



Legislative Budget Board

Robert E. Johnson Bldg.
1501 N. Congress Avenue, 5th Floor
Austin, TX 78701
(512) 463-1200

**Governor's Office of
Budget and Policy**

1100 San Jacinto, 4th Floor
Austin, TX 78701
(512) 463-1778

June 30, 2022

TO: State Agency Board/Commission Chairs
State Agency Heads and Executive Directors
Appellate Court Justices and Judges
Chancellors, Presidents, and Directors of Institutions and Agencies of Higher Education

Detailed instructions for the submission of legislative appropriations requests for the 2024-25 biennium have been posted on the websites of the Legislative Budget Board and the Office of the Governor. A staggered schedule of submission due dates is included in the instructions.

Under these instructions, an agency's baseline request for General Revenue Funds and General Revenue-Dedicated Funds may not exceed the sum of those amounts expended in fiscal year 2022 and budgeted in fiscal year 2023. Exceptions to the baseline request limitation include amounts necessary to:

- maintain funding for the Foundation School Program under state law;
- satisfy debt service requirements for bond authorizations;
- maintain funding at fiscal year 2023 budgeted levels plus amounts necessary to cover the impact of payroll growth for state pension systems and employee group benefits (not including payroll contributions made by state agencies and institutions of higher education for retirement and group health insurance), though group benefit modifications may be considered;
- maintain benefits and eligibility under state law in Medicaid programs, the Children's Health Insurance Program, foster care programs, the adoption subsidies programs, and the permanency care assistance program (baseline requests for these programs should include amounts sufficient for projected caseload growth);
- amounts necessary for public safety operations and equipment, including border security; and
- replace federal funds used for fiscal year 2022 public health and public safety salaries and other personnel costs at targeted agencies.

Funding requests that exceed the baseline spending level may not be included in the baseline request but may be submitted as exceptional items. Because school safety and border security funding will be paramount conversations next session, information not included or addressed in the normal LAR schedules will be requested separately from various agencies for consideration.

It is imperative that state agencies remain fiscally and operationally efficient with state resources. Budget requests should reflect conservative values and be mindful that we are experiencing a time of world and national economic uncertainty that could have an impact on our state. While these instructions do not require a reduction to baseline amounts, agencies and institutions should be mindful the legislature may make reductions to their 2024-25 appropriations, and these entities will be expected to fully justify maintaining baseline spending amounts.

Thank you for your service to the state of Texas, and we look forward to working with you and your staff in preparation for the 88th Legislative Session.

Sincerely,

Handwritten signature of Jerry McGinty in black ink.

Jerry McGinty
Director
Legislative Budget Board

Handwritten signature of Sarah Hicks in blue ink.

Sarah Hicks
Director of Budget & Policy
Office of the Governor