and June 2022
Agency submits strategic plan for 2023 to 2027	June 1, 2022
Agency submits 2022–23 biennial base reconciliation	May and June 2022
LBB and Office of the Governor, Budget and Policy Division, approve agency base reconciliations and provide agency with General Revenue Funds and General Revenue–Dedicated Funds limit for 2024–25 biennial baseline requests	June 2022
Agency submits biennial 2024–25 Legislative Appropriations Request	July and August 2022
LBB and Office of the Governor staff conduct joint budget hearings	August and September 2022
LBB delivers budget recommendations to the Eighty-eighth Legislature, 2023	January 2023
Governor delivers budget proposal to the Eighty-eighth Legislature, 2023	February 2023
Legislature considers and passes the 2024–25 General Appropriations Bill	January to May 2023
Comptroller of Public Accounts certifies the 2024–25 General Appropriations Bill	June 2023
Governor approves 2024–25 General Appropriations Act and issues veto proclamation	June 2023

GENERAL BUDGET INSTRUCTIONS

BASELINE REQUEST AND EXCEPTIONAL ITEMS

Agencies should limit their General Revenue Funds and General Revenue–Dedicated Funds baseline appropriations requests to the amounts approved by the Legislative Budget Board (LBB) and the Office of the Governor, Budget and Policy Division. Agency baseline requests should not include or initiate any new state debt. Institutions of higher education that receive formula appropriations should not request amounts for the formula strategies.

A policy letter regarding baseline levels is available on the LBB website at www.lbb.texas.gov/Agencies_Portal.aspx → Instructions → Legislative Appropriations Request → Policy Letter for Legislative Appropriations Request. Agencies should prepare their 2024–25 biennial base requests under the 2024–25 baseline request limits set by the LBB and Office of the Governor in the policy letter.

HIGHLIGHTS AND WHAT'S NEW

ELECTRONIC SUBMISSIONS

- Agencies, institutions of higher education, appellate courts, and judicial branch agencies should include their Dual Submission certification in the PDF that is submitted through the Legislative Budget Board (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 and Policy Division, at budgetandpolicyreports@gov.texas.gov.
- Agencies, institutions of higher education, appellate courts, and judicial branch agencies are not required to submit bound paper copies of LARs to the Department of Information Resources (DIR) or Bond Review Board (BRB). DIR and BRB will accept PDF submissions emailed to policy@dir.texas.gov and capital@brb.texas.gov, respectively.

MODIFICATIONS AND NOTES

- **Administrator's Statement.** All agencies, institutions of higher education, appellate courts, and judicial branch agencies may now include a maximum of four pages of graphics, such as charts and tables, with the Administrator's Statements.
- **Information Technology (IT) Projects.** All agencies, institutions of higher education, appellate courts, and judicial branch agencies should include contact information (e.g., title, email address, and phone number) for the following if applicable: Chief Financial Officer (Budget Contact), Security Officer, Chief Procurement Officer, Information Resources Manager, IT Manager, and/or Biennial Operating Plan Developer.
- **Programs-level Request Schedule 3.A.1.** This schedule is no longer required unless requested by the LBB or Office of the Governor, Budget and Policy Division, analyst.
- **Historically Underutilized Business (HUB) Supporting Schedule 6.A.** This schedule has been modified to require additional information on HUB outreach, including participation in the Mentor Protégé program, HUB program staffing, and current and future good-faith efforts to reach HUB attainment goals. The additional information may have been previously provided to the Office of the Comptroller and LBB using the Comptroller-provided template for the HUB Assessment Annual Report and Semi-annual Report.
- **Document Production Standards Schedule 6.L.** This schedule is not required unless requested by the LBB or Office of the Governor, Budget and Policy Division, analyst.
- **Federal Disaster Funds.** An agency that continues to receive and expend federal funding related to federally declared disasters (e.g., Hurricane Harvey) should continue to report those expenditures in its Federal Funds Supporting and Tracking Schedules.
- **Federal Funds Tracking Schedule 6.D.** All agencies are required to submit a Federal Funds Tracking Schedule for any grant award that equaled or exceeded \$5.0 million in fiscal year 2021 or upon request by the LBB or Office of the Governor. Please note that the \$5.0 million threshold refers specifically to the award and not the final expended amount. Federal Funds appropriated by the federal government for purposes related to the COVID-19 pandemic should not be entered into the Tracking Schedule. Instead, agencies will report those awards and expenditures through the Disaster Federal Funds Submission (DFFS) application in ABEST. DFFS is a quarterly reporting schedule intended to capture all federal awards and expenditures for the six federal COVID-19 bills enacted, which include: Coronavirus Preparedness and Response Supplemental Appropriations Act (2020); Families First Coronavirus Response Act; Coronavirus Aid, Relief, and Economic Security Act; Paycheck Protection Program and Healthcare Enhancement Act; Coronavirus Response and Relief Supplemental Appropriations Act; and American Recovery Plan Act of 2021. However, federal funding appropriated for regular use but diverted for response to the pandemic must be reported in the Tracking Schedule if it exceeds or equals \$5.0 million or upon request. All entries to the Federal Funds Tracking Schedule must align with what is reported in the Federal Funds Supporting Schedule for each of the respective state fiscal years reported to close the agency's submission.
- **Senate Bill 8.** Similarly to other COVID-19 pandemic-related federal stimulus funding, appropriations from Senate Bill 8, Eighty-

seventh Legislature, Third Called Session, 2021, are not required to be included in the Federal Funds Tracking Schedule; however, agencies should show these appropriations and expenditures in the strategy detail. Agencies, institutions of high education, and appellate courts that have received funding pursuant to Senate Bill 8 are required to report quarterly expenditures in the DFFS survey. This funding includes awards from the Coronavirus State Fiscal Recovery Funds (21.027.119) and the Coronavirus Capital Projects Fund (21.029.119). Unlike the performance period of the federal grant, which extends through December 31, 2026, the appropriation life of Senate Bill 8 expires two years from the date of the Governor's signature, November 8, 2023. An agency that anticipates needing authority for funding beyond that two-year period should request Unexpended Balance Authority in its LAR submission.

- **Homeland Security Funding Schedule 6.G.** This schedule is not required unless requested by the LBB or Office of the Governor, Budget and Policy Division, analyst. Disaster-related information should be reported through the Federal Funds Tracking Schedule or, if requested, through the DFFS application in ABEST.
- **Infrastructure Investment and Jobs Act Funding (IIJA).** An agency receiving federal funding from the IIJA should request unique CFDA numbers with the appropriate CFDA extension. Agencies may request assistance by emailing cfda@lbb.texas.gov.
- **Grants from Trusteed Programs within the Office of the Governor.** Use Method of Finance (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-sixth and Eight-seventh Legislatures, General Appropriations Act (GAA), for either the 2020–21 biennium or 2022–23 biennium, Article I, Trusteed Programs within the Office of the Governor, Rider 2, Disaster and Deficiency Grants. MOF Code 8000 also is required to report any funds received from Trusteed Programs when the sources were the emergency appropriations made available by the 2020–21 or 2022–23 GAAs, Article I, Trusteed Programs, Rider 3, Governor's Emergency Appropriations. Entries reported as a Governor's Disaster/Deficiency/Emergency Grant (GV) will be treated similarly to Interagency Contracts for budget summary purposes.
- **Exceptional Item Request Schedule 4.A.** If an exceptional item request contains information technology (IT) components, agencies should provide additional information, including a description and status of the new or existing project, outcomes and outputs, a detailed breakdown of budgeted and estimated IT costs, and a brief analysis of project alternatives, scalability, and adjusted costs related to the scalability.
- **Prioritization of Cybersecurity and Legacy Systems (PCLS) Tracking Key.** Agencies with projects that are identified for the Department of Information Resources' PCLS report should identify the PCLS Tracking Key in 4.A. Exceptional Item Request Schedule and 5.B. Capital Budget Project Information.
- **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. 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
 - agencies transitioning to or implementing CAPPS as a hub agency, such as the Department of Transportation or the Health and Human Services Commission, also should identify related expenditures in accordance with this schedule.
- **Cybersecurity Project and Legacy Modernization Projects.** All Cybersecurity expenses should be identified in capital budget submissions as Capital Project Category Code 9000 Cybersecurity. All Legacy Modernization IT projects similarly should be identified in Capital Budget submissions as Capital Project Category Code 9500 Legacy Modernization. Affected agencies should include both capital expenses and noncapital informational expenses, such as internal staff costs.
- **Payroll Contribution for Group Health Insurance and Additional Payroll Contribution for Retirement Contribution.** The payroll contribution for Group Health Insurance, pursuant to the 2020–21 and 2022–23 GAAs, Article IX, §17.03, Payroll Contribution for Group Health Insurance, and the retirement contribution, pursuant to the 2020–21 and 2022–23 GAAs, Article IX, §17.06, Additional Payroll Contribution for Retirement Contribution, should be treated as expenditures and not as transfers. Accordingly, they should not be shown as appropriations adjustments in the Base Reconciliation. Instead, for contributions pursuant to these provisions, agencies should use Objects of Expense Code 2009. Please contact your LBB or Office of the Governor, Budget and Policy Division, analyst if you have additional questions.

Refer to the *2024–25 Detailed Instructions for the Appellate Courts and Judicial Branch Agencies* and the *2024–25 Detailed Instructions for Institutions and Agencies of Higher Education* for other significant changes and updates pertinent to appropriation requests.

FORMS AND REPORTS

Each agency's budget request may contain the following word-processing forms, spreadsheet forms, and ABEST-generated reports, as necessary.

Word-processing and spreadsheet forms should be emailed to the Office of the Governor at budgetandpolicyreports@gov.texas.gov and included in the searchable PDF submitted through the LBB Documents Submissions application (docs.lbb.texas.gov). The forms and related reports are shown in **Figure 3**.

**FIGURE 3
FORMS AND REPORTS FOR SUBMISSION TO THE LEGISLATIVE BUDGET BOARD AND THE OFFICE OF THE GOVERNOR
2024–25 BIENNIUM**

FORM OR REPORT	SUBMISSION METHOD
Administrator's Statement	Entered in ABEST
Organizational Chart	Created by agency
Budget Overview	ABEST report
Summaries of Request	Seven ABEST reports
Strategy Request	ABEST Report
Rider Revisions and Additions Request	Word-processing form
Rider Appropriations and Unexpended Balances Request	ABEST report
Sub-strategy Request (if required)	Two spreadsheet forms
Exceptional Items Request	Three ABEST reports
Capital Budget Schedules	Two ABEST reports (two additional ABEST reports for exceptional capital budget items, if required)
HUB Supporting Schedule	ABEST report
Current Biennium Onetime Expenditure Schedule	Spreadsheet form
Federal Funds Supporting Schedule	ABEST report
Federal Funds Tracking Schedule (if required)	ABEST report
Estimated Revenue Collections Supporting Schedule	ABEST report
Advisory Committee Supporting Schedule	ABEST report
Estimated Total of All Funds Outside the GAA Bill Pattern Schedule	Spreadsheet form
Behavioral Health Funding Schedule	Spreadsheet form
Budgetary Impacts Related to Recently Enacted State Legislation	ABEST report

Administrative and Support Costs (if required)	Two ABEST reports
Summary of Requests for Facilities-Related Projects	Spreadsheet form

AGENCY REQUEST

The Strategy Request is the initial building block of the agency's budget request. It should incorporate direct strategy costs (excluding requested rider appropriations) and capital costs allocated to a strategy. The Summaries of Request are generated from ABEST. The Federal Funds, Capital Budget, and other schedules are supplemental and provide detail on amounts contained in the Strategy Request.

PRIORITIZATION OF MEASURES

ABEST requires an agency to enter its performance measure definitions in the system. As part of that process, the agency will be able, but not required, to assign a priority (high, medium, or low) to each performance measure. This prioritization will assist in review of the budget request and in the selection of key measures for inclusion in the General Appropriations Bill.

ELECTRONIC SUBMISSION

Agencies will submit LARs for fiscal years 2024 and 2025 electronically through ABEST. The LAR is submitted automatically to the LBB electronically when agencies change their status in ABEST to Complete.

Instructions for entering budget data in ABEST are available on the LBB website at www.lbb.texas.gov/Agencies_Portal.aspx → Instructions → Legislative Appropriations Requests → *ABEST Instructions for Legislative Appropriations Request* (June 2022).

A searchable PDF also must be emailed to the Office of the Governor, Budget and Policy Division, at budgetandpolicyreports@gov.texas.gov.

An LAR-to-PDF generator is available in ABEST, which enables the selection of LAR reports from ABEST and the insertion of additional documents (PDF format only) to compile a PDF file. The PDF generator may be helpful in compiling bound copies of the LAR and the electronic submission to Document Submissions.

The LBB Document Submissions application is available on the LBB website at docs.lbb.texas.gov. Agencies that have a valid user ID and password for ABEST can access the application. The Help tab on the log in screen of Document Submissions provides additional instructions to complete electronic submission.

If an ABEST user ID or password is needed, request access by submitting a Logon Request Form at loginreqagy.lbb.texas.gov.

If needed, use the Contact Us tab within the LBB Document Submissions application to request support or assistance with Document Submissions.

NOTE

If an agency has sought and received permission to revise the completed 2024–25 LAR in ABEST, the agency will need to submit a searchable PDF version of the revised LAR through the Document Submissions application and email the revised PDF to the Office of the Governor, Budget and Policy Division.

BOUND PRINTED COPIES

Agencies must submit bound, printed copies of the LAR and any supplemental (non-ABEST) information to the offices requiring those copies. See the **Distribution** section for a complete list.

AGENCY SUBMISSION SCHEDULE

Figure 4 shows the submission due dates for the 2024–25 Legislative Appropriations Request by agency.

FIGURE 4 LEGISLATIVE APPROPRIATIONS REQUEST SUBMISSION SCHEDULE, 2024–25 BIENNIUM	
JULY 29, 2022	
Commission on the Arts	Department of Licensing and Regulation
Bond Review Board	Low-level Radioactive Waste Disposal Compact Commission
Commission on State Emergency Communications	Texas Medical Board
Office of Capital and Forensic Writs	Texas Board of Nursing
Board of Chiropractic Examiners	Optometry Board
Texas State Board of Dental Examiners	Pension Review Board
Texas Ethics Commission	Board of Pharmacy
Commission on Fire Protection	Executive Council of Physical Therapy and Occupational Therapy Examiners
Funeral Service Commission	Board of Plumbing Examiners
Board of Professional Geoscientists	Office of the State Prosecuting Attorney
Health Professions Council	Office of Public Insurance Counsel
Higher Education Coordinating Board	Securities Board
Commission on Jail Standards	Office of Public Utility Counsel
State Commission on Judicial Conduct	Board of Veterinary Medical Examiners
Commission on Law Enforcement	
State Law Library	
AUGUST 5, 2022	
Animal Health Commission	Department of Housing and Community Affairs
Behavioral Health Executive Council	Judiciary Section, Comptroller's Department
Office of Court Administration, Texas Judicial Council	Library and Archives Commission
Supreme Court of Texas	Public Utility Commission of Texas
Court of Criminal Appeals	State Preservation Board
Courts of Appeals (14)	Soil and Water Conservation Board
Agencies and Institutions of Higher Education	Veterans Commission
Historical Commission	Texas Military Department
AUGUST 12, 2022	
Department of Agriculture	Department of Motor Vehicles
State Office of Administrative Hearings	Teacher Retirement System of Texas
Alcoholic Beverage Commission	Railroad Commission of Texas
Cancer Prevention and Research Institute of Texas	State Office of Risk Management
Texas Emergency Services Retirement System	

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Comptroller of Public Accounts	Department of Public Safety
Fiscal Programs-Comptroller of Public Accounts	General Land Office
Facilities Commission	Racing Commission
Secretary of State	Texas Lottery Commission
Department of Family and Protective Services	Water Development Board
Juvenile Justice Department	

AUGUST 26, 2022

Office of the Attorney General	Office of the Governor
School for the Blind and Visually Impaired	Department of Information Resources
Commission on Environmental Quality	Department of State Health Services
Department of Criminal Justice	Texas Education Agency
School for the Deaf	Department of Transportation
Employees Retirement System of Texas	Reimbursements to the Unemployment Compensation Benefit Account
Health and Human Services Commission	Texas Workforce Commission
Department of Insurance	Trusteed Programs within the Office of the Governor
Parks and Wildlife Department	
Public Finance Authority	

LEGISLATIVE APPROPRIATIONS REQUESTS ON AGENCY WEBSITES

Agencies are required to place their 2024–25 LARs on the agency website within five days of submitting the required PDF to the LBB and the Office of the Governor. Please contact LBB PC Technical Support at (512) 936-4026 for technical assistance. Any revisions to the LAR, including all changes to affected forms and schedules, should be posted to the agency website within five days of submitting the revision to the LBB and the Office of the Governor.

ABEST GENERATED REPORTS

The LAR will include up to 26 ABEST reports. Data will be entered into various data-entry screens identified in the next section, using instructions in *ABEST Instructions for Legislative Appropriations Request* (June 2022). **Figure 5** shows the 26 reports and the corresponding data-entry screen or screens for each report.

**FIGURE 5
AUTOMATED BUDGET AND EVALUATION SYSTEM OF TEXAS (ABEST) DATA ENTRY MENUS AND SUBMENUS FOR LEGISLATIVE APPROPRIATIONS REQUEST (LAR) REPORTS
2024–25 BIENNIUM**

LAR REPORT	ABEST DATA ENTRY MENUS AND SUBMENUS
Administrator’s Statement	Data entered during Strategic Planning phase
Summaries of Request	
• 2.A. Summary of Base Request by Strategy	Strategy/Budgeting and Full-time-equivalent (FTE) positions
• 2.B. Summary of Base Request by method of finance (MOF)	Summary of Requests/MOFs and FTE positions
• 2.C. Summary of Base Request by OOE	Strategy/Budgeting
• 2.D. Summary of Base Request Objective Outcomes	Measures and Outcomes
• 2.E. Summary of Exceptional Items Request	Exceptional Items Descriptions and Strategy-related Detail
• 2.F. Summary of Total Request by Strategy	Strategy/Budgeting, Exceptional Items/Strategy-related Detail
• 2.G. Summary of Total Request Objective Outcomes	Measures/Outcomes and Impact on Outcomes
• 3.A. Strategy Request	Strategy/Budgeting and FTE positions, Measures/Outcomes and Strategy-related Detail; Justification Description and Internal/External Factors entered during Strategic Planning phase; items included on strategy request report
• 3.C. Rider Appropriations and Unexpended Balances Request	Rider Descriptions and Rider Amounts
Request for Exceptional Items	
• 4.A. Exceptional Item Request Schedule	Exceptional Items/Descriptions and Strategy-related Detail
• 4.B. Exceptional Item Strategy Allocation Schedule	Exceptional Items/Strategy Related Detail
• 4.C. Exceptional Items Strategy Request	Strategy/Budgeting and FTE positions, Exceptional Items/Strategy-related Detail
Capital Budget Supporting Schedules (1)	
• 5.A. Capital Budget Project Schedule	Capital Projects/Financing, Strategy Allocations, and Rider Financing
• 5.B. Capital Budget Project Information	Capital Projects/Information
• 5.C. Capital Budget Allocation to Strategies	Capital Projects/Strategy Allocations and Rider Allocations
• 5.D. Capital Budget Operating and Maintenance Expenses	Capital Projects/Operating and Maintenance Expenses
• 5.E. Capital Budget Project: Object of Expense and Method of Financing by Strategy	Capital Projects/Strategy Allocations and Rider Allocations
• Capital Budget Project Schedule – Exceptional	Exceptional Item Capital Projects/Method of Finance
• Capital Budget Allocation to Strategies – Exceptional	Exceptional Item Capital Projects/Strategy Allocations

Supporting Schedules

- | | |
|--|--|
| • 6.A. Historically Underutilized Business (HUB) Supporting Schedule | Supporting Information/Historically Underutilized Business Schedule |
| • 6.C. Federal Funds Supporting Schedule (2) | Strategy/Budgeting, Supporting Information/Federal Funds Supporting Schedule |
| • 6.D. Federal Funds Tracking Schedule (2) | Supporting Information/Federal Funds Tracking Schedule |
| • 6.E. Estimated Revenue Collections Supporting Schedule (2) | Supporting Information/Estimated Revenue Collections Schedule |
| • 6.F. Advisory Committee Supporting Schedule | Supporting Information/Advisory Committee and Advisory Committee – Meetings/Strategies/Expenses/MOFs |
| • 6.K. Budgetary Impacts Related to Recently Enacted Legislation | Supporting Information/Budgetary Impacts of Recently Enacted Legislation |
| • Administrative and Support Costs Schedule (2) | Supporting Information/Indirect Administration |

NOTES:

- (1) These reports are not required for an appellate court.
- (2) These reports are required only for Article II agencies, or upon request by an analyst from the Legislative Budget Board or Office of the Governor, Budget and Policy Division.

Direct any questions regarding these instructions to the assigned analyst at either the LBB or the Office of the Governor.

ASSEMBLY AND DISTRIBUTION

ASSEMBLY

For bound paper copies of the appropriations request, all pages—whether produced by Automated Budget and Evaluation System of Texas (ABEST) reports, word-processing software, or spreadsheets—should be printed on letter-size paper (8.5 inches by 11 inches) and bound along the left margin in a document with a durable cover. See the sample cover sheet on page 15. The appropriations request 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 appropriations request. These instructions and word-processing and spreadsheet forms may be accessed on the LBB website (www.lbb.texas.gov/Agencies_Portal.aspx → Instructions → Legislative Appropriations Request). Agencies may use and modify these forms as needed if the basic information and structure are maintained.

For additional information regarding ABEST schedules, refer to instructions contained in *ABEST Instructions for Legislative Appropriations Request* (June 2022) (www.lbb.texas.gov/Agencies_Portal.aspx → Instructions → Legislative Appropriations Request) or contact the LBB Help Desk at (512) 463-3167.

Assemble request documents in the following order:

- (1) Cover and Title Sheet
- (2) Table of Contents
- (3) Administrator’s Statement
- (4) Organizational Chart
- (5) Certificate of Dual Submissions
- (6) Summaries of Request (including Budget Overview)
- (7) Strategy Request
- (8) Rider Appropriations and Unexpended Balances Request
- (9) Rider Revisions and Additions Request
- (10) Substrategy Request (if required)
- (11) Exceptional Item Request
- (12) Capital Budget
- (13) Supporting Schedules:
 - Historically Underutilized Business;
 - Current Biennium Onetime Expenditure;
 - Federal Funds;
 - Federal Funds Tracking (if required);
 - Estimated Revenue Collections;
 - Advisory Committee Supporting Schedule;
 - Estimated Total of All Funds Outside the General Appropriations Act;
 - Behavioral Health Funding Schedule; and
 - Budgetary Impacts Related to Recently Enacted State Legislation Schedule
- (14) Administrative and Support Costs (if required)
 - Indirect Administrative and Support Costs; and
 - Direct Administrative and Support Costs
- (15) Summary of Request for Capital Financing

NOTE

Institutions of Higher Education must complete Supplemental Schedules 1–9. See *ABEST Instructions for Legislative Appropriations Request Schedules 1–9, 2024–25 Biennium*, located on the LBB’s website at www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Instructions → Legislative Appropriations Request Instructions → Institutions and Agencies of Higher Education.

DISTRIBUTION

An electronic copy of the Legislative Appropriations Request (LAR) is submitted to the LBB when the agency status in ABEST is set to Complete. Bound paper copies of the LAR and any supplemental (non-ABEST) information required by the LBB or the Office of the Governor, Budget and Policy Division, should be filed as follows:

SUBMISSION OF BOUND COPIES AND SUPPLEMENTAL FILING			
<p>Legislative Budget Board Robert E. Johnson Building, Fifth Floor (P.O. Box 12666, Austin, TX 78711)</p>	<p>ABEST, PDF submissions, and two bound paper copies</p> <p>Submit to: http://docs.lbb.texas.gov</p>	<p>Department of Information Resources PDF submission William P. Clements Building, Suite 1300 (P.O. Box 13564, Austin, TX 78711-3564)</p> <p>policy@dir.texas.gov</p>	
<p>Office of the Governor, Budget and Policy Division 1100 San Jacinto, Fourth Floor (P.O. Box 12428, Austin, TX 78711)</p> <p>budgetandpolicyreports@gov.texas.gov</p>	<p>PDF submissions and two bound paper copies</p>	<p>Bond Review Board PDF submission William P. Clements Building, Suite 409 (P.O. Box 13292, Austin, TX 78711-3292)</p> <p>capital@brb.texas.gov</p>	
<p>State Auditor’s Office Robert E. Johnson Building Suite 4.224 (P.O. Box 12067, Austin, TX 78711-2067)</p> <p>submitreports@sao.texas.gov</p>	<p>PDF submission</p>	<p>Lieutenant Governor’s Office PDF submissions and two bound paper copies Texas Capitol, Room 2E.13 (P.O. Box 12068, Capitol Station, Austin, TX 78711)</p> <p>ltg.budget@ltgov.texas.gov</p>	
<p>Legislative Reference Library Texas Capitol, Room 2N.3 (P.O. Box 12488, Capitol Station, Austin, TX 78711)</p> <p>Lrl.techservices@lrl.texas.gov</p>	<p>One bound paper copy and PDF submission</p>	<p>Office of the Speaker of the Texas House of Representatives Two bound paper copies Texas Capitol, Room 2W.13 (P.O. Box 2910, Capitol Station, Austin, TX 78711)</p>	
<p>Texas State Publications Clearinghouse, State Library Lorenzo de Zavala State Archives and Library Building (P.O. Box 12927, Austin, TX 78711-2927)</p> <p>ref@tsl.texas.gov</p>	<p>Searchable PDF submission. Use the naming AGENCYACRONYM_LAR_F Y##-##. Submissions should be sent as a PDF-A file from a state of Texas government email account and, preferably from the designated agency.</p>	<p>Senate Committee on Finance Two bound paper copies Capitol Extension, Room E1.038 (P.O. Box 12068, Capitol Station, Austin, TX 78711)</p>	
<p>Comptroller of Public Accounts LBJ Building (P.O. Box 13528, Austin, TX 78711)</p>	<p>No additional submission required</p>	<p>House Committee on Appropriations Two bound paper copies Capitol Extension, Room E1.032 (P.O. Box 2910, Capitol Station, Austin, TX 78711)</p>	

Institutions of Higher Education
LARdropbox@thehb.state.tx.us

PDF submission

Sample Form for Cover and Title Sheet

Legislative Appropriations Request

for Fiscal Years 2024 and 2025

Submitted to the
Office of the Governor, Budget and Policy Division,
and the Legislative Budget Board

by

Department, Agency, Board, or Commission Name

Date of Submission

PART 1. STATEMENT, CHART, AND CERTIFICATION

ADMINISTRATOR'S STATEMENT

The Legislative Appropriations Request (LAR) is divided into parts identified by numbers and capital letters. Part 1 includes the Administrator's Statement, an organizational chart, and Certification of Dual Submissions.

The agency administrator and/or governing board must include a statement in the LAR. The administrator's statement must be entered into Automated Budget and Evaluation System of Texas (ABEST). Available space permits a maximum of 30,000 characters. This statement must include the names, terms of office, and hometowns of the members of the governing board. Explain issues fundamental to the budget request, including the following:

- for agencies with programs identified in the Policy Letter as exceptions to the baseline request limitation, a description of the funding request for that program that is included in the 2024–25 baseline request, the factors involved in determining that funding level, and how that funding request differs from amounts estimated to be expended for that program in the 2022–23 biennium;
- significant changes in policy;
- significant changes in provision of service (e.g., client population, cost, efficiencies, technology, privatization, etc.);
- significant externalities (e.g., population changes, court orders, federal mandates, service demands, etc.); and
- purpose of any new funding being requested (e.g., comply with federal or state law requirements, resolve unforeseen budget problems, expand existing or establish new programs).

The administrator's statement should address exempt positions at the agency, including requests to change existing position titles, authorized salary levels (or group numbers), requests for new exempt positions; and requests for additional funding to increase exempt position salaries.

The administrator's statement should describe the agency's statutory authority to conduct background checks and actual agency practices or procedures regarding background checks. Additionally, the administrator's statement should address any plans to transition to the statewide Enterprise Resource Planning system, referred to as the Centralized Accounting and Payroll/Personnel System (CAPPS). If the agency has been identified by the Comptroller of Public Accounts (CPA) as an agency to transition to CAPPS during the 2024–25 biennium, the agency should determine and coordinate funding requests with CPA (see **Parts 4** and **5** of these instructions for additional information) and should work with the LBB analyst to address those requests.

ORGANIZATIONAL CHART

Provide an organizational chart that reflects the management structure of the agency. The organizational chart is not generated in ABEST. Although there is no standard format for the organizational chart, at a minimum, identify the following:

- oversight Boards or Commissions (Article II agencies should include the Executive Commissioner and Agency Councils);
- all functional units of the agency (with a brief description of each function);
- each management position by title; and
- the number of full-time-equivalent (FTE) positions directly supervised by each management position.

CERTIFICATION OF DUAL SUBMISSIONS

The LAR is submitted electronically, both through ABEST and as a PDF document. ABEST will automatically submit the LAR to the LBB electronically when agencies change the status to Complete. Agencies will submit the PDF document through the LBB Document Submissions application (docs.lbb.texas.gov).

A certification that the content of the ABEST submission and the PDF document are identical, must be submitted as part of the PDF document. The certification form is available on the LBB website at www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Instructions → Legislative Appropriations Request → Certificate of Dual Submission.

The request submitted in ABEST is the official submission. If there is a discrepancy between the ABEST submission and the PDF document, the ABEST submission will be presumed correct.

If an office is headed by an elected official, the first assistant may sign for the elected official.

PART 2. SUMMARIES OF REQUEST

GENERAL INFORMATION

The Summaries of Request include seven reports. Four summarize the agency's base request for fiscal years 2024 and 2025 and include data for fiscal years 2021, 2022, and 2023. The Summary of Exceptional Items Request lists each exceptional item and provides the total exceptional item request by method of finance (MOF). The final two provide the combined totals of the base and exceptional items requests and the corresponding outcome measure targets. The purpose of these schedules is to provide a high-level breakdown of the agency's budget and performance measure by MOF, Object of Expense, and Strategy. These breakdowns provide transparency into the agency's historical performance and enable a deeper analysis of the agency's base and exceptional item requests for the upcoming biennium.

IMPORTANT

- Amounts reported for fiscal year 2021 should include **expenditures plus accruals and encumbrances** payable for the fiscal year.
- Amounts reported for fiscal years 2022 and 2023 should show the agency's best estimate for anticipated expenditures.
- Historical expenditures for transferred programs should be entered by the agency that made the expenditure.
- Provide an explanation for any significant differences between the agency's appropriations and expended amounts.

DATA ENTRY

The Summaries of Request consist of data for seven Automated Budget and Evaluation System of Texas (ABEST)-generated summaries. Draft versions can be generated at any time during data entry into ABEST. The agency must set the status of the request to Complete before generating a final copy to ensure there are no contradictions between sections of the request.

BUDGET OVERVIEW

This summary provides a concise overview of the agency's estimated/budgeted expenditures for the 2022–23 biennium, and the base request for the 2024–25 biennium, by both strategy and MOF type. The schedule also shows the agency's exceptional item requests by strategy on an All Funds basis. This schedule is automatically generated in ABEST and will display aggregated amounts entered in other schedules.

2.A. SUMMARY OF BASE REQUEST BY STRATEGY

The Summary of Base Request by Strategy schedule totals the agency's base-level appropriations request for fiscal years 2024 and 2025 by strategy and shows the request in context of the agency's approved budget structure. It also contains information on fiscal year 2021 actual expenditures, including accruals and encumbrances; fiscal year 2022 estimated expenditures; and budgeted fiscal year 2023 expenditures. Expenditure amounts for fiscal year 2021 should incorporate any additions or reductions as passed in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.

This schedule summarizes data entered in the strategy request and appropriations rider request. For fiscal years 2021 to 2023, appropriation rider expenditures are included in the strategy expenditure amounts. For requested fiscal years 2024 and 2025, prospective rider appropriation totals appear at the end of the summary.

For fiscal years 2022 and 2023, the strategy amounts when totaled should equal the 2022–23 Base Reconciliation previously approved by the Legislative Budget Board (LBB) and the Office of the Governor, Budget and Policy Division, except for appropriation adjustments detailed in the Summary of Base Request by Method of Finance section of these instructions. For all fiscal years, the strategy amounts by MOF when totaled must equal the Adjusted MOF Totals included in the Summary of Base Request by Method of Finance.

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE

The Summary of Base Request by Method of Finance identifies the sources from which funds have been appropriated, expended, budgeted, and requested. The schedule aids the LBB and the Office of the Governor in reconciling the original appropriation with the final expended or adjusted budget amounts for fiscal years 2021 to 2023.

This schedule is similar to the Operating Budget’s schedule 2.B Summary of Budget by Method of Finance and an agency’s Base Reconciliation. Although each of these has differing submission periods, the information submitted for each should show continuity. Review the information submitted previously for consistency and provide an explanation for any significant differences between previous submissions and the LAR submission.

IMPORTANT

- Show any authorized unexpended balances carried forward into the second year of the biennium, or from one biennium to the next, from each MOF.
- 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.

Each MOF is assigned a category of fund (General Revenue Funds, General Revenue–Dedicated Funds, Federal Funds, and Other Funds) and a Type of Appropriation (Regular, Rider, Transfers, etc.). For more information on Categories of Funds and Types of Appropriation, see the **Method of Finance** section.

Each MOF’s Regular Appropriation entry should match the amounts from the 2020–21 and 2022–23 General Appropriations Acts (GAA). Enter the Regular Appropriation amounts from the Conference Committee Report on House Bill 1, Eighty-sixth Legislature, 2019, for fiscal year 2021 and from the Conference Committee Report for Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021, for fiscal years 2022 and 2023. Both bills are available on the LBB website at the following addresses:

- House Bill 1, 2019 – www.lbb.texas.gov/Documents/Appropriations_Bills/86/Conference_Bills/86R_HB1-F.pdf.
- Senate Bill 1, 2021 – www.lbb.texas.gov/Documents/Appropriations_Bills/87/Conference_Bills/87R-SB1.pdf.

Adjustments to the Regular Appropriation amounts are made using other Types of Appropriation. These adjustments should include references to specific Article IX provisions, end-of-article Special Provisions, agency-specific riders from the GAA; 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;
- Other appropriating legislation, including:
 - Senate Bill 500, Eighty-sixth Legislature, 2019;
 - House Bill 3317, Eighty-sixth Legislature, 2019;
 - House Bill 2, Eighty-seventh Legislature, Regular Session, 2021;
 - House Bill 2896, Eighty-seventh Legislature, Regular Session, 2021;
 - House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021;
 - House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; and
 - Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021.
- 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-Seventh Legislature, Regular and Called Sessions, 2021, and funded by an appropriating rider contained in Article IX;

- budget reductions and transfers mandated by special provisions and general provisions in the GAA;
- budget executions;
- executive orders; and
- lapsed funds.

The information in the report for fiscal years 2021 to 2023 should match, except for the adjustments listed above, the 2022–23 Base Reconciliation previously approved by the LBB and the Office of the Governor. For all fiscal years, the Adjusted MOF Totals in the Summary of Base Request by Method of Finance must equal the total of the strategy amounts by MOF included in the Summary of Base Request by Strategy.

In addition to the MOF summary entered by the agency, the report also reconciles the full-time-equivalent (FTE) positions as reported in agency strategies. See the Method of Finance section and the Summary of Base Request by Method of Finance sample report in **Appendix 2.B**.

CHECKLIST ITEMS FOR SECTION 2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE

- Does the report reflect appropriate and specific Article IX provisions, end-of-article Special Provisions, agency-specific riders, and Governor's vetoes?
- Does the report include all transfers, including interagency transfers?
- Does the MOF reconcile to the fiscal year 2019 and 2022–23 biennial MOF structure, as reflected in the Conference Committee Reports on House Bill 1, Eighty-sixth Legislature, 2019 and Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021?
- Does the report include rider appropriations, such as certain unexpended balances carry-forward authority and supplemental appropriations?
- Does the MOF reflect lapsed appropriations and revised receipts?
- Do FTE positions equal the sum of FTE positions in each strategy?

2.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE

The Summary of Base Request by Object of Expense summarizes the agency's base request by object of expense (OOE) codes to display the goods and services purchased by the agency. Eighteen OOE's, as listed in *Object of Expense Codes* (www.lbb.texas.gov/Agencies_Portal.aspx → Reference Documents → ABEST → Object of Expense Codes), will be used for this report. See Summary of Base Request by Object of Expense sample report in **Appendix 2.C**.

2.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES

The Summary of Base Request by Objective Outcomes summarizes agency outcome measures. Enter actual and estimated performance for fiscal years 2021 and 2022, respectively. For budgeted fiscal year 2023, enter the agency's current projected performance for each outcome measure. In instances where the current estimate is not the same as the 2023 targeted performance identified in the 2022–23 GAA, updating the current estimate does not constitute a request to change the target. See the Summary of Base Request Objective Outcomes sample report in **Appendix 2.D**.

2.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST

The Summary of Exceptional Items Request uses data extracted from the Exceptional Item Strategy Request and the Summary of FTE positions ABEST screen. For each fiscal year, enter the number of FTE positions that are included in the Exceptional Item FTE positions totals that are funded entirely with Federal Funds.

NOTE

Do not include FTE positions that would be partially funded with Federal Funds in the line for Number of 100% Federally Funded FTE positions.

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY AND 2.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES

These summaries correspond to the similarly titled base request summaries. Each displays the requested base level, the exceptional item amount, and the total of the base and exceptional items. No additional data entry is necessary.

METHOD OF FINANCE

Schedule 2.B, Summary of Base Request by Method of Finance, identifies the sources from which funds have been appropriated, expended, budgeted, and requested.

GENERAL INFORMATION

The Method of Finance (MOF) section should identify the codes from which funds have been appropriated, expended, budgeted, and requested. These codes are in *Method of Financing Codes*, available on the LBB website (www.lbb.texas.gov/Agencies_Portal.aspx → Reference Documents → ABEST → Method of Finance Codes). Agencies should consult their Legislative Budget Board (LBB) or Office of the Governor, Budget and Policy Division, analyst if there are questions about which MOF code to use for a particular source of funds.

The Summary of Base Request by Method of Finance schedule allows the budget offices to reconcile the final expended amounts for fiscal year 2021, estimated expenditures for fiscal year 2022, and the budgeted amounts for fiscal year 2023 with the General Appropriations Act (GAA) for each year. To provide the necessary level of detail, this section should identify the MOF codes for all amounts included in the LAR. The MOF code cited should reflect the fund category applicable to the year in which the amounts were appropriated. In addition, this schedule allows agencies to reconcile the number of full-time-equivalent (FTE) positions for each fiscal year. See Summary of Base Request by Method of Finance sample in **Appendix 2.B**.

Amounts for fiscal years 2021, 2022, and 2023, except for updates and adjustments shown on page 20, should match those reported in the 2022–23 Base Reconciliation approved by the LBB and Office of the Governor. Requested General Revenue Funds and General Revenue–Dedicated Funds baseline appropriations for 2024 and 2025 should not exceed the amounts established by the LBB and Office of the Governor through the base reconciliation process and by directives contained in the Policy Letter.

IMPORTANT

For each MOF, enter the Regular Appropriation amounts from the Conference Committee Report on House Bill 1, Eighty-sixth Legislature, 2019, for fiscal year 2021 and from the Conference Committee Report on Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021, for fiscal years 2022 and 2023. Both bills are available on the LBB website (www.lbb.texas.gov → Budget → Budget Documents by Session). Use the drop-down options to change the session or follow the links on page 20 of these instructions.

CATEGORIES OF FUNDS

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. ABEST subtotals amounts in the LAR by category of fund.

See the LBB website for MOF codes (www.lbb.texas.gov/Agencies_Portal.aspx → Reference Documents → ABEST → Method of Finance Codes).

GENERAL REVENUE FUNDS

This MOF includes all nondedicated General Revenue Funds and accounts and Earned Federal Funds.

Earned Federal Funds include funds received as a reimbursement for previous expenditures and all Federal Funds received in connection with a federally funded program. These funds 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.

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

Pursuant to both General Appropriations Acts (2020–21 and 2022–23), Article IX, Section 13.11, Earned Federal Funds are classified as collected revenue to the General Revenue Fund and included as part of MOF Code 001. Article IX, Section 13.11(b), shows the amount of General Revenue Funds appropriations contingent on the collection of Earned Federal Funds by agency.

The Summary of Base Request by Method of Finance Report should identify the incremental amount of Earned Federal Funds greater than

or less than the fiscal years 2021, 2022, and 2023 amounts estimated in Article IX, Section 13.11(b). If collections are anticipated to be less than appropriated amounts, a corresponding appropriation reduction to General Revenue Funds (identified as a rider appropriation adjustment) should occur. Likewise, if collections are anticipated to exceed appropriated amounts, a corresponding increase in General Revenue Funds appropriations should occur, subject to the notification procedures outlined in Article IX, Section 13.11(c) and (d). See **Appendix 2.B. Summary of Base Request by Method of Finance** for an example.

Any unexpended and unobligated balances in General Revenue Funds appropriations contingent on Earned Federal Funds at the end of fiscal year 2022 may be carried forward into fiscal year 2023 and should be identified as a Rider Appropriation adjustment. Affected agencies should include unspent, unobligated amounts that are not carried forward as a Lapse Appropriation entry in the Summary of Base Request by Method of Finance Report.

Pursuant to Article IX, Section 13.11(h), Earned Federal Funds 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 reduce the appropriation by this amount. Agencies should contact the Employees Retirement System to determine amounts for retiree insurance.

Tobacco Settlement Receipts require the appropriate MOF codes for funds received as tobacco settlement receipts that are not dedicated.

GENERAL REVENUE–DEDICATED FUNDS

General Revenue–Dedicated Funds include all dedicated General Revenue Funds accounts. The MOF codes on the LBB website (www.lbb.texas.gov/Agencies_Portal.aspx → Reference Documents → ABEST → Method of Finance Codes) incorporate changes made by House Bill 3317, Eighty-sixth Legislature, 2019, and House Bill 2896, Eighty-seventh Legislature, Regular Session, 2021, relating to the establishment and reestablishment of funds, and include a complete listing of the General Revenue–Dedicated accounts.

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 Funds received in response to the COVID-19 pandemic are reported using MOF Code 0325. 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. CFDA numbers related to the pandemic are distinguished by the suffix 119, unless otherwise indicated by the LBB. Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, appropriations should be reported using CFDA number 21.027.119 for Coronavirus State Fiscal Recovery Funds and CFDA number 21.029.119 for the Coronavirus Capital Projects Fund. Similarly, CFDA numbers used to identify federal funding from the Infrastructure Investment and Jobs Act are distinguished by the suffix 120. See the **Part 6.C. Federal Funds Supporting Schedule** for additional information on how to add a new CFDA number in ABEST.

IMPORTANT

For all Federal Funds MOF codes, ABEST requires agencies to enter data at the federal program level using numbers assigned by the Catalog of Federal Domestic Assistance (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.

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 Base Request by Method of Finance report should itemize Appropriated Receipts by specific appropriation authority, such as the 2022–23 GAA, Article IX, Section 8.02, Reimbursements and Payments; Section 8.03, Surplus Property; or Section 8.07, Appropriation of Collections for Seminars and Conferences. Use a Regular Appropriations entry to show the amount

of Appropriated Receipts in the GAA. If collections are anticipated to be greater or less than the Regular Appropriations amount, show the incremental difference with a Rider Appropriation adjustment entry.

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, do not include transfer of funds from another state agency due to enactment of legislation that transfers a program or programs. The MOF code for Interagency Contracts is 0777.

IMPORTANT

An agency purchasing goods or services from another state entity will use the original MOF (General Revenue Funds, Federal Funds, etc.). The agency acting as the vendor or provider of goods or services will use 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 444, Criminal Justice Grants. These funds will be considered a type of Interagency Contract. Agencies should explain in the comments section in the Summaries of Request 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 on budgeted projects, including project categories and descriptions (e.g., water and wastewater improvements, deferred maintenance, locations, and timelines).

TYPES OF APPROPRIATION

Appropriations have eight types. Each MOF in an agency's Summary of Base Request by Method of Finance will have at least one of these types of appropriation and must include descriptions that identify the appropriation authority for every type included in the LAR. See Summary of Base Request by Method of Finance sample report in **Appendix 2.B.** for sample descriptions.

REGULAR APPROPRIATIONS

Regular Appropriations (RA) include direct appropriations that are included in the agency's MOF table in the relevant GAA. In the Summary of Base Request 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 is the first entry in each MOF code, and all other entries are shown as adjustments to this amount. For each MOF, enter the Regular Appropriation amounts from the Conference Committee Report on House Bill 1, Eighty-sixth Legislature, 2019, for fiscal year 2021 and from the Conference Committee Report on Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021, for fiscal years 2022 and 2023. Both bills are available on the LBB website (www.lbb.texas.gov → Budget → Budget Documents by Session). Use the drop-down options to change session or follow the links on page 20 of these instructions.

RIDER APPROPRIATIONS

Rider Appropriations (RI) include amounts that are not specifically itemized in the agency's MOF table in the GAA, but 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 certain articles; and agency-specific provisions are at the end of the agency's bill pattern in the GAA.

For each fund or account, enter each Rider Appropriation made by 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 and/or unexpended balances, with the estimated amounts identified in the riders and included in the agency's Regular Appropriations in the MOF table of the agency's bill pattern. In cases where the actual amounts are greater than or less than the amount stated in the rider, show

the incremental difference as a separate entry. If there are multiple revisions to an estimate resulting from different events, list each revision separately and show the same rider authorization for each. Appropriation reductions due to uncollected revenue may be shown as either a revised receipt Rider Appropriation or as a Lapsed Appropriation adjustment;

- In addition to riders in agency bill patterns, **several provisions in Article IX** authorize agencies to increase or decrease appropriations. Examples of common provisions that show adjustments to original appropriations include Article IX, Section 13.02, Report of Additional Funding (2022–23 GAA), and Article IX, Section 8.02, Reimbursements and Payments (2022–23 GAA);
- Use caution when identifying **appropriation adjustments related to a capital budget rider**. Amounts shown in Capital Budgets are included in an agency’s MOF table. However, agencies may be authorized to carry forward unspent appropriations for a Capital Budget item. For example, Article IX, Section 14.03, Transfers – Capital Budget, authorizes 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 similar authority. Agencies carefully should evaluate whether authority exists to carry forward unspent capital budget amounts; and
- In cases when an appropriation is contingent upon **certification by the Comptroller 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 such an entry will result in double-counting the appropriation.

SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS

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

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

- Senate Bill 500, Eighty-sixth Legislature, 2019;
- House Bill 3317, Eighty-sixth Legislature, 2019;
- House Bill 2, Eighty-seventh Legislature, Regular Session, 2021;
- House Bill 2896, Eighty-seventh Legislature, Regular Session, 2021;
- House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021;
- House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021;
- Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; and
- Governor’s Veto Proclamation reductions.

Appropriations referenced in the Governor’s Veto Proclamation should show their current status in the CPA’s Uniform Statewide Accounting System (USAS) and should be shown as negative entries.

GOVERNOR’S DISASTER/DEFICIENCY/EMERGENCY GRANT

Governor’s Disaster/Deficiency/Emergency Grant (GV) requires 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 (2020–21 and 2022–23 GAAs), which should be cited as the authority for these funds. MOF Code 8000 also is 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 (2020–21 and 2022–23 GAAs), which is the authority to cite for these funds. Entries reported as a Governor’s Disaster/Deficiency/Emergency Grant (GV) will be treated similarly to Interagency Contracts for budget summary purposes.

TRANSFERS

Transfers (TR) 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). Separately identify each transfer by authority and amount. All subsequent entries or adjustments must reflect increases or decreases to the original transfer amount. 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 also may include appropriation increases or decreases required by legislation or Article IX provision.

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 prior to 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 appropriation 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 leased space, Article IX, Section 11.04 (2020–21 and 2022–23 GAAs), and lease savings, Article IX, Section 11.06 (2020–21 GAA and 2022–23 GAA);
- budget transfers authorized by contingency appropriation provisions;
- 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 (2020–21 and 2022–23 GAAs); 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 in the LAR, 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 pursuant to Article IX, Section 15.01, Reimbursement for Unemployment Benefits (2020–21 and 2022–23 GAAs). 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 likewise should 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 as part of the Statewide Cost Allocation Plan pursuant to Article IX, Section 15.04, Appropriation Transfers: Billing for Statewide Allocated Costs (2020–21 GAA and 2022–23 GAAs). These should be treated as expenditures when they are transferred from appropriated funds;

- 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 (2020–21 and 2022–23 GAAs). These should be treated as expenditures when they are transferred from appropriated funds;
- payroll contributions for group health insurance authorized by Article IX, Section 17.03, Payroll Contribution for Group Health Insurance (2020–21 and 2022–23 GAA). These should be treated as expenditures when they are transferred from appropriated funds; and
- additional payroll contributions for retirement contribution pursuant to Article IX, Section 17.06, Additional Payroll Contribution for Retirement Contribution (2020–21 and 2022–23 GAAs). These should be treated as expenditures when they are transferred from appropriated funds.

UNEXPENDED BALANCES

Unexpended Balances (UB) are funds carried forward from a prior year's appropriation, as authorized by a specific provision in the GAA or other legislative or constitutional authority. See Article IX, Section 6.01, Unexpended Balance, (2020–21 and 2022–23 GAAs), 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 next fiscal year. If UB authority is provided by a rider or Article IX provision, it should be cited as a Rider Appropriation. See the Rider Appropriations and Summary of Base Request by Method of Finance example in **Appendix 2.B**. 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 UB amount. Enter the correct citation for each adjustment.

BASE ADJUSTMENT

Base Adjustments (BA) include adjustments to estimated strategy appropriations or MOFs due to revised revenue receipts, changes in spending demands, or other updates to reflect actual appropriated amounts. Base Adjustment entries should not include estimated appropriations for which the authority to adjust the amount is explicitly granted by an agency-specific rider, general provision, or special provision; those adjustments should be cited and entered as a Rider Appropriation.

LAPSED APPROPRIATIONS

Lapsed Appropriations (LA) are amounts left unspent and unobligated at the end of a fiscal year. Lapsed appropriations within each fund and account should be identified as negative entries. 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 years 2022 and 2023.

FULL-TIME-EQUIVALENT POSITIONS

Agencies are required to submit summary information on full-time-equivalent (FTE) positions as part of the Summary of Base Request by Method of Finance.

GENERAL INFORMATION

ABEST has a separate data entry screen for FTE positions information in which the agency will identify the number of FTE positions associated with the actual, budgeted, and requested amounts for each strategy. The sum of the FTE positions across all strategies must equal the Adjusted FTE position Total for each fiscal year included in the Summary of Base Request by Method of Finance.

FTE POSITIONS CAP

The FTE positions section follows the same format as the Method of Finance section. For the Regular Appropriation, an agency's authorized cap is identified in the Conference Committee Report on House Bill 1, Eighty-sixth Legislature, 2019, for fiscal year 2021 and the Conference Committee Report for Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021, for fiscal years 2022 and 2023.

Adjustments to the cap should be itemized following the Regular Appropriation using the remaining categories of appropriation type and specific authority for each. Adjustments may include rider appropriations, special or general provisions, transfers due to the enactment of legislation, or joint LBB and Office of the Governor approval to exceed the FTE limitation. Round the numbers of FTE positions to the nearest tenth.

Additional categories of appropriation types that are unique to FTE positions include:

- **Unauthorized Number Over (Below) Cap (UN)** is entered to represent any difference between the agency's adjusted FTE 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; and
- **Board or Administrator FTE Positions Adjustments:** Pursuant to Article IX, Section 6.10, Limitation on State Employment Levels (2020–21 and 2022–23 GAAs), without the written approval of the LBB or Office of the Governor, a state agency, institution of higher education, appellate court, or judicial branch agency may increase its FTE position cap by the lesser of 50.0 FTE positions or 110.0 percent of the cap in its bill pattern. Show these adjustments as a rider appropriation and use the appropriate ABEST dropdown selection.

FISCAL YEAR 2021 ACTUAL

Unless specific legislative exceptions have been made for an agency, the total adjusted FTE positions reported as expended for fiscal year 2021 should equal the average of the four quarterly FTE positions or contractors amounts reported to the Classification Division of the State Auditor's Office (SAO). The FTE positions reports are available online at www.sao.texas.gov → Resources → Tools → Online Systems → Full-Time-Equivalent State Employee System.

FISCAL YEAR 2022–23 ESTIMATED AND BUDGETED

Amounts estimated for fiscal year 2022 and budgeted for fiscal year 2023 should include the agency's reasonable expectations for vacancies and other adjustments for each fiscal year. Enter the correct citation for each adjustment.

BASELINE REQUEST

In baseline requests for fiscal years 2024 and 2025, FTE positions requests should not exceed the cap for fiscal year 2023, as adjusted in an agency's approved 2022–23 Base Reconciliation, unless otherwise instructed by the LBB and Office of the Governor.

100 PERCENT FEDERALLY FUNDED FTE POSITIONS

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

PART 3.A. STRATEGY REQUEST

The Strategy Request is a strategy-level summary that includes historical spending and current funding information, historical and projected performance levels, and the agency's description and justification of requested funding at the strategy level. The Strategy Request connects the strategy components to statewide goals and service categories.

GENERAL INFORMATION

Strategy requests are the components for the agency's budget request and set the baseline funding requested by the agency.

ADDITIONAL INFORMATION FOR HIGHER EDUCATION INSTITUTIONS

Institutions of higher education that receive formula appropriations or appropriations for the Texas Research University Fund, the Comprehensive Research Fund, and the Core Research Support Fund **should not** request amounts for the respective strategies.

DATA ENTRY

This summary is generated from Automated Budget and Evaluation System of Texas (ABEST). Goals, objectives, strategies, and performance measures included in the report must reflect the budget structure approved by the Office of the Governor and the LBB.

For data entry instructions, refer to *ABEST Instructions for Legislative Appropriations Request* (June 2022) on the LBB website at www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Legislative Appropriations Request (LAR) Instructions. To submit the final reports to be included in the LAR, set the general budget status to Complete.

SERVICE CATEGORIES

Assign service category codes to strategies in ABEST. Please refer to *ABEST Instructions for Legislative Appropriations Request* (June 2022). Assigned service category codes will appear on Strategy Request reports. Refer to Agency Reference Documents on the LBB website for Service Category codes (www.lbb.texas.gov/Agencies_Portal.aspx → Reference Documents → Other → Service and Population Categories).

PERFORMANCE MEASURES

This summary documents an agency's actual performance for fiscal year 2021, estimated performance for fiscal years 2022 and 2023, and requested performance levels for fiscal years 2024 and 2025 for all performance measures, both key—cited in the General Appropriations Act (GAA), and non-key—those not included in the GAA but part of the agency's approved strategic planning and budget structure.

Projected performance should be the agency's most current estimate, not necessarily the established target included in Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021 (2022–23 GAA). Submission of the LAR does not constitute a request to change the targets established in the 2022–23 GAA.

OBJECTS OF EXPENSE

Enter strategy costs by the 18 objects of expense listed and defined in *Object of Expense Codes* on the LBB website (www.lbb.texas.gov/Agencies_Portal.aspx → Reference Documents → ABEST → Object of Expense Codes). Incorporate all direct strategy costs and all capital budget costs allocated to the strategy. Refer to the Capital Budget section of these instructions for more detail on identification and allocation of capital budget expenditures.

METHOD OF FINANCE

Enter each fund/account and amount used as a funding source for the strategy for expended 2021, estimated 2022, budgeted 2023, and requested 2024 and 2025. Method of Finance (MOF) codes are available on the LBB website at www.lbb.texas.gov/Agencies_Portal.aspx → Reference Documents → ABEST → Method of Finance Codes. Federal funding sources must be detailed by the Catalog of Federal Domestic Assistance (CFDA) number. See the Federal Funds Supporting Schedule section of these instructions for additional information and clarification regarding appropriate MOF codes and how to add a new CFDA number in ABEST.

NUMBER OF FULL-TIME-EQUIVALENT POSITIONS

Identify the total number of full-time-equivalent (FTE) positions associated with each strategy and rider appropriation for expended 2021, estimated 2022, budgeted 2023, and requested 2024 and 2025. Visit the State Auditor’s website for additional information concerning the calculation of FTE positions (www.sao.texas.gov → Resources → Tools → Online Systems → Full-Time-Equivalent State Employee System).

TRANSFERRED PROGRAMS

Expended and/or 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 the program existed at the agency. Program expenditures, FTE positions, and performance measure data in years before the transfer should be shown at the agency that made the expenditures; receiving agencies should not recreate 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 2021, 2022, and 2023 in the Summary of Budget by Method of Finance only.

RIDER APPROPRIATIONS IN THE STRATEGY REQUEST.

Appropriation and unexpended balance rider MOF information will be included in the Strategy Request. The rider information for requested fiscal years 2024 and 2025 will be uploaded automatically from the rider information entered by the agency on a separate rider request screen in ABEST. Agencies should not enter appropriation and unexpended balance rider information directly into the Strategy Request section for the requested years 2024 and 2025. The final total will add the total MOF for the strategy to the total MOF for the rider appropriations for these years.

STRATEGY DESCRIPTION AND JUSTIFICATION.

Provide a narrative description of each strategy. Include each of the following items:

- specific statutory and/or constitutional provisions authorizing each strategy;
- functional activities associated with the strategy;
- efforts to respond to court orders and/or federal mandates;
- relationship with other agency strategies and associated funding requirements;
- other factors justifying implementation of the strategy; and
- new initiatives not currently funded or authorized;

EXTERNAL OR INTERNAL FACTORS AFFECTING STRATEGY

Using the strategic plan as a starting point, each agency will describe external and internal factors affecting current and future strategy funding. Examples of external factors include characteristics of conditions or target populations; federal requirements for state match or state maintenance of effort; current law and changes in federal or state law; the effects of court rulings and pending litigation; and the relationship of a strategy to a statewide effort affecting strategies in other agencies. Examples of internal factors include information resource technology limitations, agency reorganization efforts, and agency response to recent audit findings.

Explanation of Biennial Change. This section requires agencies to report detailed information describing the increase or decrease from the agency’s 2022–23 Base Spending amounts compared to the 2024–25 Baseline Request for each strategy. Agencies are required to enter incremental increases and decreases (All Funds) for each item that contributes to the biennial change, and include an explanation for each adjustment. The explanation of each increased or decreased item must describe the All Funds amount by MOF category (General Revenue Funds, General Revenue–Dedicated Funds, Federal Funds, or Other Funds) and must identify any associated increase or decrease of FTE positions. Agencies will not be able to close or submit an ABEST report until these fields have been completed. The reported All Funds incremental increases and decreases must fully explain the entire Biennial Change amount for each strategy.

USE OF SUBSTRATEGIES IN THE LEGISLATIVE APPROPRIATIONS REQUEST

Agencies may be required by either the LBB or the Office of the Governor to submit detailed budget information for certain strategies by substrategy. Agencies deploying onto the Centralized Accounting and Payroll/Personnel System (CAPPS) during the

2022–23 and/or 2024–25 biennium (with base request funding) should submit a substrategy schedule detailing deployment costs and efforts.

When required, complete the Substrategy Detail and Substrategy Summary spreadsheets provided on the LBB and Office of the Governor websites. Spreadsheet forms must be emailed to the Office of the Governor (budgetandpolicyreports@gov.texas.gov) and included in the searchable PDF submitted through the LBB Document Submissions application (docs.lbb.texas.gov).

CHECKLIST ITEMS

- Do the totals for object of expense and MOF balance for each strategy?
- Does the sum of the strategy requests equal the amounts shown in the Summary of Base Request by Strategy?
- Are rider appropriations, expenditures, and FTE positions for fiscal years 2021, 2022, and 2023 included?
- Have rider appropriations requested for fiscal years 2024 and 2025 been excluded from the Strategy Request?
- Is the CFDA number and the dollar amount in the heading Federal Funds in the Method of Finance section?
- For federal funding related to the COVID-19 pandemic, is the appropriated MOF code No. 0325 utilized?
- Does the Strategy Description and Justification reference the agency authority (e.g., statutory or constitutional)?
- Has the Explanation of Biennial Change entry and comments been completed?
- Have all applicable supporting schedules been completed to include with the Legislative Appropriations Request?
- For agencies deploying CAPPs in the 2022–23 biennium or 2024–25 biennium (with base request funding), are CAPPs deployment costs detailed in a substrategy?

PART 3.B. RIDER REVISIONS AND ADDITIONS REQUEST

The Rider Revisions and Additions Request form identifies all proposed revisions, deletions, and additions to agency riders in the Eighty-seventh Legislature, General Appropriations Act (GAA), 2022–23 Biennium. Definitions and descriptions of rider-related terms in this section are for the purpose of these instructions.

GENERAL INFORMATION

This form should reflect only proposed revisions to agency-specific riders in the 2022–23 GAA. These include riders contained in an agency’s bill pattern, agency-specific riders contained in Article IX, General Provisions, and riders in end-of-article special provisions. Agencies will use this form to identify rider revisions and additions for the base-level request. See **Appendix 3.B.** for a sample form.

Do not use this form to propose changes to non-agency-specific Article IX, General Provisions (2022–23 GAA), such as Appropriated Receipts and Interagency Contracts. These proposals, if any, should be included in the Administrator’s Statement.

This word-processing form is provided on the LBB website (www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Legislative Appropriations Request → Templates → 3.B. Rider Revisions and Additions Request) and the Office of the Governor’s website. This form should be included in the PDF submitted through the LBB Documents Submissions application (docs.lbb.texas.gov).

IMPORTANT

The Rider Revisions and Additions Request:

- is for requesting additional riders, changing existing riders, and identifying riders for deletion;
- may be modified provided the basic information and structure are maintained; and
- should be submitted stating that no changes are needed if no changes are requested.

KEY ELEMENTS AND ISSUES

Review all riders in the agency bill pattern, end-of-article special provisions, and agency-specific riders in Article IX, General Provisions (2022–23 GAA).

Riders may require revision due to statutory reference changes, technical corrections, changes in agency policy, or need for clarification. Legislative intent riders, if already implemented or no longer applicable, may be proposed for deletion. Riders may be proposed for deletion if the agency believes those funds could more efficiently be used to support an alternate program or exceptional item.

Riders that make appropriations for sum-certain, estimated, or unexpended balance amounts may also require revisions. However, because these appropriation riders are funding requests for fiscal years 2024 and 2025, the associated dollar amounts must appear on the Rider Appropriations and Unexpended Balances Request form.

Riders that made contingency appropriations will need revision or deletion. These riders may read, for example, “Contingent upon the enactment of House Bill 2728 or similar legislation, the Texas Lottery Commission is appropriated [\$__].” Contingency language in the rider must be amended if the rider is not deleted.

Include language for newly proposed riders.

COMPLETING THE FORM

For each proposal to revise or delete an existing rider in the 2022–23 GAA:

- list riders in ascending order (1., 2., 4., 6., etc.) using the corresponding rider number in the 2022–23 GAA; do not renumber riders;

- enter the page number on which the rider appears in the published 2022–23 GAA, including the article number (e.g., II-26); and
- enter the rider language as it appears in the 2022–23 GAA. Strike out language proposed for deletion and underline language proposed for addition to the rider.

For each proposal to add a new rider:

- identify new riders by assigning consecutive numbers beginning with 701 (i.e., 701, 702, 703, etc.);
- enter only the article number in the page number column;
- enter and underline the new rider language; and
- if the rider would make an appropriation greater than amounts identified within a strategy, enter those amounts appropriated by the rider in the Rider Appropriations and Unexpended Balances Request Schedule.

Explain the proposed change(s) after each rider revision or addition, including the rationale for the request and how it would affect appropriations and activities compared to the 2022–23 biennium.

CHECKLIST ITEMS

- Are all rider changes and additions affecting the base level request included?
- If a rider would make an appropriation, are the dollar amounts for the rider included in the Rider Appropriations and Unexpended Balances Request for the base level request?
- If no rider changes are needed, has a form indicating this status been submitted?

PART 3.C. RIDER APPROPRIATIONS AND UNEXPENDED BALANCES REQUEST

The Rider Appropriations and Unexpended Balances Request Schedule:

- identifies all requests made by rider for sum-certain, estimated, and unexpended balance (UB) appropriations. It includes appropriation rider requests that are included in an agency's bill pattern and those in the Eighty-seventh Legislature, General Appropriations Act (GAA), 2022–23 Biennium, Art. IX, General Provisions; and
- assists in the process of certifying that appropriations included in the General Appropriations Bill (GAB) for the 2024–25 biennium are within available revenues. It assists budget writers and the Comptroller of Public Accounts in determining the amounts of all appropriations made in the GAB.

GENERAL INFORMATION

This schedule is generated from the Automated Budget and Evaluation System of Texas (ABEST). The Rider Appropriations and Unexpended Balances Request identifies all historical and prospective appropriations made by riders that are not identified in existing strategies. It should be used to identify rider appropriations for base level request only. See **Appendix 3.C** for a sample report.

All requests for appropriations made by rider for the 2024–25 biennium must be included in this report if the sum requested is not identified in an existing strategy. These riders make appropriations in addition to amounts included in the strategies. In general, if the rider language is similar to the following examples, include the related appropriations and each Method of Finance (MOF) within the schedule.

Include any historical information related to the rider. Historical year data is for informational purposes only and will not result in double-counting the amounts included in the strategies. Rider appropriation requests also must be entered in ABEST. For more information, refer to *ABEST Instructions for Legislative Appropriations Request* (June 2022) on the LBB website at www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Legislative Appropriations Request Instructions.

Example – Sum-certain Appropriation (where the appropriation is a set amount): In addition to amounts appropriated above, \$500,000 in fiscal year 2024 and \$400,000 in fiscal year 2025 are appropriated to the Sample State Agency from additional fees collected and deposited to the credit of the General Revenue Fund in accordance with the Texas Government Code, Section 441.138, to make disbursements to certain library systems.

Example – Estimated Receipts Appropriation (where the appropriation is an estimated amount): In addition to amounts appropriated above, all receipts collected and deposited to the credit of the General Revenue Fund in accordance with the Texas Government Code, Section 441.138, are appropriated to the Sample State Agency for the purpose of making disbursements to certain library systems (estimated to be \$350,000 in each fiscal year).

Example – Unexpended Balance Appropriation (where the appropriation is unspent balances from the previous biennium): There is hereby appropriated to the Sample State Agency an amount equal to the available unexpended balances from all fees and revenues collected pursuant to the Texas Government Code, Section 441.138, as of August 31, 2023, to be used for making disbursements to certain library systems (estimated to be \$40,000).

Requests for UB authority for bond proceeds must include a reasonable estimate of unobligated (i.e., unencumbered) appropriation balances. Agencies also must include a UB rider (see example) and itemize the project(s) in the capital budget. Agencies may be required to provide supplemental information, including projected expenditure schedules.

Example – Unexpended Balances of Bond Proceeds for (Critical Repairs). In addition to amounts appropriated above, Sample State Agency is appropriated all unexpended and unobligated balances remaining as of August 31, 2023, (estimated to be \$5,135,000), from appropriations made by the Eighty-seventh Legislature, Regular Session, 2021.

The Texas Public Finance Authority (TPFA) will include debt service appropriations in its LAR submission for general obligation bonds that have been issued, and also for appropriated, but unissued bonds for which a Request for Bond Financing has been approved by the TPFA Board of Directors.

Exclude the following information from the schedule:

- transfers between strategies or agencies within the authority of specific riders;
- carry-forward of UB appropriations between the first and second fiscal year of the biennium; and
- additional appropriation of federal receipts, either through agency-specific rider, end-of-article special provisions, or Art. IX, General Provisions.

IMPORTANT

- Appropriations requested by rider count toward limitations on requests from General Revenue Funds and General Revenue–Dedicated Funds established in the Policy Letter.
- Amounts requested for 2024–25 base level riders must be entered into the ABEST rider database. These amounts will appear on the Strategy Request Form.
- Rider amounts requested for 2024–25 should not be included in Strategy Request totals.
- Amounts for historical years should be included in the Summary of Base Request by Method of Finance and in the Strategy Request totals. Identifying historical year amounts in this schedule will not result in double-counting the amounts included in the strategies.

DATA ENTRY

Enter this information in ABEST. Refer to *ABEST Instructions for Legislative Appropriations Request* (June 2022) on the LBB website at www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Legislative Appropriations Request Instructions.

Appropriations: For each requested rider making a sum-certain, estimated, or UB appropriation, including Special Provisions and Article IX, General Provisions (2022–23 GAA), do the following:

- identify the rider number, caption, and page number(s) from the 2022–23 GAA. Assign a consecutive number beginning with 701 to each new rider (i.e., 701, 702, 703, etc.) to identify individual riders and include only the article number for the page number information; and
- list all strategies with amounts expended, estimated, budgeted, and requested for the respective fiscal years. If a rider directly results in a decreased expenditure or appropriation, enter the reduction as a negative amount.

Method of Finance: For each rider, identify the source of funding in accordance with funds listed in *Method of Financing Codes* on the LBB website (www.lbb.texas.gov/Agencies_Portal.aspx → Reference Documents → ABEST → Method of Finance Codes). Show total amounts for each fiscal year.

Description/Justification: For each rider, explain the use of funds and why it is necessary to continue, increase, or decrease funding. Also, identify the effects on performance and full-time-equivalent (FTE) positions for the 2024–25 biennium compared to the 2022–23 biennium.

CHECKLIST ITEMS

- Are amounts for fiscal years 2021, 2022, and 2023 included in the Summary of Base Request by Strategy and on the appropriate Strategy Request reports? (This information may not be relevant for new riders.)
- Are rider amounts for sum-certain, estimated, and UB appropriations for the 2024–25 biennium included in ABEST at the appropriate base request level?
- Are all FTE positions and performance projections for base-level rider appropriations included in the appropriate base-level strategies?
- Are all appropriating riders listed, including riders not listed in the Rider Revisions and Additions Form because they require no revisions?
- Has requested supplemental information regarding unobligated or unissued appropriation balances in General Obligation Bond Proceeds been submitted to the budget offices?

PART 4. REQUESTS FOR EXCEPTIONAL ITEMS

These schedules provide detailed information required for analysis of exceptional item requests for the upcoming biennium, including strategy, object of expense, Methods of Finance (MOF), and full-time-equivalent (FTE) positions.

GENERAL INFORMATION

These schedules are generated from the Automated Budget and Evaluation System of Texas (ABEST). Exceptional items are requests for funding of amounts greater than the baseline request. Funding for an exceptional item may be requested for one strategy or for allocation among several strategies.

To request exceptional items, agencies must complete the following ABEST-generated schedules:

- 4.A. Exceptional Item Request Schedule—summarizes and describes the exceptional item request and identifies the strategies for which funding is requested.
- 4.B. Exceptional Item Strategy Allocation Schedule—identifies how an exceptional item’s funding is allocated among strategies and how an exceptional item affects strategy and outcome measures.
- 4.C. Exceptional Item Strategy Request—report providing exceptional item strategy request detail.

IMPORTANT

- Specify whether each exceptional item would continue an existing initiative or program or whether it would establish a new initiative in the 2024–25 biennium. If exceptional item funding would continue an existing initiative, agencies should identify when the program was established. Additionally, agencies should state whether requested exceptional item funds would be used to contract with an outside entity and, if so, name the type of contracted service or product (for example, information technology, communications, etc.). Provide these details in the Description/Justification portion of Schedule 4.A. Exceptional Item Request Schedule.
- Exceptional items should be supported by a detailed description and justification clearly demonstrating the enhanced services or increased effectiveness of agency operations resulting from receipt of the item.
- Strategy allocation schedules associated with an exceptional item must equal the dollars and FTE positions requested for the exceptional item (in the Exceptional Item Request Schedule).
- If an agency believes the program or programs associated with an exceptional item being requested would serve taxpayers more effectively than an existing program within the agency’s base budget, the agency should use the narrative opportunities presented in the request to articulate a potential swap.
- If an exceptional item request contains components that meet capital budget definitions and requirements, the agency must detail this information in relevant capital budget schedules in addition to exceptional item schedules. Likewise, requests related to the Centralized Accounting and Payroll/Personnel System (CAPPS) statewide Enterprise Resource Planning (ERP) project, statewide data center services/shared technology, cybersecurity projects, and legacy modernization projects should also be identified in the capital budget forms (see **Part 5.A.** of these instructions).
- If an exceptional item request contains information technology (IT) components, agencies should provide additional information, including a description and status of the new or existing project, outcomes and outputs, a detailed breakdown of budgeted and estimated IT costs, and a brief analysis of project alternatives, scalability, and adjusted costs related to the scalability.
- If an exceptional item request anticipates costs further than the 2024-25 biennium, agencies should provide a description of the anticipated costs, and an estimate of those costs for fiscal years 2026, 2027, and 2028.
- If an exceptional item 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, the type of contract to be awarded, and other necessary information.

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE

Each exceptional item must be submitted on an individual Exceptional Item Request Schedule. Agencies will:

- develop exceptional items in discrete, incremental amounts reflecting program areas, services, or other functions related to the agency’s bill structure;

- carefully consider, prioritize, and justify each exceptional item;
- name and prioritize the item;
- identify the strategies for which funding is requested;
- include detail for objects of expense, MOF, FTE positions, description/justification, and external/ internal factors;
- ensure that amounts and FTE positions are submitted in increments, indicating quantities associated with the exceptional item only;
- specify whether requested funds would establish a new initiative or continue an existing program or initiative. If funding would continue an existing program, identify when the program originally was established;
- indicate whether the exceptional item request is scalable and identify any factors which may limit scalability; and
- indicate whether exceptional item funds would be used to contract with an outside entity. If so, provide a description of the contracted service or product.

For nonformula support items, institutions of higher education also should include information on the following in the description/justification:

- a description of major accomplishments of the nonformula support item to date and those expected during the next two years;
- if the nonformula support item existed prior to receiving nonformula support item appropriations, list the year it was established and describe how it was funded;
- if the nonformula support item is eligible to be funded within the formulas, indicate the formula amount that may be applied and the effective date(s); complete this entry for all applicable items, including all program development, enhancement, or startup items;
- list all non-General Revenue Funds sources of funding and amounts for each year of the 2022–23 biennium for this nonformula support item and projections for the 2024–25 biennium; and
- describe the consequences of reducing or not funding this item; list other sources of funds that would be available to continue the program or project.

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

- **Description/Justification:** describe the IT project related to the exceptional item and provide a detailed cost breakdown of the IT component including the MOF that totals to the Estimated IT Cost for fiscal years 2022 through 2028;
- **Prioritization of Cybersecurity and Legacy Systems (PCLS) Tracking Key:** indicate the tracking key associated with the project as generated by SPECTRIM for the PCLS report;
- **New or Current Project:** indicate whether the project existed previously or if it is a new project;
- **Status:** for current IT projects, describe the status of the project, including:
 - amounts appropriated, expended, or allocated and allocation of FTE positions in both the 2022–23 and 2024–25 biennia;
 - the total expenditures to date and how funding was expended; and
 - any detail on changes in cost, schedule, or scope since the project was initiated.
- **Outcomes:** analyze the project cost factors related to the project’s anticipated return on investment, benefit, or gain;

- **Outputs:** describe the program- or system-related performance objectives and the measures that will gauge the project's success;
- **Project Type:** include the type of project – CAPPs, cybersecurity, legacy application, PC replacement, application remediation for Data Center Services (DCS), any initiative defined as Anything as a Service (XaaS) or other;
- **Alternative Analysis/Scalability:** provide a brief analysis of alternatives with emphasis related to full and/or partial funding and indicate how the project is scalable by costs and/or duration (i.e., extending the project across multiple years); identify any factors that may limit scalability of the project;
- **Estimated IT Cost:** include the estimated and budgeted IT costs for fiscal years 2022 and 2023, if applicable; the requested IT costs for fiscal years 2024 and 2025; and the estimated IT costs for fiscal years 2026 to 2028, if applicable; and
- **IT FTE positions:** include the estimated, budgeted, and requested FTE positions related to the IT component for fiscal years 2022 to 2028, as applicable.

For anticipated out-year costs, agencies should provide:

- an estimate of the anticipated costs for fiscal years 2026 to 2028;
- a detailed description of the out-year costs, and whether they represent estimated implementation costs, ongoing program maintenance and/or administrative costs, or a combination of these costs; and
- any change in FTE positions related to the out-year costs.

If implementing an exceptional item will involve making a contract award greater than \$50,000, agencies should provide the following information about the potential contract or contracts:

- the percentage of the total exceptional item cost estimated to be expended on contracted goods or services;
- a description of the good or services to be procured by contract;
- the type of contract or contracts to be awarded (consulting, professional, construction, major information systems, other services, or goods);
- 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 (e.g., cost benefit analysis, identification of advantages and disadvantages, etc.).

See **Appendix 4.A.** for a sample schedule.

4.B. EXCEPTIONAL ITEM STRATEGY ALLOCATION SCHEDULE

Complete an Exceptional Item Strategy Allocation Schedule for each affected strategy using the following guidelines:

- provide detail for objects of expense, MOFs, FTE positions, and performance measures;
- indicate how exceptional item funding would affect performance measures at the strategy-request level;
- outcome, efficiency, and explanatory measures should be cumulative, including the base-level strategy request; and
- output measures should be submitted in increments, indicating only the number of units associated with the exceptional item.

See **Appendix 4.B.** for a sample schedule.

4.C. EXCEPTIONAL ITEM STRATEGY REQUEST

Agencies must enter all requests for exceptional items into ABEST at the strategy level. Refer to *ABEST Instructions for Legislative Appropriations Request* (June 2022) on the LBB website (www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Legislative Appropriations Request Instructions).

For each strategy, total the objects of expense, MOFs, and FTE positions requested for exceptional items. Enter this information in ABEST on the same screen used for the base-level request. Include the same detailed information used for the base-level request, including objects of expense, MOFs (all types), performance measures, and FTE positions. List exceptional items that affect the strategy.

Dollar amounts and FTE positions should be submitted in increments, indicating quantities associated with the strategy's exceptional items only. Output measures should be submitted in increments, expressing the number of units associated with the effects of the exceptional items only. Strategy effects on outcome, efficiency, and explanatory measures should be cumulative and consider the base-level strategy request.

CENTRALIZED ACCOUNTING AND PAYROLL/PERSONNEL SYSTEM (CAPPS) REQUESTS

Agencies with exceptional item requests related to CAPPS should identify the requests as discrete exceptional items. Additionally, all CAPPS-related costs should be included as a capital budget project under Capital Project Category Code 8000 CAPPS Statewide ERP System in both: (1) the Capital Budget Project Schedule – Exceptional; and (2) Capital Budget Allocation to Strategies by Project – Exceptional. All costs, including staffing-related expenses, should be identified as capital costs. See **Part 5.A. Capital Budget Project Schedule** of these instructions.

Agencies requesting funds to support internal costs related to transition or deployment onto central CAPPS should provide sufficient detail of those costs within the Description/Justification section of Part 4.A. Exceptional Item Request Schedule. Agency internal costs to deploy onto central CAPPS typically include, but are not limited to:

- backfilling subject matter experts (SMEs) dedicated to agency deployment efforts (on average, 4.0 hours per day, four days per week);
- training services for agencywide training efforts;
- programming services to modify agency internal interfacing systems;
- disposition of agency legacy data;
- IT efforts to meet minimum browser and network connectivity requirements; and
- travel costs for SME assignments and/or agencywide training efforts.

Agencies should indicate the amount included for each of the categories of costs listed and, if necessary, other costs to support their requests.

CAPITAL BUDGET AND FACILITIES REQUESTS

All relevant forms (Capital Budget, Federal Funds, Summary of Requests for Facilities-Related Projects) must be completed for each exceptional item. If an exceptional item contains components that meet the definition and general requirements of a capital budget item, those costs should be identified in the two schedules: (1) Capital Budget Project Schedule – Exceptional; and (2) Capital Budget Allocation to Strategies by Project – Exceptional. See **Part 5. Capital Budget** and **Part 5.A. Capital Budget Project Schedule** of these instructions.

Agencies with requests for new construction, rehabilitation and repair projects also are required to submit the Summary of Requests for Facilities-Related Projects, which provides supplemental information such as project categories (e.g., new construction, health and safety, deferred maintenance, and maintenance), and descriptions.

NOTE

If an agency is requesting funding through General Obligation (GO) Bond Proceeds or Revenue Bonds, debt service estimates must be included in the agency exceptional item request for bond proceeds and legislation authorizing GO bonds will have to be passed by the Legislature, signed by the Governor, and approved by voters. If the project is approved by the Eighty-eighth Legislature, 2023, bond proceeds will be appropriated to the requesting agency and debt service will be appropriated to the issuing agency or appropriate agency. Contact the Texas Public Finance Authority (TPFA) for debt service estimates on bonds that would be issued by TPFA on behalf of TPFA client agencies.

Capital Projects Undertaken Through the Texas Facilities Commission: All agencies that anticipate undertaking a capital budget project — i.e., a project with a unit cost exceeding \$100,000 — during the 2024–25 biennium through the services of the Texas Facilities Commission (TFC), must include a request for related appropriations in their capital budget submission. If TFC is to undertake a capital budget project on behalf of a requesting agency, the requesting agency first must have capital budget authority or other specific authorization for such projects.

NEW CAPITOL COMPLEX REQUESTS

Agencies that relocate to the new Capitol Complex office buildings during the 2022–23 biennium must identify in their exceptional item requests for the 2024–25 biennium any amounts for additional build-out or other costs related to the move.

CHECKLIST ITEMS

- Is an Exceptional Item Strategy Request Schedule included for each exceptional item?
- Are exceptional items prioritized and linked to agency and state strategic plans?
- Are supporting Exceptional Item Strategy Allocation Schedules included for each exceptional item?
- Do the total of all allocated dollars and the total of all allocated FTE positions equal the totals requested for the exceptional item?
- Is an Exceptional Item Strategy Request included for each strategy that would receive additional funding?
- Does the narrative justification provide detailed information to support each exceptional item request?
- Do the totals on the individual Exceptional Item Strategy Request schedules equal the totals on the Summary of Exceptional Item Request?
- Are capital budget costs within an exceptional item request, including costs related to an IT component, the CAPPs statewide ERP project, statewide data center services, cybersecurity projects, or legacy modernization projects, identified in relevant supporting capital budget schedules? (See **Part 5.A. Capital Budget Project Schedule** of these instructions).
- Are exceptional item requests for new construction, rehabilitation, and repair projects also identified in the Summary Requests for Capital Financing Schedule?
- Does the exceptional item with an IT component include a description and status, PCLS Tracking

Key, outcomes and outputs, project costs and FTE positions, and an alternative analysis for scalability with associated costs in Schedule 4.A?

PART 5. CAPITAL BUDGET

The capital budget summaries provide:

- the basis for developing capital budget riders in the General Appropriations Act (GAA) for projects with a unit or unified asset cost exceeding \$100,000;
- current and historical capital expenditure detail; and
- information on future operating and maintenance costs associated with capital acquisitions.

GENERAL INFORMATION

The Capital Budget Supporting Schedules consist of five forms and reports generated from Automated Budget and Evaluation System of Texas (ABEST):

- 5.A. Capital Budget Project Schedule;
- 5.B. Capital Budget Project Information;
- 5.C. Capital Budget Allocation to Strategies;
- 5.D. Capital Budget Operating and Maintenance Expenses; and
- 5.E. Capital Budget Project: Object of Expense and Method of Finance detail by Strategy.

Additional ABEST-generated reports are required if an agency is requesting an exceptional item containing components that meet the general definition and requirements of a capital budget project:

- Capital Budget Project Schedule – Exceptional (similar to Schedule 5.A.); and
- Capital Budget Allocation to Strategies by Project – Exceptional (similar to Schedule 5.C.).

The Capital Budget Supporting Schedules in Part 5 do not apply to higher education institutions or the 14 appellate courts; however, institutions of higher education that request Capital Construction Assistance Project Bonds (formerly tuition revenue bonds) must complete Part 8, Summary of Requests for Facilities-Related Projects, in addition to the Supplemental Higher Education Schedules.

Refer to *ABEST Instructions for Legislative Appropriations Request* (June 2022) for specific instructions related to ABEST-generated forms and reports.

IMPORTANT

- For each proposed major information resources project, a state agency shall file a Business Case and Statewide Impact Analysis with the quality assurance team when the agency files its Legislative Appropriations Request (LAR) in accordance with the Texas Government Code, Section 2054.303. Refer to the Texas Project Delivery Framework at dir.texas.gov/View-Resources/Pages/Content.aspx?id=16 for additional information.
- Requests for new construction, rehabilitation, and repair projects may require supplemental information including project categories (e.g., new construction, health and safety, deferred maintenance, and maintenance), location, and timelines. See also Part 8, Summary of Requests for Facilities-Related Projects, of these instructions.
- **Note:** Debt service estimates must be included with an agency exceptional item request for bond proceeds. If the project is approved by the Eighty-eighth Legislature, 2023, bond proceeds will be appropriated to the requesting agency and debt service to the issuing agency or appropriate agency. Contact the Texas Public Finance Authority (TPFA) for debt service estimates on bonds that would be issued by TPFA on behalf of TPFA client agencies.

CAPITAL BUDGET PROJECTS DEFINED

Agencies itemize capital budget projects in 5.A. Capital Budget Project Schedule. A capital budget project is defined as:

- an item or asset with a unit cost exceeding \$100,000; examples include a piece of machinery or building construction including, but not limited to: building additions, renovations, remodeling, improvements, repairs, and demolition; data center improvements; parking improvements and additions; and facility planning;
- similar or identical items with individual unit costs of less than \$100,000 that constitute a functionally unified asset or asset improvement; such items must be grouped together and considered a capital budget project for the purposes of Schedule A if the aggregate cost of the items exceeds \$100,000. For example, the replacement of 75 personal computers with a unit cost of \$2,000, either purchased individually or as a group, exceeds the \$100,000 threshold. As a result, the computers will be considered a unified asset and identified as a capital project;
- agency IT infrastructure: hardware purchases or leases should be aggregated to determine if the \$100,000 threshold is met; follow the same guideline for software purchases and telecommunications purchases and leases;
- assets acquired from consultants/contracted service providers: information resource technologies or other assets developed or acquired through a consultant or contracted services; this definition applies to assets that ultimately will be owned by a state agency, regardless of whether the asset is operated by a state agency or a contractor; examples include:
 - a consultant designs a generic licensing system that a state agency will own, operate, and maintain; and
 - a state agency contracts with a vendor to provide automated fraud detection services; when the contract for services ends, the state agency owns the automated system;
- leased information resource technologies: leased equipment or software that constitute or are components of a functionally unified asset should be viewed as part of the total capital budget project cost and treated like cash purchases of information resource technologies; examples include:
 - an information resource technology project requires the addition of computer hardware to support new software. The agency determines that leasing the equipment is more cost-effective than a cash purchase and that the project meets the criteria of a functionally unified asset. As a result, the agency should include the annual lease cost in the capital budget project; and
 - an agency determines that it is cost-effective to lease its personal computers. If the annual lease cost for these personal computers exceeds \$100,000, the lease would be considered a functionally unified asset and should be included in capital budget schedules; and
- pooled asset: vehicle purchases, regardless of whether they are purchased separately or as a group, should be included in the capital budget request if the aggregate purchase cost exceeds \$100,000.

IMPORTANT

- Agencies with projects that are also identified for the Department of Information Resources' Prioritization of Cybersecurity and Legacy Systems Projects or PCLS report should identify the PCLS Tracking Key in Schedule 5.B. Capital Budget Project Information.
- Agencies utilizing the Centralized Accounting and Payroll/Personnel System (CAPPS) statewide Enterprise Resource Planning (ERP) system and other agencies requesting appropriations to deploy or implement CAPPS are required to include CAPPS-related expenditures and appropriations requests in the capital budget submissions. Refer to **Part 5.A.** of these instructions for information on identification of CAPPS requests. In addition, agencies are reminded that certain information must be submitted to the Comptroller of Public Accounts for ERP systems to ensure that those systems are consistent with statewide ERP goals. Agencies should submit the required information using the one-page Agency ERP Project Request form at comptroller.texas.gov/forms/74-222.pdf.
- Additional provisions related to capital budgets are in Article IX, Section 14.03 (2022–23 GAA).
- Information resource technology projects that use internal staff only are not considered capital budget projects. However, the costs for internal staff should be reported in the informational detail section of the agency's Biennial Operating Plan. If a project meets the requirements of a major information resources project, a Business Case and Statewide Impact Analysis must be completed and uploaded as a PDF in ABEST and entered into DIR's Statewide Automated Project Reporting (SPAR) System. A

reminder will appear in ABEST when a Major Information Resources project has been entered.

ANCILLARY CAPITAL COSTS

Expenditures directly related to acquiring an asset or placing an asset in service shall be included in the cost of a capital budget project. Internal staff costs, although not a capital expense, may be identified within the informational detail of a capital budget project. The cost of a capital budget project should include costs related to the acquisition of information resource technologies, such as the purchase, lease, lease-purchase, or contract of:

- software;
- hardware and computer time;
- facility resources;
- maintenance and training required or necessary to put the asset in service;
- contracted computer services, and
- information resource technologies developed and used by a contractor but owned or leased by a state agency.

For example, the costs associated with consultant and non-consultant contracts for the creation, design, or development of computer software, if directly related to the acquisition of the software or necessary to place the software in service, should be included in the cost of that information resource technology project. Other examples include freight or installation charges to acquire a major facility equipment or survey fees as part of a land acquisition.

INFORMATIONAL ALLOCATION OF NONCAPITAL COSTS

Occasionally, certain costs may be similar to ancillary capital costs but do not require the restrictions associated with a capital budget project. These costs may be identified as noncapital informational costs within a capital budget project and would not be included in the capital budget rider.

For example, an agency that contracts with one or more construction managers to supervise a construction project also contracts with an independent validation and verification (IVV) consultant for advice on oversight of the multiple contracts. The agency may choose to pay the IVV consultant from regular operating funds and show the expenditure in the LAR as an informational allocation of noncapital costs.

Refer to *ABEST Instructions for Legislative Appropriations Request* (June 2022) for instructions on entering data for noncapital informational items. Noncapital informational costs are identified separately in capital budget ABEST reports. See **Appendix 5.A.** for a sample Capital Budget Project Schedule.

Unless otherwise directed, ongoing agency activities after the asset has been put in place, such as facilities planning or computer training, are not considered capital expenditures and should not be included in the Capital Budget Project Schedule.

CLASSIFICATION OF CAPITAL BUDGET PROJECTS

Classify capital budget projects using the following categories:

- Acquisition of Land and Other Real Property (except for right-of-way purchases made by the Texas Department of Transportation);
- Construction of Buildings and Facilities;
- Repairs or Rehabilitation of Buildings and Facilities;
- Construction of Roads (except for such expenditures made by the Texas Department of Transportation);

- Acquisition of Information Resource Technologies;
- Transportation Items;
- Acquisition of Capital Equipment and Items;
- Lease Payments to the Master Lease Purchase Program (for items acquired in fiscal years 2017 and earlier);
- Data Center/Shared Technology Services;
- CAPPs Statewide ERP System; and
- Cybersecurity Projects.

See Part 5.E. Definitions of Capital Expenditure Categories of these instructions.

CYBERSECURITY AND LEGACY MODERNIZATION PROJECTS

Agencies' information technology projects may address both security concerns and modernization of legacy applications simultaneously. However, agencies must categorize the project under either capital project category code 9000 Cybersecurity or 9500 Legacy Modernization. Agencies should consider the following guidance when determining the category in which to classify projects:

- Cybersecurity projects should include projects related to the protection of computer systems from theft and damage to their hardware, software, or data; and from disruption or misdirection of services. Projects should:
 - have the primary purpose or driver of improving the agency's cybersecurity, or possess a significant focus on the enhancement of the organization's cybersecurity; and
 - address or improve the organization's capability to identify, detect, protect, respond, or recover from cybersecurity events, threats, and vulnerabilities.
- Legacy modernization projects should include projects that have the primary purpose or driver of modernizing or replacing a computer system or application that is operating with obsolete or inefficient hardware or software, as defined in the Texas Government Code, Section 2054.571.

PART 5.A. CAPITAL BUDGET PROJECT SCHEDULE

The Capital Budget Project Schedule:

- itemizes capital budget projects requested for 2024–25;
- classifies capital budget projects into defined categories; and
- provides information on historical and budgeted expenditures, method of financing, and type of financing for capital budget projects.

GENERAL INFORMATION

Estimated, budgeted, and requested amounts for each capital budget project must be itemized for fiscal years 2022 to 2025. The column for fiscal year 2022 itemizes estimated expenditures and the column for fiscal year 2023 itemizes budgeted expenditures. If a capital budget project appropriation was made for fiscal year 2022, and it is anticipated that unexpended balances will be carried forward into fiscal year 2023 to complete the project, indicate that amount in the fiscal year 2022 column. The columns for fiscal years 2024 and 2025 itemize requested expenditures for capital budget projects in those fiscal years. See **Appendix 5.A.** for a sample schedule.

This report does not apply to institutions of higher education or the 14 appellate courts.

Any object of expense code (OOE) from the Automated Budget and Evaluation System of Texas (ABEST) may be used for capital costs or for noncapital informational costs, except for OOE Code 5000, which cannot be used for noncapital costs. The OOE codes should detail asset acquisition costs and noncapital expenditures incurred to place the asset in service.

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 (for example, remodeling required to house a mainframe computer);
- costs for Data Center Services (DCS), also known as Shared Technology Services (STS), provided by the Department of Information Resources (DIR) as authorized by the Texas Government Code, Chapter 2054, Subchapter L; and
- ongoing maintenance costs related to implementation of the statewide Enterprise Resource Planning (ERP) system known as the Centralized Accounting and Payroll/Personnel System (CAPPS), including CAPPS-hub systems. Identification of costs is provided in this section.

Examples of noncapital expenditures to **exclude** from the capital budget project schedule:

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

Use Method of Financing (MOF) codes for each project entry. The MOF should detail the source of funding by fund/account number(s). Use MOF Code 0780 for General Obligation Bond proceeds and MOF Code 0781 for Revenue Bond proceeds.

Use the following Type of Financing (TOF) codes to indicate the type of financing proposed for each project.

CA – Current Appropriations

ML – Master Lease Purchase Program (MLPP)

GO – General Obligation Bonds

LP – Other (non-MLPP) Lease-Purchase

RB – Revenue Bonds

IMPORTANT

- For capital items within the category Acquisition of Information Resource Technologies, project names should be identical to project names used in the agency's Biennial Operating Plan (BOP).
- Agencies participating in Data Center Services (DCS)/Shared Technology Services (STS) as defined by the Texas Government Code, Chapter 2054, Subchapter L. Statewide Technology Centers, must complete a capital budget project schedule.
- Information submitted in ABEST for the BOP should be consistent with data submitted in the LAR for CAPPs initiatives and Cybersecurity projects.

CENTRALIZED ACCOUNTING AND PAYROLL/PERSONNEL SYSTEM: STATEWIDE ENTERPRISE RESOURCE PLANNING PROJECT

All CAPPs estimated and budgeted expenses in fiscal years 2022 and 2023 and requests for fiscal years 2024 and 2025 should be identified as Capital Project Category Code 8000 CAPPs Statewide ERP System. Affected agencies should identify all costs (including staffing costs) as capital expenses.

Pursuant to the Texas Government Code, Section 2101.036, the Comptroller of Public Accounts (CPA) may identify certain agencies to transition to the central CAPPs system during the 2024–25 biennium. See CPA's website for a full list of participating agencies (www.txprojectone.org/agencies).

These agencies should identify requested fund costs for internal needs that arise from CAPPs deployment, including:

- backfilling subject matter experts (SME) dedicated to agency deployment efforts (on average, 4 hours per day, 4 days per week);
- training services for agencywide training efforts;
- programming services to modify agency internal interfacing systems;
- disposition of agency legacy data;
- IT efforts to meet minimum browser and network connectivity requirements; and
- travel costs for SME assignments and/or agency-wide training efforts.

Agencies that estimate their biennial deployment costs to be \$100,000 or less and are absorbing those costs within their baseline requests are not required to include a capital project. However, agencies that are reallocating CAPPs deployment funding from the 2022–23 biennium for continued deployment in the 2024–25 biennium must submit a capital project budget item.

Agencies should only include costs related to CAPPs deployment. CPA's capital budget submissions will identify the costs for ongoing modification, maintenance, and support of CAPPs.

Agencies should coordinate their deployment plans with CPA.

Hub Agencies: Agencies that have either previously implemented or are requesting to implement CAPPs as a separate, agency-managed system (typically referred to as a CAPPs hub system) should identify all expenditures and requests for CAPPs in their capital budget submissions. Requests should include deployment costs and costs for ongoing maintenance and support of the CAPPs hub systems. Costs should be identified as capital expenses.

CAPITAL PROJECTS UNDERTAKEN THROUGH THE TEXAS FACILITIES COMMISSION

All agencies that anticipate undertaking a capital budget project (i.e., a project with a unit cost exceeding \$100,000) during the 2024–25 biennium through the services of the Texas Facilities Commission (TFC), must include a request for related appropriations in their capital budget submission. If TFC is to undertake a capital budget project on behalf of a requesting agency, the requesting agency must first have capital budget authority or other specific authorization for such projects.

SPECIAL INSTRUCTIONS FOR MASTER LEASE PURCHASE PROGRAM (MLPP) ACQUISITIONS AND OTHER LEASE-PURCHASE PAYMENTS

New Acquisitions: Agencies that are requesting to finance new capital acquisitions through MLPP financing or another lease-purchase agreement must indicate the projected lease payment obligations for each acquisition in fiscal years 2024 and 2025. Acquisitions must be assigned the appropriate capital expenditure category in ABEST (e.g., Acquisition of Information Resource Technologies, Transportation Items, Acquisition of Capital Equipment and Items, etc.). Additional information for new acquisitions should be provided in 5.B, Capital Budget Project Information, such as the estimated or actual project cost and length of the proposed financing period.

MLPP or Lease Purchase Payments for Prior Acquisitions: Agencies with obligations for MLPP or other lease purchase payments for acquisitions made in fiscal years 2023 or before must provide the total lease payment obligations for each applicable year for those acquisitions. The MLPP payments should be categorized as Lease Payments to the MLPP (Capital Expenditure Category code 5008) and identified as MLPP Acquisitions (2018–19), (2020–21), or (2022–23), as appropriate. The amounts for other lease-purchase agreements should be assigned to the appropriate capital expenditure category in ABEST (e.g., Acquisitions of Information Resource Technologies, Acquisition of Equipment and Items, etc.).

Do not detail the MLPP or other lease purchase items acquired from prior fiscal years or budgeted for fiscal year 2022 in 5.B Capital Budget Project Information.

IMPORTANT

Additional provisions related to the MLPP appear in the 2022–23 GAA, Article IX, Section 12.04, Transfer of Master Lease Purchase Program Payments.

DATA ENTRY

Enter this information in ABEST. Refer to *ABEST Instructions for Legislative Appropriations Request* (June 2022) on the LBB website (www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Instructions → Legislative Appropriations Request).

Assign capital budget projects to appropriate capital expenditure categories. After entering the estimated, budgeted or requested amounts for each project for fiscal years 2022 to 2025, the ABEST report will group projects by category and calculate subtotals. See **Appendix 5.A.** for a sample report.

CAPITAL EXCEPTIONAL ITEM REQUESTS

Part 5.A, Capital Budget Project Schedule, identifies capital budget requests included within an agency’s baseline request. A corresponding schedule, Capital Budget Project Schedule – Exceptional, identifies capital budget requests included within an exceptional item request. Agencies should identify any capital budget costs included within an exceptional item request in this schedule. All requests related to the CAPPs statewide ERP system should be included in this schedule.

CHECKLIST ITEMS

- Were capital acquisitions reviewed to determine whether they should be included in the Capital Budget Project Schedule? (This category includes past, present, and future acquisitions and MLPP agreements).
- Were MLPP amounts categorized as Lease Payments to the MLPP capital expenditure category 5008?
- Were capital budget costs included within an exceptional item request, including IT components of the request, identified in the corresponding schedule Capital Budget Project Schedule – Exceptional?
- Were estimated, budgeted, and requested expenditures related to DCS/STS and CAPPs identified in this schedule or the corresponding Capital Budget Project Schedule – Exceptional?
- Were requests for new construction, rehabilitation and repair projects also identified in Part 8 Summary of Requests for Facilities-Related Projects?

PART 5.B. CAPITAL BUDGET PROJECT INFORMATION

The Capital Budget Project Information Schedule provides additional information on capital budget projects requested for the 2024–25 biennium, such as project description, unit cost, estimated completion date, and estimated useful life. The schedule includes information for projects that require funding for more than one biennium.

ENTERING DATA TO GENERATE THE REPORT

This schedule is generated from the Automated Budget and Evaluation System of Texas (ABEST). See **Appendix 5.B.** for a sample report. This report does not apply to institutions of higher education or the 14 appellate courts.

Only enter data in the schedule for requested projects in fiscal years 2024 and 2025. For each entry, list the category and project name and number as identified in the Capital Budget Project Schedule. Complete the schedule as follows:

(1) **Project Description**

- (a) **General Information:** Describe the project and its relationship to the objectives of the agency’s strategic plan and discuss potential consequences of postponing the requested capital project;
- (b) **PCLS Tracking Key:** indicate the SPECTRIM-generated Prioritization of Cybersecurity and Legacy Systems Projects (PCLS) report tracking key associated with the project;
- (c) **Number of Units/Average Unit Cost:** List number of units and average unit costs (required only if the project represents a grouping of identical or similar items);
- (d) **Estimated Completion Date/Additional Capital Expenditure Amounts:** Show estimated project completion date and additional capital expenditure amounts necessary to complete the project (required only if the project will be partially completed with the funds requested for fiscal years 2024 and 2025);
- (e) **Type of Financing:** Indicate specific type of financing (ML – Master Lease Purchase Program (MLPP); LP – Other (non-MLPP) Lease-Purchase; GO – General Obligation Bonds; RB – Revenue Bonds; CA – Current Appropriations) for the project;
- (f) **Projected Useful Life:** Identify projected useful life of the project in years.

Complete (g) and (h) if the proposed type of financing is MLPP, lease-purchase, general obligation or revenue bonds. If not applicable, enter N/A:

- (g) **Estimated/Actual Project Cost:** Identify estimated or actual acquisition or completion cost. If a project represents a grouping of items, provide total estimated or actual cost for all items. Include only cash purchase costs; do not include interest or finance charges.
- (h) **Length of Financing/Lease Period:** Identify length of proposed financing in years. Enter information for each applicable item as directed in the next steps. If not applicable, enter N/A.

- (2) **Estimated/Actual Debt Obligation Payments:** Identify all estimated or actual payments (principal and interest or, as appropriate, lease-purchase) payable for fiscal years 2024 to 2027 and the estimated or actual total of all cumulative costs paid during the term of the obligation. Do not include operating expenses.
- (3) **Revenue Generation/Cost Savings:** Identify and explain revenue generation and/or cost savings anticipated as a result of completing or acquiring the capital project. Provide information on an average fiscal year basis and indicate the affected fund or account by Method of Finance code.
- (4) **Project Location:** Identify city or region of the state.
- (5) **Beneficiaries:** Identify government and public users of project.
- (6) **Frequency of Use and External Factors Affecting Use:** Identify (1) frequency of use of the project asset(s); and (2) forces outside agency control affecting the need for and/or use of the project.

PART 5.C. CAPITAL BUDGET ALLOCATION TO STRATEGIES

IMPORTANT

Automated Budget and Evaluation System of Texas (ABEST) data entry for this schedule is still required; however, this schedule no longer must be submitted as part of an agency's printed Legislative Appropriations Request submission.

The Capital Budget Allocation to Strategies Schedule identifies the amount of funding in each strategy associated with a particular capital budget request.

GENERAL INFORMATION

This schedule is generated from the Automated Budget and Evaluation System of Texas (ABEST). Allocate the cost of capital budget projects to one or more strategies. For fiscal years 2022 and 2023, allocate to the strategy(ies) in which the project is budgeted; for fiscal years 2024 and 2025, allocate to the strategy(ies) in which funding for each project is requested. The ABEST report will organize them by category and provide subtotals by project and a total of all projects.

This report does not apply to institutions of higher education or the 14 appellate courts.

DATA ENTRY

Enter this information in ABEST. Refer to *Preparing and Submitting Legislative Appropriations Requests in ABEST* (June 2022) on the LBB website (www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Instructions → Legislative Appropriations Request).

CAPITAL EXCEPTIONAL ITEM REQUESTS

Schedule 5.C. Capital Budget Allocation to Strategies identifies capital budget requests included within an agency's baseline request. A corresponding schedule, Capital Budget Allocation to Strategies by Project – Exceptional, identifies capital budget requests included within an exceptional item request. Agencies should identify any capital budget costs included within an exceptional item request in this schedule.

CHECKLIST ITEMS

- Are estimated, budgeted, and requested amounts that are identified in 5.C. Capital Budget Allocation to Strategies included in the appropriate strategy request forms?
- Do totals shown in 5.A. Capital Budget Project Schedule equal totals in 5.C. Capital Budget Allocation to Strategies?
- Do 5.A. Capital Budget Project Schedule and 5.C. Capital Budget Allocation to Strategies include all ongoing MLPP obligations in fiscal years 2024 and 2025 for capital items lease-purchased in prior years, or planned for purchase in fiscal year 2023?
- Do 5.A. Capital Budget Project Schedule and 5.C. Capital Budget Allocation to Strategies include all capital budget projects funded or anticipated to be funded through Interagency Contracts?
- Are capital budget costs included within an exceptional item request identified in the Capital Budget Allocation to Strategies by Project – Exceptional schedule?

PART 5.D. CAPITAL BUDGET OPERATING AND MAINTENANCE EXPENSES DETAIL

IMPORTANT

Automated Budget and Evaluation System of Texas (ABEST) data entry for this schedule is still required; however, this schedule no longer must be submitted as part of an agency's printed Legislative Appropriations Request submission.

The Capital Budget Operating and Maintenance Expenses Detail Schedule identifies future operating and maintenance expenses associated with capital projects requested for the 2024–25 biennium.

GENERAL INFORMATION

This schedule is generated from the Automated Budget and Evaluation System of Texas (ABEST). Enter data for this report for each capital budget project meeting all the following criteria:

- it is classified for the 2024–25 biennium as OOE 5002 Construction of Buildings and Facilities, 5005 Acquisition of Information Resource Technologies, 9000 Cybersecurity, or 9500 Legacy Modernization;
- the expected total acquisition cost exceeds \$500,000; and
- when in service, there will be an increase in operating and maintenance expenses related directly to the project, and additional funding greater than fiscal year 2023 levels will be needed to operate or maintain the asset.

This report does not apply to institutions of higher education or the 14 appellate courts.

IMPORTANT

Information provided in this schedule is for informational purposes only. Actual requests for additional operating expenses in the 2024–25 biennium should be incorporated in the appropriate strategy request(s).

DATA ENTRY

Enter this information in ABEST. Identify costs in fiscal years 2024 to 2027 necessary to operate or maintain the asset or facility after it is in service.

- Include costs associated with staffing, equipment purchases and installation, utilities, telecommunications, service contracts, and other operating or maintenance expenses; and
- Provide objects of expense, method of finance, and number of full-time-equivalent positions for the indicated years, using the same definitions as for the Strategy Request and operating costs description and justification.

PART 5.E. CAPITAL BUDGET PROJECT: OBJECT OF EXPENSE AND METHOD OF FINANCING BY STRATEGY

IMPORTANT

Automated Budget and Evaluation System of Texas (ABEST) data entry for this schedule is still required; however, this schedule no longer must be submitted as part of an agency's printed Legislative Appropriations Request submission.

The Capital Budget Project Object of Expense and Method of Financing by Strategy Schedule allocates amounts to each strategy in which the project is budgeted and indicates the object of expense (OOE) and Method of Finance (MOF) for the project budgeted in each strategy.

GENERAL INFORMATION

This schedule is generated from the Automated Budget and Evaluation System of Texas (ABEST). Allocate the cost of the capital budget projects to each strategy and indicate the MOF and OOE for each project by strategy.

For fiscal years 2022 and 2023, allocate amounts to each strategy in which the project is budgeted and indicate the MOF and OOE for the amount of the project budgeted in each strategy. For fiscal years 2024 and 2025, allocate amounts to each strategy in which funding for the project is requested and indicate the MOF and OOE for the amount of the project funding requested in each strategy.

This report does not apply to institutions of higher education or the 14 appellate courts.

ENTERING DATA TO GENERATE THE REPORT

Enter this information in ABEST. Refer to *Preparing and Submitting Legislative Appropriations Requests in ABEST* (June 2022) on the LBB website (www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Instructions → Legislative Appropriations Request). **Figure 6** shows the OOE Code for each capital expenditure category.

FIGURE 6
DEFINITIONS OF CAPITAL EXPENDITURE CATEGORIES

OBJECT OF EXPENSE CODE	CAPITAL EXPENDITURE CATEGORY	DEFINITION AND COMPTROLLER EXPENDITURE CODE
5001	Acquisition of Land and Other Real Property (except for right-of-way purchases made by the Texas Department of Transportation)	For expenditures directly related to purchase of land and purchase or lease-purchase of buildings. Includes, but is not limited to: <ul style="list-style-type: none"> • 7345 – Land • 7342 – Buildings • 7392 – Land Purchased for Resale/Housing Loans
5002	Construction of Buildings and Facilities	For expenditures directly related to contracts for construction of permanent improvements and to construction and improvements to grounds and land. Includes, but is not limited to: <ul style="list-style-type: none"> • 7341 – Construction of Buildings • 7346 – Construction/Improvements of Grounds and Land • 7350 – Lease/Purchase of Buildings • 7373 – Furnishing and Equipment (Capitalized)

FIGURE 6
DEFINITIONS OF CAPITAL EXPENDITURE CATEGORIES

OBJECT OF EXPENSE CODE	CAPITAL EXPENDITURE CATEGORY	DEFINITION AND COMPTROLLER EXPENDITURE CODE
5003	Repairs or Rehabilitation	For expenditures directly related to repairs and rehabilitation of buildings or other improvements, such as the remodeling of office space. Includes, but is not limited to: <ul style="list-style-type: none"> 7343 – Remodeling of Buildings – State-owned 7344 – Remodeling of Buildings – State-leased
5004	Construction of Roads (except for such expenditures made by the Department of Transportation)	For expenditures directly related to contracts for road construction and improvements. Includes, but is not limited to: <ul style="list-style-type: none"> 7356 – Real Property - Infrastructure - Capitalized
5005	Acquisition of Information Resource Technologies	For expenditures directly related to purchase or lease-purchase of computer equipment, purchase of computer software, purchase or lease-purchase of telephones, telephone systems, and other telecommunications and video/teleconferencing equipment. Includes, but is not limited to: <ul style="list-style-type: none"> 7243 – Computer Services – Education/Training Services (Object of Expense (OOE) Code 2001 Professional Fees and Services) 7379 – Computer Equipment – Capitalized 7385 – Lease Purchase of Computer Equipment 7395 – Computer Software – Purchased – Capitalized 7519 – Lease/Purchase of Telecommunications Equipment 7520 – Telecommunications – Equipment purchase – Capitalized
5006	Transportation Items	For expenditures directly related to purchase or lease-purchase of motor vehicles, boats, and aircraft. Includes, but is not limited to: <ul style="list-style-type: none"> 7351 – Lease/Purchase of Motor Vehicles/Passenger Cars 7352 – Lease/Purchase of Motor Vehicles/Other 7365 – Boats 7371 – Motor Vehicles – Passenger Cars 7372 – Motor Vehicles – Other 7375 – Aircraft
5007	Acquisition of Capital Equipment and Items	For expenditures directly related to purchase or lease-purchase of furnishings and equipment, and to purchase of books, prerecorded reference material, and animals. Includes, but is not limited to: <ul style="list-style-type: none"> 7373 – Furnishings and Equipment – Capitalized 7376 – Lease/Purchase of Furnishings and Equipment 7386 – Animals – Capitalized 7388 – Fabrication of Equipment – Higher Education 7389 – Books and Prerecorded Reference Materials – Capitalized

FIGURE 6
DEFINITIONS OF CAPITAL EXPENDITURE CATEGORIES

OBJECT OF EXPENSE CODE	CAPITAL EXPENDITURE CATEGORY	DEFINITION AND COMPTROLLER EXPENDITURE CODE
5008	Lease Payments to Master Lease Purchase Program (for items acquired in fiscal year 2017 and previously)	For installment payment obligations payable to Texas Public Finance Authority. See Special Instructions for Master Lease Purchase Program in the section 5.A, Capital Budget Project Schedule. Includes: <ul style="list-style-type: none"> • 7964 – Master Lease Disbursements
7000	Data Center Services/ Shared Technology Services	For payments to the Department of Information Resources for data center services/shared technology services. Includes: <ul style="list-style-type: none"> • 7285 Computer Services – Statewide Technology Center (OOE Code 2001 Professional Fees and Services)
8000	CAPPS Statewide Enterprise Resource Planning (ERP) System	For expenditures related to agency transition to the statewide ERP system referred to as the Centralized Accounting and Payroll/Personnel System (CAPPS) and for programming, development, and deployment costs for agencies transitioning to a CAPPS as a hub agency. Also includes expenditures related to ongoing maintenance and support costs for CAPPS systems. Includes, but is not limited to: <ul style="list-style-type: none"> • 7203 – Registration Fees – Employee Training (OOE Code 2009 Other Operating Expense) • 7242 – Consultant Services – Information Technology (Computer) (OOE Code 2001 Professional Fees and Services) • 7262 – Maintenance and Repair – Computer Software – Expensed (OOE 2009 Other Operating Expense) • 7267 – Maintenance and Repair – Computer Equipment – Expensed (OOE Code 2009 Other Operating Expense) • 7275 – Information Technology Services (OOE Code 2001 Professional Fees and Services) • 7379 – Computer Equipment – Capitalized • 7380 – Computer Software – Expensed (OOE Code 2009 Other Operating Expense) • 7395 – Computer Software – Purchased – Capitalized
9000	Cybersecurity	For expenditures directly related to the protection of computer systems from the theft and damage to their hardware, software, or data, and from disruption or misdirection of services. Includes, but is not limited to: <ul style="list-style-type: none"> • 7275 – Information Technology Services (OOE Code 2001 Professional Fees and Services) • 7379 – Computer Equipment – Capitalized • 7395 – Computer Software – Purchased – Capitalized

PART 6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE

The Historically Underutilized Business (HUB) Supporting Schedule provides information on an agency’s good faith effort to comply with HUB-related statutory requirements and rules set by the Comptroller of Public Accounts (CPA). The schedule compares the percentage of the agency’s HUB-related expenditures with the agency’s HUB goals.

GENERAL INFORMATION

This schedule is generated from the Automated Budget and Evaluation System of Texas (ABEST). Pursuant to the Texas Government Code, Section 2161.127, each state agency and institution of higher education must include as part of its legislative appropriations request a report detailing the extent to which the agency has made good faith efforts to comply with both HUB-related general law and rules adopted by CPA. Additionally, data from this schedule forms the basis of a biennial HUB report compiled by the Legislative Budget Board pursuant to the Eighty-seventh Legislature, General Appropriations Act (GAA), 2022–23 Biennium, Article IX, Section 7.08, and published concurrently with the introduced General Appropriations Bill.

To assist in completing this schedule, agencies should use relevant HUB-related information previously reported in Strategic Plans and Annual Reports of Nonfinancial Data (pursuant to the Texas Government Code, Section 2101.0115) and reported to CPA for the State of Texas Annual HUB Report for fiscal years 2020 and 2021 including supplemental information.

See **Appendix 6.A.** for a sample report.

DATA ENTRY

Enter this information in ABEST. This report reflects a comparison to statewide and agency HUB procurement goals.

- 2020–21 HUB Expenditure Table – This table compares, for six designated procurement categories, the statewide and agency HUB goals for purchasing (goods and services) and public works contracts (construction) to applicable agency expenditures for fiscal years 2020 and 2021. It shows the percentage of total agency expenditures related to HUBs. The report also will generate the difference between an agency’s HUB goal and percentage of HUB-related expenditures for each procurement category. Enter the actual expenditure information reported to CPA for the State of Texas Annual HUB Report for fiscal years 2020 and 2021 and subsequently used in the agency’s progress report in the Annual Report of Nonfinancial Data for those fiscal years.

NOTE

If a procurement category is not applicable to the agency’s operations, the agency should enter 0 rather than leave this information blank.

- Assessment of Attainment of HUB Procurement Goals
 - **Attainment** – Each agency should provide a summary of its efforts to attain or exceed the agency’s HUB procurement goals in each fiscal year. The format is: The agency attained or exceeded _____ of _____, or ____%, of the applicable agency HUB procurement goals in fiscal year _____.
 - **Applicability** – For each fiscal year, identify any procurement categories that are not applicable to the agency’s operations and include a summary justification for each procurement category.
 - **Factors Affecting Attainment** – If a goal was not met, provide a brief explanation of factors preventing the agency from achieving the HUB goal in a given procurement category. This section may include information that an agency reported in the external/internal assessment section relating to HUBs in its strategic plan. The agency should include specific examples of restrictions on its ability to contract with HUBs, such as: the limited availability of vendors for certain types of contracts; not all contract decisions

within a given procurement category are subject to the agency's control; and unique or specialized contract requirements. If applicable, an agency also should mention its contracting efforts with graduated HUBs.

- Good Faith Efforts to Increase HUB Participation
 - Outreach Efforts and Mentor Protégé Program – Quantify and describe the agency's outreach efforts and level of participation in the Mentor Protégé program (if required) in the 2020–21 biennium. Identify the number of events hosted or attended by the agency to increase HUB participation, such as economic opportunity forums, advocacy group meetings, etc. Also, identify the number of active mentor-protégé partnerships sponsored.
 - HUB Program Staffing – Describe the level of full-time-equivalent (FTE) staffing dedicated to increasing participation of HUBs and the activity of those FTE positions.
 - Current and Future Good Faith Efforts – Describe good faith efforts to meet HUB goals in fiscal years 2022 and beyond including outreach efforts, HUB program staffing, and any other relevant information. A good faith effort includes the implementation of procedures specified in the Texas Administrative Code, Title 34, Part 1, Chapter 20, Subchapter D, Division 1, Section 20.284(d). An agency also may include information from supplemental letters submitted to CPA for fiscal years 2020 and 2021, pursuant to Section 20.284(e), that demonstrates good faith efforts. If an agency was audited on its HUB performance by the State Auditor's Office (SAO) in fiscal years 2020 or 2021, it may include information on good faith efforts as determined by the SAO.

CHECKLIST ITEMS

- Are the agency's HUB goals identified? An agency may have adopted the statewide HUB goals or may have adopted separate goals.
- Are zeros entered in fields where a procurement category is not applicable to the agency's operations?
- Does the information in this schedule align with information submitted to CPA in other HUB performance reporting or with information in the Annual Report of Nonfinancial Data?

PART 6.B. CURRENT BIENNIUM ONETIME EXPENDITURE SCHEDULE

The Current Biennium Onetime Expenditure Schedule provides a listing of actual or anticipated onetime expenditures in the current biennium and identifies how those funds were reallocated within the baseline request.

GENERAL INFORMATION

The onetime expenditures schedule should identify expenditures made in the 2022–23 biennium that are not anticipated in the 2024–25 biennium. Each agency is likely to have expenditures unique to that agency, but common examples of expenditures that should be reported in this schedule include:

- facility construction or renovation;
- land purchases;
- deferred maintenance projects;
- completed information technology projects;
- onetime grants;
- onetime studies or evaluations;
- implementation of legislation (startup costs);
- special-purpose equipment;
- special events;
- correcting a backlog (e.g., licenses, complaints, etc.); and
- aircraft, boats, or other vehicles that are not on a replacement schedule.

DATA ENTRY

A spreadsheet form is provided in on the LBB website (www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Instructions → Legislative Appropriations Request → Templates) and must be included in the PDF submitted through the LBB Documents Submissions application (docs.lbb.texas.gov) and emailed to the Office of the Governor (budgetandpolicyreports@gov.texas.gov). See **Appendix 6.B.** for a sample form.

For each onetime project or item, agencies should complete a Project tab in the Current Biennium Onetime Expenditure Schedule spreadsheet form. The Summary tab will autopopulate with selected information from the Project tabs.

In the Project tab, agencies should provide the following information for each year of the 2022–23 reported expenditures and 2024–25 baseline request:

- the project/program name and description (if the planned project/program is different in the 2024–25 biennium, provide a description of the purpose of the renamed project/program);
- strategy or strategies;
- object(s) of expense; and
- method(s) of finance

PART 6.C. 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.

GENERAL INFORMATION

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;
- for agencies expending more than \$5.0 million in total Federal Funds in fiscal year 2021, 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**;
- Federal Funds used for benefits should match amounts reported in the Federal Funds Tracking Schedule;
- assumptions and/or methodology used to estimate federal funding; and
- potential losses of any Federal Funds projected for fiscal years 2024 and 2025. See **Appendix 6.C.** for a sample report.

This report does not apply to institutions of higher education.

DATA ENTRY

The Federal Funds Supporting Schedule is generated in the Automated Budget and Evaluation System of Texas (ABEST). Refer to *ABEST Instructions for Legislative Appropriations Request* (June 2022). 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. COVID-19 pandemic-related Federal Funds are reported as MOF Code 0325;
- 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 the agency has received Federal Funds, along with the intended use. For example, a subrecipient who has entered a contract with a primary recipient of a grant award will provide a copy of the contract or agreement that they received from the primary recipient;
- provide Federal Funds amounts for expended 2021, estimated 2022, budgeted 2023, and requested 2024–25;
- funds should be reported as federal by the agency expending the funds (which might not be the original recipient of the Federal Funds); exceptions to this policy should be discussed with your LBB budget analyst and your Office of the Governor, Budget and Policy Division advisor; and
- to ensure accurate counts of Federal Funds and reflect the actual expenditure of Federal Funds, use the following guidelines to report Federal Funds that pass through multiple entities:
 - if any portion of Federal Funds are passed through to another state agency or institution of higher education, **the expending agency—not the initial recipient—should report the funding as Federal Funds**; and
 - if any portion of Federal Funds are passed through to a nonstate entity, the initial recipient should report the funding as Federal Funds.

ADDITIONAL FUNDS FOR EMPLOYEE BENEFITS

Agencies expending more than \$5.0 million in total Federal Funds in fiscal year 2021 must:

- identify by CFDA number expended 2021, estimated 2022, budgeted 2023, and requested 2024–25 amounts for employee benefits paid with Federal Funds. Include group insurance, retirement, Social Security, and benefit replacement pay;
- identify expended 2021, estimated 2022, budgeted 2023, and requested 2024–25 amounts for employee benefits paid with General Revenue Funds used as match or maintenance of effort in each federal program. Include group insurance, retirement, Social Security, benefit replacement pay, and post-retirement healthcare costs;
- Federal Funds used for benefits should match amounts reported in the Federal Funds Tracking Schedule; and
- do not include any additional funds for employee benefits in the strategy amounts.

HURRICANE HARVEY FEDERAL EMERGENCY MANAGEMENT AGENCY PUBLIC ASSISTANCE PROGRAM

Agencies receiving federal assistance funding for Hurricane Harvey response and recovery activities should continue to use the appropriate CFDA number for the specific Hurricane Harvey grant. Please report all other grants and reimbursements for the disaster under the standard CFDA number for each program.

ASSUMPTIONS AND METHODOLOGY

Describe assumptions and methodologies used to estimate funding for 2024–25. Specific factors affecting Federal Funds estimates (e.g., changes in federal authorization levels or allocation formula changes) should be described and identified by CFDA number and title. Otherwise, general statements that apply to multiple CFDA numbers are acceptable.

POTENTIAL LOSS OF FEDERAL FUNDS

If an agency estimates that 2024–25 allocations for a Federal Funds program will decrease to 90.0 percent of the 2022–23 estimated/budgeted receipts, the agency shall describe what state/federal circumstances factor into its estimates. To identify Federal Funds that previously were available and are not part of the estimated appropriations for the 2024–25 biennium, follow these guidelines:

- identify any Federal Funds by CFDA number and title that were budgeted in 2023 that might not be received in 2024–25;

- identify state action possible or necessary to avoid loss of Federal Funds (e.g., statutory change or appropriation of funds for purposes not previously receiving state funding);
- identify federal action necessary to avoid loss of Federal Funds (e.g., federal legislation, federal rule changes, agency action, formula changes or a change in appropriation of Federal Funds); and
- identify changes that result from normal General Revenue Funds and state maintenance of effort or state-to-federal matching ratio requirements.

CHECKLIST ITEMS

- Does the report include all federal programs or grants?
- If the agency meets the \$5.0 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?
- Do the Federal Funds used for benefits match amounts reported in the Federal Funds Tracking Schedule?
- Does the report include statements describing the assumptions and methodology for estimating Federal Funds and identify Federal Funds that could be lost?

PART 6.D. FEDERAL FUNDS TRACKING SCHEDULE

The Federal Funds Tracking Schedule:

- cross-references annual federal awards 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.

GENERAL INFORMATION

All agencies are required to submit a Federal Funds Tracking Schedule for any grant award of \$5.0 million or greater in fiscal year 2021 or upon request by the Legislative Budget Board (LBB) or Office of the Governor. Note that the \$5.0 million threshold refers specifically to the award and not the final expended amount. Additionally, federal COVID-related grants should not be reported in this schedule unless the amounts were part of the agency's regular federal grant and diverted for COVID-related purposes. The submission may include one or more federal programs by Catalog of Federal Domestic Assistance (CFDA) number and title. See **Appendix 6.D.** for a sample report. General Appropriations Act, Article II, Health and Human Services, agencies are required to submit this schedule for selected grants. Contact the budget analyst at either budget office for additional information.

This report does not apply to institutions of higher education.

DATA ENTRY

The Federal Funds Tracking Schedule is generated in the Automated Budget and Evaluation System of Texas (ABEST). Enter the requested information into ABEST. Include any CFDA programs by number and title requested by the LBB or Office of the Governor analyst. Refer to the LBB website at www.lbb.texas.gov/Agencies_Portal.aspx → Reference Documents → ABEST → CFDA Program Names & Numbers. See the Federal Funds Supporting Schedule for additional information on how to add a new CFDA number 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. Totals across state fiscal years must equal the respective fiscal year in 6.C Federal Funds Supporting Schedule. Agencies will not be able to close the submission if the two schedules do not reconcile. Make any necessary adjustments for rescissions or other changes to the award amount. Describe any adjustments in the Tracking Notes text box. See instructions for Federal Funds Tracking Schedule in *ABEST Instructions for Legislative Appropriations Request* (June 2022).

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

Although additional funds for employee benefits are excluded from 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 \$5.0 million or greater in fiscal year 2021, did the agency provide current, historical, and projected expenditures through this schedule (excluding funds related to the COVID-19 pandemic)?
- Did the agency provide additional information to identify employee benefit payment amounts that

match amounts in the Federal Funds Supporting Schedule?

- Do the totals across state fiscal years equal the annual totals in the Federal Funds grant and award totals? If not, include difference in Difference from Award column and explain in Tracking Notes text box.
- For each CFDA, do the annual state fiscal year totals match the annual state fiscal year totals reported in the 6.C. Federal Funds Supporting Schedule? Agencies will not be able to set their status to Complete if the amounts do not reconcile.

PART 6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

The Estimated Revenue Collections Supporting Schedule provides details for actual and estimated revenue collections listed in the Method of Finance Schedule, by fund and/or account, for fiscal years 2021 to 2025.

GENERAL INFORMATION

Submit this schedule if the following apply:

- the agency has an Appropriations Limited to Revenue Collections rider in the Eighty-seventh Legislature, General Appropriations Act (GAA), 2022–23 Biennium;
- the agency collects any revenues, including those deposited to General Revenue Funds or General Revenue–Dedicated accounts, that are appropriated or requested to be appropriated to the agency’s Method of Finance Schedule, including riders;
- the agency is in Article II – Health and Human Services or Article VIII – Regulatory; or
- the agency is instructed to do so by the Legislative Budget Board (LBB) or the Office of the Governor, Budget and Policy Division.

Report Appropriated Receipts in this schedule.

Do not report Federal Funds in this schedule. Federal Funds are reported in the Strategy Request and can be printed using the Federal Funds Supporting Schedule. See **Part 6.C.** of these instructions.

Include a separate section in the Estimated Revenue Collections Supporting Schedule for Earned Federal Funds if the agency is affected by Article IX, Section 13.10 (2022–23 GAA). Include in the Revenue Assumptions for Earned Federal Funds the source of the Earned Federal Funds and whether any benefits are paid from this source.

This report does not apply to institutions of higher education unless requested by staff of the Office of the Governor or the LBB.

IMPORTANT

- Work with the Office of the Governor, Budget and Policy Division, and the LBB analyst(s) to determine the funds and accounts reported in this schedule.
- Appropriations requests and/or appropriation transfers listed in this schedule should be a part of the agency’s strategy or rider appropriation request.
- 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). Provide the following information:

- fund or account names and number;
- beginning unencumbered balance of funds or accounts, as applicable;
- total estimated revenue, detailed by revenue code (excluding Federal Funds);
- appropriations requests/transfers from funds or accounts;
- ending fund/account balance, if applicable; and
- assumptions used in projecting revenue.

Refer to *ABEST Instructions for Legislative Appropriations Request* (June 2022) on the LBB website (www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Instructions → Legislative Appropriations Request). See **Appendix 6.E.** for a sample report.

Beginning Balance: For each fund or account, list actual unencumbered beginning balances for fiscal years 2021 and 2022 and projected beginning balances for fiscal years 2023 to 2025. 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 House Bill 2896, Eighty-seventh Legislature, Regular Session, 2021; the Texas Government Code, Sections 403.095 and 2201.003; and other relevant statutes to determine if the fund or account exists.

Estimated Revenue: List actual revenue collections for fiscal year 2021 and estimated collections for fiscal years 2022 through 2025. List collections by revenue source using the Comptroller of Public Accounts' (CPA) revenue object codes (www.lbb.texas.gov/Agencies_Portal.aspx → Reference Documents → ABEST → Revenue Object Codes). Revenue sources must include Appropriated Receipts and Article IX, General Provisions (2022–23 GAA), receipts specific to your agency.

The Estimated Revenue Collections Supporting Schedule includes separate sections for each fund/account to which agencies deposit collected revenue. Agencies affected by Article IX, Section 13.10 (2022–23 GAA), should include a separate section in the Estimated Revenue Collections Supporting Schedule for Earned Federal Funds, using the following guidelines:

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

Other guidelines include:

- estimated revenues may exceed amounts budgeted and/or requested;
- Subtotal Actual/Estimated Revenue: adds all revenue sources;
- Total Available: adds Beginning Balance and Subtotal Actual/Estimated Revenue.
- Deductions: list deductions made from the fund or account, including:
 - amounts expended, budgeted, and requested, including the 50.0 percent reimbursement paid from agency appropriations to the Texas Workforce Commission (TWC) for unemployment benefits;
 - the additional 50.0 percent some agencies are required to reimburse TWC from unappropriated General Revenue–Dedicated Funds and other special fund balances; these reimbursements are shown as transfers in this schedule;
 - transfers for employee benefits (retirement, group insurance, Social Security, benefit replacement pay);
 - emergency or deficiency grant amounts; and
 - employee benefits also include collections for post-retirement health insurance, which are not transferred by the agency but captured by the Employees Retirement System of Texas after the agency deposits the collections into unappropriated General Revenue Funds.

Do not include deductions that include 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/Account Balance: Subtracts Total Deductions from Total Available to determine Ending Fund/Account Balance. The Ending Fund/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 (2022–23 GAA), appropriation amounts from special funds or General Revenue–Dedicated Accounts may not exceed actual balances and available revenues in the fund/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 Fund Account must be offset by an appropriation reduction in the Summary of Base Request by Method of Finance Report.

Revenue Assumptions: List and explain assumptions used in estimating revenue collections for each fund or account, including current fee rates, potential increases or decreases in fee rates, and the effects of federal 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. Provide a detailed analysis of factors resulting in a 20.0 percent increase or decrease from the fiscal year 2024 estimated beginning fund balance in any fund or account for fiscal years 2024 and 2025. For Earned Federal Funds, include the source of the Earned Federal Funds and whether any benefits are paid from this source.

CHECKLIST ITEMS

- Are associated employer benefit costs, including post-retirement health insurance, included in Total Deductions?
- Are explanations provided for the revenue assumptions, particularly for changes affecting revenue collections?
- Do the entries for Beginning Balance plus Estimated Revenue equal Total Available?
- Does expended/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?

PART 6.F. ADVISORY COMMITTEE SUPPORTING SCHEDULE

The Advisory Committee Supporting Schedule provides information for reimbursing expenses of advisory committee members.

GENERAL INFORMATION

Pursuant to the Texas Government Code, Chapter 2110, agencies must request authority to reimburse the expenses of advisory committee members. Advisory committee is defined as a committee, council, commission, task force or other entity in the executive branch of state government that:

- is not a state agency;
- is established by or pursuant to state law; and
- has as its primary function advising a state agency.

IMPORTANT

The Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium, Article IX, Section 5.08, Travel of Advisory Committee Members, prohibits reimbursement of advisory committees unless such authority is expressly granted in the GAA.

DATA ENTRY

The Advisory Committee Supporting Schedule is generated from the Automated Budget and Evaluation System of Texas (ABEST). Enter in ABEST a schedule for each agency advisory committee for which reimbursement authority is being requested. See **Appendix 6.F** for an example.

Each schedule must include:

- expenditure and Method of Finance (MOF) information for expended 2021, estimated 2022, budgeted 2023, and requested 2024 and 2025;
- committee members' direct expenses related to the committee's responsibilities itemized by personnel, travel, and other operating costs;
- all other expenditures in support of the committee's activities, including the cost of agency staff time, itemized by personnel, travel, and other operating costs;
- the MOF section should detail the source of funding by fund/account number(s) in accordance with funds listed in *Method of Financing Codes* found on the LBB website at www.lbb.texas.gov/Agencies_Portal.aspx → Reference Documents → Method of Finance Codes;
- the strategy or strategies for which funding is requested. The Advisory Committee Supporting Schedule is informational and not an actual request for funding; therefore, include amounts requested for each committee in the appropriate strategy request;
- date and statutory authority for establishment of the committee;
- the number of committee members and frequency of meetings each fiscal year; and
- a description and justification for the continuation or consequences of abolishing the committee, including the advisory committee's purpose and duties, the statutory membership requirements, an evaluation of its work and usefulness, and reasons the advisory committee should continue in existence or the consequences of abolishing the committee; if the committee is required to exist by federal law, include the applicable citation.

PART 6.H. ESTIMATED TOTAL OF ALL FUNDS OUTSIDE THE GENERAL APPROPRIATIONS ACT BILL PATTERN SCHEDULE

The purpose of the Estimated Total of All Funds Outside the General Appropriations Act Bill Pattern Schedule is to identify revenue authorized by the Texas Constitution, Texas statute, federal law, or court order that is deposited in funds or accounts within or outside the state Treasury, is within the control of the agency or its oversight board or commission, and is not appropriated by the Legislature in the General Appropriations Act (GAA). Total amounts identified in the spreadsheet are used to calculate the percentage of estimated total funds contained in an agency's bill pattern in the GAA.

GENERAL INFORMATION

Submit this schedule if the agency or its governing board or commission is authorized to collect and spend funds that are deposited to accounts within or outside the state Treasury but are not appropriated by the Legislature in the GAA. The information contained in the schedule will be used to determine the percentage of funds available to an agency that are appropriated in its bill pattern in the GAA. Examples include endowments, trust funds, bond proceeds, reserve funds, and revolving loan funds. Bond proceeds should be included in the schedule only if the bonds are not included in the GAA (e.g., Water Development Bonds and Mortgage Revenue Bonds).

Do not include the following items:

- benefit replacement pay and employee benefits (retirement, group insurance, social security, and post-retirement healthcare costs). These funds are appropriated elsewhere in the GAA, and an informational listing is provided after each agency.
- General Revenue–Dedicated account balances. These balances are not available to the agency unless appropriated. Agencies should contact their assigned LBB analyst if they have questions concerning this reporting requirement.

Institutions of higher education should contact their assigned LBB analyst for direction on meeting this reporting requirement.

DATA ENTRY

The spreadsheet form is provided on the LBB and the Office of the Governor websites and should be included in the PDF submitted through the LBB Documents Submissions application (docs.lbb.texas.gov) and emailed to the Office of the Governor (budgetandpolicyreports@gov.texas.gov). See **Appendix 6.H.** for a sample form. Institutions of Higher Education should see Schedule 6.H Estimated Funds Outside the Higher Education Institutions Bill Pattern Template. Spreadsheets are available on the LBB website at www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Instructions → Legislative Appropriations Request → Templates or Institutions and Agencies of Higher Education.

Name of Account. Enter the name of the account, fund, endowment, grant, or self-supporting enterprise as designated by the Texas Constitution, Texas statute, federal law, or court order.

Estimated Beginning Balance. Enter the beginning balance for fiscal years 2022 and 2024 for each account, considering actual or anticipated expenditures, encumbrances, and accruals for the previous reporting period.

Estimated Revenue Collections. Enter the estimated revenue collections, including interest earnings, for fiscal years 2022, 2023, 2024, and 2025.

Duplicate the spreadsheet to add accounts as necessary.

ESTIMATED GRAND TOTAL OF ALL AGENCY FUNDS OUTSIDE THE GAA BILL PATTERN FOR THE 2024–25 BIENNIUM

For all accounts, the spreadsheet will automatically calculate the estimated total amount of funds, which consists of the total beginning balance for fiscal year 2024 and the revenue collections for fiscal years 2024 and 2025. However, if additional accounts are added to the spreadsheet, adjust the spreadsheet formula to include the estimated total available for all accounts.

CONSTITUTIONAL OR STATUTORY CREATION AND USE OF FUNDS

Identify the specific constitutional or statutory citation(s) authorizing the agency to collect and spend the funds. Also describe the authorized uses of the funds. Briefly describe the reasons why the funds are not part of the agency’s bill pattern and any issues that may result if these funds were included in the agency’s bill pattern (i.e., constitutional issues, federal rules, etc.).

METHOD OF CALCULATION, REVENUE ASSUMPTIONS, AND RATIONALE

For each fund or account, list and explain assumptions used in estimating revenue collections, including current fee rates, potential increases or decreases in fee rates, and the effects of state or federal 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

- Is the method of calculation and revenue assumptions clearly described for all accounts?
- If spreadsheets are added for additional funds or accounts, was the formula adjusted to account for the estimated total for all accounts?

PART 6.J. BEHAVIORAL HEALTH FUNDING SCHEDULE

The Behavioral Health Funding Schedule provides summary and budgetary information for mental health or substance abuse prevention and treatment programs, as estimated/budgeted for the 2022–23 biennium and requested for the 2024–25 biennium.

GENERAL INFORMATION

Pursuant to the Eighty-seventh Legislature, General Appropriations Act (GAA), 2022–23 Biennium, Article IX, Section 10.04, certain agencies identified as receiving behavioral health appropriations, included in this section, are required to develop and submit a coordinated expenditure proposal for fiscal years 2022 and 2023.

The agencies must complete this supplemental schedule, along with any agency or institution of higher education that is not included but: (1) is requesting behavioral health-related appropriations for the 2024–25 biennium; or (2) has been requested to complete the schedule by the Legislative Budget Board (LBB) or Office of the Governor, Budget and Policy Division.

Agencies and institutions of higher education that do not receive or expend funds or are not requesting funds described in this section do not have to complete this schedule.

The following agencies are identified in the 2022–23 GAA, Article IX, Section 10.04, or have been otherwise identified as receiving behavioral health-related appropriations:

Texas Facilities Commission	Court of Criminal Appeals
Trusted Programs within the Office of the Governor	Office of Court Administration
Veterans Commission	Commission on Jail Standards
Department of Family and Protective Services	Department of Criminal Justice
Department of State Health Services	Juvenile Justice Department
Health and Human Services Commission	Texas Military Department
Texas Civil Commitment Office	Commission on Law Enforcement
Texas School for the Deaf	Texas State Board of Dental Examiners
University of Texas Health Science Center at Houston	Board of Pharmacy
University of Texas Health Science Center at Tyler	Board of Veterinary Medical Examiners
Texas Tech University Health Sciences Center	Optometry Board
Texas Higher Education Coordinating Board	Texas Board of Nursing
Supreme Court of Texas	Texas Medical Board

Agencies must identify costs in the 2022–23 base, the 2024–25 baseline request, and any exceptional item request related to the research, prevention, detection, treatment, control, supervision, or rehabilitation of individuals with mental disorders or disabilities, including those that result from alcoholism or drug addiction. Only include costs within agency budget strategies. Employee benefits costs do not need to be identified.

DATA ENTRY

A spreadsheet form is provided on both the LBB and Office of the Governor websites and must be included in the PDF submitted through the LBB Document Submission application (docs.lbb.state.tx.us). See **Appendix 6.J.** for an example of a completed form. The form is available at www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Instructions → Legislative Appropriations Request → Templates.

In determining behavioral health-related expenditures, use the following definition from Article IX, Section 10.04 (2022–23 GAA):

Behavioral health services are programs or services directly or indirectly related to the research, prevention, or detection of mental disorders and disabilities, and all services necessary to treat, care for, control, supervise, and rehabilitate persons who have a mental disorder or disability, including persons whose mental disorders or disabilities result from alcoholism or drug addiction.

For each item identified, agencies must complete the Data Entry tab in the Summary of Behavioral Health Funding spreadsheet form. The LAR Schedule tab will auto populate with selected information from the Data Entry tab. The LAR Schedule tab is the only tab that will be included in the Legislative Appropriations Request submission.

In the Data Entry tab, agencies must provide the following information:

- program name – identify each program by name; note that, depending on the number of methods of finance being requested, a program’s information may be identified across multiple rows;
- service type – select from the drop-down list one of the following service types that the program provides, as identified by the Behavioral Health Expenditure Proposal:

central administration	mental health services – prevention
education and training	research
information technology	staff
infrastructure	substance use disorder services – intervention
mental health services – grants	substance use disorder services – other
mental health services – inpatient/residential	substance use disorder services – outpatient
mental health services – other	substance use disorder services – prevention
mental health services – outpatient	workforce development

Note: Mental Health Services and Substance Use Disorder Services have been shortened to MH Svcs and SUD Svcs, respectively, in the drop-down list.

- agency strategies – identify each strategy through which the program is funded, or funding is requested;
- summary description – provide a detailed description of the program or service, including its goal;
- target population – describe the target population for each program or service (e.g., adults, children, inmates, etc.);
- fund type requested – indicate whether the request is for General Revenue Funds, General Revenue–Dedicated Funds, Federal Funds, Interagency Contracts, or Other Funds; identify each Method of Finance (MOF) requested for a program or service on separate rows;
- 2022–23 base – identify the total base funding for each MOF for fiscal years 2022 and 2023, and the total biennial base funding;
- 2024–25 base request – identify the total base request for each MOF for fiscal years 2024 and 2025, and the total biennial base funding;
- 2024–25 exceptional items – identify the total amount requested for exceptional items by MOF for fiscal years 2024 and 2025, and the total biennial exceptional item request;
- amount requested by category – for the agency’s total request for the 2024–25 biennium (base request and exceptional item request), summarize the amount requested by each category as indicated in the following:

- mental health – includes programs or services involved in the research, prevention, or detection of mental disorders and disabilities, and all services necessary to treat, care for, control, supervise, and rehabilitate persons who have a mental disorder or disability; and
- substance abuse – includes programs and services for the prevention, intervention, and/or treatment of individuals with substance abuse disorders, and all services necessary to treat, care for, control, supervise, and rehabilitate persons whose mental disorder or disability results from alcoholism or drug addiction;
- full-time-equivalent (FTE) positions – for fiscal years 2023 and 2025, indicate the number of FTE positions required for each program or service by strategy;
- Statewide Strategic Plan strategies – identify each strategy outlined in the Texas Statewide Behavioral Health Strategic Plan that the program seeks to address; and
- methodology/notes – describe any methodology used to estimate or disaggregate behavioral health costs from other healthcare costs, or to determine the allocation of the request between mental health and substance abuse; and provide any other comments necessary to understand the request.

Items identified by the agency for this schedule may include, but are not limited to, the following:

- substance abuse treatment programs;
- mental health treatment programs;
- substance abuse prevention programs;
- inpatient services at state mental health facilities;
- veterans' mental health services;
- behavioral health services for sex offenders;
- behavioral health training programs for educators or judicial personnel;
- psychiatric services;
- special needs programs and services for juvenile offenders; and
- coordination of and referral to mental health professionals through peer assistance programs.

IMPORTANT

Agencies are required to simultaneously submit a copy of the behavioral health funding schedule to the Health and Human Services Commission for inclusion in a consolidated behavioral health schedule. Agencies also should submit a copy of the completed Data Entry spreadsheet to their assigned analyst at the LBB and the Office of the Governor, Budget and Policy Division.

PART 6.K. BUDGETARY IMPACTS RELATED TO RECENTLY ENACTED STATE LEGISLATION SCHEDULE

The Budgetary Impacts Related to Recently Enacted State Legislation Schedule provides detailed information about an agency's costs or savings resulting from the implementation of legislation from the Eighty-seventh Legislature, Regular and Called Sessions, 2021. The schedule allocates amounts to each strategy in which the expanded or new initiative is budgeted by Method of Finance (MOF) and Object of Expense (OOE).

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 2021, budgeted fiscal year 2022, and estimated fiscal years 2023 to 2025. This 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 2021, budgeted for fiscal year 2022, and estimated for fiscal years 2023 to 2025.

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 also 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. Please contact the agency-assigned analysts from the Legislative Budget Board (LBB) and the Office of the Governor, Budget and Policy Division, to discuss items before submitting 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 2025 and 2026. If an expanded or new initiative request contains expected contracted costs of \$50,000 or more, the agency should provide a description of the goods or services to be procured by contract and the type of contract to be awarded, amount 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 *ABEST Instructions for Legislative Appropriations Request* (June 2022) on the Legislative Budget Board (LBB) website at www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Instructions → Legislative Appropriations Request for more details. See **Appendix 6.K.** 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 2021 should reflect actual impacts on expenditures, and fiscal years 2022 to 2025 should reflect budgeted impacts.

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 state statute to which the costs are related;

- a narrative description of each expanded or new initiative, including which costs are related to implementation and which are ongoing;
- the strategy(ies) that have a budgetary impact;
- detail for OOE, MOF, full-time-equivalent (FTE) positions, and performance measures; and
- estimated savings or cost reductions (enter as a negative value).

For IT components, include the following information:

- the project description related to the expanded or new initiative, including whether it is an existing or new project;
- for fiscal years 2021 to 2025, enter 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 2022 to 2023 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 **Appendix 4.F** 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 2021 to 2025. No additional data entry is necessary. See **Appendix 4.F, Part B**, for a sample report.

PART 7. ADMINISTRATIVE AND SUPPORT COSTS

The Administrative and Support Costs schedules:

- provide historical information on all administrative and support costs for each strategy;
- allocate indirect administrative and support costs to the appropriate strategies;
- identify direct administrative and support costs included in each strategy;
- distinguish the costs of implementing a strategy from the costs of running an agency; and
- provide the Legislative Budget Board (LBB) and the Office of the Governor, Budget and Policy Division, with additional information for developing budget recommendations.

GENERAL INFORMATION

Enter this information into the Automated Budget and Evaluation System of Texas (ABEST). Refer to *ABEST Instructions for Legislative Appropriations Request* (June 2022) on the LBB website at www.lbb.state.tx.us/Agencies_Portal.aspx → Data Entry Applications → Instructions → Legislative Appropriations Request.

An agency must complete this schedule only if requested by an analyst from the LBB or Office of the Governor, Budget and Policy Division.

Agencies completing this schedule should provide budget detail for both direct and indirect administrative and support costs. Indirect administrative and support costs are operating expenses incurred by the agency that are independent of the implementation of a specific strategy and often are included in one or more Indirect Administration strategies. Conversely, direct administrative and support costs are integral to the strategy and are related only to the strategy in which they are included. Information to be provided includes objects of expense, Method of Finance, and number of full-time-equivalent (FTE) positions for fiscal years 2021 to 2025.

IMPORTANT

This schedule is required only by request of the LBB or Office of the Governor, Budget Division, analyst.

Agencies with an Indirect Administration goal in their budget structure should use both the Indirect Administration Strategy Request schedule and the Indirect Administrative and Support Costs schedule to report indirect administrative and support costs data.

7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS

Calculating indirect administrative and support costs requires identifying which of these costs are associated with running an agency. Indirect administrative and support costs may not significantly change due to a change in funding levels. See **Appendix 7.A.** for a sample report.

Examples of costs that typically constitute indirect administrative and support costs include:

- central administration costs such as executive staff, public information, planning and policy development, external liaison/affairs, general counsel, legal services and enforcement, accounting, budget, travel management, financial reporting, human resource management, staff development, and internal audit;
- information resources costs such as Data Center Services contract expenses, mainframe operations, automated service programmers, analysts, personal computer support, and data and voice telecommunications;
- operating/support costs such as mail services, purchasing, warehouse, maintenance, motor pool, library, security, reproduction services, housekeeping, building support and other operating costs that are not directly attributable to specific strategies; and

- regional administration costs, such as expenditures at agency field offices or at state schools or facilities, that are indirect administrative or support costs as defined previously, and do not constitute a direct programmatic administrative or support cost.

ALLOCATING INDIRECT ADMINISTRATIVE AND SUPPORT COSTS

Indirect administrative and support costs must be allocated to each strategy. The following rules apply:

- Agencies without an Indirect Administration goal should list for each strategy only the amounts included in the strategy request attributable to indirect administrative and support costs.
- Agencies with an Indirect Administration goal should list in Schedule 7.A, for each strategy, indirect administrative and support costs that are included in the Indirect Administration goal and allocated to the strategy. The Strategy Request(s) within the Indirect Administration goal should be used to provide the total strategy amount for each Indirect Administration strategy. The sum of all strategies in the Indirect Administrative and Support Costs report must equal amounts contained in the Strategy Request(s) for the Indirect Administration goal.
- All agencies should complete the final portion of the Indirect Administrative and Support Costs report by explaining the methodology used to allocate indirect administrative and support costs among strategies.

Examples of methodologies that may be appropriate for allocating costs include the following.

Allocating Costs by Budget Size

Costs can be allocated based on the percentage of budget associated with an individual strategy. For example, if an agency has 10 strategies but five account for 80.0 percent of its budget, allocate 80.0 percent of the indirect administrative costs to those five strategies. Allocating costs by budget size may not be appropriate if the amount of administrative support necessary for a given strategy is disproportionate to its budget size.

Allocating Costs by FTE Positions

Similar to allocating by budget size, a labor-intensive agency may allocate indirect administrative and support costs by the number of FTE positions associated with the various strategies. For example, if two out of 10 strategies account for 50.0 percent of the agency's FTE positions, allocate half of the agency's total indirect administrative and support costs to those two strategies.

Allocating Costs by Workload or Services Provided

An agency may have indirect administrative and support costs that are driven by the workload of individual strategies. For example, a human services agency might serve 25.0 percent of its clients through one strategy. If providing these services requires high indirect administrative and support services, 25.0 percent or more of the agency's indirect administrative costs may be allocated to that strategy.

Variance Among Categories

It may be necessary to allocate different types of indirect administrative and support costs by various methodologies. For example, it may be appropriate to allocate central administration costs among all strategies and to allocate information resource costs only to several strategies.

Existing Allocation Plans

Agencies are encouraged to use any appropriate allocation methodologies already in place for other purposes, such as a formal indirect cost allocation plan prepared for federal grant reporting.

7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS

Direct administrative and support costs are similar in nature to indirect administrative and support costs, with the exception that they are related only to the strategy in which they are included. Some strategies may not include any direct administrative and support costs. For example, if all administrative and support costs for an agency are included in an Indirect Administration goal, the other strategies would have no direct administrative and support costs.

The direct administrative and support costs of a strategy are included in the strategy and are related solely to implementation of the single strategy. In some cases, they may change proportionately with funding levels of the strategy.

Each Direct Administrative and Support Costs report should include a description of the costs in terms of which FTE positions or activities are supported. For example, the costs may support a dedicated file server or specific support staff. See **Appendix 7.B** for a sample schedule.

CHECKLIST ITEMS

- Do the totals on the Indirect Administrative and Support Costs report equal the total reported for the Indirect Administration goal, if applicable?
- Are indirect administrative and support costs allocated to each strategy?
- Does the Indirect Administrative and Support Costs report include a description of the allocation method for indirect administrative and support costs?
- Are direct administrative and support costs identified for each strategy in which they occur?
- Does each Direct Administrative and Support Costs schedule include a description of the costs?

PART 8. SUMMARY OF REQUESTS FOR FACILITIES-RELATED PROJECTS

The Summary of Requests for Facilities-related Projects summarizes requests for facilities-related projects into four categories:

- new construction;
- health and safety;
- deferred maintenance; and
- maintenance.

GENERAL INFORMATION

This supplemental schedule applies to all agencies and institutions of higher education with requests for new construction, rehabilitation, and repair projects. Agencies are encouraged to discuss the items with their Legislative Budget Board (LBB) analyst and Office of the Governor, Budget and Policy Division, advisor prior to the final Legislative Appropriations Request (LAR) submission to ensure complete and accurate reporting.

Institutions of higher education should ensure that project totals in this schedule align with information provided in Schedule 8.A and 8.C of the Higher Education schedules.

DATA ENTRY

A spreadsheet form is provided on the websites of the LBB and Office of the Governor and must be included in the PDF submitted through the LBB Documents Submissions application (docs.lbb.texas.gov). The spreadsheet form is available on the LBB website at www.lbb.texas.gov/Agencies_Portal.aspx → Data Entry Applications → Instructions → Legislative Appropriations Request → Templates.

See **Appendix 8** for a sample form.

Agencies also should submit a copy of the completed data entry spreadsheet to their assigned LBB and Office of the Governor analyst.

For each individual item, agencies should include the following information:

- **Project ID.** Identify each project by number, beginning with 1. Note that, depending on the number of Methods of Finance (MOF) being requested, a project's information may be identified across multiple rows to identify amounts by each MOF. The project number, however, will not change;
- **Capital Expenditure Category.** Enter the capital project category of the affected project. For a list of all possible project classifications, see **Figure 6** in Part 5.E. of these instructions. Note that this category is not the same as the subsequent categories;
- **Project Description.** Provide a general description of the project that corresponds to the request;
- **Amount Requested.** Identify the amount requested by each category as indicated in the following:
 - **New Construction.** Includes projects to construct new buildings or facilities or major renovation projects that significantly alter or add to the layout or exterior structure of an existing building;
 - **Health and Safety.** Includes the highest priority repairs to building systems that present a safety risk or where failure is imminent, and includes items associated with federal and state compliance laws;

- **Deferred Maintenance.** Includes building system repairs, retrofits, upgrades, and other deferred maintenance activities that have been postponed due to funding priorities but do not represent an imminent threat to the facility or its occupants. These items are past due and relate to building systems that are either in disrepair or have exceeded their useful life;
- **Maintenance.** Includes items to maintain the normal operation of the facility and may include preventative maintenance, minor repairs, and other general maintenance. These items are ideally scheduled for completion during the 2024–25 biennium and are not already past due;
- **2024–25 Total Amount Requested.** Identify the total amount for each MOF requested for the 2024–25 biennium;
- **MOF Code.** Identify the MOF code requested to finance the project. Identify each MOF requested for a project on separate rows using the same Project ID;
- **MOF Requested.** Indicate the MOF name;
- **Can this Project Be Partially Funded?** Respond “Yes” or “No” as to whether a project can be scaled based on the amount of funding received. Answer “Yes” if the project is scalable depending on the level of funding received. Examples include exceptional items that comprise smaller discrete projects, such as deferred maintenance. Answer “No” if the project cannot be completed without one of its component parts. Examples include the construction of new facilities;
- **Requested in Prior Session?** A response to this field indicates how long this project has been in your agency’s queue. Choose the earliest legislative session in which this item was requested. If the item was fully or partially funded in a previous session, choose the first session the request was made and indicate the value of any appropriations in the next column “Value of Existing Capital Projects.” If this is the first LAR containing this request, enter “No”;
- **Value of Existing Capital Projects.** Indicate the total value of all related capital projects that are currently funded at the agency. Total value means the combined capital budget authority for the projects at the time of the LAR submission. If those related project received appropriations in multiple biennia, total those appropriations for this field (for example, enter \$10.0 million if \$5.0 million was appropriated in the 2020–21 GAA and another \$5.0 million was appropriated in the 2022–23 GAA for related projects). Projects are considered related if they are for the same type of activity (e.g., systemwide deferred maintenance) or relate to the same facility (e.g., roof for building X, HVAC for building X, parking lot for building X);
- **2024–25 Estimated Debt Service.** If the agency is requesting project financing through General Obligation (GO) Bond Proceeds or Revenue Bonds, identify the amount of estimated debt service for the 2024–25 biennium related to the requested amount of debt. If the project is approved by the Eighty-eighth Legislature, 2023, bond proceeds will be appropriated to the requesting agency and debt service will be appropriated to the issuing agency or other appropriate agency. Debt service for GO bonds issued by the Texas Public Finance Authority (TPFA) would be appropriated to TPFA, and debt service for Revenue Bonds would be appropriated to the requesting agency. Contact the TPFA for debt service estimates on bonds that would be issued by TPFA;
- **Debt Service MOF Code.** If applicable, identify the MOF code that is requested to finance the estimated debt service associated with the requested GO Bond Proceeds and Revenue Bonds.
- **Debt Service MOF Requested.** If applicable, indicate the MOF name for the MOF requested for debt service.