



2018–19 Legislative Appropriation Request

**Detailed Instructions for Agencies
for the Biennium Beginning September 1, 2017**

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

JUNE 2016

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INTRODUCTION

These instructions guide each agency, public institution of higher education, and appellate court in preparing and submitting a Legislative Appropriation Request (LAR) for the 2018–19 biennium. The term state agency or agency used throughout these instructions includes the appellate courts. The agency’s appropriation request is the bridge between 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. In addition, information is provided related to narrative language (riders) that is integral to preparation of the GAA.

The information contained in these instructions is for the purpose of preparing each agency’s Legislative Appropriation Request and for ensuring 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 with respect to the instructions may be directed to the Office of the Governor, Budget Division, and to the Legislative Budget Board.

The LAR has two components, the baseline or base level request and requests for consideration of exceptional items, which 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 of the information that will be desired for the presentation and analysis of an agency’s LAR. Agencies may supplement the required information with additional materials that express the needs and priorities of the agency. Similarly, agencies need only submit schedules that apply to them unless the Office of the Governor, Budget Division, or Legislative Budget Board (LBB) staff request additional information to better analyze the agency’s request.

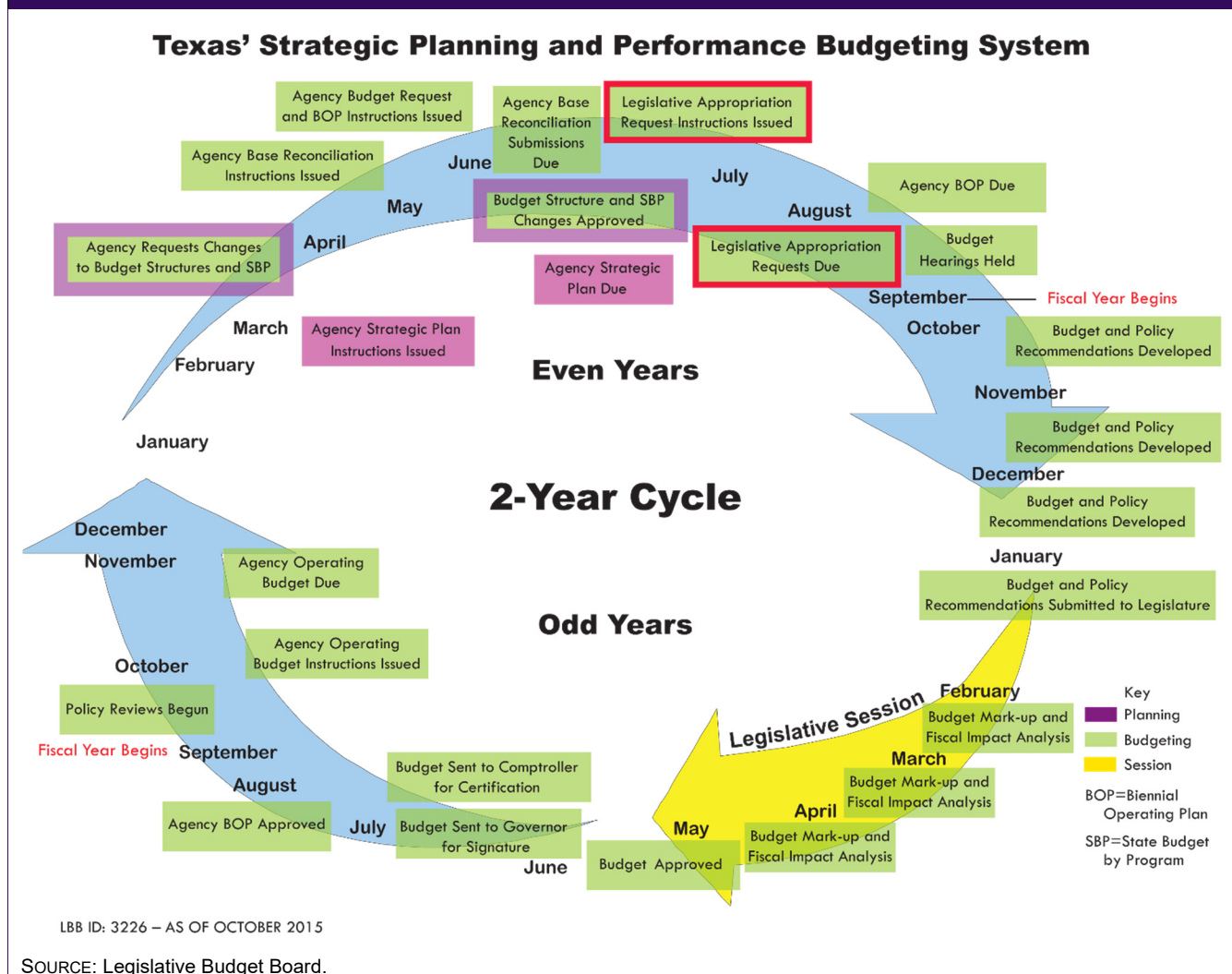
These instructions include a brief explanation of the concepts of the Texas budgeting system and are available on both the LBB website (www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request), and on the Governor’s office website (www.gov.texas.gov/bpp). The submission schedule, indicating the due date for each agency LAR, may be found at www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request → LAR Submission Schedule. Additional appendices containing example Automated Budget and Evaluation System of Texas (ABEST) schedules and other forms may be found at www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request → 2018–19 LAR Instructions - State Agencies - Examples.

The Governor’s office 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 entire two-year state budget cycle. The portion of the cycle that pertains to the information in this document has a red border.

FIGURE 1
TEXAS BUDGET CYCLE, AS OF OCTOBER 2015



STRATEGIC PLANNING AND BUDGETING SYSTEM (SPB)

The Strategic Planning and Budgeting system (SPB) utilized by the state to allocate state government resources recognizes relationships between funding and performance, between accountability and resource allocation, and most importantly, 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. A more detailed description of the SPB system is in the *Instructions for Preparing and Submitting Agency Strategic Plans for Fiscal Years 2017 to 2021* (April 2016), which are available on the LBB website (www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Strategic Plan Instructions).

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 Governor's office and the LBB. Requested changes are reviewed by both the Governor's office 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 appropriations bill moves through the legislative budget process. Any changes to budget structures should allow comparison to previous structures. In addition, to allow comparison of performance between fiscal years,

historical data must be maintained and available for any measures that are changed. Agencies wanting to modify previously approved structures and measure definitions should have submitted a written request to both the Governor's office and the LBB by the May 20, 2016, deadline.

If revisions are not requested or approved, the budget structure previously approved for use in preparing an agency's appropriation request for the 2016–17 biennium, as modified by House Bill 1, Eighty-fourth Legislature, 2015 (published version of 2016–17 GAA), is the approved structure for the 2018–19 biennium. When budget structures are finalized, the LBB will send each agency a set of reports to serve as the framework for entering the budget request into ABEST.

PERFORMANCE MEASURES

Developing and maintaining an effective performance accountability system is critical to the SPB system. The overall value of the measurement system is dependent upon 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 2015 performance for each measure, as reported in ABEST, to the LBB and the Governor's office. A good faith effort should be made to identify expected performance for fiscal year 2016 and projected performance for fiscal years 2017, 2018, and 2019.

Additional information on the state's performance measurement system can be found in the *Instructions for Preparing and Submitting Agency Strategic Plans for Fiscal Years 2017–21* (April 2016) on the LBB website (www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Strategic Plan Instructions).

IMPORTANT

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

MAJOR MILESTONES

The 2018–19 biennial cycle for allocating state resources began with the issuance of *Instructions for Preparing and Submitting Agency Strategic Plans for Fiscal Years 2017–21* (April 2016). **Figure 2** shows major milestones in the cycle.

FIGURE 2
MILESTONES IN THE STATE BUDGET PROCESS, 2016–17 BIENNIUM

MILESTONE	DATE
Strategic planning instructions issued	April 2016
Agency requests to modify budget structure submitted	April 22, 2016, to May 20, 2016
Policy letter for 2016–17 Legislative Appropriations Requests released	June 2016
Instructions for biennial 2016–17 Legislative Appropriations Request issued	June 2016
Legislative Budget Board (LBB) and Office of the Governor, Budget Division, approve agency budget structures	May and June 2016
Agency submits strategic plan for 2017 to 2021	June 24, 2016
Agency submits 2016–17 biennial base reconciliation	June 2016
LBB and Governor's office approve agency base reconciliations and provide agency with General Revenue Funds and General Revenue–Dedicated Funds limit for 2018–19 biennial baseline requests	June 2016
Agency submits biennial 2018–19 Legislative Appropriations Request	July and August 2016
LBB and Governor's office staff conduct joint budget hearings	August, September 2016
LBB delivers budget recommendations to the Eighty-fifth Legislature, 2017	January 2017
Governor delivers budget proposal to the Eighty-fifth Legislature, 2017	February 2017
Legislature considers and adopts the General Appropriations Bill	January to May 2017
Comptroller of Public Accounts certifies the General Appropriations Bill	June 2017
Governor approves General Appropriations Act and issues veto proclamation	June 2017

GENERAL BUDGET INSTRUCTIONS

BASELINE REQUEST AND EXCEPTIONAL ITEMS

Agencies should limit their General Revenue Funds and General Revenue–Dedicated Funds baseline appropriations request to the amounts approved by the Legislative Budget Board (LBB) and the Office of the Governor, Budget Division. A policy letter regarding baseline levels is available on the LBB website at www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request → Policy Letter for Legislative Appropriations Request.

Institutions of higher education that receive formula appropriations should not request amounts for the formula strategies.

Agency baseline requests should not include or initiate any new state debt.

Agencies should prepare their 2018–19 biennial base requests under the 2018–19 baseline request limits set by the LBB and Governor’s Office.

WHAT’S NEW

ELECTRONIC SUBMISSIONS

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

NEW SCHEDULES, MODIFICATIONS, AND NOTES

- **New: Budget Overview Schedule.** This new summary schedule provides a concise view of an agency’s 2016–17 biennial expenditures and its 2018–19 base request by strategy, disaggregated by method of finance type, as well as its exceptional item request (All Funds). This schedule is generated in ABEST and requires no additional data entry.
- **New: Program-Level Request Schedule.** This new summary schedule provides program-level detail of an agency’s 2016–17 biennial expenditures and its 2018–19 baseline request at an All Funds level, subdivided by the appropriate strategies. The agency should also identify program-level detail for its exceptional item requests by strategy at an All Funds level. This schedule is spreadsheet-generated.
- **New: Summary of Behavioral Health Funding Schedule.** Agencies must complete this new schedule if they made behavioral health or substance abuse services expenditures during the 2016–17 biennium and/or if they are requesting appropriations for behavioral health or substance abuse programs in the 2018–19 biennium. This schedule is spreadsheet-generated.
- **Deleted: Budgetary Impacts Related to Federal Health Care Reform and the Budget Control Act – Sequestration Schedules.** These two schedules, formerly Parts 6.J and 6.K respectively, have been deleted.
- **Administrator’s Statement.** Agencies are directed to discuss the approach taken to comply with the Policy Letter directive limiting 2018–19 baseline requests to 96 percent of their 2016–17 General Revenue Funds and General Revenue–Dedicated Funds expenditures, and to provide information on program funding requests for programs identified as exceptions to the baseline request limitation.
- **Exceptional Item Request Schedule 4.A: Information Technology (IT), Anticipated Out-year Costs, and Contracts.** For each exceptional item, in addition to descriptive information, agencies are asked to specify whether the exceptional item (1) has an IT component, (2) entails anticipated out-year costs, and/or (3) likely would involve a contract or contracts with outside entities from amounts in excess of \$50,000. If so, agencies are asked to provide additional information on these items.
- **Ten Percent Biennial Base Reduction Options Schedule and State Budget by Program.** Agencies are required to submit a 10 Percent Biennial Base Reduction Options Schedule detailing how the agency would reduce the 2018–19 biennial baseline request by 10 percent in General Revenue Funds and General Revenue–Dedicated Funds. Included in their 2018–19 Legislative Appropriations Request, agencies should submit reduction options that tie to programs identified in the 2016–17 State Budget by Program (SBP) (<http://sbp.lbb.state.tx.us/>). Additionally, reduction options should also include estimates of any losses in revenue, including Federal Funds, as part of the agency’s impact statement within the schedule.
- **Transferred Programs.** Historical expenditures for programs and functions transferred between agencies should be reflected at the agency in which the expenditure was actually made. Agencies receiving a transferred program or function

should not re-enter historical expenditures for a transferred program as if the program had existed at the receiving agency during those years.

- **Schedule 3.A. Strategy Request.** The schedule has been updated to include a new entry field, Explanation of Biennial Change. This new entry is required to be filled out before the Automated Budget and Evaluation System of Texas (ABEST) can be set to complete/closed. See Part 3.A. Strategy request instructions on page 26.
- **Centralized Accounting and Payroll/Personnel System (CAPPS) – Enterprise Resource Planning (ERP) Project.** All CAPPS expenses should be identified in capital budget submissions as Capital Project Category Code 8000 CAPPS Statewide ERP System. Affected agencies should include both capital expenses and noncapital informational expenses, such as internal staff costs. Additionally, agencies implementing CAPPS hub systems should include all ongoing costs to support and maintain their systems. Further information is included in Part 5.A. Capital Budget Project Schedule of these instructions.
 - Agencies identified by the Comptroller of Public Accounts (CPA) and listed in Part 5.A. of these instructions to deploy onto the centrally managed CAPPS system should include in their Capital Budget submissions all costs for internal needs arising from deployment. Examples of typical internal costs are provided in Part 5.A. of the instructions. If requests are made as an exceptional item, all amounts should be identified in the Capital Budget exceptional item schedules and descriptions of internal deployment-related costs should be detailed in 4.A. Exceptional Item Request Schedule (also see Part 4 instructions). As a reminder, all agencies requesting to deploy CAPPS should coordinate their deployment plans with the CPA.
 - Agencies deploying CAPPS during the 2016–17 biennium and identified in the 2016–17 GAA, Article IX, Section 18.03, should submit a substrategy schedule detailing their deployment costs and efforts (see also Part 3.A. instructions).
 - Agencies that are either deployed on CAPPS or requesting to deploy onto CAPPS through a separate, agency-managed system (typically referred to as a hub agency) should identify those requests, including ongoing maintenance and support, in their Capital Budget submissions.
 - In addition, agencies that make payments to the Comptroller of Public Accounts for converted PeopleSoft licenses used for internal accounting systems should identify these costs in their capital budget submissions.
 - Agencies are reminded that certain information must be submitted to the CPA for enterprise resource planning (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 found at comptroller.texas.gov/taxinfo/taxforms/74-222.pdf.
- **Note:** In December 2015, Attorney General Ken Paxton issued Attorney General Opinion KP-0048, Effect of the Governor's vetoes of the General Appropriations Act.

Refer to the *2018–19 Detailed Instructions for the Appellate Courts and Judicial Branch Agencies* and the *2018–19 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 address established for that purpose (budgetandpolicyreports@gov.texas.gov) and included in the searchable PDF submitted through the LBB Documents Submissions application (docs.lbb.state.tx.us). 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
2018–19 BIENNIUM

Administrator's Statement	Federal Funds Tracking Schedule (if required): Automated Budget and Evaluation System of Texas (ABEST) report
Organizational Chart	Estimated Revenue Collections Supporting Schedule: ABEST report
Budget Overview (NEW)	
Summaries of Request: seven ABEST reports	Advisory Committee Supporting Schedule: ABEST report
Strategy Request: ABEST report	Homeland Security Funding Schedule: ABEST report
Program-level Request: spreadsheet form (NEW)	
Rider Revisions and Additions Request: word-processing form	Estimated Total of All Funds Outside the GAA Bill Pattern Schedule: spreadsheet form
Rider Appropriations and Unexpended Balances Request: ABEST report	10 Percent Biennial Base Reduction Options Schedule: ABEST report
Substrategy Request (if required): two spreadsheet forms	Behavioral Health Funding Schedule (spreadsheet form)
Exceptional Items Request: three ABEST reports	
Capital Budget Schedules: <ul style="list-style-type: none"> • five ABEST reports • two ABEST reports for exceptional capital budget items (if required) 	Administrative and Support Costs: two ABEST reports
HUB Supporting Schedule: ABEST report	Summary of Requests for Capital Project Financing: spreadsheet form
Current Biennium Onetime Expenditure Schedule: spreadsheet form	
Federal Funds Supporting Schedule: ABEST report	

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 can be generated from ABEST. The Federal Funds, Capital Budget, and other schedules are supplemental because they provide detail on amounts contained in the Strategy Request.

PRIORITIZATION OF MEASURES

ABEST requires the agency to enter its performance measure definitions in the system. As part of that process, the agency will be enabled, 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 appropriations bill.

ELECTRONIC SUBMISSION

Agencies will submit LARs for fiscal years 2018 and 2019 electronically, through ABEST, to the LBB. The LAR is submitted to the LBB electronically when agencies change their status in ABEST to Complete. Instructions for entering budget data in ABEST may be found on the LBB website at www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriation Requests → *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016).

A searchable PDF must be emailed to the Governor's office at budgetandpolicyreports@gov.texas.gov and included in the searchable PDF submitted through the LBB Documents Submissions application (docs.lbb.state.tx.us). An LAR-to-PDF generator is available in ABEST, which enables the selection of LAR reports from ABEST and enables 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.state.tx.us. 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.state.tx.us.

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 needs, and has received permission, to revise the completed 2018–19 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 Governor's office.

BOUND PRINTED COPIES

Agencies will also submit bound printed copies of the LAR and any supplemental (non-ABEST) information to the offices requiring copies of LARs. (See the Distribution section on page 12 for a list.) Additionally, agencies should submit two bound paper copies of the LAR and any supplemental information to both the LBB and the Governor's office.

LEGISLATIVE APPROPRIATION REQUESTS ON AGENCY WEBSITES

Agencies are required to place their 2018–19 LARs on the agency website within five days of submitting the required PDF to the LBB and the Governor's office. Please contact LBB PC Technical Support at (512) 936-4026, if you need 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 Governor's office.

The LAR will include up to 30 ABEST reports. Data will be entered into various data-entry screens that are identified in the next section, using instructions in *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016). **Figure 4** shows the 30 reports and the corresponding data-entry screen or screens for each report.

FIGURE 4**AUTOMATED BUDGET AND EVALUATION SYSTEM OF TEXAS (ABEST) DATA ENTRY MENUS AND SUBMENUS FOR LEGISLATIVE APPROPRIATION REQUEST (LAR) REPORTS 2018–19 BIENNIUM**

LAR REPORT	ABEST DATA ENTRY MENUS AND SUBMENUS
Administrator's Statement	Data entered during Strategic Planning phase
Summaries of Request	
<ul style="list-style-type: none"> 2.A. Summary of Base Request by Strategy 	<ul style="list-style-type: none"> Strategy/Budgeting and Full-time-equivalent (FTE) Positions
<ul style="list-style-type: none"> 2.B. Summary of Base Request by method of finance (MOF) 	<ul style="list-style-type: none"> Summary of Requests/MOFs and FTE positions
<ul style="list-style-type: none"> 2.C. Summary of Base Request by OOE 	<ul style="list-style-type: none"> Strategy/Budgeting
<ul style="list-style-type: none"> 2.D. Summary of Base Request Objective Outcomes 	<ul style="list-style-type: none"> Measures and Outcomes
<ul style="list-style-type: none"> 2.E. Summary of Exceptional Items Request 	<ul style="list-style-type: none"> Exceptional Items Descriptions and Strategy-related Detail
<ul style="list-style-type: none"> 2.F. Summary of Total Request by Strategy 	<ul style="list-style-type: none"> Strategy/Budgeting, Exceptional Items/Strategy-related Detail
<ul style="list-style-type: none"> 2.G. Summary of Total Request Objective Outcomes 	<ul style="list-style-type: none"> Measures/Outcomes and Impact on Outcomes
<ul style="list-style-type: none"> 3.A. Strategy Request 	<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> 3.C. Rider Appropriations and Unexpended Balances Request 	<ul style="list-style-type: none"> Rider Descriptions and Rider Amounts
Request for Exceptional Items	
<ul style="list-style-type: none"> 4.A. Exceptional Item Request Schedule 	<ul style="list-style-type: none"> Exceptional Items/Descriptions and Strategy-related Detail
<ul style="list-style-type: none"> 4.B. Exceptional Item Strategy Allocation Schedule 	<ul style="list-style-type: none"> Exceptional Items/Strategy Related Detail
<ul style="list-style-type: none"> 4.C. Exceptional Items Strategy Request 	<ul style="list-style-type: none"> Strategy/Budgeting and FTE Positions, Exceptional Items/Strategy-related Detail
Capital Budget Supporting Schedules (1)	
<ul style="list-style-type: none"> 5.A. Capital Budget Project Schedule 	<ul style="list-style-type: none"> Capital Projects/Financing, Strategy Allocations, and Rider Financing
<ul style="list-style-type: none"> 5.B. Capital Budget Project Information 	<ul style="list-style-type: none"> Capital Projects/Information

FIGURE 4
AUTOMATED BUDGET AND EVALUATION SYSTEM OF TEXAS (ABEST) DATA ENTRY MENUS AND SUBMENUS FOR
LEGISLATIVE APPROPRIATION REQUEST (LAR) REPORTS
2018–19 BIENNIUM

LAR REPORT	ABEST DATA ENTRY MENUS AND SUBMENUS
<ul style="list-style-type: none"> 5.C. Capital Budget Allocation to Strategies 5.D. Capital Budget Operating and Maintenance Expenses 5.E. Capital Budget Project: Object of Expense and Method of Financing by Strategy Capital Budget Project Schedule – Exceptional Capital Budget Allocation to Strategies – Exceptional 	<ul style="list-style-type: none"> Capital Projects/Strategy Allocations and Rider Allocations Capital Projects/Operating and Maintenance Expenses Capital Projects/Strategy Allocations and Rider Allocations Exceptional Item Capital Projects/Method of Finance Exceptional Item Capital Projects/Strategy Allocations
Supporting Schedules	
<ul style="list-style-type: none"> 6.A. Historically Underutilized Business (HUB) Supporting Schedule 6.C. Federal Funds Supporting Schedule (2) 6.D. Federal Funds Tracking Schedule (2) 6.E. Estimated Revenue Collections Supporting Schedule (2) 6.F. Advisory Committee Supporting Schedule 6.G. Homeland Security Funding Schedule 6.I. 10 Percent Biennial Base Reduction Options Schedule Indirect Administrative and Support Costs Schedule (2) 	<ul style="list-style-type: none"> Supporting Information/Historically Underutilized Business Strategy/Budgeting, Supporting Information/Federal Funds Supporting Schedule Supporting Information/Federal Funds Tracking Schedule Supporting Information/Estimated Revenue Collections Schedule Supporting Information/Advisory Committee and Advisory Committee – Meetings/Strategies/Expenses/MOFs Supporting Information/Homeland Security and Homeland Security – Pass-through Funds Base Reductions/Summary and Base Reductions/Details Supporting Information/Indirect Administration

NOTES:

- (1) Reports not required for appellate court.
- (2) Report typically not required for institutions of higher education.

Direct any questions regarding these instructions to the assigned analyst in either the LBB or the Governor's office.

ASSEMBLY AND DISTRIBUTION

ASSEMBLY

For bound paper copies of the appropriations request, all pages whether produced by using Automated Budget and Evaluation System of Texas (ABEST) reports, word-processing software, or spreadsheets should be on letter-size paper (8 1/2 x 11) and bound along the left margin in a document with a durable cover. See sample cover sheet on page 13. 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.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request). Agencies may use and modify these forms as needed as long as the basic information and structure are maintained.

ABEST schedules are generated through the Internet. For additional information regarding ABEST schedules, refer to instructions contained in *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016) (www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request) or contact the ABEST 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. Program-level Request
9. Rider Appropriations and Unexpended Balances Request
10. Rider Revisions and Additions Request
11. Substrategy Request (if required)
12. Exceptional Item Request
13. Capital Budget
14. Supporting Schedules:
 - Historically Underutilized Business;
 - Current Biennium Onetime Expenditure;
 - Federal Funds;
 - Federal Funds Tracking (if required);
 - Estimated Revenue Collections;
 - Advisory Committee Supporting Schedule;
 - Homeland Security Funding Schedule;
 - Estimated Total of All Funds Outside the GAA; and
 - 10 Percent Biennial Base Reduction Options Schedule; and
15. Administrative and Support Costs
 - Indirect Administrative and Support Costs
 - Direct Administrative and Support Costs
16. Summary of Request for Capital Financing

DISTRIBUTION

An electronic copy of the 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 Governor's office should be filed as follows:

SUBMISSION OF BOUND COPIES AND SUPPLEMENTAL FILING			
Legislative Budget Board Robert E. Johnson Building, Fifth Floor (P.O. Box 12666, Austin, TX 78711)	ABEST, PDF Submissions, and two bound paper copies Submit to: docs.lbb.state.tx.us	Department of Information Resources William P. Clements Bldg., Suite 1300 (P.O. Box 13564, Austin, TX 78711-3564)	One bound paper copy
Office of the Governor, Budget Division 1100 San Jacinto, Fourth Floor (P.O. Box 12428, Austin, TX 78711) budgetandpolicyreports@ gov.texas.gov	PDF submissions and two bound paper copies	Bond Review Board William P. Clements Building, Suite 409 (P.O. Box 13292, Austin, TX 78711-3292)	One bound paper copy
State Auditor's Office Robert E. Johnson Bldg., Suite 4.224 (P.O. Box 12067, Austin, TX 78711- 2067)	Two bound paper copies	Lt. Governor's Office Texas Capitol (P.O. Box 12068, Capitol Station, Austin, TX 78711) ltg.budget@ltgov.texas.gov	PDF submissions and two bound paper copies
Legislative Reference Library Texas Capitol, Room 2N.3 (P.O. Box 12488, Capitol Station, Austin, TX 78711)	One bound paper copy	Speaker's Office Texas Capitol (P.O. Box 2910, Capitol Station, Austin, TX 78711) budget.reporting@speaker.texas.gov	PDF submissions and two bound paper copies
Texas State Publications Clearinghouse, State Library Lorenzo de Zavala State Archives and Library Building (P.O. Box 12927, Austin, TX 78711- 2927)	As required by statute	Senate Committee on Finance Capitol Extension, Room E1.038 (P.O. Box 12068, Capitol Station, Austin, TX 78711)	Two bound paper copies
Comptroller of Public Accounts LBJ Building (P.O. Box 13528, Austin, TX 78711)	One bound paper copy	House Committee on Appropriations Capitol Extension, Room E1.032 (P.O. Box 2910, Capitol Station, Austin, TX 78711)	Two bound paper copies
		Additionally, for institutions of higher education: Higher Education Coordinating Board 1200 East Anderson Lane (P.O. Box 12788, Austin, TX 78711)	One bound paper copy

Sample Form for Cover and Title Sheet

Legislative Appropriations

Request for Fiscal Years

2018 and 2019

Submitted to the
Office of the Governor, Budget 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 Appropriation 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) see *Preparing and Submitting Legislative Appropriations Request in ABEST* (June 2016) available on the LBB website at www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request. Available space permits a maximum of 30,000 characters. Graphics such as charts or tables are not permitted. This statement must include the names, terms of office, and hometowns of the members of the governing board. The statement must explain issues fundamental to the budget request, including the following:

- an overview of the adjustments made to the 2018–19 baseline request in order to comply with the Policy Letter, which limits agencies' baseline requests to 96 percent of their approved 2016–17 biennial General Revenue Funds and General Revenue–Dedicated Funds expenditures. This overview should include the programs affected by the limit, the amounts by which they were affected, the rationale used by the agency in selecting the affected programs, and the impact to agency performance;
- 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 2018–19 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 2016–17 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.);
- 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); and
- brief narrative summary explaining the approach the agency took in preparing the 10 percent General Revenue Funds and General Revenue–Dedicated Funds base reduction options and assessing the overall effects of various reduction options. See Part 6.I., 10 Percent Biennial Base Reduction Options Schedule (page 71) for more information on reduction options.

The administrator's statement should address exempt positions at the agency: requests to change existing positions' titles, authorized salary levels, or group numbers, requests for new exempt positions, or requests for additional funding to increase exempt position salaries. The administrator's statement should describe agency 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 ERP 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 2016–17 biennium, the agency should determine and coordinate funding requests with CPA (also see Parts 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 that position.

CERTIFICATION OF DUAL SUBMISSIONS

The LAR is submitted electronically, both through ABEST and as a PDF document. The request submitted in ABEST is the official submission. A certification of the content of the dual submissions, and assurance that the ABEST submission and the PDF document are one and the same, shall be submitted as part of the PDF document. If there is a discrepancy between the ABEST submission and the PDF document, the ABEST submission will be presumed correct. The certification form is available on the LBB website at www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request → Certification Form for Certification of Dual LAR Submission Template.

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 2018 and 2019 and include data for fiscal years 2015, 2016, and 2017. 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 Method of Finance, Object of Expense, and Strategy. These breakdowns provide transparency into the agency's historical performance to allow a deeper analysis of the agency's base and exceptional item requests in the upcoming biennium.

IMPORTANT

- Amounts reported for fiscal year 2015 include **expenditures plus accruals and encumbrances** payable for the fiscal year.
- Amounts reported for fiscal years 2016 and 2017 reflect the agency's best estimate for anticipated expenditures.
- Historical expenditures for transferred programs should be reflected by the agency in which the expenditure was actually made.
- Be prepared to provide an explanation for any significant differences between the agency 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 2016–17 biennium, and the base request for the 2018–19 biennium, by both strategy and method of finance 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. See the Budget Summary sample on page 1 of the Appendices.

2.A. SUMMARY OF BASE REQUEST BY STRATEGY

This summary totals the agency's base-level appropriations request for fiscal years 2018 and 2019 by strategy and shows the request in context of the agency's approved budget structure. It also contains information on fiscal year 2015 actual expenditures, including accruals and encumbrances, fiscal year 2016 estimated expenditures, and budgeted fiscal year 2017 expenditures. Expenditure amounts for fiscal year 2015 should incorporate any additions or reductions as passed in House Bill 2, Eighty-fourth Legislature, 2015. The Summary of Base Request by Strategy summarizes data entered in the strategy request and appropriations rider request. For fiscal years 2015 to 2017, appropriation rider expenditures are included in the strategy expenditure amounts. For requested fiscal years 2018 and 2019, prospective rider appropriation totals appear at the end of the summary. For fiscal years 2016 and 2017, the strategy amounts when totaled should equal, except for appropriation adjustments for updated data, the 2016–17 Base Reconciliation previously approved by the Legislative Budget Board (LBB) and the Office of the Governor, Budget Division. 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 Financing.

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

The summary of base request by MOF summarizes the agency's base request for fiscal years 2018 and 2019 and enables the LBB and the Governor's office to reconcile the original appropriation with the final expended or adjusted budget amounts for fiscal years 2015 to 2017.

The summary of base request by MOF included in the LAR is similar to the summary of budget by method of finance included in the Operating Budget. A similar exercise is also required for an agency's Base Reconciliation, submitted before the LAR. Although

each of these has differing submission periods, the information submitted for each should show continuity. Review the information submitted previously to ensure you are completing the summary in a consistent manner.

IMPORTANT

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

Each MOF is assigned to a category of fund (General Revenue Funds, General Revenue–Dedicated Funds, Federal Funds, and Other Funds). Each MOF is detailed by Type of Appropriation (Regular, Rider, Transfers, etc.). See Categories of Funds and Types of Appropriation in the Method of Financing section beginning on page 20.

For each MOF, enter the Regular Appropriation amounts from the General Appropriations Acts. Specifically, enter the Regular Appropriation amounts from the Conference Committee Report on Senate Bill 1, Eighty-third Legislature, Regular Session, May 2013, for fiscal year 2015 and from the Conference Committee Report on House Bill 1, Eighty-fourth Legislature, May 2015, for fiscal years 2016 and 2017. Both bills are available on the LBB website at www.lbb.state.tx.us/BudgetDocs.aspx?Session=0.

Adjustments to the Regular Appropriation amounts are made using other Types of Appropriation. These adjustments should include specific Article IX provisions, end-of-article Special Provisions, and agency-specific riders from the GAA; other appropriating legislation; the Governor’s veto proclamations; and the most recent projections of federal and other estimated funds.

The information in the report for fiscal years 2015 to 2017 should match, except for updated data, the 2014–15 Base Reconciliation previously approved by the LBB and the Governor’s office. 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 on page 5 (Appendix 2.B.).

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

The summary by object of expense (OOE) summarizes the agency’s base request by object of expense codes to display the goods and services purchased by the agency. Eighteen objects of expense, as listed in *Object of Expense Codes* (www.lbb.state.tx.us/AgenciesPortal.aspx → Reference Documents → Object of Expense Codes), will be used for this report. See Summary of Base Request by Object of Expense sample report on page 11 (Appendix 2.C.).

2.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES

The summary of objective outcomes summarizes agency outcome measures. Enter actual and estimated performance for fiscal years 2015 and 2016, respectively. For budgeted fiscal year 2017, enter the agency’s current projected performance for each outcome measure. In instances where the current estimate is not the same as the 2017 targeted performance identified in the 2016–17 GAA, updating the current estimate does not constitute a request to change the target. See the Summary of Base Request Objective Outcomes sample report on page 12 (Appendix 2.D.).

2.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST

This summary 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 Position totals that are funded entirely with Federal Funds. Do not include 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.

CHECKLIST ITEMS

- ☐ 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 method of finance (MOF) reconcile to the fiscal year 2015 and 2016–17 biennial MOF structure, as reflected in the Conference Committee Report on Senate Bill 1 (May 2013) and House Bill 1 (May 2015)?
- ☐ 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?
- ☐ Does Full-Time-Equivalent Positions equal the sum of positions in each strategy?

METHOD OF FINANCE

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

GENERAL INFORMATION

The method of financing section should identify all of the method of financing (MOF) 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.state.tx.us/AgenciesPortal.aspx → Reference Documents → Method of Finance Codes). Agencies should consult their Legislative Budget Board (LBB) or Office of the Governor, Budget 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 allows the budget offices to reconcile the final expended amounts for fiscal year 2015, estimated expenditures for fiscal year 2016, and the budgeted amounts for fiscal year 2017 with the General Appropriations Acts for these years. To provide the necessary level of detail, this section should identify the MOF code for all amounts included in the 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 report on page 5 (Appendix 2.B).

Amounts for fiscal years 2015, 2016, and 2017 should match, except for updated data, those reported in the 2016–17 Base Reconciliation, as completed by the agency and approved by the LBB and Governor’s office. Requested General Revenue Funds and General Revenue–Dedicated Funds baseline appropriations for 2018 and 2019 should reflect the amounts established by the LBB and Governor’s office through the base reconciliation process and by the directives contained in the Policy Letter.

IMPORTANT

For each method of financing, enter the Regular Appropriation amounts from the General Appropriations Acts. Specifically, enter the Regular Appropriation amounts from the Conference Committee Report on Senate Bill 1 (May 2013) for fiscal year 2015 and from the Conference Committee Report on House Bill 1 (May 2015), which can be found on the LBB website for fiscal years 2016 and 2017 (www.lbb.state.tx.us → Budget → All Budget Documents).

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 and ABEST subtotals amounts in the LAR by category of fund. See the LBB website for MOF codes (www.lbb.state.tx.us/AgenciesPortal.aspx → Reference Documents → Method of Finance Codes).

GENERAL REVENUE FUNDS

This method of finance includes all non-dedicated General Revenue Funds and accounts, and Earned Federal Funds.

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

Pursuant to the Eighty-fourth Legislature, General Appropriations Act, 2016–17 Biennium, Article IX, Section 13.11, Earned Federal Funds are classified as collected revenue to the General Revenue Fund and included as part of Method of Finance 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 year 2016 and 2017 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 page 5 (Appendix 2.B.) Summary of Base Request by Method of Finance for an example.)

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 adjust the appropriation down by this amount. Agencies should contact the Employees Retirement System to determine amounts for retiree insurance.

Any unexpended and unobligated balances in General Revenue Funds appropriations contingent on Earned Federal Funds at the end of fiscal year 2016 may be carried forward into fiscal year 2017. Affected agencies should include unspent, unobligated amounts as a negative entry in the Summary of Base Request by Method of Finance Report.

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.

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 accounts. The MOF codes on the LBB website (www.lbb.state.tx.us/AgenciesPortal.aspx → Reference Documents → Method of Finance Codes) incorporate changes made by House Bill 6, Eighty-third Legislature, Regular Session, 2013, and House Bill 6, Eighty-fourth Legislature, 2015, (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 reimbursements related to natural disasters should be shown as Federal Funds. See the Federal Funds Supporting Schedule for additional information on how to add a new CFDA number in ABEST.

IMPORTANT

For all Federal Funds method of finance codes, ABEST requires agencies to enter data at the federal program level using numbers assigned by the Catalog of Federal Domestic Assistance (CFDA). If a CFDA is not shown in ABEST, send an email to cfd@lbb.state.tx.us.

OTHER FUNDS

Other Funds include Appropriated Receipts, Interagency Contract revenue, bond proceeds, and certain constitutionally or statutorily dedicated funds (which should be itemized using MOF codes from *Method of Financing Codes* (www.lbb.state.tx.us/AgenciesPortal.aspx → Reference Documents → Method of Finance Codes)).

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

The Summary of Base Request by Method of Finance report should itemize Appropriated Receipts by specific appropriation authority, such as the 2016–17 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.

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

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

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, which 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 by the Eighty-fourth Legislature, 2015, 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. The Summary of Base Request by Method of Finance must include descriptions that identify the appropriation authority for every type of appropriation included in the LAR. See Summary of Base Request by Method of Financing sample report on page 5 (Appendix 2.B.) for sample descriptions.

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. As previously indicated, for each MOF, enter the Regular Appropriation amounts from the GAAs. Specifically, enter the Regular Appropriation amounts from the Conference Committee Report on Senate Bill 1 (May 2013), for fiscal year 2015 and from the Conference Committee Report on House Bill 1 (May 2015) for fiscal years 2016 and 2017. The Conference Committee Reports are available on the LBB website (www.lbb.state.tx.us → Budget → All Budget Documents).

For example, House Bill 1, Conference Committee Report (May 2015) appropriates a total of \$11,669,614 to the Commission on the Arts for fiscal year 2016, including \$9,902,153 in General Revenue Funds, \$453,561 in General Revenue–Dedicated Funds, \$911,900 in Federal Funds, \$152,000 in Appropriated Receipts, and \$250,000 in License Plate Trust Fund.

The Summary of Base Request by Method of Finance would list both the Appropriated Receipts and the License Plate Trust Fund as a Regular Appropriation in its respective fund in the Other Funds category; the General Revenue Funds amount as Regular Appropriation in the General Revenue Fund category; the General Revenue–Dedicated Funds amount as a Regular Appropriation in the General Revenue–Dedicated Fund category; and the Federal Funds amount as a Regular Appropriation in the Federal Funds category.

Rider Appropriations (RI) include amounts 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 some 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. 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. Show appropriation reductions due to uncollected revenue as either an appropriations lapse or a revised receipt in another appropriation type;
- In addition to riders in agency bill patterns, several provisions in the GAA, Article IX, authorize agencies to increase or decrease appropriations. Examples of those most commonly used provisions to show adjustments to original appropriations include: Article IX, Section 8.02, Federal Funds (2014–15 GAA); Article IX, Section 13, Federal Funds (2016–17 GAA); Article IX, Section 8.03, Reimbursements and Payments (2014–15 GAA); and Article IX, Section 8.02, Reimbursements and Payments (2016–17 GAA);
- Be careful when identifying appropriation adjustments related to a Capital Budget rider. Agencies may be authorized to carry forward unspent appropriations for a Capital Budget item. For example, Article IX, Section 14.03, Limitation on Expenditures – Capital Budget, authorizes agencies to carry forward unspent capital budget amounts from the first to the second year of the biennium. Capital Budget riders in agency bill patterns may provide similar authority. Agencies should carefully evaluate whether authority exists to carry-forward unspent capital budget amounts;
- In cases when an appropriation is contingent upon certification by the CPA, only include 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 there may be instances when the appropriation related to the certification is included in the Regular Appropriation in the method of finance table. In these instances, do not enter the amount as a rider appropriation because such an entry will result in double counting the appropriation; and
- Amounts related to Article IX, Section 17.08, Technical Adjustments for Data Center Services (2014–15 GAA), should be shown as positive or negative entries in this category depending on the increase or decrease.

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. Enter the correct citation for each adjustment.

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

- House Bill 10, Eighty-third Legislature, Regular Session, 2013;
- House Bill 1025, Eighty-third Legislature, Regular Session, 2013; and
- House Bill 2, Eighty-fourth Legislature, 2015.

Appropriations referenced in the Governor's Veto Proclamation should reflect their current status in the Comptroller of Public Accounts' Uniform Statewide Accounting System and be shown as reductions as appropriate. Therefore, amounts related to the Governor's vetoes must be negative entries in this category.

Governor's Emergency/Deficiency Grant (GV) require the use of MOF Code 8000 when the amounts are funded by appropriations of General Revenue Funds from the Office of the Governor. Use MOF codes for specific General Revenue–Dedicated Funds or accounts when the amounts are funded by General Revenue–Dedicated Funds and note the origins in the Summary of Base Request by Method of Finance report as a Governor's Emergency/Deficiency Grant. Amounts related to Governor's grants for disaster assistance should be included in this category.

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

Both the receiving agency and transferring agency should identify expenditures and budgeted amounts, including FTE positions, for transferred programs only for the years (or portion of a year) in which program funds were transferred. The receiving agency reports expenditures and budgeted amounts associated with transferred programs and related FTE positions. Both the transferring agency and the receiving agency should report the authorization for the program transfer. Program expenditures in years prior to the transfer should be shown at the agency that made the expenditures; receiving agencies should not re-enter 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 directing to the receiving agency.

Classify the following as transfers:

- budget reductions related to efficient use of state-owned and leased space, Article IX, Section 11.03 (2014–15 GAA), and Article IX, Section 11.04 (2016–17 GAA); lease savings, Article IX, Section 11.05 (2014–15 GAA and 2016–17 GAA); and Article IX, Section 11.06 (2014–15 GAA and 2016–17 GAA);
- budget transfers authorized by contingency appropriation provisions, for example, Article IX, Section 18.56, Contingency Appropriation for Senate Bill 202 (2016–17 GAA), which transfers the authority and appropriations for a particular program from one agency to another;
- employee salary increases authorized by Article IX, Section 17.06 (2014–15 GAA), and Article IX, Section 18.02 (2016–17 GAA);
- 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 (2014–15 GAA and 2016–17 GAA); and
- program transfers between agencies pursuant to legislation but not addressed in the GAA or other appropriation legislation.

Do not classify the following as transfers:

- Benefit Replacement Pay and employee benefits (retirement, group insurance, Social Security, and post-retirement healthcare costs) should not be included in the LAR, except as directed in the Estimated Revenue Collections Supporting Schedule, the Federal Funds Supporting Schedule, and the Federal Funds Tracking Schedule;
- the 50 percent reimbursement paid to the Texas Workforce Commission (TWC) for unemployment benefits, Article IX, Section 15.01 (2014–15 GAA and 2016–17 GAA). These are payments made from agency appropriations and should be treated as expenditures at the strategy level. Agencies that are required to reimburse TWC an additional 50 percent from unappropriated fund balances will show the additional 50 percent as a transfer in the Summary of Base Request by Method of Finance;

- amounts transferred pursuant the Statewide Cost Allocation Plan, Article IX, Section 15.04 (2014–15 GAA and 2016–17 GAA), when transferred from appropriated funds, should be treated as expenditures;
- amounts transferred to the Health Professions Council pursuant to Article VIII, Special Provisions Relating to All Regulatory Agencies, Section 3, Funding for Health Professions Council (2014–15 GAA and 2016–17 GAA), when transferred from appropriated funds, should be treated as expenditures;
- payroll contributions for group health insurance authorized by Article IX, Section 17.05 (2014–15 GAA), and Article IX, Section 17.04 (2016–17 GAA), when transferred from appropriated funds should be treated as expenditures; and
- additional payroll contribution for retirement contribution pursuant to Article IX, Section 17.13 (2014–15 GAA), and Article IX, Section 17.08 (2016–17 GAA), when transferred from appropriated funds, should be treated as expenditures.

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 (2014–15 GAA and 2016–17 GAA). Agencies should include unexpended balances by category of fund 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 type of appropriation (as described previously; see Identify Rider Appropriations). Otherwise, indicate the specific carry forward authority (usually a designated MOF or strategy) and list it as a UB type of appropriation. Agencies with UB authority for bond proceeds must provide a reasonable estimate of unencumbered and unissued appropriation balances appropriated by prior legislatures.

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

Base Adjustment (BA) include adjustments to estimated strategy appropriations or methods of finance due to revised revenue receipts or changes in spending demands. Note that entries of this type should not include estimated appropriations for which the authority 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 type.

Lapsed Appropriations (LA) within each fund and account should be identified as negative entries. Lapsed appropriations are amounts left unspent and unobligated at the end of a fiscal year. Uncollected revenue may be shown as a lapse or a revised receipt in another appropriation type. Do not include amounts identified as unexpended balances. Include amounts that have lapsed as a negative entry by each applicable MOF code. Report any anticipated lapses for fiscal years 2016 and 2017.

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. However, a separate Automated Budget and Evaluation System of Texas (ABEST) data entry screen shows FTE position information. As indicated in the Method of Finance and Strategy Request instructions, the number of FTE positions associated with the actual, budgeted, and requested amounts for each strategy should be identified. 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.

The FTE position summary follows the same format described previously for methods of finance regarding the source for Regular Appropriation: an agency's authorized position cap as identified in the Conference Committee Report on Senate Bill 1 (May 2013) for fiscal year 2015 and the Conference Committee Report for House Bill 1 (May 2015) for fiscal years 2016 and 2017. Adjustments should be itemized following the Regular Appropriations using the remaining categories of appropriation type (rider, transfer, etc.) and specific authority for each. Adjustments include, but are not limited to, rider appropriations, special or general provisions, transfers due to implementation of legislation, or joint LBB and Office of the Governor approval to exceed the position limitation. Numbers of positions should be rounded to the nearest tenth.

In baseline requests for fiscal years 2018 and 2019, FTE position requests should not exceed the cap for fiscal year 2017, as adjusted in an agency's approved 2016–17 base reconciliation, unless otherwise instructed by the LBB and Office of the Governor, Budget Division, analysts.

Unless specific legislative exceptions have been made for an agency, the FTE positions number reported for fiscal year 2015 should be the actual quarterly average for the entire year, not only the final quarter. Total adjusted positions reported as expended for fiscal year 2015 should equal the average of the four quarterly full-time equivalent employees or contractors amounts reported to the Classification Division of the State Auditor's Office (SAO). The position reports are available online at www.sao.state.tx.us (see Resources and Tools/Tools/Full-Time-Equivalent State Employee System).

Amounts estimated for fiscal year 2016 and budgeted for fiscal year 2017 should reflect the agency's reasonable expectations for vacancies and other adjustments for each fiscal year. Enter the correct citation for each adjustment.

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

- **Request to Exceed Adjustments (RE)** shows the incremental increase authorized by joint LBB and Governor's office approval of a request to exceed the agency's FTE position cap. If more than one approval has been made to exceed the cap, list each increase separately. Approvals by the LBB and Governor's office must be consistent to be effective. If a difference exists between the positions approved by the two offices, the lower cap would be effective. Review both approval letters to determine if there are any differences between the budget offices;
- **Unauthorized Number Over (Below) Cap (UN)** is entered to reflect if there is any difference between the agency's adjusted FTE position cap and the actual number of positions (in completed fiscal years) or budgeted positions (in the current fiscal year) after all authorized adjustments to an agency's cap have been entered; and
- **Board or Administrator FTE Position Adjustments** are made pursuant to Article IX, Section 6.10, Limitation on State Employment Levels (2014–15 GAA and 2016–17 GAA), without the written approval of the LBB or Governor's office, a state agency or institution of higher education may increase its FTE position cap by the lesser of positions or 110 percent of the cap in its bill pattern; show these adjustments as a rider appropriation.

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

PART 3.A. STRATEGY REQUEST

The Strategy-level Detail Summary 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 links the strategy components to statewide goals and service categories.

GENERAL INFORMATION

Strategy requests are the basic building blocks for the agency's budget request. Strategy requests set out the baseline funding requested by the agency.

ADDITIONAL INFORMATION FOR HIGHER EDUCATION INSTITUTIONS

Institutions of higher education that receive formula appropriations **should not** request amounts for the formula 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 Strategy-level Detail report must reflect the budget structure approved by the Governor's office and the LBB. Refer to *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016) on the LBB website at www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriation Requests for more detailed data entry instructions. To submit the final reports to be included in the Legislative Appropriation Request (LAR), set the general budget status to Complete.

SERVICE CATEGORIES

Assign service category codes to strategies in ABEST. Please refer to *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016). 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.state.tx.us/AgenciesPortal.aspx → Reference Documents → Other → Service and Population Categories).

PERFORMANCE MEASURES

The Strategy-level Detail report documents an agency's actual performance for fiscal year 2015, estimated performance for fiscal years 2016 and 2017, and requested performance levels for fiscal years 2018 and 2019 for all performance measures, both key (those cited in the General Appropriations Act) and not key (those not included in the GAA, but that are a 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-third Legislature, December 2013 (published version of the 2014–15 GAA) or House Bill 1, Eighty-fourth Legislature, September 2015 (published version of the 2016–17 GAA). Submission of the LAR does not constitute a request to change the targets established in House Bill 1, Eighty-fourth Legislature, 2015, or Senate Bill 1, Eighty-fifth Legislature, 2017.

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.state.tx.us/AgenciesPortal.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 FINANCING

Enter each fund/account and amount used as a funding source for the strategy for expended 2015, estimated 2016, budgeted 2017, and requested 2018 and 2019. Refer to *Method of Financing Codes* on the LBB website (www.lbb.state.tx.us/AgenciesPortal.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 for additional information and clarification regarding appropriate method of financing (MOF) and how to add a new CFDA in ABEST.

NUMBER OF FULL-TIME-EQUIVALENT POSITIONS

Identify the total number of full-time equivalents associated with each strategy and rider appropriation for expended 2015, estimated 2016, budgeted 2017, and requested 2018 and 2019. Visit the State Auditor's website for additional information concerning the calculation of full-time equivalent (FTE) positions (www.sao.state.tx.us → Resources and Tools → Tools → Full-Time-Equivalent State Employee System).

TRANSFERRED PROGRAMS

All fiscal year 2015 expended and 2016–17 estimated and budgeted amounts, performance measure data, and FTE positions associated with programs transferred by authorization of the General Appropriations Act, budget execution, or other statutory authority from one agency to another should be reported in both the receiving and transferring agency's strategy detail and all summaries, as previously indicated. The transferring agency should not report any financial or performance data for the transferred program at the strategy request level, but should work with the receiving agency to provide necessary information. Both the transferring agency and receiving agency should report the authorization for the program transfer.

RIDER APPROPRIATIONS IN THE STRATEGY REQUEST.

As reflected in the Strategy Request example, appropriation and unexpended balance riders MOF information will be included in the Strategy Request report. The rider information for 2018–19 will be automatically uploaded from the rider information entered separately 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 2018 and 2019. For the 2018–19 request, the final total will add the total method of financing for the strategy to the total method of financing for the rider appropriations.

STRATEGY DESCRIPTION AND JUSTIFICATION.

Provide a narrative description of each strategy, which must 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;
- new initiatives not currently funded or authorized; and
- means by which the strategy contributes to meeting primary agency goals and objectives and priority goals and benchmarks established in *The Statewide Elements Document*.

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 between the agency's 2016–17 Base Spending amounts compared to the 2018–19 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 to include an explanation for each adjustment. The explanation of each increase or decrease 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 full-time equivalents. 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 APPROPRIATION REQUEST

Agencies may be required by either the LBB or the Governor's office to submit detailed budget information for certain strategies by substrategy. Agencies deploying onto the Centralized Accounting and Payroll/Personnel System (CAPPS) managed by the Comptroller of Public Accounts during the 2016–17 biennium and identified in Article IX, Section 18.03 (2016–17 GAA) should submit a substrategy schedule detailing their deployment costs and efforts. When required, complete the Substrategy Detail and Substrategy Summary spreadsheets provided in electronic format on the LBB and Governor's office 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.state.tx.us).

CHECKLIST ITEMS

- ☐ Do the totals for object of expense and method of financing 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 2015, 2016, and 2017 included?
- ☐ Have rider appropriations requested for fiscal years 2018 and 2019 been excluded from the Strategy Request?
- ☐ Is the CFDA number and the dollar amount in the heading Federal Funds in the method of financing section?
- ☐ 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 identified in Article IX, Section 18.03 (2016–17 GAA), are 2016–17 biennial CAPPS deployment costs detailed in a substrategy?

PART 3.A.1. PROGRAM-LEVEL REQUEST

The Program-Level Overview Schedule requires agencies to itemize requests by program within each strategy at an All Funds level. For existing programs, most agencies should utilize the program names used in the State Budget by Program process (<http://sbp.lbb.state.tx.us/>). Certain agencies may be contacted by either the Legislative Budget Board or the Governor's office to provide additional detail within a strategy where State Budget by Program details require clarification.

GENERAL INFORMATION

This supplemental schedule applies to all agencies, including institutions of higher education. For the purposes of this schedule, a program may consist of an entire strategy or a subset of one or more strategies. A program is defined as an agency function, activity, or group of activities that meets one or more of the following criteria:

- a named program, function, or activity (i.e., named in federal or state law, agency rules (T.A.C.), or identified by a common name);
- a group of activities intended to achieve a specified goal;
- is funded at 1.0 percent or more of the agency's budget;
- is directly related to the core mission of the agency;
- is referenced in a rider;
- is a funding decision point for the Legislature; or
- is historically of interest to the Legislature or the public.

In addition to information provided for the State Budget by Program process, institutions of higher education should break apart Institutional Enhancement funds to identify the programs these funds are financing.

Agencies are encouraged to discuss the items with their LBB analyst and Governor's office advisor before the final LAR submission to ensure complete and accurate reporting.

DATA ENTRY

This spreadsheet form is provided in electronic format on the LBB and Governor's Office website and should be included in the PDF submitted through the LBB Documents Submissions application (docs.lbb.state.tx.us) and emailed to the Governor's office. See Appendix 3.A.1. for a sample form. (Spreadsheets are available on the LBB website at www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request → Templates).

Agencies should identify all expenditures with program-level detail in the 2016–17 base, the 2018–19 baseline request, and the exceptional items. Agencies should provide historical funding estimates for the programs contained within each strategy and should allocate their 2018–19 strategy requests by program. Agencies should identify exceptional items within the spreadsheet and allocate the request by program.

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-fourth Legislature, General Appropriations Act (GAA), 2016–17 Biennium. Definitions and descriptions of rider-related terms in this section are for the purpose of these instructions.

GENERAL INFORMATION

Information on the Rider Revisions and Additions Request form should reflect all proposed revisions, additions of new riders, and deletions to agency-specific riders contained in the 2016–17 GAA, including riders contained in an agency’s bill pattern, agency-specific riders contained in Article IX, General Provisions (2016–17 GAA), and in the end-of-article special provisions. 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 (2016–17 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 in electronic format on the LBB and Governor’s office websites (www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request → Templates → 3B Rider Revisions and Additions Request) and should be included in the PDF submitted through the LBB Documents Submissions application (docs.lbb.state.tx.us).

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 to any riders are being 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 (2016–17 GAA).

Riders may require revision due to statutory reference changes, technical corrections, changes in agency policy, or need for clarification. Legislative intent riders, if 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 2018 and 2019, the associated dollar amounts must appear on the Rider Appropriations and Unexpended Balances Request form.

Riders that previously made contingency appropriations will need revision or deletion. These riders may have read: “Contingent upon the enactment of House Bill 2728 or similar legislation, the Texas Lottery Commission is hereby appropriated” If the rider is not deleted, amending the contingency language in the rider would be required.

Lastly, language for newly proposed riders should be included.

COMPLETING THE FORM

For each proposal to revise or delete an existing rider in the 2016–17 GAA:

- list riders in ascending order (1., 2., 4., 6., etc.) using the corresponding rider number in the 2016–17 GAA; do not renumber riders;

- enter the page number on which the rider appears in the published 2016–17 GAA, including the article number (i.e., II-26); and
- enter the rider as it is written in the 2016–17 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 the new rider language and underline the entire rider; and
- if the rider would make an appropriation beyond amounts identified within a strategy, those amounts appropriated by the rider must be entered on 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 the resulting effects to appropriations and activities compared to the 2016–17 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 on 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 appropriations. It includes appropriation rider requests that are included in an agency's bill pattern and those in the Eighty-fourth Legislature, General Appropriations Act (GAA), 2016–17 Biennium, Article IX, General Provisions; and
- assists in the process of certifying that appropriations included in the 2018–19 GAA are within available revenues. It assists budget writers and the Comptroller of Public Accounts in determining the amounts of all appropriations made in the GAA.

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 page 24 (Appendix 3.C.) for a sample report.

All requests for appropriations made by rider for 2018–19 must be included in this report if the sum requested is not identified in an existing strategy. These appropriating riders make appropriations in addition to amounts included in the strategies. In general, if the rider language is similar to any of the following examples, include the related appropriations and method(s) of finance within the schedule. Also 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 must also be entered in ABEST. For more information, refer to *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016) on the LBB website at www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Requests.

Example – Sum-certain Appropriation (where the appropriation is a set amount): In addition to amounts appropriated above, \$500,000 in fiscal year 2018 and \$400,000 in fiscal year 2019 are hereby 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 hereby appropriated to the Sample State Agency for the purpose of making disbursements to certain library systems (estimated to be \$350,000).

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 unexpended balance on hand from all fees and revenues collected pursuant to the Texas Government Code, Section 441.138, as of August 31, 2017, to be used for making disbursements to certain library systems (estimated to be \$40,000).

Requests for unexpended balance (UB) authority for bond proceeds must include a reasonable estimate of unobligated (i.e., unencumbered) appropriation balances. Agencies must also include an unexpended balances 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, there is hereby appropriated all unexpended and unobligated balances remaining as of August 31, 2017, from appropriations made by the Eighty-fourth Legislature, 2015 (estimated to be \$5,135,000).

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 unexpended appropriation balances (UB) 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, and Article 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 issued by the Governor’s office and the LBB.
- Amounts requested for 2018–19 base level riders must be entered into the ABEST rider database. These amounts will appear on the Strategy Request Form.
- Rider amounts requested for 2018–19 should not be included in Strategy Request totals.
- Amounts for historical years should be included in the Summary of Base Request by MOF 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 *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016) on the LBB website at www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Requests.

Appropriations: For each requested rider making a sum-certain, estimated, or unexpended balance appropriation, including Special Provisions and Article IX, General Provisions (2016–17 GAA), do the following:

- identify the rider number, caption, and page numbers as indicated in the 2016–17 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. In cases where a rider directly results in a decreased expenditure or appropriation, indicate the reduction as a negative entry.

Method of Financing: For each rider, identify the source of funding in accordance with funds listed in *Method of Financing Codes* on the LBB website (www.lbb.state.tx.us/AgenciesPortal.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 FTE positions for the 2018–19 biennium compared to the 2016–17 biennium.

CHECKLIST ITEMS

- ☐ Are amounts for fiscal years 2015, 2016, and 2017 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 unexpended balance appropriations for the 2018–19 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 that require no revisions and so would not be listed in the Rider Revisions and Additions Form?
- ☐ 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, and full-time-equivalent positions.

GENERAL INFORMATION

These schedules are generated from 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 indicates 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 2018–19 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 will 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 more effectively serve taxpayers than an existing program within the agency’s base, 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 CAPPs statewide ERP project or statewide data center services should also be identified in the capital budget forms (see Part 5.A. of the instructions).
- If an exceptional item request contains IT components, agencies should provide additional information, including a description of the new or existing project, proposed hardware and software, a breakout of development costs, and a brief analysis of project alternatives.
- If an exceptional item request anticipates out-year costs, agencies should provide a description of the anticipated costs, and an estimate of those costs for fiscal years 2020, 2021, and 2022.
- 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, among other information.

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE

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

- develop exceptional items in discreet, 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, method of financing (MOF), full-time-equivalent (FTE) positions, description/justification, and external/ internal factors detail;
- amounts and FTE positions should be incremental, 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 was originally established; and
- indicate exceptional item funds would be used to contract with an outside entity. If so, provide a description of the contracted service or product.

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

- a description of major accomplishments of the special item to date and those expected during the next two years;
- if the special item existed prior to receiving special item appropriations, list the year it was established, and describe how it was funded;
- if the special 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 start-up items;
- list all non-General Revenue Funds sources of funding and amounts for each year of the 2016–17 biennium for this special item and projections for the 2018–19 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/project.

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

- describe the project description related to the exceptional item;
- indicate whether the project existed previously or if it is a new project;
- include the proposed hardware and software and indicate if the proposal can be scalable (i.e. implemented in multiple years);
- include all development costs associated with the proposed project;
- include the type of project – CAPPs, cybersecurity, application remediation for DCS or other;
- provide brief analysis of alternatives with emphasis related to full and/or partial funding; and
- include estimated costs for fiscal years 2020, 2021, and 2022 if applicable.

For anticipated out-year costs, agencies should provide:

- an estimate of the anticipated costs for fiscal years 2020, 2021, and 2022;
- 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; and
- any change in full-time equivalent positions related to the out-year costs.

If implementing an exceptional item will involve making a contract award that will likely exceed \$50,000, you 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.)
- for consulting, professional or other services, an explanation of why the service cannot be performed in-house.

See page 26 (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, MOF, 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 incremental, indicating only the number of units associated with the exceptional item.

See page 28 (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 *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016) on the LBB website (www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Requests).

For each strategy, total the objects of expense, method of financing, 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 which exceptional items affect the strategy.

Dollar amounts and FTE positions should be incremental, indicating quantities associated with the strategy's exceptional items only. Output measures should be incremental, 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, taking into account the base level strategy request.

CENTRALIZED ACCOUNTING AND PAYROLL/PERSONNEL SYSTEM (CAPPS) REQUESTS

Agencies with exceptional item requests related to CAPPS should identify their requests as a separate exceptional item. Additionally, all CAPPS-related costs should be included as a capital budget project (as either or both capital and informational costs) as Capital Project Category Code 8000 CAPPS Statewide ERP System in the Capital Budget Project Schedule – Exceptional and Capital Budget Allocation to Strategies by Project – Exceptional. See instructions in Part 5.A., Capital Budget Project Schedule.

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 on central CAPPS typically include:

- backfilling subject matter experts (SMEs) dedicated to agency deployment efforts (on average, 4 hours per day, 4 days per week);
- training services for agency-wide 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 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 Capital Project Financing) must be completed for each exceptional item. In particular, 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 Capital Budget Project Schedule – Exceptional and Capital Budget Allocation to Strategies by Project – Exceptional. See instructions in Part 5. Capital Budget and Part 5.A., Capital Budget Project Schedule.

Agencies with requests for new construction, rehabilitation and repair projects are additionally required to submit the Summary of Requests for Capital Project Financing Schedule, 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 Bond Proceeds or Revenue Bonds, debt service estimates must be included in the agency exceptional item request for bond proceeds. If the project is approved by the Eighty-fifth Legislature, 2017, 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.

Identification of Capital Projects: All agencies anticipating capital budget projects to be undertaken during the 2018–19 biennium through the services of the Texas Facilities Commission (TFC), with a capital budget project being a project with a unit cost exceeding \$100,000, 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.

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 or statewide data center services, identified in relevant supporting capital budget schedules? Also see instructions for Part 5.A., Capital Budget Project Schedule.
- ☐ 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, proposed hardware and software, project costs, and an alternative analysis in Schedule 4.A?

PART 5. CAPITAL BUDGET

The summaries provide:

- the basis for developing capital budget riders in the General Appropriations Act 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: OOE and MOF detail by Strategy.

Additional ABEST-generated reports are required if an agency is requesting an exceptional item that contains 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 do not apply to higher education institutions or the fourteen appellate courts.

Refer to *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016) for specific instructions related to ABEST-generated forms and reports.

IMPORTANT

- When the legislative appropriation request is submitted, a Business Case and Statewide Impact Analysis must also be submitted to the Department of Information Resources, Legislative Budget Board, and the State Auditor's Office 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 Capital Project Financing. **Note:** Debt service estimates must be included with an agency exceptional item request for bond proceeds. If the project is approved by the Eighty-fifth Legislature, 2017, 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:
 - unified asset: when grouped together, the replacement of 75 personal computers as a group or separately during the biennium, each with a unit cost of \$2,000, exceeds the \$100,000 threshold; as a result, the PCs should be identified as a capital project;
- agency 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 will ultimately 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;
- treatment of 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. the project would be considered 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. the annual lease cost for these personal computers exceeds \$100,000. this requirement would be considered a functionally unified asset; 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 utilizing the CAPPs statewide 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. Please refer to instructions in Part 5.A. 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/taxinfo/taxforms/74-222.pdf.
- Additional provisions related to capital budgets are in Article IX, Section 14.03 (2016–17 GAA).
- Any information resource technology project that **only** uses internal staff shall not be considered a capital budget project. However, the costs for internal staff should be reported in the informational detail section of the Biennial Operating Plan submission. Also, if the project meets the requirements of a major information resources project, a Business Case and Statewide Impact Analysis must be submitted when the legislative appropriations request is submitted. A reminder will appear in ABEST when a Major Information Resource project is entered in ABEST.
- Agencies should upload PDFs of Business Case and Statewide Impact Analyses in ABEST.

ANCILLARY CAPITAL COSTS

Typically, any expenditures directly related to the acquisition of an asset or to the placing of 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 costs 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 a 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 of such expenditures include freight or installation charges incurred in order to acquire a major facility equipment or survey fees incurred as part of a land acquisition.

INFORMATIONAL ALLOCATION OF NONCAPITAL COSTS

Occasionally certain costs may be identified that are similar to ancillary capital costs, but do not require the restrictions associated with the capital budget. Such costs may be identified as noncapital informational costs within the related capital budget projects. Such costs would not be included in the capital budget rider.

For example, an agency may contract with one or more construction managers to supervise parts or phases of a very large construction project, and may, additionally, choose to contract 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 *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016) for instructions on entering data for noncapital informational items. Noncapital informational costs are identified separately in capital budget ABEST reports. See page 32 (Appendix 5.A.) Capital Budget Project Schedule.

Unless otherwise directed, ongoing agency activities such as facilities planning and computer training after the asset has been put in place are not to be treated as 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 Consolidation; and
- CAPPs Statewide ERP System.

See Definitions of Capital Expenditure Categories beginning on page 52.

PART 5.A. CAPITAL BUDGET PROJECT SCHEDULE

The Capital Budget Project Schedule:

- itemizes capital budget projects requested for 2018–19;
- classifies capital budget projects into defined categories;
- provides information on historical and budgeted expenditures, method of financing, and type of financing for capital budget projects.

GENERAL INFORMATION

Estimated, budgeted or requested amounts for each capital budget project must be itemized for fiscal years 2016 to 2019. The fiscal year 2016 column itemizes estimated expenditures for capital budget projects. The fiscal year 2017 column itemizes budgeted expenditures for capital budget projects. If a project appropriation was made for fiscal year 2016, and it is anticipated that unexpended balances will be carried forward into fiscal year 2107 to complete the project, indicate that amount in the fiscal year 2017 column. The fiscal year 2018 and 2019 columns itemize capital budget projects requested 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 from the Automated Budget and Evaluation System of Texas (ABEST) may be used for capital costs or for noncapital informational costs, with the exception that 5000 may not be used for noncapital costs. The object of expense codes should detail asset acquisition costs and noncapital expenditures incurred in the acquisition or required to place the asset in service.

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) provided by the Department of Information Resources as authorized by the Texas Government Code, Chapter 2054, Subchapter L; and
- ongoing maintenance costs related to implementation of the statewide 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; and
- 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
- use MOF Code 0781 for Revenue Bond proceeds.

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

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.
- Agencies participating in Data Center Services (DCS) 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 Biennial Operating Plan (BOP) should be consistent with data submitted in the LAR for CAPPs initiatives.

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

All CAPPs estimated/budgeted expenses in fiscal years 2016 and 2017 and requests (baseline and exceptional) for fiscal years 2018 and 2019 should be identified in capital budget submissions as Capital Project Category Code 8000 CAPPs Statewide ERP System. Affected agencies should include both capital expenses and noncapital informational expenses, such as internal staff costs. Additionally, agencies implementing CAPPs hub systems, should include all ongoing costs to support and maintain the systems.

Pursuant to the Texas Government Code, Section 2101.036, the Comptroller of Public Accounts (CPA) has identified certain agencies to transition to the central CAPPs system during the 2018–19 biennium, subject to CPA final approval and legislative funding:

Public Utility Commission	Juvenile Justice Department	Veterans Commission
Department of Licensing and Regulation	Alcoholic Beverage Commission	Secretary of State
Office of Public Insurance Counsel	Funeral Service Commission	Optometry Board
Trusted Programs within the Office of the Governor	Office of the Governor	Texas Medical Board
Legislative Reference Library	Board of Examiners of Psychologists	School for the Blind and Visually Impaired
General Land Office	Texas Parks and Wildlife Department	Texas Commission on Environmental Quality
Department of Public Safety	Racing Commission	Commission on State Emergency Communications
State Board of Dental Examiners	Board of Chiropractic Examiners	Board of Podiatric Medical Examiners
Board of Pharmacy	Executive Council of Physical Therapy and Occupational Therapy Examiners	Board of Veterinary Medical Examiners
Soil and Water Conservation Board	Preservation Board	Pension Review Board

Public Finance Authority	Health Professions Council	Texas Board of Nursing
Historical Commission	Commission on Jail Standards	Texas Commission on Fire Protection
School for the Deaf	Teacher Retirement System	Texas Education Agency
Facilities Commission	Commission on the Arts	Texas Lottery Commission
Office of the Attorney General	Office of Public Utility Counsel	Bond Review Board
Board of Plumbing Examiners	Board of Professional Land Surveyors	State Office of Risk Management
Board of Professional Geoscientists	Department of Agriculture	Water Development Board
Texas State University System		

These agencies should identify in capital budget submissions any requests to fund costs for internal needs that arise from deployment. Agency internal costs to deploy onto central CAPPs typically include:

- backfilling subject matter experts (SME) dedicated to agency deployment efforts (on average, 4 hours per day, 4 days per week);
- training services for agency-wide 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.

The entire request should be included as a capital budget project as Project Category Code 8000 CAPPs Statewide ERP System. Costs should be identified appropriately as capital expenses or noncapital informational expenses.

Agencies should only include their internal costs that arise from deploying CAPPs. CPA's capital budget submissions will identify the costs for ongoing modification, maintenance, and support of CAPPs.

Agencies that CPA has identified 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, as applicable, development and deployment costs and costs for ongoing maintenance and support of the CAPPs hub systems. Costs should be identified appropriately as capital expenses or noncapital informational expenses.

Payments for Converted PeopleSoft Licenses: Additionally, agencies (Office of the Attorney General, Health and Human Services Commission, Texas Education Agency, Department of Housing and Community Affairs, Texas Department of Transportation, and the Texas Workforce Commission) that make payments to the CPA for converted PeopleSoft licenses used for internal accounting systems should identify these costs in capital budget submissions.

CAPITAL PROJECTS UNDERTAKEN THROUGH THE TEXAS FACILITIES COMMISSION

All agencies anticipating capital budget projects to be undertaken during the 2018–19 biennium through the services of the Texas Facilities Commission (TFC), with a capital budget project being a project with a unit cost exceeding \$100,000, 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 should indicate the projected lease payment obligations for each acquisition in fiscal years 2018 and 2019. 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 2017 or before should provide the total lease payment obligations for each applicable year for those acquisitions. The MLPP payments should be categorized as Lease Payments to the Master Lease

Purchase Program (Capital Expenditure Category code 5008) and identified as MLPP Acquisitions (2012–13), (2014–15), or (2016–17), 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 2017 in 5.B. Capital Budget Project Information.

IMPORTANT

Additional provisions related to the Master Lease Purchase Program can be found in Article IX, Section 12.04 (2016–17 GAA).

DATA ENTRY

Enter this information in ABEST. Refer to *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016) on the LBB website (www.lbb.state.tx.us/AgenciesPortal.aspx → 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 2016 to 2019, the ABEST report will group projects by category and calculate subtotals. See page 32 (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.

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 Master Lease Purchase Program (MLPP) agreements).
- ☐ Were MLPP amounts categorized as Lease Payments to the Master Lease Purchase Program (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 and CAPPS identified in this schedule or the corresponding capital budget exceptional item schedule?
- ☐ Were requests for new construction, rehabilitation and repair projects also identified in the Schedule 8 Summary of Requests for Capital Project Financing?

PART 5.B. CAPITAL BUDGET PROJECT INFORMATION

The Capital Budget Project Information Schedule provides additional information on capital budget projects requested for 2018–19, 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 page 32 (Appendix 5.B.) for a sample report.

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

Enter data for the schedule only for projects for which funding is requested in fiscal years 2018 and 2019. For each entry, list category and project name and number as identified in the Capital Budget Project Schedule. Complete Item 1, Project Description, (a) to (e), as follows:

1. Project Description:
 - a. General Information: Describe project and its relationship to the objectives of the agency's strategic plan and discuss potential consequences of postponing the requested capital project;
 - b. 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);
 - c. 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 2018 and 2019);
 - d. Type of Financing: Indicate specific type of financing (ML, LP, GO, RB, CA) for the project;
 - e. Projected Useful Life: Identify projected useful life of the project in years.
Complete (f) and (g) if the proposed type of financing is MLPP, lease-purchase, general obligation or revenue bonds. If not applicable, enter N/A:
 - f. 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.
 - g. 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 2016 to 2019 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 financing 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

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 2016 and 2017, allocate to the strategy(ies) in which the project is budgeted; for fiscal years 2018 and 2019, 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. See page 41 (Appendix 5.C) for sample report.

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 Appropriation Requests in ABEST* (June 2016) on the LBB website (www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriation 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 2018 and 2019 for capital items lease-purchased in prior years, or planned for purchase in fiscal year 2017?
- ☐ 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

The Capital Budget Operating and Maintenance Expenses Detail Schedule identifies future operating and maintenance expenses associated with capital projects requested for the 2018–19 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 of the following criteria:

- it is classified as Construction of Buildings and Facilities or Acquisition of Information Resource Technologies for the 2018–19 biennium;
- the expected total acquisition cost exceeds \$500,000; and
- when in service, there will be an increase in operating and maintenance expenses directly related to the project, and additional funding greater than fiscal year 2017 levels will be needed to operate or maintain the asset.

See page 44 (Appendix 5.D.) for a sample.

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 2018–19 biennium should be incorporated in the appropriate strategy request(s).

DATA ENTRY

Enter this information in ABEST. Identify costs 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 used 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

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 method of financing and object of expense for the amount of 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 method of financing and object of expense for each project by strategy. For fiscal years 2016 and 2017, allocate amounts to each strategy in which the project is budgeted and indicate the method of financing and object of expense for the amount of the project budgeted in each strategy. For fiscal years 2018 and 2019, allocate amounts to each strategy in which funding for the project is requested and indicate the method of financing and object of expense 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 Appropriation Requests in ABEST* (June 2016) on the LBB website (www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request). See page 45 (Appendix 5.E.) for a sample report. **Figure 5** shows the Object of Expense Code for each capital expenditure category.

FIGURE 5 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 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)
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

FIGURE 5
DEFINITIONS OF CAPITAL EXPENDITURE CATEGORIES

OBJECT OF EXPENSE CODE	CAPITAL EXPENDITURE CATEGORY	DEFINITION AND COMPTROLLER EXPENDITURE CODE
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 7371 – Motor Vehicles – Passenger Cars 7372 – Motor Vehicles – Other 7375 – Aircraft 7365 – Boats
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

FIGURE 5
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)	<ul style="list-style-type: none"> 7389 – Books and Prerecorded Reference Materials – Capitalized <p>For installment payment obligations payable to Texas Public Finance Authority. See Special Instructions for Master Lease Purchase Program in the section addressing the Capital Budget Project Schedule. Includes:</p> <ul style="list-style-type: none"> 7964 – Master Lease Disbursements
7000	Data Center Consolidation	<p>For payments to the Department of Information Resources for data center services. Includes:</p> <ul style="list-style-type: none"> 7285 Computer Services – Statewide Technology Center (OOE 2001 Professional Fees and Services)
8000	CAPPS Statewide ERP System	<p>For expenditures related to agency transition to the statewide enterprise resource planning 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:</p> <ul style="list-style-type: none"> 7203 – Registration Fees – Employee Training (OOE 2009 Other Operating Expense) 7242 – Consultant Services – Information Technology (Computer) (OOE 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 2009 Other Operating Expense) 7275 – Information Technology Services (OOE 2001 Professional Fees and Services) 7379 – Computer Equipment – Capitalized 7380 – Computer Software – Expensed (2009 Other Operating Expense) 7395 – Computer Software – Purchased – Capitalized

PART 6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE

The Historically Underutilized Business (HUB) Supporting Schedule provides information on agencies' good faith efforts to comply with HUB-related statutory requirements and rules set by the Comptroller of Public Accounts (CPA). The schedule compares the percentage of agencies' HUB-related expenditures with the agency's HUB goals. Data entered in the schedule is required pursuant to the Texas Government Code, Section 2161.127, and is used to compile a biennial report of HUB key performance measures to the Legislature.

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, and the Texas Administrative Code, Title 34, Section 20.15(c), 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 Article IX, Section 7.08 (2016–17 GAA), which is 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 (the Texas Government Code, Section 2101.0115) and reported to CPA for the State of Texas Annual HUB Report for fiscal years 2014 and 2015 including supplemental information.

See page 51 (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.

- 2014–15 HUB Expenditure Table – This table is a modified version of the Strategic Plan Progress Report required in an agency's Annual Report of Nonfinancial Data. It 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 2014 and 2015. It shows the percentage of total agency expenditures related to HUBs. The report will also 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 2014 and 2015 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 2014–15 Efforts to Meet 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 should also mention its contracting efforts with graduated HUBs.
- Good Faith Efforts – Provide any additional information on the agency’s efforts to meet the agency’s HUB procurement goals in fiscal years 2014 and 2015. A good faith effort includes the implementation of procedures as stated by the Texas Administrative Code, Title 34, Section 20.13(d). An agency may also include information from supplemental letters submitted to CPA for fiscal years 2014 and 2015, pursuant to Section 20.13(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 2014 or 2015, 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?

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

Many onetime expenditures are reflected in the base reconciliation process, such as those resulting from rider appropriations; however, agencies may have made onetime expenditures that are not identified in this process. The onetime expenditures schedule should identify expenditures made in the 2016–17 biennium that are not anticipated in the 2018–19 biennium. Each agency is likely to have expenditures unique to that agency, so a complete list is impracticable, but common examples of the types of expenditures that should be reported in this schedule are:

- implementation of legislation (startup costs);
- land purchases;
- lawsuit settlement;
- special-purpose equipment;
- onetime grant;
- facility construction or renovation;
- special events;
- correcting a backlog (licenses, complaints, etc.); and
- installation of satellite dish equipment.

COMPLETING THE SCHEDULE

This spreadsheet is provided in electronic format on the LBB website (www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request → Templates) and should be included in the PDF submitted through the LBB Documents Submissions application (docs.lbb.state.tx.us) and emailed to the Governor's office. See page 52 (Appendix 6.B.) for a sample form that agencies should include, with the following elements:

- a brief description of the item;
- the amount expended; and
- the Method of Finance code(s).

The Onetime Expenditure Schedule allows agencies to report the location (strategy, ABEST object of expense, and MOF codes) of these expenditures in the 2016–17 biennium, and where and for what purpose (strategy, ABEST object of expense codes, and a description) they are included in the 2018–19 biennial baseline request.

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 CFDA number;
- strategy-specific information for each federal program;
- for agencies expending more than \$10 million in Federal Funds in fiscal year 2015, additional information related to employee benefits paid with Federal Funds **and General Revenue Funds used as match for employee benefits or maintenance of effort for employee benefits**;
- assumptions and/or methodology used to estimate federal funding; and
- potential losses of any Federal Funds projected for fiscal years 2018 and 2019. See page 53 (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 *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016). 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:

- select the appropriate MOF code to identify Federal Funds:
 - 0555 is the MOF code for most Federal Funds;
- 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, send an email to cfda@lbb.state.tx.us 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 need to provide a copy of the contract or the agreement that they received from the primary recipient;
- provide Federal Funds amounts for expended 2015, estimated 2016, budgeted 2017, and requested 2018–19.
- 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 Governor’s office 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 are moved 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 \$10.0 million in Federal Funds in fiscal year 2013 must:

- identify by CFDA program expended 2013, estimated 2014, budgeted 2015, and requested 2016–17 amounts for employee benefits paid with Federal Funds (include group insurance, retirement, social security, and benefit replacement pay);
- identify expended 2013, estimated 2014, budgeted 2015, and requested 2016–17 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); and
- do not include any additional funds for employee benefits in the strategy amounts.

ASSUMPTIONS AND METHODOLOGY

Describe assumptions and methodologies used to estimate funding for 2016–17. 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 are acceptable.

POTENTIAL LOSS OF FEDERAL FUNDS

To identify Federal Funds that previously were available and are not part of the estimated appropriations for the 2016–17 biennium, follow these guidelines:

- identify any Federal Funds by CFDA number and title that were budgeted in 2015 that potentially might not be received in 2016–17;
- 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
- do not include 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 \$10.0 million Federal Funds threshold, does the report include expenditures and estimates for the related employee benefits (Federal Funds and General Revenue Funds) for each program?
- ☐ Does the report include statements describing the assumptions and methodology for estimating Federal Funds?

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

The Federal Funds Tracking Schedule is generated from the Automated Budget and Evaluation System of Texas (ABEST). This schedule will be requested by the Legislative Budget Board (LBB) or Office of the Governor, Budget Division, analyst as needed, and the request(s) may be for one or more federal programs by CFDA number and title. See page 55 (Appendix 6.D.) for a sample report. Article II – Health and Human Services agencies are required to submit this schedule for selected grants. Contact the budget analyst at the LBB or the Governor’s office for additional information.

This report does not apply to institutions of higher education.

DATA ENTRY

Enter the requested information into the Automated Budget and Evaluation System of Texas (ABEST). Include any CFDA programs by number and title requested by the LBB or Governor’s office analyst. Refer to the LBB website at www.lbb.state.tx.us/AgenciesPortal.aspx → Reference Documents → ABEST → CFDA Program Names & Numbers. See the Federal Funds Supporting Schedule for additional information on how to add a new CFDA in ABEST.

When entering Federal Fiscal Year Grant/Award amounts, begin with the original grant/award year, and include all federal fiscal years that had or have funds available for expenditure. 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 *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016)

For federal grants that are appropriated across agencies, such as TANF, 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 in agency strategy amounts, in this Federal Funds Tracking Schedule, additional funds for employee benefits are included. 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

- ☐ Have you supplied the additional information to identify employee benefits payment amounts?
- ☐ Do the totals across state fiscal years equal the annual totals in the Federal Funds grant/award totals?

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 2015 to 2019.

GENERAL INFORMATION

Submit this schedule if the following apply:

- the agency has an Appropriations Limited to Revenue Collections rider in the Eighty-fourth Legislature, General Appropriations Act, 2016–17 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 Division.

Report Appropriated Receipts in this schedule.

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

Include a separate section in the Estimated Revenue Collections Support Schedule for Earned Federal Funds if the agency is affected by Article IX, Section 13.11 (2016–17 GAA).

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

IMPORTANT

- Work with the Office of the Governor, Budget Division, and the Legislative Budget Board 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 *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016) on the LBB website (www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request). See page 57 (Appendix 6.E.) for a sample report.

Beginning Balance: For each fund or account, list actual unencumbered beginning balances for fiscal years 2015 and 2016 and projected beginning balances for fiscal years 2017 to 2019. 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 6, Eighty-third Legislature, Regular Session, 2013, and House Bill 6, Eighty-fourth Legislature, 2015; 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 2013 and estimated collections for fiscal years 2016 through 2019. List collections by revenue source using the Comptroller of Public Accounts' (CPA) revenue object codes (www.lbb.state.tx.us/AgenciesPortal.aspx → Reference Documents → ABEST → Revenue Object Codes). Revenue sources must include Appropriated Receipts and Article IX, General Provisions (2016–17 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 13.11 (2016–17 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, 3851, 3965, 3971 and 3972; and
- use Method of Finance 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 Revenues: adds all revenue sources;
- Total Available: adds Beginning Balance and Subtotal Actual/Estimated Revenues.
- Deductions: list deductions made from the fund or account, including:
 - amounts expended, budgeted, and requested, including the 50 percent reimbursement paid from agency appropriations to the Texas Workforce Commission (TWC) for unemployment benefits;
 - the additional 50 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;
 - 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 ERS 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 non-specific account in the General Revenue Fund.

Pursuant to Article IX, Section 6.09 (2014–15 GAA and 2016–17 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 percent increase or decrease from the fiscal year 2018 estimated beginning fund balance in any fund or account for fiscal years 2018 and 2019.

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

The Advisory Committee Supporting Schedule is generated from the Automated Budget and Evaluation System of Texas (ABEST). Pursuant to the Texas Government Code, Section 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-fourth Legislature, General Appropriations Act, 2016–17 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 or approved by the Legislative Budget Board and the Office of the Governor, Budget Division, between legislative sessions.

DATA ENTRY

Enter this information in ABEST. Provide a schedule for each agency advisory committee for which reimbursement authority is being requested, pursuant to the Texas Government Code, Section 2110. See page 58 (Appendix 6.F.) for an example. Information recently submitted in coordination with your agency's Strategic Plan in Schedule H, Assessment of Advisory Committees, may be used to populate the schedule.

Each schedule must include:

- committee members' direct expenses related to the committee's responsibilities;
- all other expenditures in support of the committee's activities, including the cost of agency staff time, including the following:
 - expenditure and method of financing information is required for the following fiscal years: expended 2015, estimated 2016, budgeted 2017, and requested 2018 and 2019;
 - requested reimbursements for committee member costs and costs attributable to agency staff support must be itemized by the following categories;
 - travel;
 - personnel;
 - other operating costs;
 - the Method of Financing 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.state.tx.us/AgenciesPortal.aspx → Agency 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; and
- reasons the advisory committee should continue in existence, including an evaluation of the committee's work and usefulness; in the description section, provide information on the committee's statutory membership requirements, purpose and duties, reasons why it should remain in existence, and consequences of abolishing the committee; if the committee is required to exist by federal law, include the applicable citation;
- description and justification for continuance or consequences of abolishing the committee; in the Description and Justification for Continuance/Consequences of Abolishing section, identify the committee(s) and provide the justification.

PART 6.G. HOMELAND SECURITY FUNDING SCHEDULE

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

GENERAL INFORMATION

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

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

PART A: TERRORISM-RELATED EXPENDITURES

In determining terrorism-related expenditures, the following definition, adapted from the federal definition of homeland security followed by the U.S. Congressional Budget Office and the Administration's Office of Management and Budget, is to be used:

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

NOTE

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

PART B: NATURAL/MAN-MADE DISASTER EXPENDITURES

This section is designed to capture the remaining elements of Homeland Security Activity as defined in the Texas Government Code, Chapter 421, Subchapter A. The definition changed as the result of the enactment of House Bill 2827, Eighty-fourth Legislature, 2015. Other homeland security activity expenditures are defined as expenditures related to natural or man-made disasters such as wildfires, hurricanes, floods, and tornadoes. These disasters include any fires or medical emergencies requiring resources beyond the capabilities of a local jurisdiction.

DATA ENTRY

The Homeland Security Funding Schedule is generated from the Automated Budget and Evaluation System of Texas (ABEST). Refer to *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016) on the Legislative Budget Board (LBB) website at www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request. Upon request of analysts from the LBB or the Governor's office, information will be submitted at the strategy level. See page 60 (Appendix 6.G.) for a sample report.

OBJECTS OF EXPENSE AND METHOD OF FINANCE

Amounts identified in the Objects of Expense and Method of Finance sections should include all funding sources expended by the agency for state homeland security programs. Federal Funds passed through to another state agency or institution of higher education should be reported as Federal Funds by the expending agency (not by the initial recipient). Funds received via procurement contracts for goods or services should be reported as Interagency Contracts (not Federal Funds); they should be reported as Federal Funds by the original agency. Federal Funds passed through to a nonstate entity should be reported as Federal Funds by the initial recipient.

FULL-TIME-EQUIVALENT POSITIONS

Identify the total number of full-time-equivalent positions paid with Homeland Security funding for each fiscal year.

LOCAL ENTITIES AND OTHER STATE AGENCIES OR INSTITUTIONS OF HIGHER EDUCATION

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

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

USE OF HOMELAND SECURITY FUNDS

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

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 state constitution, 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 only be included in the schedule if the bonds are not included in the GAA (e.g., Water Development Bonds and Mortgage Revenue Bonds).

Do not include 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. **Do not** include General Revenue–Dedicated account balances, because these balances are not available to the agency unless appropriated. State 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

This spreadsheet form is provided in electronic format on the LBB and the Governor's office websites and should be included in the PDF submitted through the LBB Documents Submissions application (<http://docs.lbb.state.tx.us>) and emailed to the Governor's office. See page 67 (Appendix 6.H.) for a sample form. (Spreadsheets can be found on the LBB website at www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request → Templates.)

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

Estimated Beginning Balance. Enter the beginning balance for fiscal years 2016 and 2017 for each account taking into account 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 2016, 2017, 2018, and 2019.

Amend the spreadsheet to add accounts as necessary.

ESTIMATED GRAND TOTAL OF ALL AGENCY FUNDS OUTSIDE THE GAA BILL PATTERN FOR THE 2018–19 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 2018 and the revenue collections for fiscal years 2018 and 2019. 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 and/or statutory citation(s) authorizing the agency to collect and spend the funds. Also describe the authorized uses of the funds.

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 federal legislation on the collection of fees (e.g., increase in, decreases in,

establishment of, or abolition of fees). Note whether fee rate changes require statutory amendments or governing board action. Briefly describe the reasons why the funds are not part of the agency's bill pattern along with any problems that may result if these funds were to be included in the agency's bill pattern (i.e., constitutional issues, federal rules, etc.).

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.I. 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS SCHEDULE

The purpose of the 10 Percent Biennial Base Reduction Options Schedule is to detail the 10 percent reduction options related to General Revenue Funds and General Revenue–Dedicated Funds, in 5 percent increments, which are required by the Policy Letter issued by the Legislative Budget Board and the Office of the Governor, Budget Division. Information submitted in this schedule provide a means by which an agency can identify potential budget reductions by specific agency program, including the impact such reductions would have on services and constituents, ordered from smaller to larger negative impact.

GENERAL INFORMATION

In order to assist the Governor and the Legislature in their review of agency budgets and consideration of possible budget reductions, agencies are required to submit a supplemental schedule in the Automated Budget and Evaluation System of Texas (ABEST) detailing how they would reduce the 2018–19 biennial baseline request by 10 percent in General Revenue Funds and General Revenue–Dedicated Funds. The options are to be submitted in 5 percent increments, with a set of reduction items representing 5 percent of the baseline request, followed by another set of items representing an additional 5 percent, for a total of 10 percent.

Upon approval of the agency's 2016–17 biennial base reconciliation, the LBB and the Governor's office will calculate the General Revenue Funds and General Revenue–Dedicated Funds 10 percent amount for the reduction options schedule. The LBB and Governor's office will then communicate that target amount to the agency and enter it into ABEST. As the agency enters reduction options into this schedule, ABEST will automatically sum the options for comparison against the target amount.

Complete this schedule to identify reduction options equal to 10 percent of the 2018–19 General Revenue Funds and General Revenue–Dedicated Funds baseline request level to comply with the Policy Letter issued by the Governor's office and the LBB. This schedule collects reduction options in priority order, by fiscal year, strategy, method of finance, potential revenue loss and full-time-equivalent (FTE) positions. Impact statements that describe the effect of the reduction on services, staffing levels, the receipt of Federal Funds, and other factors are also submitted via the schedule. Institutions of higher education should not include Other Educational and General Income.

Reduction option submissions should tie to programs identified in the 2016–17 State Budget by Program (SBP) application. An SBP by agency report can be generated on the LBB website at sbp.lbb.state.tx.us/PublicMain.aspx. Also, See page 69 (Appendix 6.I) for an example of the 10 Percent Biennial Base Reduction Options schedule.

Agencies are encouraged to review existing operations and offer targeted reductions in specific programs. Nonspecific, across-the-board reductions (e.g., 10-percent reduction to every program) are discouraged, but may be acceptable when agency size or function limits the available options.

IMPORTANT

- Agencies should report anticipated revenue losses including loss of Federal Funds.
- Amounts for both appropriation reductions and potential revenue losses should be entered as positive numbers.
- Agencies should tie their reduction option submissions to programs previously identified in their State Budget by Program application for 2016–17.

DATA ENTRY

Proposals should be submitted in the Automated Budget and Evaluation System of Texas (ABEST). If an agency has budget-related questions, contact the assigned LBB or Governor's office analyst. For questions regarding ABEST, contact the LBB's Application Support Help Desk at (512) 463-3167. Use the following guidelines:

- submit reductions at the program level. Non-specific across-the-board reductions (e.g., 10-percent reduction to every program) are discouraged, but may be acceptable when agency size or function limits the available options. If agency size

or function limits the available options, consult with your Governor's office or LBB analyst before submitting a proposal with one reduction item. Examples of acceptable reductions include specific agency programs or services, savings from a hiring freeze, elimination of contracts for consultants and professional services, travel reductions, elimination of planned purchases of capital items, etc.;

- submit reductions in priority order (i.e., item No. 1 should be the budget reduction that, if enacted, would have the fewest consequences on agency programs and goals). Subsequent reduction options should follow in ascending order of consequence, with the reduction item of greatest consequence to agency services listed last;
- for each item, enter the reduction amount for each fiscal year, any potential related revenue loss for each fiscal year, method of financing for both reduction amount and revenue loss, affected strategy or strategies, and FTE reductions associated with the reduction option. Amounts for both the appropriation reductions and the potential revenue losses should be entered as positive numbers;
- for the Category field, identify one of the 16 predefined categories available in the drop-down menu that best describes that reduction item. These categories focus on three distinct functional areas: program and service reductions affecting clients and populations served, administrative reductions to internal operations, and across-the-board reductions for smaller agencies that reduce both programs and internal administrative costs. When a reduction item affects multiple categories, select the category that represents the predominant description of the reduction item. Please consult with your LBB analyst if there are questions about the categories;
- use the Comments field (2000 characters maximum) to explain in detail how each reduction would affect programs, agency operations and customers. Potential effects include, but are not limited to:
 - reductions in services, longer processing times, lower rates to providers, effects on performance measures, etc. For any revenue losses identified as resulting from individual reduction options, describe the assumptions underpinning the revenue loss. Also describe the estimated effects of the reduction to related key performance measures and other performance indicators routinely reported to the LBB and the Governor's office;
- agencies may be required to re-submit individual reduction options or the entire reduction options schedule at the request of either the Governor's office or LBB analyst;
- agencies are encouraged to submit multiple, rather than one or two, reduction options. Again, if agency size or function limits the available options, please consult your Governor's office or LBB analyst prior to submitting a schedule with one reduction option;
- avoid identifying budget reduction options that, if passed by the Eighty-fifth Legislature, 2017, and enacted, would result in the violation of the Texas Constitution, state law, or federal law. If items are proposed that require modifications of existing general state law, identify the specific statutory reference(s) that would be affected in the comment field. Affected agencies should be prepared to submit alternate reduction option(s) equal in amount to the reduction option(s) that violates statutory or constitutional provisions upon the request of the Governor's office or LBB analyst;
- the reduction options submitted by agencies funded by both General Revenue Funds and General Revenue–Dedicated Funds should, if applicable, reflect a balanced mix of General Revenue Funds and General Revenue–Dedicated Funds options. Note: Exclude appropriations from General Revenue–Dedicated accounts; and
- reduction options should not be subject to the Comptroller of Public Accounts' certification of the GAA (e.g., the General Revenue–Dedicated Compensation to Victims of Crime Account No. 469) and Other Educational and General Income for institutions of higher education. The list can be found at www.lbb.state.tx.us/AgenciesPortal.aspx → Reference Documents → Other → General Revenue–Dedicated Accounts that do not Impact Certification of the GAA.

PART 6.J. BEHAVIORAL HEALTH FUNDING SCHEDULE

The Behavioral Health Funding Schedule provides summary and budgetary information for mental health or substance abuse treatment programs, as estimated/budgeted for the 2016–17 biennium and as requested for the 2018–19 biennium.

GENERAL INFORMATION

Pursuant to the Eighty-fourth Legislature, General Appropriations Act (GAA), 2016–17 Biennium, Article IX, Section 10.04, certain agencies identified in the provision as receiving behavioral health appropriations, listed in this section, are required to develop and submit a coordinated expenditure proposal for fiscal year 2017. These agencies and any agencies or higher education institutions not included on that list but who are requesting behavioral health-related appropriations for the 2018–19 biennium should complete this supplemental schedule.

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

The following agencies are identified in the 2016–17 GAA, Article IX, Section 10.04, or have been otherwise identified as receiving behavioral health-related appropriations:

Trusted Programs within the Office of the Governor	Department of Criminal Justice
Veterans Commission	Juvenile Justice Department
Department of Aging and Disability Services	Texas Military Department
Department of Family and Protective Services	Texas State Board of Dental Examiners
Department of State Health Services	Board of Pharmacy
Health and Human Services Commission	Board of Veterinary Medical Examiners
Texas Civil Commitment Office	Optometry Board
The University of Texas Health Science Center at Houston	Texas Board of Nursing
The University of Texas Health Science Center at Tyler	Texas Medical Board
Texas Education Agency	

Agencies should identify costs in the 2016–17 base, the 2018–19 baseline request, and the exceptional items that occur in the research, prevention, detection, treatment, control, supervision, and rehabilitation of individuals with mental disorders or disabilities, including those that result from alcoholism or drug addiction.

DATA ENTRY

This spreadsheet form is provided in electronic format on the LBB and Office of the Governor, Budget Division, websites and should be included in the PDF submitted through the LBB Document Submission application (docs.lbb.state.tx.us). See page 71 (Appendix 6.J) for a sample form. (Spreadsheets are available on the LBB website at www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriation Request → Templates.)

In determining behavioral health related expenditures, agencies must use the definition from Article IX, Section 10.04 (2016–17 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 individual item, agencies should complete the Data Entry tab in the Summary of Behavioral Health Funding. The LAR Schedule tab will autopopulate with selected information from the Data Entry tab; no data entry should be necessary on this tab, and it is the only tab that should be included in the LAR submission. In the Data Entry tab, agencies should 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: education and training, information technology, infrastructure, intervention and treatment services, prevention, research, or staff;
- 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 the goal of each program or service;
- target population – describe the target population for each program or service (i.e., 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 requested for a program or service on separate rows;
- 2016–17 base – identify the total base funding for each method of finance for fiscal years 2016 and 2017, and the total biennial base funding;
- 2018–19 base request – identify the total base request for each method of finance for fiscal years 2018 and 2019, and the total biennial base funding;
- 2018–19 exceptional items – identify the total amount requested for exceptional items by method of finance for fiscal years 2018 and 2019, and the total biennial exceptional item request;
- amount requested by category – for the agency’s total request for the 2018–19 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 2017 and 2019, indicate the number of FTE positions required for each program or service by strategy;
- Strategic Plan strategies – identify each strategy outlined in the Texas Statewide Behavioral Health Strategic Plan that the program seeks to address; and
- description of methodology – describe any methodology used to estimate or disaggregate behavioral health costs from other healthcare costs, to determine the allocation of the request between mental health and substance abuse; 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;
- counseling;
- mental health crisis services;
- competency restoration;
- state mental health facilities;
- veterans' mental health services;
- behavioral health services for sex offenders;
- behavioral health training for educators;
- 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 also 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.

PART 7. ADMINISTRATIVE AND SUPPORT COSTS

The 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 Governor's Office, Budget 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 *Preparing and Submitting Legislative Appropriation Requests in ABEST* (June 2016) on the LBB website at www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request.

Institutions of higher education are not required to submit this schedule.

All agencies 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 are often 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 financing and number of full-time-equivalent (FTE) positions for fiscal years 2015 to 2019.

IMPORTANT

Agencies with an Indirect Administration goal in their budget structure should use both the Indirect Administration Strategy Request 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 administrative and support costs are associated with running an agency. Indirect administrative and support costs may not significantly change due to a change in funding levels. See page 72 (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 percent of budget associated with an individual strategy. For example, if an agency has 10 strategies but five of the strategies account for 80 percent of its budget, allocate 80 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 2 out of 10 strategies account for 50 percent of the agency's 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 percent of its clients through one strategy. If providing these services requires high indirect administrative and support services, 25 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 what positions or activities are supported. For example, the costs may support a dedicated file server or specific support staff. See page 73 (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 CAPITAL PROJECT FINANCING

This Summary of Requests for Capital Project Financing Schedule 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 LBB analyst and GOBPP advisor prior to the final LAR submission to ensure complete and accurate reporting.

DATA ENTRY

This spreadsheet form is provided in electronic format on the LBB and GOBPP website and should be included in the PDF submitted through the LBB Documents Submissions application (docs.lbb.state.tx.us). See page 74 (Appendix 8) for a sample form. (Spreadsheets are available on the LBB website at www.lbb.state.tx.us/AgenciesPortal.aspx → Instructions → Legislative Appropriations Request → Templates).

For each individual item, agencies should complete the Summary of Requests for Capital Project Financing with the following information:

- **Project ID.** Identify each project by number, beginning with 1. Note that, depending on the number of methods of finance being requested, a project's information may be identified across multiple rows in order to identify amounts by each method of finance. The project number, however, will not change;
- **Capital Expenditure Category.** Enter the name of the project or classification of projects requested. For a list of all possible project classifications, see Part 5 of the LAR Instructions, Classification of Capital Budget Projects. Note: This category is not the same as the subsequent categories;
- **Project Description.** Provide a general description of the project or category that can be tied to the request;
- **Amount Requested.** Summarize 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 2016–17 biennium and are not already past due;

- **2016–17 Total Amount Requested.** Identify the total amount for each method of finance requested for the 2016–17 biennium;
- **MOF Code.** Identify the method of finance (MOF) code requested to finance the project. Identify each method of finance requested for a project on separate rows using the same Project ID;
- **MOF Requested.** Indicate the MOF name;
- **2016–17 Estimated Debt Service.** If the agency is requesting project financing through General Obligation Bond Proceeds or Revenue Bonds, identify the amount of estimated debt service for the 2016–17 biennium related to the requested amount of bonds. Contact the Texas Public Finance Authority (TPFA) for debt service estimates for bonds that TPFA would issue on behalf of client agencies;
- **Debt Service MOF Code.** If applicable, identify the MOF code that is requested to finance the estimated debt service associated with the requested General Obligation Bond Proceeds or Revenue Bonds; and
- **Debt Service MOF Requested.** If applicable, indicate the MOF name for the MOF requested for debt service.