Budget 101

A Guide to the Budget Process in Texas

January 2015

Senate Research Center

Sam Houston Building
Suite 575
P.O. Box 12068
Austin, Texas 78711
512 · 463 · 0087
Fax: 512 · 463 · 1271
Dial 711 for Relay Calls

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Acknowledgments

We would like to thank the staff of the Legislative Budget Board and the Office of the Comptroller of Public Accounts of the State of Texas for their assistance in revising *Budget 101: A Guide to the Budget Process in Texas*. Information provided by Legislative Budget Board staff and the comptroller's staff was indispensable in writing and revising this document.

For copies, please access the publication via the Internet at *http://www.senate.state.tx.us/src/index.htm*.

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Preface

The purpose of *Budget 101* is to provide a step-by-step explanation of the budget process in Texas. This document is designed to be a budget primer for new staff or for those unfamiliar with the budget process. An understanding of the material presented in this report will help staff respond to constituent questions, communicate with agencies, understand the impact and magnitude of the budget, and learn budget terminology. *Budget 101* includes:

- a brief overview of the biennial budget process;
- a description of the different offices and agencies involved in developing the budget;
- a discussion of strategic planning; and
- a step-by-step explanation of what happens to the budget during the legislative session.

Also included is information on revenue sources for Texas government, information from the budget, and a glossary of terms. Other sources may also be helpful in understanding the budget process. *Fiscal Size-up*, a publication of the Legislative Budget Board, contains excellent descriptions of the various revenue sources and taxes in Texas. The *Guide to Performance Measure Management*, by the State Auditor's Office, Legislative Budget Board, and the Governor's Office of Budget and Policy, contains extensive information regarding the purpose and development of performance measures. The *Biennial Revenue Estimate*, published by the Office of the Comptroller of Public Accounts of the State of Texas, provides detailed information on revenue available to the state for the biennium.

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Overview of the Budget Process

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Overview of the Budget Process

Texas' two-year budget takes roughly twice that amount of time to prepare, produce, and administer. Agencies develop their appropriations requests in the first year, the legislature approves the General Appropriations Act in the second year, and the budget is implemented over the next two years.

The first step in preparing the budget is the development of a statewide vision for the future of Texas government. The governor, in cooperation with the Legislative Budget Board (LBB), is responsible for preparing that mission statement for Texas. This statement provides a framework for the development of strategic plans and sets forth a mission for state government, core principles to guide decision-making, and goals and benchmarks for various state agency services and programs. "Texas state government must be limited, efficient, and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities, and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just, and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner."[1]

The next step is the development of a strategic plan by each state agency as required by statute.[2] A strategic plan is a long-term plan that sets forth where an agency is and where the agency plans to go. Strategic plans include a mission statement and identify the goals of the agency, the population served by the agency, a description of the means by which the agency plans to achieve its goals, and the measures that will be used to assess the agency's success in achieving those goals. The Governor's Office of Budget and Policy (GOBP), formerly the Governor's Office of Budget, Planning and Policy, and LBB staff issue instructions for developing strategic plans in the spring preceding a legislative session. After developing a strategic plan, the agency submits its plan to the GOBP and the LBB for approval.

In the spring or early summer preceding the legislative session, the LBB sends out detailed Legislative Appropriations Request (LAR) instructions. These instructions are used by agencies to develop their budget requests. Included in

[1] *Instructions for Preparing and Submitting Agency Strategic Plans, Fiscal Years 2015 to 2019*, Legislative Budget Board, Governor's Office of Budget, Planning and Policy, March 2014, page 28.
[2] Section 2056.002, Texas Government Code.

each agency's LAR are the performance measures on which budgeting is based. During the following months, the LBB and GOBP hold hearings with each agency concerning the agency's strategic plan and LAR. During the course of these hearings, the items to be included in the agency's strategic plan and the performance measures to be contained in the LAR are determined. LARs must be submitted by a specified deadline, usually summer or early fall, and copies must be provided to the LBB, GOBP, the State Auditor's Office (SAO), the Office of the Comptroller of Public Accounts of the State of Texas (comptroller), and other state agencies as specified.[3] These LARs form the basis for the appropriations bill prepared by the LBB.

During the fall prior to the legislative session, LBB staff prepares the general appropriations bill draft. This proposed appropriations bill contains performance measures, the maximum number of full-time equivalent (FTE) positions allowed per agency, capital budget information, specific enumerated instructions and contingencies on certain expenditures (called riders), the amount of funding recommended by the LBB, and the method of financing each agency's appropriation. The amount of funding that the LBB staff sets forth for each agency in the appropriations bill and the amount of funding requested by the agency do not always match. To help compare the amount recommended by the LBB and the amount requested by the agency, the LBB produces a document entitled *Legislative Budget Estimates*. That document sets forth all the information contained in the proposed appropriations bill except riders, and includes amounts expended by the agency in past years and the amount requested by the agency for the coming biennium.

Next, the appropriations bill is filed in both houses of the legislature, allowing each house to work on the bill simultaneously and independently. As a matter of equanimity, the final bill sent to the governor, traditionally, is a senate bill one session and a house bill the next. The comptroller is required to provide to the legislature a biennial revenue estimate (BRE) at the beginning of each regular session.[4] Because the legislature is constitutionally prohibited from appropriating more revenue than will be collected,[5] the BRE is used by the legislature to ensure that appropriations will not exceed the anticipated revenue. During the first part of the session, the Senate Committee on Finance and the House Committee on Appropriations independently receive testimony on the budget from state agencies

[3] *2016-17 Legislative Appropriations Request, Detailed Instructions for the Biennium Beginning September 1, 2015*, LBB and GOBPP, June 2014.
[4] Section 49a, Article III, Texas Constitution.
[5] Ibid.

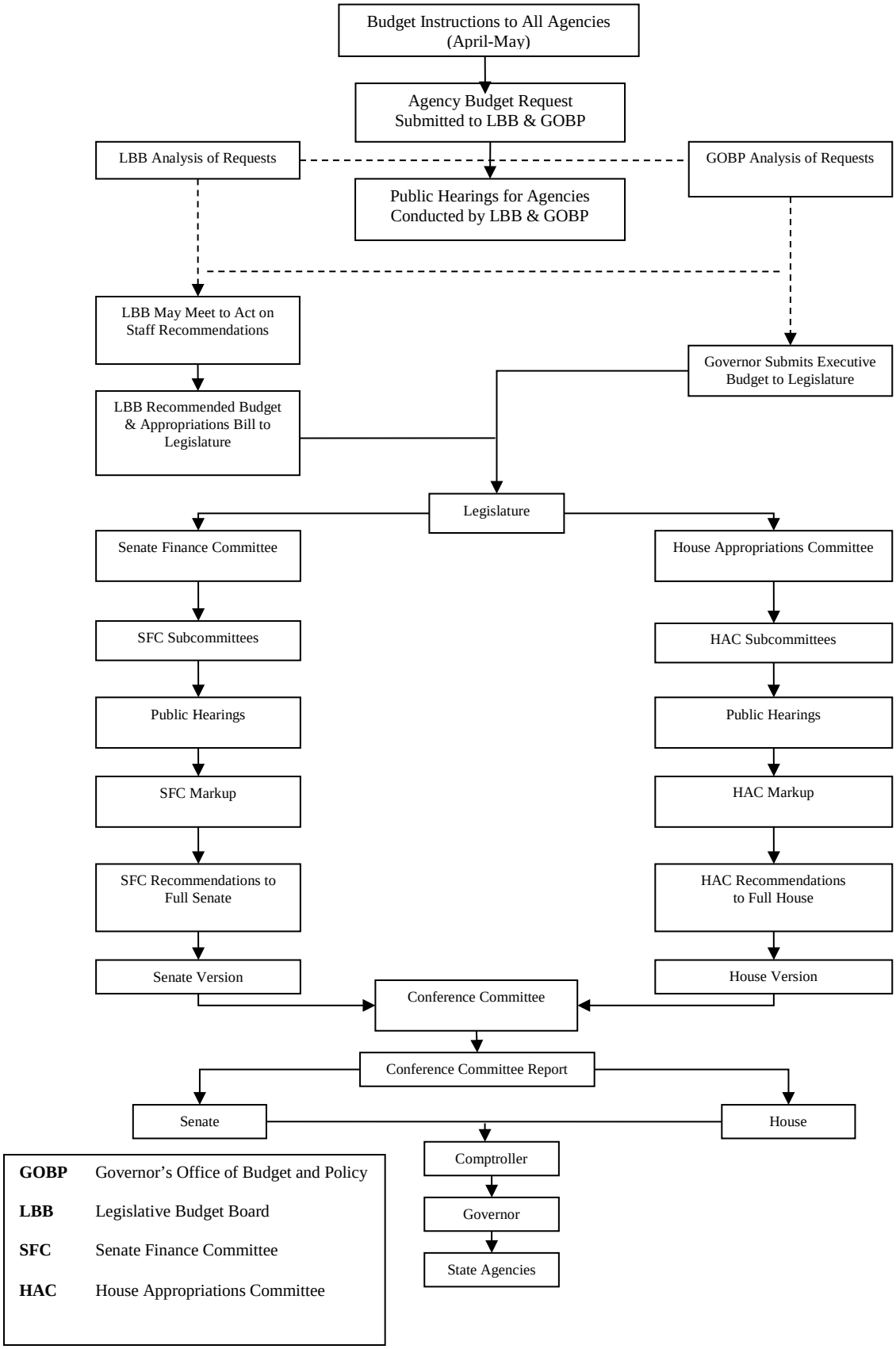
and institutions of higher education. Each committee makes changes to the budget document. This process is referred to as "markup." After the bill passes out of the respective committees in each chamber, it will come before the full body for a vote. The bill is then referred to a conference committee, composed of members of both houses, to resolve differences between the senate and house versions of the bill.

Like the designation of the final bill, the senate and the house of representatives traditionally alternate each session in chairing the conference committee. After the conference committee has reconciled the differences and has agreed to an appropriations bill, the bill is sent back to both houses for a vote on final passage. If both houses pass the appropriations bill, it is sent to the comptroller for certification. The Texas Constitution requires the comptroller to certify whether there will be sufficient revenue to cover the appropriations made by the legislature.[6] After the appropriations bill is certified by the comptroller, it is sent to the governor for his or her signature. The Texas Constitution, Section 14, Article IV, gives the governor line-item veto authority. If the legislature is still in session when that authority is exercised, it may override the governor's veto by a two-thirds majority vote in each house.

After the appropriations bill is certified by the comptroller and signed by the governor, it is implemented over the next two years. The appropriations bill takes effect on September 1 of each odd-numbered year. Although the budget does not appear in Texas' statutes or codes, it is law and agencies are bound by it. The LBB and SAO are responsible for monitoring agency compliance with the budget.[7] The governor and the LBB are empowered with budget execution authority, which is the authority to shift funds between agency programs, or even between agencies, if the need arises when the legislature is not in session.[8]

[6] Ibid.
[7] Sections 321.0132 and 322.011, Texas Government Code.
[8] Ibid., Chapter 317.

Texas Biennial Budget Cycle



The Budget Players

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Legislative Budget Board

The Legislative Budget Board (LBB) was created in 1949 for the primary purpose of recommending legislative appropriations for all agencies of state government. The LBB is composed of the lieutenant governor; the speaker of the house; the chairs of the Senate Committee on Finance, Senate Committee on State Affairs, House Committee on Appropriations, and House Committee on Ways and Means; two additional members of the senate appointed by the lieutenant governor; and two additional members of the house of representatives appointed by the speaker. The LBB employs a staff that includes analysts who work with and monitor state agencies. The LBB staff is often referred to as the LBB and, occasionally, as the LBO (Legislative Budget Office).

The LBB is active in developing the fiscal policy of the state. Among the legal responsibilities of the LBB are to:

- adopt a constitutional spending limit;[9]
- prepare a general appropriations bill;[10]
- prepare agency performance reports;[11]
- guide, review, and finalize agency strategic plans;[12]
- prepare fiscal notes identifying the probable costs of proposed legislation and impact statements;[13] and
- take necessary action to transfer funds from one purpose to another within an agency or transfer funds from one agency to another (these actions are known as budget execution actions).[14]

In addition to these responsibilities, the LBB provides many other services. During the legislative interim, the LBB provides semi-annual and annual

[9] Section 22, Article VIII, Texas Constitution, and Chapter 316, Texas Government Code.
[10] Section 322.008(a), Texas Government Code.
[11] Ibid., Section 322.011(c).
[12] Ibid., Chapter 2056.
[13] Ibid., Chapter 314.
[14] Ibid., Chapter 317.

assessments of state agency performance, supplies information and support to interim committees, and publishes *Fiscal Size-up*, which summarizes the important fiscal actions of the prior legislative session and describes the purpose and services of state agencies, as well as provides comparative information on Texas state government.

During the legislative session, the LBB supports the legislative appropriations process by providing staff resources for the House Committee on Appropriations, the Senate Committee on Finance, and the conference committee on the appropriations bill. This support often takes the form of tracking committee decisions, answering inquiries from committee members, performing analyses, and providing testimony.

Source: Legislative Budget Board

Comptroller of Public Accounts of the State of Texas

The comptroller of public accounts (comptroller), the state's chief financial officer, accountant, treasurer, and economic forecaster, performs many functions important to the state budget. The comptroller, a member of the executive branch elected statewide to a four-year term, is required to submit to the legislature, at the beginning of each session, a statement regarding the financial condition of the state and an estimate of the probable receipts and disbursements for the current fiscal year.[15] The statement also must include an estimate of anticipated revenue for the coming biennium.[16] This statement is referred to as the *Biennial Revenue Estimate* (BRE).

The Texas Constitution prohibits the legislature from appropriating an amount of money greater than the estimated amount that will be collected in revenue.[17] Once an appropriations bill is passed by the legislature, the comptroller must determine whether anticipated revenue will be sufficient to cover appropriations. If the comptroller determines that the appropriations bill is within the revenue limitation, the bill is certified and it goes to the governor for approval; if the comptroller determines that the appropriations bill appropriates more than the amount of anticipated revenue, the bill returns to the house in which it originated where steps may be taken to bring appropriations within the amount of anticipated revenue.[18]

In addition to these duties, the comptroller is responsible for collecting state taxes, tracking almost 600 separate revenue and spending funds, and ensuring that state agencies stay within their budgets.

Source: http://www.window.state.tx.us

[15] Section 49a, Article III, Texas Constitution.
[16] Ibid.
[17] Ibid.
[18] Ibid.

Office of the Governor

The Office of the Governor is involved in the budget process from start to finish, beginning with strategic planning and ending with budget execution. There are two budget players within the governor's office, the governor and the Governor's Office of Budget and Policy (GOBP).

The governor's involvement in the budget process begins with strategic planning. The governor and the LBB jointly develop achievement goals for state government in nine major areas: education, regulation, natural resources, health, human services, transportation, public safety and corrections, general government, and state employee benefits.[19] These goals are then provided to each state agency for use in developing their strategic plans. The governor, or a designee of the governor, also works with the LBB in developing Legislative Appropriations Request (LAR) instructions; the LARs developed by the state agencies must be submitted to the governor.[20] The governor, or a designee of the governor, must hold one or more public hearings regarding the LARs,[21] which may be held in conjunction with the LBB.[22] The governor is required to compile a biennial appropriation budget,[23] which should be delivered to the legislature at the beginning of the regular session.[24] The governor is then authorized to develop a general appropriations bill to be delivered to the legislature within the first 30 days of the legislative session.[25] Often, the governor's budget serves as a guiding policy statement while the LBB's bill is used as the appropriations bill.

After the legislature passes a general appropriations bill and the bill is certified by the comptroller, the bill must be approved by the governor. Line-item veto power allows the governor to veto specific items in the general appropriations bill.[26] After the budget takes effect, the governor and the LBB may jointly exercise their budget execution authority by approving the transfer of money from one program to another within an agency or transferring funds from one agency to another if the action is warranted.[27]

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[19] Section 2056.006, Texas Government Code.
[20] Ibid., Section 401.042.
[21] Ibid., Section 401.043.
[22] Ibid., Section 401.044.
[23] Ibid., Section 401.0445.
[24] Ibid., Section 401.046.
[25] Ibid., Section 316.009. The statute provides for a 20-day extension for a person "inaugurated as governor who was not governor preceding the inauguration."
[26] Section 14, Article IV, Texas Constitution.
[27] Chapter 317, Texas Government Code.

The GOBP is active in developing agency strategic plans. The LBB and GOBP jointly develop strategic plan instructions, which are usually forwarded to agencies during the interim between regular sessions of the legislature.[28] The GOBP works with state agencies to develop acceptable performance measures.[29] After state agencies develop strategic plans, the GOBP, along with the LBB, may compile those plans into a long-range strategic plan for the state.[30]

[28] Ibid., Section 2056.002.
[29] Ibid., Section 2056.004.
[30] Ibid., Section 2056.009.

State Auditor's Office

The State Auditor's Office (SAO) is a legislative agency that serves as the independent auditor of state agencies, including institutions of higher education.[31] SAO conducts economy and efficiency audits, effectiveness audits, financial audits, and compliance audits. The reports from these audits are often used by legislators in evaluating agencies. SAO, at the direction of the Legislative Audit Committee, is authorized by statute to conduct an audit or investigation of any entity receiving funds from the state.

More importantly for budgeting purposes, SAO audits performance measures to ensure that agencies have established controls for proper and accurate performance reporting. SAO rates the audited measures in one of four ways:

- certified without qualification;
- certified with qualification;
- factors prevented certification; or
- inaccurate.

"The SAO's involvement in the Strategic Planning and Performance Budgeting System is to examine the accuracy of reported performance measures and assess the related internal controls. The SAO will assess the accuracy of reported performance measures so that the Governor and the Legislature can determine to what extent they can rely on the reported performance measures when making decisions or evaluating state agencies. The SAO also verifies that the performance measures are produced by management systems that have adequate internal controls. Adequate safeguards over the collection, calculation, and reporting of performance measure data increase the probability that reported measures will be accurate over time."[32]

[31] Ibid., Section 321.013.
[32] *Guide to Performance Measure Management* (2012), by the SAO, LBB, and GOBPP, page 22.

The General Appropriations Bill

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The General Appropriations Bill

The general appropriations bill is prepared by the LBB and filed in each house of the legislature at the beginning of each regular session. The bill contains the recommended budget for each state agency. The current General Appropriations Act is divided into administrative sections, called articles, under which agencies are organized. These articles are:

Article I	General Government
Article II	Health and Human Services
Article III	Education
Article IV	Judiciary
Article V	Public Safety and Criminal Justice
Article VI	Natural Resources
Article VII	Business and Economic Development
Article VIII	Regulatory
Article IX	General Provisions
Article X	The Legislature
Article XII	Savings Clause
Article XII	Emergency Clause

These article designations are often used when referring to agencies; for example, the Texas Ethics Commission is an Article I agency.

By way of illustration, pages 18 and 19 contain the budget for the Commission on Jail Standards for fiscal years (FY) 2014-2015 as found in the General Appropriations Act.

Method of Financing:
Sets forth the source of funding for an agency. (See section on revenue for a description of funding sources.)

Number of FTEs:
Sets forth the number of full-time equivalent (FTE) employees the agency may empty.

Schedule of Exempt Positions:
Sets forth salaries for employees who are not paid pursuant to the state classification schedule.

Goal:
Sets forth a goal the agency seeks to achieve.

Strategy:
Sets forth actions to be taken by the agency to achieve the goal. There may be multiple strategies under one goal. Funding is provided at the strategy level.

Object of Expense:
Listing of an agency's budget by category of expense versus strategy.

COMMISSION ON JAIL STANDARDS

	For the Years Ending August 31, 2014	For the Years Ending August 31, 2015
Method of Financing:		
General Revenue Fund	$ 905,990	$ 905,988
Appropriated Receipts	4,500	4,500
Total, Method of Financing	$ 910,490	$ 910,488
This bill pattern represents an estimated 100% of this agency's estimated total available funds for the biennium.		
Number of Full-Time-Equivalents (FTE):	16.0	16.0
Schedule of Exempt Positions:		
Executive Director, Group 1	$84,125	$84,125
Items of Appropriation:		
A. Goal: EFFECTIVE JAIL STANDARDS		
Assist Local Govts through Effective Standards & Technical Assistance.		
A.1.1. Strategy: INSPECTION AND ENFORCEMENT Perform Inspections of Facilities and Enforce Standards.	$ 330,687	$ 330,686
A.2.1. Strategy: CONSTRUCTION PLAN REVIEW Assist with Facility Need Analysis and Construction Document Review.	$ 74,532	$ 74,532
A.2.2. Strategy: MANAGEMENT CONSULTATION Assist with Staffing Analysis, Operating Plans, & Program Development.	$ 134,501	$ 134,501
A.3.1. Strategy: AUDITING POPULATION AND COSTS Collect and Analyze Data Concerning Inmate Population/Backlogs/Costs.	$ 48,400	$ 48,399
Total, Goal A: EFFECTIVE JAIL STANDARDS	$ 588,120	$ 588,118
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 322,370	$ 322,370
Grand Total, COMMISSION ON JAIL STANDARDS	$ 910,490	$ 910,488
Object-of-Expense Informational Listing:		
Salaries and Wages	$ 678,558	$ 678,557
Other Personnel Costs	18,200	18,200
Professional Fees and Services	550	550
Consumable Supplies	2,500	2,500
Utilities	8,500	8,500
Travel	115,812	115,811
Rent - Building	840	840
Rent - Machine and Other	31,200	31,200
Other Operating Expense	54,330	54,330
Total, Object-of-Expense Informational Listing	$ 910,490	$ 910,488

Riders:
Sets forth specific instructions regarding the expenditure or collection of funds by an agency.

Performance Measure Targets:
Sets forth a measurable target to be used in meeting a goal/strategy.

COMMISSION ON JAIL STANDARDS
(Continued)

Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:

Employee Benefits		
Retirement	$ 43,615	$ 50,325
Group Insurance	144,841	157,880
Social Security	52,491	52,491
Benefits Replacement	1,981	1,853
Subtotal, Employee Benefits	$ 242,928	$ 262,549
Debt Service		
Lease Payments	$ 50,480	$ 1
Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act	$ 293,408	$ 262,550

1. **Performance Measure Targets.** The following is a listing of the key performance target levels for the Commission on Jail Standards. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Commission on Jail Standards. In order to achieve the objectives and service standards established by this Act, the Commission on Jail Standards shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	2014	2015
A. Goal: EFFECTIVE JAIL STANDARDS		
Outcome (Results/Impact):		
Number of Jails Achieving Compliance with Standards	233	232
Percent of Jails with Management-related Deficiencies	3.69%	4.1%
A.1.1. Strategy: INSPECTION AND ENFORCEMENT		
Output (Volume):		
Number of Annual Inspections Conducted	244	244
A.2.1. Strategy: CONSTRUCTION PLAN REVIEW		
Output (Volume):		
Number of On-site Planning and Construction Consultations with Jail Representatives	120	120
A.2.2. Strategy: MANAGEMENT CONSULTATION		
Output (Volume):		
Number of On-site Operation and Management Consultations with Jail Representatives	270	270
A.3.1. Strategy: AUDITING POPULATION AND COSTS		
Output (Volume):		
Number of Paper-ready Reports Analyzed	6,600	6,600

2. **Appropriation: Inspection Fees.** The Commission on Jail Standards is hereby appropriated in Strategy A.1.1, Inspection and Enforcement, fees collected to pay only the cost incurred by the commission in performing inspections pursuant to Government Code, §511.0091 (estimated to be $13,000 in fiscal year 2014 and $13,000 in fiscal year 2015 from the General Revenue Fund and included in the amounts appropriated above).

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Strategic Planning and Performance Measures

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Strategic Planning and Performance Measures

Since 1993, state agencies have been required to develop long-term strategic plans.[33] An agency must issue a strategic plan each even-numbered year; the plan covers a five-year period. Among the items to be included in the plan are a statement of the mission and goals of the agency, performance measures, the persons or entities served by the agency, an analysis of the resources necessary for the agency to meet its goals, and an analysis of expected changes in services or programs due to changes in the law.[34] The LBB and GOBP may require that additional items be included in an agency's strategic plan.[35]

The LBB and GOBP issue instructions for developing strategic plans in the spring before the beginning of each legislative session. The LBB and GOBP work in conjunction with state agencies to develop strategic plans. As a part of the strategic planning process, agencies develop performance measures. Performance measures are quantifiable indicators of achievement. Texas uses four types of measures:

- outcome—indicates the effect on a stated condition;
- output—counts the services produced by an agency;
- efficiency—gauges resource cost per unit of product; and
- explanatory/input—provides information to help assess reported performance.[36]

For example, an output performance measure for the Texas Department of State Health Services (DSHS) might be the number of children from low-income families who receive free immunizations. Performance measures are linked to the budgeting process. They allow legislators to determine how well an agency is performing; often, legislators will question agency representatives in relation to performance measures.

In developing performance measures, an agency must develop a definition for each measure. "A performance measure's definition establishes both an explanation of the measure and the methodology for its calculation. It is important that the definition contain enough pertinent information to be clearly

[33] Chapter 2056, Texas Government Code.
[34] Ibid., Section 2056.002.
[35] Ibid.
[36] *Guide to Performance Measure Management* (2012), page 10.

understood and the description of its calculation be detailed enough to allow replication."[37] Among other information contained in a definition is an explanation of why the measure is important, outside factors that may affect measurement data, and the source of the information. In the DSHS example, the definition would establish what is meant by low-income family, which low-income families qualify for the program, and what types of immunizations are covered by the performance measure. The definition would also establish a method for counting the number of children who receive the immunizations. Forecasts are made on measures as a part of an agency's strategic plan and LAR following the development of performance measures. DSHS, in our example, might project that it will immunize a total of 2,000 children from low-income families over the next two years.

Over the next two years, an agency collects data on its performance measures and reports this information quarterly to the LBB, GOBP, and other agencies. As part of the data collection process, an agency must establish controls to ensure the data is properly collected and reported. Among the duties of the SAO are auditing performance measures and certifying those measures. The audit report on performance measures includes a report on the adequacy of controls in reporting data and the accuracy of agency reporting on actual performance.

At the end of the two years in our example, DSHS would appear before the legislature to seek funding for the next biennium. Among the information available to the legislators would be the number of children from low-income families receiving free immunizations during the previous biennium. If DSHS failed to meet its performance measure targets and, for example, immunized only 1,500 children, the legislators would want to know why. In addition, the legislators might have a state auditor's report that points out problems in the controls for reporting data; again the legislators may want to know what the problems are and whether those problems have been corrected. The answers to these questions could affect the level of funding received by the agency.

Strategic planning is an important part of fiscal planning in state agencies. In particular, as pointed out above, performance measures developed as a part of strategic planning can affect the amount an agency is appropriated by the legislature.

[37] Ibid., page 19.

Development of the Appropriations Bill

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Legislative Appropriations Requests

A Legislative Appropriations Request (LAR) is a document prepared by each state agency which details the amount of funding the agency is seeking from the legislature. Agencies receive assistance from the LBB in preparing agency LARs. In the spring months preceding a legislative session, the LBB and the governor's office develop and send out detailed instructions for LARs.[38] These instructions set forth a standard format and procedure for preparing LARs. Performance measures are included in these budget requests. The LBB staff uses these measures to establish performance targets for agencies. LARs must include the following:[39]

- *Summary of Baseline Request*—Summarizes the agency's expenditures and encumbrances for past years, budgeted amounts for the current fiscal year, and requested appropriations for the coming biennium;

- *Supplemental Information Regarding Exceptional Items*—Information about items that are not part of the agency's baseline budget request, but are exceptional in nature and warrant further discussion; and

- *Appropriation Rider and Unexpended Balances Schedule*—Details all appropriations through riders, including unexpended balances carried forward between bienniums.

In addition, LARs may include among other forms information relating to required budget reduction measures, appropriations tied to specific federal laws, and a statement from an official of the agency, generally the agency administrator or the governing board, explaining changes in policy or providing information about assumptions fundamental to the budget request.

Once an agency has completed its LAR, copies must be provided to the governor and the LBB. The instructions also specify that copies be provided to other agencies, such as the SAO, comptroller, and various libraries.

[38] Section 401.042, Texas Government Code. The instructions for the 2016-2017 LARs are available online at: *http://www.lbb.state.tx.us/AgenciesPortal.aspx*.
[39] See LAR instructions.

Joint Budget Hearings

In the fall before the beginning of a legislative session, the LBB and GOBP hold joint budget hearings. Staff members from both offices attend these hearings. Each agency attends its joint budget hearing to discuss the agency's LAR. This series of hearings usually goes on for several months and is arranged by the articles that appear in the general appropriations bill. For example, the joint committee will receive testimony from all agencies under Article V, Public Safety and Criminal Justice, during the same time period. At these hearings, the agencies have an opportunity to explain and justify their appropriation requests. During this time, the LBB, GOBP, and agencies discuss the performance targets that are set by the LBB, the amount of funding the agency should receive, and other aspects of the budget.

Following the joint budget hearings, the LBB develops the general appropriations bill draft. These hearings constitute an agency's last opportunity to influence the recommendations that will be made by the LBB in the general appropriations bill draft filed at the beginning of the regular legislative session.

The Appropriations Bill and the Legislative Process

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Comptroller's Biennial Revenue Estimate

The Texas Constitution prohibits the legislature from appropriating more than the anticipated revenue during the next biennium.[40] The same section of the constitution requires the comptroller to "submit to the Governor and to the Legislature upon its convening a statement under oath showing fully the financial condition of the State Treasury at the close of the last fiscal period and an estimate of the probable receipts and disbursements for the then current fiscal year. There shall also be in said statement an itemized estimate of the anticipated revenue . . . to be credited during the succeeding biennium. . . ."[41] This submitted statement is referred to as the *Biennial Revenue Estimate* (BRE).

The BRE contains not only the information required by the constitution, but also other fiscal information. For example, the BRE for the 84th Legislature includes:

- statements regarding the different revenue sources for the state and the anticipated amount of revenue from these sources;
- a statement on the economic outlook for Texas, which includes both historic information and a forecast; and
- an accounting of funds in the state treasury.[42]

Because the legislature cannot appropriate an amount greater than the anticipated revenue, this revenue estimate is critical in the budgeting process. This figure is used by legislators in making appropriations. The biennial revenue estimate can be adjusted by the comptroller during the session, so the initial estimate may be changed as the session progresses.

[40] Section 49a, Article III, Texas Constitution.
[41] Ibid.
[42] *Biennial Revenue Estimate, 2016-2017 Biennium, 84th Texas Legislature*, Glenn Hegar, Texas Comptroller of Public Accounts (January 2015).

Filing of the General Appropriations Bill

The director of the LBB is required to prepare the general appropriations bill, under the direction of the LBB.[43] Additionally, within five days of the beginning of a regular legislative session, the director of the LBB must transmit a copy of the budget of estimated appropriations to the governor and the legislature.[44]

Among the restrictions affecting the amount appropriated by the general appropriations bill is a provision that prohibits the rate of growth of appropriations in a biennium from state tax revenues not dedicated by the constitution from exceeding the estimated rate of growth of the state's economy.[45] This provision results in the budget of estimated appropriations, commonly known as the constitutional spending limit. The budget of estimated appropriations is instituted by the LBB. The LBB establishes:

- the estimated rate of growth of the state's economy from the current biennium to the next biennium;
- the level of appropriations for the current biennium from state tax revenues not dedicated by the constitution; and
- the amount of state tax revenues not dedicated by the constitution that could be appropriated for the next biennium within the limit established by the estimated rate of growth of the state's economy.[46]

The LBB determines the estimated rate of growth "by dividing the estimated Texas total personal income for the next biennium by the estimated Texas total personal income for the current biennium. Using standard statistical methods, the LBB shall make the estimate by projecting through the biennium the estimated Texas total personal income reported by the United States Department of Commerce or its successor in function."[47] The LBB may use a more comprehensive definition of the rate of growth if the definition is approved by a committee composed of the governor, lieutenant governor, speaker of the house, and comptroller.[48] To ensure compliance with Article VIII, Section 22, of the

[43] Section 322.008, Texas Government Code.
[44] Ibid.
[45] Ibid., Section 316.001.
[46] Ibid., Section 316.002.
[47] Ibid.
[48] Ibid.

Texas Constitution, the LBB is prohibited from transmitting in any form to the governor or the legislature the budget or the general appropriations bill until the limit on the rate of growth of appropriations has been adopted.[49] In the absence of an action by the LBB to adopt a spending limit, the estimated rate of growth in the state's economy from the current biennium to the next biennium is required to be treated as if it were zero, and the amount of state tax revenues not dedicated by the constitution that could be appropriated within the limit established by the estimated rate of growth in the state's economy is required to remain the same as the level of appropriations for the current biennium.[50] The committee must then adopt the rate of growth, the appropriations level, and the tax revenues as submitted by the LBB or as amended by the committee within 10 days.[51] If the committee fails to act, the items are treated as if they were adopted.

Once the constitutional spending limit has been established and the general appropriations bill has been prepared, the director of the LBB must transmit a copy of the general appropriations bill to the governor and the legislature by the seventh day of the legislative session.[52] The general appropriations bill is then filed in both the house of representatives and the senate.[53] The general appropriations bill may be introduced by any member of the legislature,[54] but is traditionally filed by the chair of the Senate Committee on Finance or the chair of the House Committee on Appropriations.

[49] Ibid.
[50] Ibid.
[51] Ibid., Section 316.005.
[52] Ibid., Section 322.008.
[53] Ibid., Section 316.021.
[54] Ibid.

Filing of the Governor's Budget

The governor is required to prepare a biennial appropriations budget and provide a copy to each member of the legislature.[55] The budget must include:

- the list of appropriations for the current year preceding the biennium for which appropriations are sought and recommended;
- expenditures for each of the two full years preceding the current year; and
- the amounts requested by the various agencies and the amounts recommended by the governor for each of the years of the biennium.[56]

Other items are sometimes included in the governor's state budget. The governor's budget may set forth the policy goals of the governor. These policy goals sometimes influence the fiscal policy set by the legislature during the session.

The governor is also allowed to prepare a general appropriations bill which may be submitted to the lieutenant governor, the speaker of the house, and the members of the legislature.[57] The governor's budget may also serve as the governor's general appropriations bill.

[55] Section 401.046, Texas Government Code.
[56] Ibid., Section 401.046.
[57] Ibid., Section 401.046.

Committee Hearing Process

After the general appropriations bill is filed, it is sent to committee. In the senate, the appropriations bill is sent to the Senate Committee on Finance, and in the house of representatives, the bill is sent to the House Committee on Appropriations.[58] The committees may begin hearings on the appropriations bill filed by the LBB without waiting for submission of the bill prepared by the governor.[59]

During these hearings, the committees in the respective houses hear testimony from state agencies regarding the agencies' requested appropriations.[60] Agency representatives answer questions from the legislators. Questions may arise about an agency's performance in relation to the agency's performance targets, problems within the agency, or programs for which the agency is seeking funding. Additionally, as with all legislative committee hearings, citizens are entitled to appear before the committees to offer testimony on proposed appropriations.[61]

After the agencies have testified before the respective committees, the committee in each house begins a process known as "markup." Agreements are reached on the funding for each agency and the wording of riders to be contained in the appropriations bill; the appropriations bill draft is then changed to reflect those agreements.

[58] Section 316.022, Texas Government Code.
[59] Ibid.
[60] Ibid.
[61] Ibid.

Committee Report

After markup has been completed and each committee has made changes to the general appropriations bill, the committees issue an altered bill as their committee report. The house version and the senate version of the general appropriations bill go to each respective chamber for a vote. The members in each chamber may make additional changes to the bill during floor debate. Eventually, a general appropriations bill is passed by each house. However, since there are almost always differences between the senate-passed and the house-passed versions of the general appropriations bill, a conference committee must be convened to resolve the differences.

Conference Committee and Final Approval

Following passage by each house, the differences in the general appropriations bill, if the versions differ, are reconciled via an appointed conference committee. The lieutenant governor or the president pro tempore of the senate, when the latter is presiding, appoints the senate members of the committee. The senator sponsoring or authoring the bill must be appointed chair of the senate conferees; at least two of the conferees must be from the Senate Committee on Finance.[62] In the House of Representatives, the speaker of the house appoints all conference committee members and names the chair of the house conferees.[63] The senate and house rules limit the discussions and actions of the conference committee to the matters in disagreement between the two houses.[64]

Both the house and senate rules govern the conference committee on the general appropriations bill as follows:

- If an item of appropriation appears in both house and senate versions of the bill, such items must be included in the conference committee report;

- If an item of appropriation appears in both house and senate versions of the bill and in identical amounts, no change can be made in such item or the amount thereof;

- If an item of appropriation appears in both house and senate versions of the bill but in different amounts, no change can be made in the item, but the amount thereof shall be at the discretion of the conference committee, provided that such amount shall not exceed the larger version and shall not be less than the smaller version;

- If an item of appropriation appears in one version of the bill and not in the other, such item can be included or omitted at the discretion of the conference committee. If the item is included, the amount thereof shall not exceed the sum specified in the version containing the item;[65] and

[62] Senate Rules, 84th Legislature, Rule 12.01.

[63] Rules of the House of Representatives, 84th Legislature, Rule 1, Section 16.

[64] Senate Rules, 84th Legislature, Rule 12.03, and Rules of the House of Representatives, 84th Legislature, Rule 13, Section 9(a).

[65] Senate Rules, 84th Legislature, Rule 12.04, and Rules of the House of Representatives, 84th Legislature, Rule 13, Section 9(b).

- If an item of appropriation appears in neither the house nor the senate version of the bill, the item must not be included in the conference committee report. However, the conference committee report may include appropriations for purposes or programs authorized by bills that have been passed and sent to the governor and may include contingent appropriations for purposes or programs authorized by bills that have been passed by at least one house.

Using these rules, the conference committee works out a general appropriations bill acceptable to the members of the committee. After the members of the conference committee have adopted the conference committee report, the bill is sent back to each house for approval.

Each house must now vote on the bill as reported by the conference committee. When both houses approve the conference committee report without change, the bill goes to the comptroller for certification and, if certified, to the governor. When either house makes a change to the conference committee report, the bill must be returned to the conference committee to work out the differences.

If resubmission of the bill to the conference committee occurs, each chamber usually adopts a resolution stating that if the conference committee deviated in any manner from the rules regarding creation of the appropriations bill, the bill deviation is not fatal to the bill.

Certification by Comptroller

After the general appropriations bill has been approved by both houses of the legislature, it must be certified by the comptroller. The Texas Constitution states that "no bill containing an appropriation shall be considered as passed or be sent to the governor for consideration until and unless the Comptroller of Public Accounts endorses his certificate thereon showing that the amount appropriated is within the amount estimated to be available in the affected funds."[66] If the general appropriations bill exceeds this limit, the comptroller returns the bill to the house in which it originated. The legislature must either reduce the level of appropriations or generate additional revenue, which is usually accomplished by passing a tax bill or other revenue measures. If the general appropriations bill is within the level of anticipated revenue, the comptroller certifies the bill and sends it to the governor for approval.

It should be noted that in the case of an emergency and "imperative public necessity" and by a four-fifths vote of each house, the legislature may make appropriations in excess of the anticipated revenue.[67]

[66] Section 49a, Article III, Texas Constitution.
[67] Ibid.

Governor's Approval

After the general appropriations bill has been certified by the comptroller, it is submitted to the governor for approval. The governor has line-item veto power, which allows the governor to veto specific appropriations rather than vetoing the entire bill.[68] If the governor vetoes items in the appropriations bill, the veto may be overridden by a two-thirds vote in each house of the legislature if the legislature is still in session. Once the governor has signed the general appropriations bill, it becomes the General Appropriations Act.

[68] Section 14, Article IV, Texas Constitution.

Administration of the Budget

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Administration of the Budget

The General Appropriations Act takes effect on September 1 of each odd-numbered year following the regular legislative session. Funds are dispensed to agencies based on this two-year budget act.

When necessary, the governor and the LBB have joint authority to transfer funds among programs within an agency or even between agencies; this is known as budget execution.[69] This process involves a proposal by the governor or the LBB to prohibit or to authorize a state agency to spend money, transfer money from one state agency to another, spend money within an agency for a purpose different than the one for which the money was appropriated, or change the time an appropriation is made.[70] The LBB may hold a public hearing regarding a proposal by the governor and then may accept, reject, or recommend changes in the proposal.[71] If the proposal is made by the LBB, the governor may hold a public hearing and then accept, reject, or recommend changes to the proposal.[72] Neither the governor nor the LBB may postpone distribution of an appropriation for a period that exceeds 180 days; reduce or eliminate an appropriation for the salary of an elected state official or a member of a board or commission appointed by the governor; or reduce or eliminate an appropriation to the legislative branch.[73] The governor or LBB are also authorized to take certain actions regarding funds appropriated to finance the foundation school program for a fiscal year.[74]

During the two years of the budget cycle, state agencies report to the LBB regarding each agency's performance relative to performance targets. Some agencies will be audited by SAO.

[69] Chapter 317, Texas Government Code.
[70] Ibid., Section 317.002.
[71] Ibid., Section 317.005.
[72] Ibid.
[73] Ibid.
[74] Ibid.

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State Revenue Sources

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State Revenue Sources

Texas gathers money from several revenue sources to pay for the vast number of services provided to its citizens. Among these revenue sources are taxes, fees, lottery receipts, interest income, and the federal government. During different parts of the budget cycle, amounts and estimates change as the budget players receive more information. *Figures 1* and *2* on page 49 depict the state's revenue sources for the 2014-2015 biennium.

Besides taxes, available general revenue funds come from ending balances carried forward from the previous biennium, federal receipts, and non-tax revenue such as interest, investment income, lottery proceeds, and licenses, fees, fines, and penalties.

It is important to note that property taxes in Texas are strictly local revenue sources. The largest portion of the local property tax is the portion imposed by school districts, which is used to build and maintain the state's public schools. The largest state budget item, or expenditure, is for education, which includes all public schools and institutions of higher education.

To complete your understanding of state finances, a discussion of the state's depository funds is necessary. While there are more than 500 funds and accounts in the state treasury, the General Revenue Fund and a few closely related special funds and accounts play key roles in state finance. Below are just a few examples of the major funds and accounts that make up the state's deposit balance.

The ***General Revenue Fund*** consists of non-dedicated general revenue and general revenue-dedicated accounts. The non-dedicated portion of the General Revenue Fund serves as the state's primary operating fund. Most state tax revenues, many state fees, and various other revenues are deposited as non-dedicated general revenue. Among the taxes deposited to non-dedicated general revenue are the receipts from the state sales tax, franchise tax, motor vehicle sales tax, alcohol and tobacco taxes, oil production tax, natural gas tax, and motor fuel tax. Expenditures may be made directly from non-dedicated general revenue, or, in some cases, revenue may be transferred from non-dedicated general revenue to special funds or accounts. The non-dedicated portion of the General Revenue Fund provides legislators the most discretion in spending.

There are more than 200 dedicated accounts maintained in the General Revenue Fund. These accounts receive revenue dedicated for a particular purpose.

Generally, the legislature may appropriate revenue from the dedicated accounts only for purposes to which the revenue is dedicated by law.

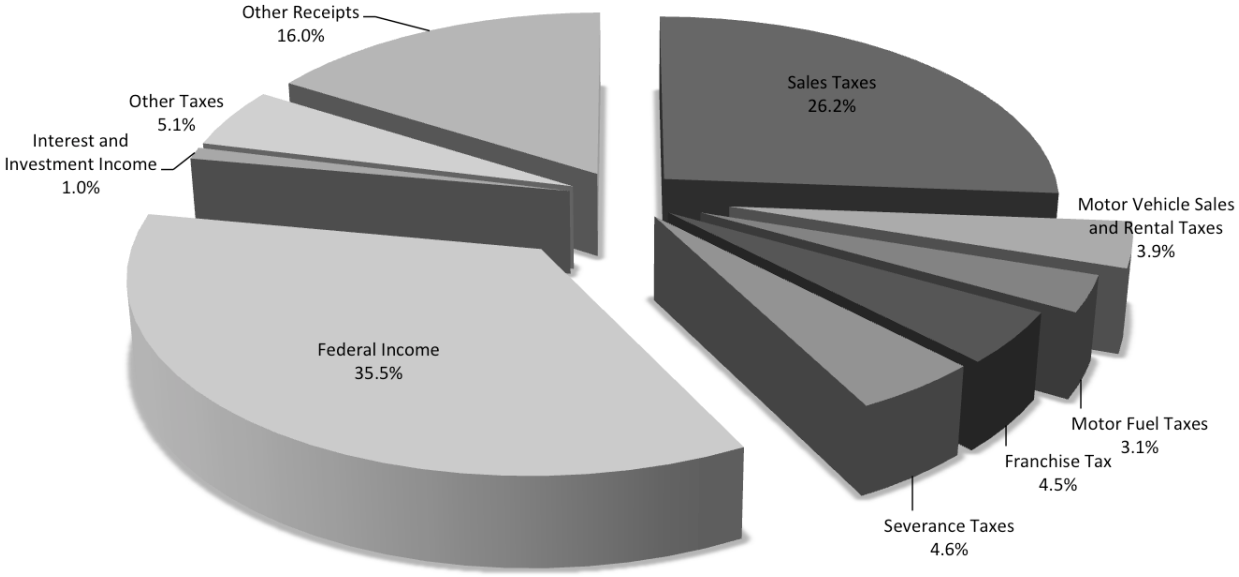
The ***Permanent School Fund*** (PSF) is a perpetual endowment to support Texas' public schools. Its original wealth was in land and money, but virtually all of the principal assets are now in securities.

The ***Available School Fund*** (ASF) receives interest and dividend income from the Permanent School Fund and one-fourth of motor fuel taxes. A portion of the ASF revenue is transferred to the State Instructional Materials Fund and used to provide instructional materials to children attending public schools. After the instructional materials allocation, remaining revenue in the ASF is allocated to school districts.

One-fourth of occupation taxes, which include, among others, the oil production tax, the natural gas production tax, and the gas, water, and electric utility tax, are constitutionally dedicated to public education. The revenue from these taxes is initially deposited to the General Revenue Fund, and then transferred to the ***Foundation School Account*** (FSA). With the passage of H.B. 4, 75th Legislature, net lottery proceeds became statutorily dedicated to public education and are deposited to the Foundation School Account. Revenue from the account is distributed to school districts based on foundation school program formulas.

The major revenue sources deposited directly to the ***State Highway Fund*** include motor vehicle registration fees, federal highway funds, and the sales tax on motor lubricants. Motor fuel tax revenue is deposited to the General Revenue Fund and a portion is allocated to the State Highway Fund. With voter approval of Proposition 1 in November 2014 a portion of funds collected from natural gas and oil taxes will be diverted from the Economic Stabilization Fund to the State Highway Fund. Revenue in the State Highway Fund is used for highway construction and maintenance, acquisition of rights-of-way, and law enforcement on public roads.

FIGURE 1
Estimated State Revenue Collection
Total = $208,152.7 Million



2014-2015 Biennium

Note: Biennial change and percentage change have been calculated on actual amounts before rounding in all tables and graphics in this chapter. Table and graphic totals may not add up because of rounding.

FIGURE 2
State Revenue Biennial Comparison, By Source

(In Millions)	Revenue					% Change				% of Total	
Source	**2011**	**2012**	**2013**	**2014**	**2015**	**2012**	**2013**	**2014**	**2015**	**2011**	**2015**
REVENUE											
Tax collections	$38,856.2	$44,079.1	$47,781.0	$48,913.4	$49,841.4	13.4	8.4	2.4	1.9	41.2	47.2
Federal receipts	38,430.5	32,922.0	32,530.3	35,902.6	38,013.5	(14.3)	(1.2)	10.4	5.9	40.8	36.0
Fees, fines, licenses, and penalties	7,876.6	7,595.1	7,919.6	8,293.9	8,169.2	(3.6)	4.3	4.7	(1.5)	8.4	7.7
Interest and investment income	1,034.6	1,098.9	1,182.9	1,084.0	1,098.1	6.2	7.6	(8.4)	1.3	1.1	1.0
Lottery	1,675.5	1,830.9	1,893.3	1,573.0	1,579.5	9.3	3.4	(16.9)	0.4	1.8	1.5
Land income	1,461.8	1,372.3	1,325.7	1,174.0	1,199.9	(6.1)	(3.4)	(11.4)	2.2	1.6	1.1
Other revenue sources	4,935.8	5,742.7	6,403.5	5,569.3	5,740.9	16.3	11.5	(13.0)	3.1	5.2	5.4
TOTAL, NET REVENUE	**$94,870.9**	**$94,641.1**	**$99,036.4**	**$102,510.3**	**$105,642.4**	**0.4**	**4.6**	**3.5**	**3.1**	**100.0**	**100**
.											
Sales tax	$21,479.0	$24,191.2	$25,943.8	$26,840.4	$27,724.7	12.6	7.2	3.5	3.3	55.3	55.6
Oil production taxes	1,472.8	2,103.3	2,990.9	3,262.8	3,237.1	42.8	42.2	9.1	(0.8)	3.8	6.5
Natural gas production tax	1,109.7	1,534.6	1,495.2	1,559.6	1,434.7	38.3	(2.6)	4.3	(8.0)	2.9	2.9
Motor fuel taxes	3,104.2	3,169.2	3,221.5	3,243.1	3,254.7	2.1	1.6	0.7	0.4	8.0	6.5
Motor vehicle sales and rental taxes	2,977.7	3,559.2	3,878.4	4,084.0	4,137.8	19.5	9.0	5.3	1.3	7.7	8.3
Corporation franchise tax	3,932.1	4,564.7	4,798.7	4,666.6	4,628.7	16.1	5.1	(2.8)	(0.8)	10.1	9.3
Cigarette and tobacco taxes	1,559.5	1,428.1	1,598.1	1,399.3	1,506.7	(8.4)	11.9	(12.4)	7.7	4.0	3.0
Alcoholic beverage taxes	862.0	929.7	976.9	1,007.7	1,049.7	7.9	5.1	3.2	4.2	2.2	2.1
Insurance occupation taxes	1,349.6	1,496.3	1,764.2	1,723.7	1,742.0	10.9	17.9	(2.3)	1.1	3.5	3.5
Utility taxes	457.7	450.9	434.9	427.2	419.7	(1.5)	(3.6)	(1.8)	(1.8)	1.2	0.8
Inheritance tax	1.8	(0.50)	(10.30)	0.0	0.0	(126.9)	2028.7	(100.0)	N/A	0.0	N/A
Hotel occupancy tax	348.8	401.4	441.1	462.1	474.8	15.1	9.9	4.8	2.7	0.9	1.0
Other taxes	201.1	250.9	247.7	237.0	230.8	24.8	(1.3)	4.3	(2.6)	0.5	0.5
TOTAL, TAX COLLECTIONS	**$38,856.2**	**$44,079.1**	**$47,781.0**	**$48,913.4**	**$49,841.4**	**13.4**	**8.4**	**2.4**	**1.9**	**100.0**	**100.0**

Source for Figures 1 and 2: Comptroller of Public Accounts.

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Looking at the 2014–2015 Budget

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Looking at the Budget

Most official budget documents, unofficial analyses, or summaries will look at the budget in two ways: All Funds and General Revenue Funds. The General Revenue Funds budget is critically relevant because it is the portion of the budget over which legislators have the most control; the General Revenue Funds budget includes the non-dedicated portion of the General Revenue Fund and the Permanent School Fund, Available School Fund, and Foundation School Account. Put another way, funds other than these general revenue funds offer legislators less discretion over the appropriations process because they are "tied up" in one of three ways: dedicated for specific use by statute or the Texas Constitution; passed through to the state by the federal government with restrictions on spending; or subject to a court order on how the money can be spent.

Texas has four constitutional limits on spending: a "pay-as-you-go," or balanced budget, limit;[75] a limit on welfare spending;[76] a limit on the rate of growth of appropriations from certain state taxes;[77] and a limit on debt service.[78]

Although amounts appropriated by the legislature are considered law as a practical matter, actual spending will almost always differ to varying degrees from those appropriated amounts.

Accordingly, as time passes, budgets are labeled as recommended, appropriated, estimated, or expended, or a combination thereof.

[75] Section 49a, Article III, Texas Constitution.
[76] Ibid., Section 51a.
[77] Ibid., Section 22, Article VIII.
[78] Ibid., Section 49j.

The Current Budget: An Example

General Appropriations Act – S.B. 1, 83rd Legislature

The current budget, or the *2014-2015 General Appropriations Act*, was filed by Senator Tommy Williams, chairman of the Senate Committee on Finance, and sponsored by Representative Jim Pitts, chairman of the House Committee on Appropriations. The Act was finally passed by the legislature on May 27, 2013, certified by the comptroller, signed by the governor on June 14, 2014, and became effective on September 1, 2013, the first day of fiscal year 2014.

The final recommended appropriations for the 2014-2015 biennium total $200.4 billion in "All Funds"—a $9.7 billion, or 5.1 percent, decrease in state funding from the previous biennial level. (See *Figures 3* and *4* on page 55.) The All Funds budget includes General Revenue Funds, General Revenue-Dedicated Funds, Federal Funds, and Other Funds (see the *Glossary of Terms* for definitions).

The General Revenue Funds budget, including General Revenue and General Revenue-Dedicated Funds, totals $94,977 million for the 2014-2015 biennium. Agencies of education received the largest share of combined General Revenue and General Revenue-Dedicated Funds, equal to $50,760.4 million, or 53.45 percent, for the 2014-2015 biennium. (See *Figures 5* and *6* on page 56 and *Figures 7* and *8* on page 57.)

Source: *Fiscal Size-up 2014-2015 Biennium*, LBB.

FIGURE 3
All Funds Budget
2014-2015: $200,421.1 Million
Percentage of Budget by Function

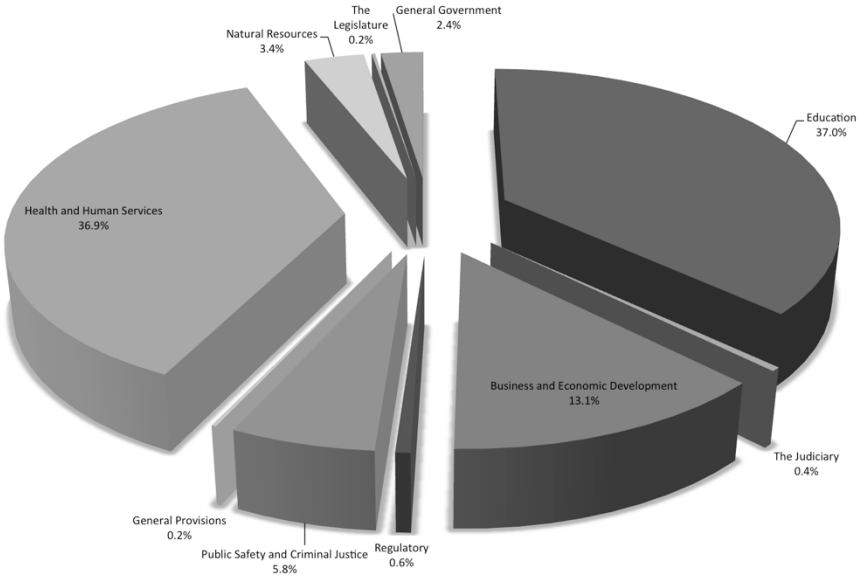

FIGURE 4
Comparison of All Funds - Statewide Summary

Appropriation Areas (Function)	**2012-13 Biennium** (expended/budgeted) (in millions) [1]	**2014-15 Biennium** (appropriated) (in millions) [(2)(3)]	**Biennial Change** (in millions)	**Percent Change** (%)
Article I - General Government	$4,918.0	$4,840.3	($77.8)	(1.6)
Article II - Health and Human Services	$68,829.6	$73,891.9	$5,062	7.4
Article III - Education	$75,773.2	$74,199.0	($1,574.2)	(2.1)
Public Education	*$52,400.0*	*$56,274.7*	*$3,874.6*	*7.4*
Higher Education	*$23,373.2*	*$17,924.3*	*($5,448.9)*	*(23.3)*
Article IV - The Judiciary	$656.1	$757.0	100.9	15.4
Article V - Public Safety and Criminal Justice[3]	$11,709.0	$11,682.0	($27.0)	(0.2)
Article VI - Natural Resources[3]	$4,957.7	$6,763.4	$1,805.8	36.4
Article VII - Business and Economic Development	$22,859.2	$26,292.4	$3,433.2	15.0
Article VIII - Regulatory	$703.0	$1,286.1	$583.0	82.9
Article IX - General Provisions	0.0	$349.3	349.3	N/A
Article X - The Legislature	$348.9	$359.6	$10.8	3.1
Total, All Functions	**$190,754.8**	**$200,421.1**	**$9,666.4**	**5.1**

Notes on Figures 3 and 4:
1 Reflects provisions in House Bill 10, 83rd Legislature, Regular Session, 2013; House Bill 1025, 83rd Legislature, Regular Session, 2013; technical and/or reconciling adjustments; and the Governor's vetoes.
2 Reflects certain appropriation adjustments made in Article IX of Senate Bill 1, 83rd Legislature, Regular Session, 2013; House Bill 7, 83rd Legislature, Regular Session, 2013; House Bill 1025, 83rd, Regular Session, 2013; Senate Joint Resolution, 83rd Legislature, Third Called Session, 2013; other legislation passed by the 83rd Legislature that make or change appropriations; technical and/or reconciling adjustments; and the Governor's vetoes.
3 Appropriated amounts in All Funds and Other Funds for 2014-2015 exclude an estimated total of $6.1 billion in patient income from the appropriations to health-related institutions of higher education. The receipt of these funds is not limited by the Legislature and institutions will continue to receive this income.
Notes: Article totals exclude interagency contracts. Totals may not sum due to rounding.
Source: Legislative Budget Board.

FIGURE 5
General Revenue Funds Budget
2014-2015: $94,977 Million
Percentage of Budget By Function

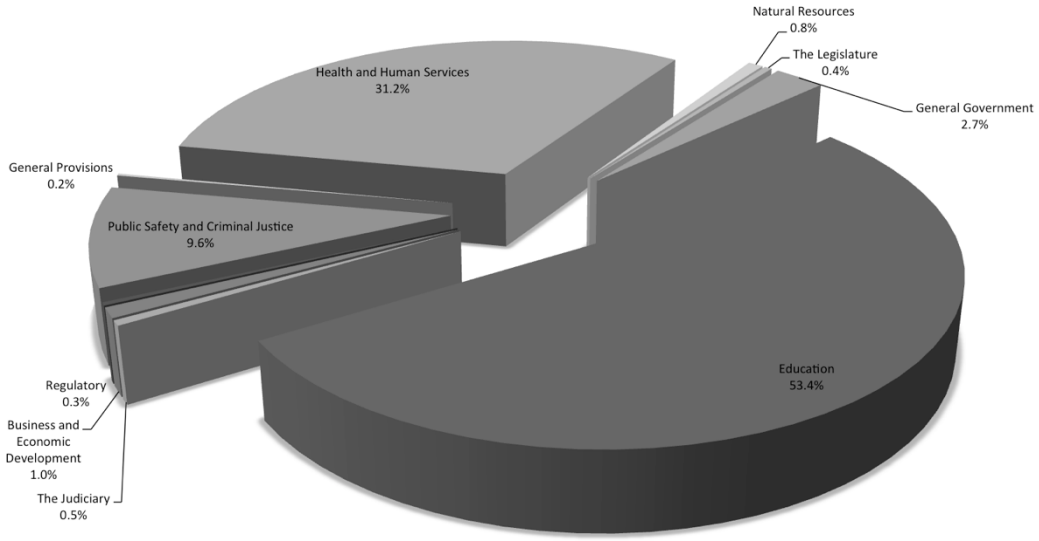

FIGURE 6
Comparison of General Revenue Funds Statewide Summary

Appropriation Areas (Function)	**2012-13 Biennium** (estimated/budgeted) (in millions) [1]	**2014-15 Biennium** (appropriated) (in millions) [2]	**Biennial Change** (in millions)	**Percent Change** (%)
Article I - General Government	$2,217.1	$2,530.8	$313.7	14.1
Article II - Health and Human Services	$27,536.0	$29,652.5	$2,116.5	7.7
Article III - Education	$45,371.0	$50,760.4	$5,389.4	11.9
Public Education	*$32,989.0*	*$37,672.1*	*$4,683.0*	*14.2*
Higher Education	*$12,382.0*	*$13,088.3*	*$706.3*	*5.7*
Article IV - The Judiciary	$386.1	$438.8	$52.7	13.7
Article V - Public Safety and Criminal Justice	$8,371.7	$9,111.0	$739.3	8.8
Article VI - Natural Resources	$602.5	$724.1	$121.6	20.2
Article VI - Business and Economic Development	$925.6	$962.0	$36.4	3.9
Article VIII - Regulatory	$258.0	$276.3	$18.3	7.1
Article IX - General Provisions	0.0	$161.6	$161.6	N/A
Article X - The Legislature	$348.5	$359.4	$10.9	3.1
Total, All Functions	**$86,016.4**	**$94,977.0**	**$8,960.5**	**10.4**

Notes on Figures 5 and 6:
1 Reflects provisions in House Bill 10, 83rd Legislature, Regular Session, 2013; House Bill 1025, 83rd Legislature, Regular Session, 2013; technical and/or reconciling adjustments; and the Governor's vetoes.
2 Reflects certain appropriation adjustments made in Article IX of Senate Bill 1, 83rd Legislature, Regular Session, 2013; House Bill 7, 83rd Legislature, Regular Session, 2013; House Bill 1025, 83rd Legislature, Regular Session, 2013; Senate Joint Resolution 1, 83rd Legislature, Third Called Session, 2013, other legislation passed by the 83rd Legislature that make or change appropriations; technical and/or reconciling adjustments; and the Governor's vetoes.
Notes: Totals may not sum due to rounding.
Source: Legislative Budget Board.

FIGURE 7
General Revenue-Dedicated Funds Budget
2014-2015: $7,314.6 Million
Percentage of Budget By Function

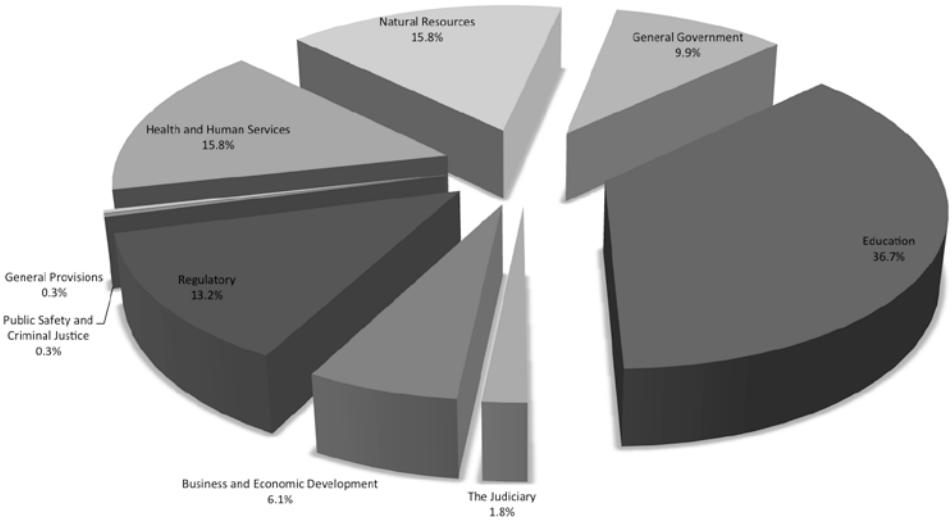

FIGURE 8
Comparison of General Revenue-Dedicated Funds
Statewide Summary

Appropriation Areas (Function)	**2012-13 Biennium** (estimated/budgeted) (in millions) [1]	**2014-15 Biennium** (appropriated) (in millions) [2]	**Biennial Change** (in millions)	**Percent Change** (%)
Article I - General Government	$798.6	$722.9	($75.6)	(9.5)
Article II - Health and Human Services	$1,006.6	$1,159.1	$152.5	15.2
Article III - Education	$2,617.6	$2,685.1	$67.5	2.6
Public Education	*$0.7*	*0.0*	*($0.7)*	*(100.0)*
Higher Education	*$2,616.9*	*$2,685.1*	*$68.2*	*2.6*
Article IV - The Judiciary	$81.4	$135.1	$53.7	65.9
Article V - Public Safety and Criminal Justice	$160.4	$24.3	($136.1)	(84.8)
Article VI - Natural Resources	$1,069.0	$1,154.7	$85.7	8.0
Article VI - Business and Economic Development	$444.8	$445.1	$0.3	0.1
Article VIII - Regulatory	$377.1	$965.6	$588.5	156.1
Article IX - General Provisions	$0.0	$22.6	$22.6	N/A
Article X - The Legislature	$0.0	$0.0	$0.0	N/A
Total, All Functions	**$6,555.5**	**$7,314.6**	**$759.1**	**11.6**

Notes on Figures 7 and 8:
1 Reflects provisions in House Bill 10, 83rd Legislature, Regular Session, 2013; House Bill 1025, 83rd Legislature, Regular Session, 2013; technical and/or reconciling adjustments; and the Governor's vetoes.
2 Reflects certain appropriation adjustments made in Article IX of Senate Bill 1, 83rd Legislature, Regular Session, 2013; House Bill 7, 83rd Legislature, Regular Session, 2013; House Bill 1025, 83rd Legislature, Regular Session, 2013; Senate Joint Resolution 1, 83rd Legislature, Third Called Session, 2013, other legislation passed by the 83rd Legislature that make or change appropriations; technical and/or reconciling adjustments; and the Governor's vetoes.
Notes: Totals may not sum due to rounding.
Source: Legislative Budget Board.

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Glossary

of

Terms

Some of the terms defined in this glossary are not mentioned in the text of *Budget 101: A Guide to the Budget Process in Texas*. These terms are included because they are terms that may be useful in studying or working on the budget.

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Glossary of Terms

act: A bill passed by the legislature, approved by the governor, and recorded with the secretary of state. The governor has the discretion to allow a bill to become law without the governor's signature.

agency: A statutorily or constitutionally established entity authorized to act on behalf of and as an agent of the state and usually funded by the General Appropriations Act.

agency goals: The general ends toward which agencies direct their efforts. A goal addresses issues by stating policy intention. Goals are both qualitative and quantitative, but specific goals are not quantified.

agency mission: The reason for an agency's existence. An agency's mission succinctly identifies what the agency does, why, and for whom.

all funds budget: The "all funds" budget includes General Revenue Funds, General Revenue-Dedicated Funds, Federal Funds, and Other Funds.

appropriated: Refers to the dollars or associated full-time equivalent positions authorized for specific fiscal years, and to the provisions for spending authority.

appropriated receipts: Fees and other revenue collected for services performed by a state agency which are usually appropriated to the agency to help recover the agency's costs for performing the services.

article: A major division of a bill or statute. Used in the general appropriations bill to group agencies with similar functions.

Available School Fund: A constitutionally created fund consisting of the distributions made to it from the total return on all investment assets of the Permanent School Fund, the taxes authorized by the Texas Constitution or general law to be part of the Available School Fund (ASF), and appropriations made to the ASF by the legislature. A portion of the ASF is transferred to the State Instructional Materials Fund to provide instructional materials for children attending the public schools and the balance of the ASF is allocated to school districts. See also *Permanent School Fund*.

base of reference budget: A budgetary forecast sometimes produced by the Legislative Budget Board which projects the budgetary needs of Texas state government for succeeding fiscal years based on current law.

base period: The fiscal year, biennium, or other period that is the basis for budget or performance projections.

biannual: Occurring twice a year.

biennial: Occurring every two years.

biennial revenue estimate (BRE): Article III, Section 49a, of the Texas Constitution requires the Comptroller of Public Accounts of the State of Texas to submit to the governor and legislature upon its convening a statement showing the financial condition of the state treasury at the close of the last fiscal period and an estimate of the probable receipts and disbursements for the current fiscal year, as well as an itemized estimate of the anticipated revenue to be credited during the succeeding biennium.

biennium: A two-year period. In Texas, as used in fiscal terms, it is the two-year period beginning on September 1, and ending on August 31 of odd-numbered years, for which general state appropriations are made. A biennium is identified by the two fiscal years of which it consists, e.g., 2014-2015 biennium.

bill: A proposed new law, or amendment to existing law, that is introduced for legislative consideration. A bill which is enrolled by the legislature and approved by the governor becomes a law.

briefing document: A document occasionally produced prior to the beginning of a legislative session that provides legislators with an overview of functional areas and the major agencies within each function. Included are current funding and performance data, the impact of major legislative changes, significant appropriations request items, interstate comparisons, and selected issues by function.

budget document (Legislative Budget Estimates): A biennial document prepared by the Legislative Budget Board staff that contains agency funding and performance data for previous years, budgeted data for the current year, agency requested data for the next biennium, and Legislative Budget Board appropriation

recommendations for state agencies and institutions. The document is introduced into the legislature at the beginning of each regular session.

budget execution: Authority granted the governor and the Legislative Budget Board to make transfers of appropriations between agencies and items within the adopted budget.

budgeted: Refers to the planned level of expenditures, performance, or number of full-time equivalent positions for a particular fiscal year.

capital budget: The portion of an agency's appropriation that is restricted to expenditures for designated capital construction projects or capital acquisitions.

capital improvements: Building or infrastructure projects that will be owned by the state and built with direct appropriations or with the proceeds of state-issued bonds.

certification estimate: Document certifying that the amount appropriated in the General Appropriations Act is less than or equal to the amount estimated to be available. This document is produced by the Comptroller of Public Accounts of the State of Texas to help fulfill the requirement in the Texas Constitution that the state not spend more money than it has.

classification plan: Schedule of position titles, job descriptions, and pay levels that all state agencies, with the exception of higher education and legislative agencies, must use in establishing and filling non-exempt full-time equivalent positions.

classified positions: Those positions identified in the general provisions of the General Appropriations Act, that are established in accordance with the State Classification Act of 1961.

constitutional limit: Any of four constitutional provisions that restrict amounts that the legislature may appropriate for expenditure. Texas has four constitutional limits on spending: a "pay-as-you-go," or balanced budget, limit; a limit on welfare spending; a limit on the rate of growth of appropriations from certain state taxes; and a limit on debt service.

contingency appropriations: Appropriations contingent upon passage of legislation or upon certain conditions being met.

current services: An estimate of the anticipated costs and funding necessary to continue programs at their present service levels without changes of policy or legal requirements.

dedicated funds: Funds in the General Revenue Fund that hold revenue dedicated for a particular purpose. Funds can be dedicated constitutionally or statutorily.

discretionary revenue: Revenue not dedicated for specific purposes. Revenue falling into this category is usually deposited in the General Revenue Fund.

efficiency: A criterion used to measure a program's inputs relative to its outputs. An efficient program is one which uses the minimum possible resources while achieving its intended outcomes.

efficiency measure: One of four types of key performance measures used in strategic planning. An efficiency measure gauges resource cost in dollars, employee time, or equipment used per unit of product or service output. An efficiency measure relates agency efforts to agency outputs.

elements of cost: Categories of appropriation and expenditure used for certain institutions of higher education.

engrossed: A bill is engrossed when it has been passed by the chamber of the legislature in which it was originally filed.

enrolled: A bill is enrolled when it has been passed by both houses of the legislature. After enrollment, a bill is sent to the governor for signature or veto.

estimated (est.): In an agency's Legislative Appropriations Request, this refers to the estimated expenditures or number of full-time equivalent positions for the first fiscal year in the current biennium. Because these numbers are developed later in the fiscal year, they are considered to be more accurate than "budgeted" numbers.

exempt position (non-classified): A position which is exempted from the position classification plan. Usually listed in the General Appropriations Act (see Schedule of Exempt Positions), exempt positions are designated by the governor under authority of the State Classification Act of 1961. Article IX of the General Appropriations Act establishes conditions for exempt positions.

expended (exp.): Refers to the actual dollars or positions utilized by an agency or institution during a completed fiscal year; a goal or strategy; an object of expense; or an amount from a particular method of finance.

explanatory/input measures: One of four types of key performance measures used in strategic planning. An explanatory/input measure provides information to help users assess the significance of performance reported in other types of measures. An agency may have limited or no control over factors addressed by explanatory/input measures, such as environmental or demographic characteristics related to agency target populations. However, explanatory/input measures may also focus on variables over which an agency has significant control, such as staffing patterns for specific functions.

federal funds: Funds received from the United States government by state agencies and institutions that are appropriated to those agencies for the purposes for which the federal grant, allocation, payment, or reimbursement was made.

fiscal note: Accompanies a bill and provides a synopsis of the estimated financial impact, including cost, revenue, and staffing impacts, enacting the bill will have. Required for every bill by senate rules; in the house, a fiscal note is required on the determination of the chair of the committee hearing a bill that the bill has fiscal implications.

Fiscal Size-up: A biennial document prepared by Legislative Budget Board staff that describes state agency operations and summarizes the appropriations made during the preceding legislative session.

fiscal year (FY): September 1 through August 31, and specified by the calendar year in which the fiscal year ends, e.g., fiscal year 2015 runs from September 2014 through August 2015.

full-time equivalents (FTEs): Units of measure that represent the monthly average number of state personnel working 40 hours a week.

function: A grouping of state agencies that provide related services; forms the basis of articles in the General Appropriations Act, e.g., General Government, Health and Human Services, and Education.

fund: A constitutionally or statutorily authorized repository of revenue that is used for financing appropriations and which consists of either: (1) an independent

fiscal entity with a self-balancing set of accounts, e.g., State Highway Fund; or (2) a category of revenues of receipts, e.g., federal funds.

General Appropriations Act: The law that appropriates biennial funding to state agencies for specific fiscal years and sets provisions for spending authority.

general appropriations bill: The appropriations legislation as it moves through the legislative process and before it is passed and signed into law.

General Revenue Fund: The fund (No. 001) that receives state tax revenues and fees considered available for general spending purposes and certified as such by the comptroller of public accounts.

general revenue–dedicated: Accounts that can be counted as general revenue but must be used for the purposes identified in general law to the extent such money is appropriated in the General Appropriations Act.

general revenue–related funds: General revenue funds that are not considered dedicated funds, including the General Revenue Fund, the Available School Fund, the Foundation School Fund, and the State Instructional Material Fund. Also referred to as "funds affecting certification."

House Appropriations Committee: The house committee with jurisdiction over all appropriations, allocations, and diversions of money from the state treasury.

historically underutilized business (HUB): A business in which at least 51 percent of ownership is by one or more persons who: (1) are socially disadvantaged because of their identification as African Americans, Hispanic Americans, women, Asian Pacific Americans, or Native Americans, and have suffered the effects of discriminatory practices; and (2) have a proportionate interest and participation in the control, operation, and management of the business.

inputs: The resources that an agency uses to produce services, including human, financial, facility, or material resources.

issue docket: A document prepared for the Conference Committee on Appropriations identifying the differences in line-item amounts and rider language between the house and senate versions of the general appropriations bill.

key performance measure: A measure that indicates the extent to which an agency is achieving its goals or objectives and that is identified in the General Appropriations Act along with targeted performance objectives for each year of the biennium. These can be outcome, output, efficiency, or input/explanatory measures.

Legislative Appropriations Request (LAR): A formal request for funding made by each state agency and institution. This request is in accordance with instructions developed by the Legislative Budget Board and Governor's Office of Budget and Policy. The agency request is prepared according to the approved strategic planning and budget structure for that agency.

Legislative Budget Board (LBB): A legislative agency consisting of the lieutenant governor, speaker of the house, and eight members of the legislature who have specific charges to direct the expenditure and appropriation of state funds. Also refers to the staff members of the Legislative Budget Board.

line item: An element of spending authority granted to an agency or institution in an appropriations bill. Literally, a line in the General Appropriations Act specifying an agency's appropriations for a specific designated use. In Texas, the governor may veto a line item.

line-item veto: The governor's authority to veto spending on a line-item basis. Allows the governor to veto spending for a particular item without eliminating total agency funding.

markup: The term used to describe the period of time during which the Senate Finance Committee or the House Appropriations Committee makes changes to the general appropriations bill.

master list of classifications: A detailed listing of all authorized classified position titles which appears in the general provisions of the General Appropriations Act, including job class numbers, titles, and salary groups.

measure: An indicator of agency efforts and accomplishments. Measures indicate agency accomplishments already achieved, planned, or required by legislative directive.

method of finance: The term usually appears as a heading for a table that lists the sources and amounts authorized for financing certain expenditures or

appropriations made in the General Appropriations Act. A source is either a "fund" or "account" established by the comptroller, or a category of revenues or receipts (e.g., federal funds).

mission: An element of an agency's strategic plan that describes the reason for the agency's existence.

non-budgetary elements: Strategic planning goals, objectives, or strategies created to convey an agency activity or service which is not separately and directly costed or funded. Non-budgetary elements are not included as a distinct and separate item in the agency's appropriations request and may have measures which remain internal to the agency and are not reported on a routine basis to oversight entities.

number of positions: The total number of positions shown for a strategy, goal, or agency includes full-time exempt positions, full-time classified positions, and full-time hourly and seasonal positions. In addition, it includes those positions which are not full-time regular positions, but are converted to full-time equivalents.

object of expense: An expense category used in an agency's Legislative Appropriations Request covering payments for a period of time or class of items. For example, "personnel" covers payments for the services of agency employees, i.e. salaries and benefits.

objectives: Clear targets for specific actions. Objectives mark interim steps toward achieving an agency's long-range mission and goals. Linked directly to agency goals, objectives are measurable, time-based statements of intent.

other funds: Any funds not included in the other methods of finance (general revenue funds, general revenue-dedicated funds, and federal funds). "Other funds" include the State Highway Fund, trust funds, bond proceeds, interagency contracts, certain revenue held in higher education "local" accounts and constitutional funds (except the *Available School Fund*).

outcome measures: One of four types of key performance measures used in strategic planning. An outcome measure indicates the actual effect upon a stated condition or problem. These measures are tools to assess the effectiveness of an agency's performance and the public benefit derived.

outcomes: Outcomes are quantified results or impacts of government actions.

output measures: One of four types of key performance measures used in strategic planning. An output measure is a tool or indicator used to count the services and accomplishments produced by an agency. The number of people receiving a service or the number of services delivered is often used as measures of output.

performance measure: See "measure."

Performance Report: A biennial document prepared by the Legislative Budget Board that compiles selected performance evaluations. The document is submitted to the legislature at the start of each regular session.

performance target: Quantitative performance standards set by the legislature in the General Appropriations Act.

Permanent School Fund (PSF): The PSF was created in 1854 expressly for the benefit of the public schools of Texas. The Constitution of 1876 stipulated that certain lands and all proceeds from the sale of those lands should also constitute the PSF. Additional Acts later gave more public domain land and rights to the PSF. All of the proceeds from the sale or rental of those lands, including lease rentals, bonuses, and royalty payments, become the corpus of the PSF. Currently, most of the principal assets of the PSF are in securities. See also Available School Fund.

priority (statewide) goal: The general ends toward which the state directs its efforts. Priority goals address the primary issues facing the state within broad groupings of interrelated state concerns. Priority goals are founded on the statewide vision prepared by the governor and the Legislative Budget Board and may involve coordination among several agencies with similar functions.

quarterly/annual report on performance (performance measures report): Quarterly and annual reports submitted by state agencies showing planned and actual performance in terms of outcome and explanatory measures (reported annually) and output and efficiency measures (reported quarterly).

recapitulation (recap): A concise statement appearing at the beginning of the General Appropriations Act and at the end of General Appropriations Act articles and Legislative Budget Estimates that summarizes the appropriations for all

agencies for the biennium by general revenue, general revenue–dedicated, federal funds, other funds, and all funds.

recommended (rec.): Refers to the dollar amounts of state agency appropriations or number of positions recommended by LBB staff for the subsequent biennium.

reclassification: A change in the salary group pertaining to a particular classified position.

requested (req.): Refers to the dollars or positions sought by an agency for appropriation by the legislature for use during the subsequent biennium.

resolution: Legislation that is used for matters of business within one house or between the two houses. For instance, rules are adopted and modified by resolutions.

rider: A legislative directive or appropriation inserted in the General Appropriations Act following appropriation line items for an agency or in the special or general provisions of the act. A rider provides direction, expansion, restriction, legislative intent, or an appropriation. The term also applies to special provisions at the end of each article and general provisions in the General Appropriations Act. A rider appropriation is distinguished from a regular appropriation (i.e., line items in the General Appropriations Act), and a special appropriation (i.e., legislation other than the General Appropriations Act).

salary group: Each classified position has a related salary level. Salary groups range from Group 02 through Group 21. Each grouping designates a salary range further divided into Step 1 through Step 8.

schedule of exempt positions: Schedule of personnel employed on a regular basis who are exempted from the position classification plan by the General Appropriations Act or by the governor.

Senate Finance Committee: The senate committee that deals with legislation affecting appropriations, revenues, and matters of state financial activity.

special funds: Non-general revenue funds that have retained their revenue dedication and are exempt from funds consolidation.

statute: A law enacted by the legislature. Statutes are generally placed in codes with other legislation on the same subject.

strategic plan: A formal document that communicates an agency's mission, goals, objectives, strategies, and performance measures. Other elements of a strategic plan include an internal/external assessment and agency philosophy.

strategic planning: A long-term, future-oriented process of assessment, goal-setting, and decision-making that maps an explicit path between the present and a vision of the future, that relies on careful consideration of an organization's capabilities and environment, and leads to priority-based resource allocation.

strategic planning and budgeting system: The budgeting system for the State of Texas. Under this system, agencies request and receive appropriations related to elements of their strategic plans. Typically, legislative line-item appropriations are made to agencies for specific strategies.

strategies: Formulated from goals and objectives, a strategy is the means for transforming inputs into outputs, and ultimately outcomes, employing the best use of resources. A strategy describes a method to achieve goals and objectives. The legislature typically appropriates money to strategy line items.

transferability: The ability of an agency to transfer legislative appropriations from one agency to another, from one department to another, or from an agency's line item to another line item. Transferability is generally authorized by rider in the General Appropriations Act.

unexpended balance (U.B.): The amount left in an item of appropriation at the end of an appropriation period and includes only that part of the appropriation, if any, which has not had an obligation or commitment made by the agency in charge of spending the appropriation. The term also refers to the amount of an appropriation, a fund, or a category of revenue which is brought forward (appropriated) to the succeeding fiscal year.

unlimited (U.L.): The abbreviation "U.L." is used in schedules of classified positions and schedules of exempt positions (in the General Appropriations Act) to indicate that an unlimited number of positions are authorized. If used in the heading of the schedule, it means that an unlimited number of positions are authorized for all positions in the schedule. If used beside a position name, it means that an unlimited number of positions is authorized for that particular position.

Budget-Related Abbreviations and Acronyms

AAA—area agency on aging
AAS—Agriculture Analytical Service
ABTPA—Automobile Burglary and Theft Prevention Authority
ACP—Alternative Certification Program; Texas Address Confidentiality Program
ADA—average daily attendance; Americans with Disabilities Act
ADP—average daily population
ADR—alternative dispute resolution
ADS—advanced database systems
AEIS—Academic Excellence Indicator System
AFRED—Alternative Fuels Research and Education Division
AGD—Adjutant General's Department
AISD—Austin Independent School District
AL-EXT—Texas AgriLife Extension Service
ALI—automatic location identification
ALR—Administrative License Revocation (Division)
AL-RSRCH—Texas AgriLife Research
APS—Adult Protective Services
ARRA—American Recovery and Reinvestment Act
ASEP—Accountability System for Educator Preparation
ASF—Available School Fund
ATPA—Automobile Theft Prevention Authority (renamed ABTPA)
AUF—Available University Fund
AYP—Adequate Yearly Progress
BAB—Build America Bond (program)
BCLS—Basic Civil Legal Services
BCOM—Baylor College of Medicine
BEG—(The University of Texas) Bureau of Economic Geology
BEST—Blindness Education, Screening, and Treatment (Program)
BET—Business Enterprises of Texas (Program)
BPP—Board of Pardons and Paroles
BRAC—Base Realignments and Closures
BRB—Bond Review Board
BRP—benefit replacement pay
CAS—Community Attendant Services
CASA—Court-Appointed Special Advocate
CBA—community-based alternative
CCA—Coastal Conservation Association
CCC—Coastal Coordination Council
CCDF—Child Care and Development Fund
CCR—Child Care Regulation (Program)
CCTS—Capitol Complex Telephone System
CDA—comprehensive development agreement
CDBG—Community Development Block Grant
CDL—constitutional debt limit

CEF—Cultural Endowment Fund
CFP—(Texas) Clean Fleet Program
CHIP—Children's Health Insurance Program
CHRI—criminal history record information
CIAP—Coastal Impact and Assistance Program
CIL—Centers for Independent Living
CISO—Chief Information Security Office
CJAD—Community Justice Assistance Division
CJD—Criminal Justice Division
CLASS—Community Living and Support Services (Waiver Program)
CLED—Criminal Law Enforcement Division
CMHCC—Correctional Managed Health Care Committee
CMP—Coastal Management Program
CPRIT—Cancer Prevention and Research Institute of Texas
CPS—Child Protective Services
CRCB—Court Reporter Certification Board
CSCD—Community Supervision and Corrections Department
CSEC—Commission on State Emergency Communications
CSHCN—children with special health care needs
CSOT—Council on Sex Offender Treatment
CWA—Clean Water Act
CWP—Consolidated Waiver Program
CWSRF—Clean Water State Revolving Fund
CYD—Community Youth Development (Program)
DADS—Department of Aging and Disability Services
DAHS—Day Activity and Health Services
DARS—Department of Assistive and Rehabilitative Services
DAS—debt affordability study
DATE—District Awards for Teacher Excellence
DBMD—Deaf Blind/Multiple Disability (Waiver Program)
DCS—Data Center Services
DDS—Disability Determination Services
DEAAG—Defense Economic Adjustment Assistance Grants
DFPS—Department of Family and Protective Services
DIR—Department of Information Resources
DMV—Department of Motor Vehicles
DOE—U.S. Department of Energy
DPS—Department of Public Safety of the State of Texas
DPV—district property values
DSH—disproportionate share hospital
DSHS—Department of State Health Services
DWC—Division of Workers' Compensation
DWSRF—Drinking Water State Revolving Fund
EA—Energy Assurance (Program)
EBT—electronic benefits transfer
ECI—(Interagency Council on) Early Childhood Intervention

EDA—existing debt allotment
EDAP—Economically Distressed Areas Program
EECBG—Energy Efficiency and Conservation Block Grant
EFMAP—Enhanced Federal Medical Assistance Percentage
EIA—equine infectious anemia
EOC—end of course
EPO—exclusive provider organization
EPSDT—Early and Periodic Screening, Diagnosis, and Treatment (Program)
ERCOT—Electric Reliability Council of Texas
ERIG—Emissions Reduction Incentive Grants
ERP—Enterprise Resource Planning
ERS—Employees Retirement System
ESF—Economic Stabilization Fund
ESRD—end-stage renal disease
FCC—Federal Communications Commission
FCP—Family Care Physician
FDA—Food and Drug Administration
FEMA—Federal Emergency Management Agency
FFCS—Feed and Fertilizer Control Service
FFPC—Fire Fighters' Pension Commissioner
FMAP—federal medical assistance percentage
FPL—Federal Poverty Level
FQHC—federally qualified health centers
FSP—Foundation School Program
FTA—Federal Transit Administration
FTE—full-time equivalent
FTHB—First-Time Homebuyer Program
FTSE—full-time student equivalent
GAA—General Appropriations Act
GBP—Group Benefits Program
GCB—Guardianship Certification Board
GDEM—Governor's Division of Emergency Management
GDP—gross domestic product
GLO—General Land Office
GME—Graduate Medical Education (Formula)
GO—General Obligation (bonds)
GOTEPP—GO TEXAS Partner Program
GPA—grade point average
GSC—General Services Commission
GSP—gross state product
HAVA—Help America Vote Act
HCS—Home and Community-based Services (Waiver Program)
HDTRA—Heartland Disaster Tax Relief Act of 2008
HEF—Higher Education Fund
HEGI—Higher Education Group Insurance
HERA—Housing and Economic Recovery Act of 2008

HHS—health and human services
HHSC—Health and Human Services Commission
HIPAA—Health Insurance Portability and Accountability Act
HIV—Human Immunodeficiency Virus
HMO—health maintenance organization
HOME—HOME Investment Partnerships
HTC—Housing Tax Credit (Program)
HTF—Housing Trust Fund
HUB—Historically Underutilized Business Program
HUD—(U.S. Department of) Housing and Urban Development
HVAC—heating, ventilation and air conditioning
IAC—interagency contracts
ICF–MR—intermediate care facilities for persons with mental retardation
ICTCC—Information and Communication Technology Cooperative Contracting
ID—(personal) identification
IDEA—Individuals with Disabilities Education Act
IEP—individual education plan
IFA—instructional facilities allotment
IHE—institutions of higher education
IHP—(Federal Assistance to) Individuals and Households Program
ILS—Independent Living Services
IOLTA—interest on lawyers' trust accounts
IPTC—In-Prison Therapy Community (Program)
IRS—Internal Revenue Service
ISAS—Integrated Statewide Administrative System
ISD—independent school district
ISP—intensive supervision probation
IT—information technology
ITP—individualized treatment plan
JAG—(Bryne) Justice Assistance Grants
JAMP—Joint Admission Medical Program
JET—Jobs and Education for Texas
JJAEP—Juvenile Justice Alternative Education Program
JRS—Judicial Retirement System
LAR—legislative appropriation request
LBB—Legislative Budget Board
LBE—Legislative Budget Estimates
LECOS—Law Enforcement and Custodial Officer Supplement
LIRAP—Low-Income Vehicle Repair, Assistance, Retrofit, and Accelerated Vehicle Retirement Program
LoanSTAR—Loans to Save Taxes and Resources
LPG—liquefied petroleum gas
LRA—less restrictive alternatives
LRL—Legislative Reference Library
LSTA—Library Services and Technology Act
MDCP—Medically Dependent Children Program

MDL—multidistrict litigation
MFB—Multifamily Bond
MFMRB—Multifamily Mortgage Revenue Bonds
MH—mental health
MLPP—Master Lease Purchase Program
MMS—Minerals Management Service
MOU—memorandum of understanding
MPO—metropolitan planning organization
MR—mental retardation
MRA—Mental Retardation Authorities
MSU—Midwestern State University
NAAQS—National Ambient Air Quality Standards
NAIS—National Animal Identification System
NCIC—National Crime Information Center
NCLB—No Child Left Behind (Act)
NEA—National Endowment for the Arts
NERRTC—National Emergency Response and Rescue Training Center
NFIP—National Flood Insurance Program
NLS—National Library Service (for the Blind and Physically Handicapped)
NPL—National Priorities List
NRUF—National Research University Fund
NTIG—New Technology Implementation Grant
NTRD—New Technology Research and Development (Program)
NTSS—Network and Telecommunications Security Services
NTTA—North Texas Tollway Authority
OAG—Office of the Attorney General
OCA—Office of Court Administration
OCI—Office of Colonia Initiatives
OCS—Outer Continental Shelf
OCW—Office of Capital Writs
OEM—Office of Energy Management
OFCU—Oil Field Cleanup (Fund)
OIG—Office of Inspector General
OIO—Office of the Independent Ombudsman
OPIC—Office of Public Insurance Counsel
OPUC—Office of Public Utility Counsel
ORP—Optional Retirement Program
OSFR—Office of State–Federal Relations
OSPA—Office of the State Prosecuting Attorney
OTSC—Office of the Texas State Chemist
PAB—private activity bond
PACE—Permanency Achieved through Coordinated Efforts; Program for All-inclusive Care for the Elderly
PAL—Preparation for Adult Living
PCCM—primary care case management
PD—Parole Division

PEB—Polygraph Examiners Board
PEI—prevention and early intervention
PELRP—Physician Education Loan Repayment Program of Texas
PHC—Primary Home Care
PHEF—Permanent Higher Education Fund
PIU—Public Integrity Unit
PRA—personal responsibility agreement
PRB—Pension Review Board
PRC—public retail customer
PSAP—public safety answering point
PSF—Permanent School Fund
PSRB—Process Server Review Board
PST—petroleum storage tank
PUC—Public Utility Commission
PUF—Permanent University Fund
RDF—Research Development Fund
REP—Retail Electric Provider
RESFA—Real Estate Special Fund Account
RIO—Reintegration of Offenders, as Project RIO
RIO-Y—Reintegration of Offenders–Youth
ROTC—Reserve Officer Training Corps
RPC—Regional Planning Commission
RRC—Railroad Commission
RRPD—Rehabilitation and Reentry Program Division
RTS—Registration and Titling System
RWAF—Rural Water Assistance Fund
RZEDB—Recovery Zone Economic Development Bond
RZFB—Recovery Zone Facility Bond
SAFETEA-LU—Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users
SAFPF—Substance Abuse Felony Punishment Facility
SAPB—State Aircraft Pooling Board
SAPT—Substance Abuse Prevention and Treatment
SAO—State Auditor's Office
SBEA—Small Business Environmental Assistance
SBEC—State Board for Educator Certification
SBOE—State Board of Education
SCJC—State Commission on Judicial Conduct
SCSEP—Senior Community Service Employment Program
SDU—State Disbursement Unit
SECO—State Energy Conservation Office
SEP—State Energy Program
SERC—Southeastern Electric Reliability Council
SFMRB—Single Family Mortgage Revenue Bonds
SGST—Sporting Goods Sales Tax
SKIP—State Kids Insurance Program

SLB—School Land Board
SNAP—Supplemental Nutrition Assistance Program
SOAH—State Office of Administrative Hearings
SORM—State Office of Risk Management
SOS—Secretary of State
SPB—State Preservation Board
SPP—Southwest Power Pool
SPU—Special Prosecution Unit
SSDI—Social Security Disability Insurance
SSI—Supplemental Security Income; Student Success Initiative
STAR—Services to At-Risk (Youth); State of Texas Access Reform (Program)
STD—sexually transmitted disease
TAAS—Texas Assessment of Academic Skills
TABC—Texas Alcoholic Beverage Commission
TAFA—Texas Agricultural Finance Authority
TAHC—Texas Animal Health Commission
TAIS—Texas Apiary Inspection Service
TAJF—Texas Access to Justice Foundation
TAKS—Texas Assessment of Knowledge and Skills
TALCB—Texas Appraiser Licensing and Certification Board
TAMU—Texas A&M University
TAMUSHSC—Texas A&M University System Health Science Center
TANF—Temporary Assistance for Needy Families
TB—tuberculosis
TBPC—Texas Building and Procurement Commission
TCA—Texas Commission on the Arts
TCEQ—Texas Commission on Environmental Quality
TCFP—Texas Commission on Fire Protection
TCI—Texas Correctional Industries
TCIC—Texas Crime Information Center
TCID—Texas Center for Infectious Disease
TCJS—Texas Commission on Jail Standards
TCLEOSE—Texas Commission on Law Enforcement Officer Standards and Education
TCOOMMI—Texas Correctional Office on Offenders with Mental and Medical Impairments
TCPS—Texas Commission on Private Security
TDA—Texas Department of Agriculture
TDCJ—Texas Department of Criminal Justice
TDEM—Texas Division of Emergency Management
TDEx—Texas Data Exchange
TDHCA—Texas Department of Housing and Community Affairs
TDI—Texas Department of Insurance
TDLR—Texas Department of Licensing and Regulation
TDRA—Texas Department of Rural Affairs
TEA—Texas Education Agency
TEA-21—Transportation Equity Act for the 21st Century
TEC—Texas Ethics Commission

TEEG—Texas Educator Excellence Grants
TEES—Texas Engineering Experiment Station
TEEX—Texas Engineering Extension (Service)
TEG—Tuition Equalization Grant (Program)
TEKS— Texas Essential Knowledge and Skills
TERP—Texas Emissions Reduction Plan
TERT—Texas Emergency Response Team
TESRS—Texas Emergency Services Retirement System
TEXAS—Toward EXcellence, Access, and Success (Program)
TExES—Texas Examinations of Educator Standards
TFC—Texas Facilities Commission
TFID—Task Force on Indigent Defense
TFS—Texas Forest Service
THC—Texas Historical Commission
THECB—Texas Higher Education Coordinating Board
THP—Texas Highway Patrol (Division)
TIERS—Texas Integrated Eligibility Redesign System
TJPC—Texas Juvenile Probation Commission
TLC—Texas Lottery Commission
TLFFRA—Texas Local Fire Fighters' Retirement Act
TMB—Texas Medical Board
TMF—Texas Mobility Fund
TMDL—total maximum daily load
TNRIS—Texas Natural Resources Information System
TPASS—Texas Procurement and Support Services
TPFA—Texas Public Finance Authority
TPWD—Texas Parks and Wildlife Department
TRACS—Texas Review and Comment System
TRAIL—Texas Records and Information Locator
TRB—Tuition Revenue Bond
TRCC—Texas Residential Construction Commission
TREC—Texas Real Estate Commission
TRS—Teacher Retirement System
TSBPA—Texas State Board of Public Accountancy
TSBVI—Texas School for the Blind and Visually Impaired
TSD—Texas School for the Deaf
TSLAC—Texas State Library and Archives Commission
TSSWCB—Texas State Soil and Water Conservation Board
TSTC—Texas State Technical College
TSU—Texas Southern University
TTA—Texas Turnpike Authority
TTC—Texas Transportation Commission
TTI—Texas Transportation Institute
TTUHSC—Texas Tech University Health Sciences Center
TVC—Texas Veterans Commission
TVMDL—Texas Veterinary Medical Diagnostic Laboratory

TWC—Texas Workforce Commission
TWDB—Texas Water Development Board
TWIA—Texas Windstorm Insurance Association
TxDOT—Texas Department of Transportation
TXNG, TXARNG, TXANG—Texas National Guard, Texas Army National Guard, Texas Air National Guard
TXSG—Texas State Guard
TX-TF1—Texas Task Force 1
TYC—Texas Youth Commission
UCC—Uniform Commercial Code
UH—University of Houston
UIC—Underground Injection Control (Program)
UNT—University of North Texas
UNTHSC—University of North Texas Health Science Center at Fort Worth
UPL—Upper Payment Limit (Program)
USAS—Uniform Statewide Accounting System
USDA—U.S. Department of Agriculture
USDW—underground sources of drinking water
USPS—Uniform Statewide Payroll/Personnel System
UT—The University of Texas (System)
UT-Austin—The University of Texas at Austin
UTHSC—The University of Texas Health Science Center
UTMB—The University of Texas Medical Branch at Galveston
UTMDACC—The University of Texas M.D. Anderson Cancer Center
UTSWMC—The University of Texas Southwestern Medical Center at Dallas
VA—Veterans Affairs
VAP—voting age population
VEIMP—Vehicle Emissions Inspections and Maintenance Program
VLB—Veterans' Land Board
VR—vocational rehabilitation
WADA—weighted average daily attendance
WIA—Workforce Investment Act
WIC—Women, Infants, and Children (Program)
WIF—Water Infrastructure Fund
WSCC—Western Systems Coordinating Council

Resources

Documents containing helpful information are listed below.

Fiscal Size-up – Published by the LBB, this document contains information on the current state budget, revenue sources and the economic outlook for Texas, and detailed information on each of the major functions of state government.

Legislative Budget Estimates – Published by the LBB, this document contains the amount of money expended by an agency in previous years, the amount budgeted for the agency for the current year, the amount requested by the agency for the next biennium, and the amount recommended by the LBB for the next biennium.

Biennial Revenue Estimate – Published by the Office of the Comptroller of Public Accounts of the State of Texas, this document contains the comptroller's biennial revenue estimate, an overview of revenue, an economic forecast for both Texas and the United States, a description of revenue sources for the coming biennium, and an estimate of revenue in various funds.

General Appropriations Act **(S.B. 1, 83rd Legislature)** – This document is the General Appropriations Act passed by the 83rd Legislature. When the General Appropriations Act is a senate bill, it is published by Senate Publications and Printing and when it is a house bill, it is published by the House Print Shop. The document is available on line at *http://www.lbb.state.tx.us/*.

Guide to Performance Measure Management – Published by the SAO, LBB, and GOBP, this publication contains extensive information regarding the purpose and development of performance measures.

Instructions for Preparing and Submitting Agency Strategic Plans – Published by the LBB and GOBP, this document includes an introduction to strategic planning, a timeline for the development of strategic plans, and descriptions of the required elements of a strategic plan.

Budget and Performance Assessments: State Agencies and Institutions – Published by the LBB, this document provides an assessment of the performance of agencies during the previous fiscal year.

A Guide to the Fiscal Note Process – Published by the LBB, this document provides a description of the fiscal note process.

Web Resources

Many publications and other resources are accessible via the Internet. Helpful websites include:

- ***Senate Research Center:*** http://www.senate.state.tx.us/src/index.htm.
- ***Office of the Comptroller of Public Accounts of the State of Texas:*** http://www.window.state.tx.us
- ***Legislative Budget Board:*** http://www.lbb.state.tx.us
- ***Governor of the State of Texas:*** http://www.governor.state.tx.us
- ***Governor's Office of Budget and Policy:*** http://www.gov.texas.gov/divisions/bpp
- ***State Auditor's Office:*** http://www.sao.state.tx.us
- ***Texas.gov:*** http://www.texas.gov
- ***Texas Legislature Online:*** http://www.capitol.state.tx.us
- ***Legislative Reference Library:*** http://www.lrl.state.tx.us