

LEGISLATIVE BUDGET BOARD

Fiscal Year 2024 Operating Budget Instructions for Executive and Administrative Agencies, Appellate Courts, and Judicial Branch Agencies

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

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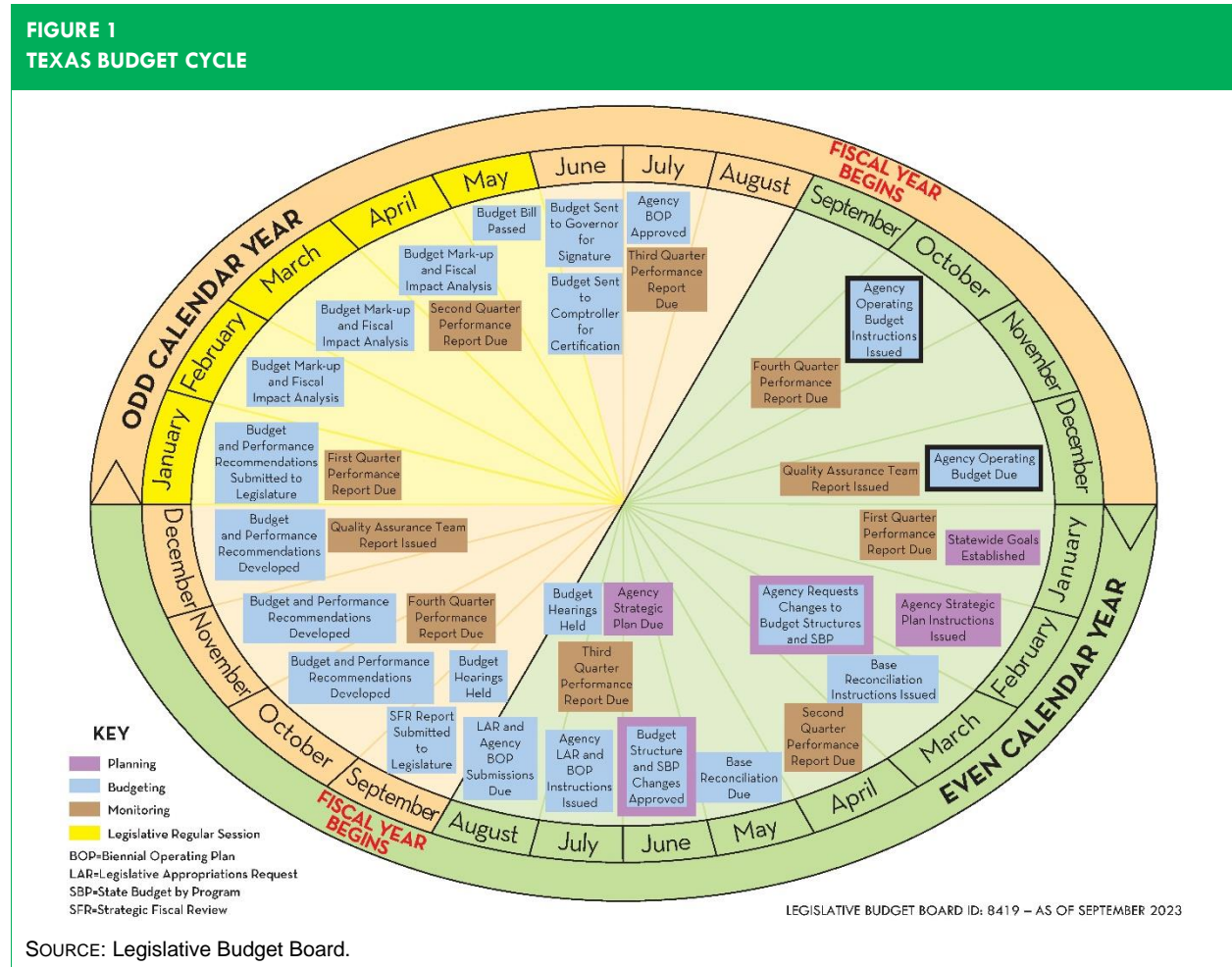
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INTRODUCTION

The Eighty-eighth Legislature, General Appropriations Act (GAA), 2024–25 Biennium, Article IX, Section 7.01, Budgeting and Reporting, requires each state agency to file an itemized operating budget with the Office of the Governor, Budget and Policy Division, the Legislative Budget Board (LBB), and the Legislative Reference Library each fiscal year by December 1. The term “state agency” or “agency” used throughout these instructions includes the appellate courts.

STATE BUDGET CYCLE

Figure 1 shows the two-year state budgeting cycle, which is subject to change. Deadline information regarding the operating budget process is outlined in black.



OPERATING BUDGET COMPONENTS

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

The Summary of Budget by Method of Finance must identify all methods of finance (MOF) from which funds have been appropriated, expended, or budgeted. For each MOF, enter the Regular Appropriation amounts from the Conference Committee Report on Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021, for fiscal years 2022 and 2023, and from the Conference Committee Report on House Bill 1, Eighty-eighth Legislature, Regular Session, 2023, for fiscal year 2024. Any adjustments to the amounts appropriated (i.e., Regular Appropriations) in Senate Bill 1 for fiscal

years 2022 and 2023 and House Bill 1 for fiscal year 2024 must be represented in the Summary of Budget by Method of Finance, including the following adjustments:

- changes in appropriated amounts to include specific GAA provisions in Article IX, end-of-article Special Provisions, and agency-specific riders;
- the enactment of the following legislation:
 - House Bill 2, Eighty-seventh Legislature, Regular Session, 2021;
 - House Bill 2896, Eighty-seventh Legislature, Regular Session, 2021;
 - Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021;
 - House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021;
 - House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021;
 - Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021;
 - Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023;
 - House Bill 3461, Eighty-eighth Legislature, Regular Session, 2023; and
 - House Bill 4041, Eighty-eighth Legislature, Regular Session, 2023.
- the Governor’s Veto Proclamation reductions;
- the most recent projections of Federal Funds and other estimated funds, federal reimbursements, and Earned Federal Funds; and
- any other legislation enacted from the Eighty-seventh or Eighty-eighth Legislatures (including called sessions) that makes, reduces, or reclassifies appropriations to the agency, including any other funds available for expenditure that were not foreseen at the time Senate Bill 1, 2021, or House Bill 1, 2023, were enacted.

Agencies should make other adjustments to fiscal year 2024 relating to Article IX provisions or supplemental appropriation legislation to the extent they are known when the agency files the operating budget. The information for fiscal years 2022 and 2023 in the summary must match the 2022–23 Biennial Base Reconciliation previously approved by the LBB and the Office of the Governor, Budget and Policy Division, except for appropriation adjustments for Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, and updated data.

These instructions and the instructions for entering data into the Automated Budget and Evaluation System of Texas (ABEST) are available on the LBB website. Links to all documents referenced in these instructions appear in Appendix A: Helpful Links and Other Reference Documents on page 35, including links to the Certification of Dual Submission, Conference Committee Reports for General Appropriations Acts, and other documents found on the websites of the LBB and other agencies.

Institutions of higher education should refer to the separate instructions for entering data into ABEST, which also are available on the LBB website, for designated budget areas. These include the Budgetary Impacts Related to Recently Enacted State Legislation Schedule, if applicable, and the Certification of Dual Submission.

Any questions regarding these instructions should be directed to the LBB.

GENERAL OPERATING BUDGET INSTRUCTIONS

HIGHLIGHTS AND WHAT'S NEW

These instructions are similar to those used to prepare operating budgets for fiscal year 2022. Please see the following notable highlights and differences:

- **Five Percent Salary Adjustments.** Certain state agencies received funding for salary adjustments in House Bill 1 and Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023. For fiscal year 2023, agencies should reflect salary adjustments as a Transfer (TR) and cite Senate Bill 30, the supplemental appropriations bill. For fiscal year 2024, agencies should zero out funding appropriated to the agency in the Salary Adjustments strategy by transferring funds anticipated to be used to the applicable strategy(ies) from which the full-time-equivalent (FTE) state employees are paid and lapsing any appropriations in excess of the total transfer amount. Agencies should reflect the fiscal year 2024 salary adjustments as a Transfer (TR) **only if** the agency was unable to implement the salary increase with amounts appropriated and received an additional allocation in fiscal year 2024 from the Comptroller of Public Accounts. In that case, the additional allocation should first be received in the new salary adjustment strategy, then transferred into the applicable strategy(ies) from which the FTEs are paid. In addition, LBB analysts may require additional salary information through a separate supplemental spreadsheet.
- **Unexpended Balance Authority.** Agencies that receive authority to carry forward unexpended balances through a rider should classify that appropriation type as an Unexpended Balance (UB) rather than a Rider Appropriation (RI). See the Method of Finance section in these instructions for more details.
- **Relevant Legislation for Fiscal Year 2024.** Consistent with the approach followed in previous years, agencies should adjust the 2024 appropriated amounts, as shown in the Conference Committee Report on House Bill 1, Eighty-eighth Legislature, Regular Session, 2023. Agencies should adjust amounts for the following:
 - Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023;
 - House Bill 3461, Eighty-eighth Legislature, Regular Session, 2023; and
 - legislation from called sessions of the Eighty-eighth Legislature.
- **Capital Budget Projects.** The 2024-25 General Appropriations Act increased the capital budget threshold from \$100,000 to \$500,000 beginning in fiscal year 2024. See the Capital Budget Project Schedule section in these instructions for more details on capital budget.
- **Federal Funds Tracking Schedule.** All agencies are required to submit a Federal Funds Tracking Schedule for any grant award that equaled or exceeded \$5.0 million or upon request by the LBB or Office of the Governor, Budget and Policy Division. This \$5.0 million threshold refers specifically to the award and not the final expended amount.
- **COVID-19 Federal Funds Tracking in DFFS.** Federal Funds appropriated by the federal government for purposes related to the COVID-19 pandemic should **not** be entered into the Tracking Schedule. Instead, agencies will report those awards and expenditures through the Disaster Federal Funds Submission (DFFS) application in ABEST, a quarterly reporting schedule intended to capture all federal awards and expenditures for the six enacted federal COVID-19 bills. However, federal funds appropriated for regular use but diverted to pandemic response must be reported in the Tracking Schedule if it equals or exceeds \$5.0 million or upon request. Note that the LBB is updating the DFFS system during fall 2023, and is not accepting new submissions at this time. As soon as the redesign is complete, the LBB will notify agencies that they may enter new submissions.
- **Federal Assistance Listings.** The federal Catalog of Federal Domestic Assistance (CFDA.gov) website transitioned to SAM.gov in May 2018. As part of this change, the term “CFDA number” to refer to the unique 5-digit identifier for federal grants was replaced by the term “Assistance Listing Number” (ALN), although the identifier remains the same. Although the term CFDA has been phased out at the federal level, some state and federal guidance may reference CFDA instead of ALNs. These instructions continue to use the term CFDA.
- **Homeland Security Funding Schedule.** This schedule is no longer required unless requested by the LBB or Office of the Governor, Budget and Policy Division, analyst.
- **Grants from Trusteed Programs within the Office of the Governor.** Use MOF Code 8000 (Other Funds) to report grant funds received from the Trusteed Programs within the Office of the Governor. These funds include any grant received pursuant to the General Appropriations Act (GAA) for either the 2022–23 or 2024–25 biennium, Article I, Trusteed Programs within the Office of the Governor, Rider 2, Disaster and Deficiency Grants. MOF Code 8000 also is required to report any funds received from Trusteed Programs when the sources were the emergency appropriations made available by the 2022–23 or 2024–25 GAA, Article I, Trusteed Programs, Rider 3, Governor’s Emergency Appropriations. Entries reported as a Governor’s Disaster/Deficiency/ Emergency Grant will be treated similarly to Interagency Contracts for budget summary purposes.

- Payroll Contribution for Group Health Insurance and Additional Payroll Contribution for Retirement Contribution.** The payroll contribution for Group Health Insurance, pursuant to the 2022–23 and 2024–25 GAAs, Article IX, Section 17.03, Payroll Contribution for Group Health Insurance, and the retirement contribution, pursuant to the 2022–23 and 2024–25 GAAs, Article IX, Section 17.06, Additional Payroll Contribution for Retirement Contribution, should be treated as expenditures and not as Transfers. Accordingly, they should not be shown as appropriations adjustments in Schedule 2.B. Summary of Budget by Method of Finance. Instead, for contributions pursuant to these provisions, agencies should use Objects of Expense Code 2009, Other Operating Expense. Please contact your LBB or Office of the Governor, Budget and Policy Division, analyst if you have additional questions.

DEADLINE

Agencies must submit their completed operating budgets, through ABEST and via PDF, on or before December 1, 2023.

ELECTRONIC SUBMISSION

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

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

Agencies that do not have a user ID and password for ABEST must request access by submitting a Logon Request Form at loginreqagy.lbb.texas.gov.

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

NOTE

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

CERTIFICATION OF DUAL SUBMISSIONS

The operating budget is submitted electronically, both through ABEST and as a PDF document. The request submitted in ABEST is the official submission. A certification of the content of the dual submissions, and assurance that the ABEST submission and the PDF document are identical, shall be submitted as part of the PDF document. If the ABEST submission and the PDF document have any discrepancy, the ABEST submission will be presumed correct.

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

OPERATING BUDGETS ON AGENCY WEBSITES

Each agency is required to post its operating budget for fiscal year 2024 on the agency website within five days of submitting the required PDF file. If an agency needs technical assistance, contact LBB PC Technical Support at (512) 936-4026. Any revisions to an agency's operating budget, including all changes to affected forms and schedules, should be posted to the agency website within five days of submitting the revision to the two budget offices.

Each agency's operating budget may contain the following ABEST-generated reports and spreadsheet forms, as shown in Figure 2.

FIGURE 2
SUMMARIES AND SUPPORTING SCHEDULES FOR FISCAL YEAR 2024 OPERATING BUDGETS

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

ASSEMBLY AND DISTRIBUTION OF COPIES

To assemble bound paper copies of the operating budget, all pages—whether produced by using ABEST reports, word-processing software, or spreadsheets—should be on letter-size paper (8.5 inches by 11 inches) and bound along the left margin in a document with a durable cover. The operating budget should be printed on both sides, numbered, and

assembled in the manner described in these instructions. Additional support documents may be included, and a pagination system other than the ABEST system may be used.

The following instructions apply to both the searchable PDF copy and the bound paper copies of the operating budget. Agencies may develop and modify these spreadsheet forms as needed as long as the basic information and structure are maintained.

For additional information regarding ABEST schedules, refer to instructions contained in Fiscal Year 2024 Operating Budget Instructions ABEST Data Entry for Executive and Administrative Agencies, Appellate Courts, and Judicial Branch Agencies, October 2023, or contact the ABEST Help Desk at (512) 463-3167.

Assemble requested documents in the following order:

1. Cover and Title Sheet;
2. Certification of Dual Submission;
3. Table of Contents;
4. Budget Summaries;
5. Strategy-level Detail;
6. Sub-strategy Detail (if required);
7. Salary Increase Detail (if applicable); and
8. Supporting Schedules:
 - a. Capital Budget Project Schedule;
 - b. Federal Funds Supporting Schedule;
 - c. Federal Funds Tracking Schedule (if required);
 - d. Estimated Revenue Collections Supporting Schedule (if required); and
 - f. Budgetary Impacts Related to Recently Enacted State Legislation Schedule (if required).

DISTRIBUTION OF COPIES

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

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

Other word processing and spreadsheet forms must be emailed to the Office of the Governor, Budget and Policy Division, and included in the searchable PDF submitted through the LBB Document Submissions application.

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

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

OPERATING BUDGET SUMMARIES

These summaries cover the agency’s total operating budget and actual or budgeted expenditures by method of finance (MOF). Their purpose is to reconcile expenditures and budgeted amounts to the original appropriation, summarize the agency’s total operating budget by the Automated Budget and Evaluation System of Texas (ABEST) object of expense (OOE) and strategy, and show the associated outcome measures.

GENERAL INFORMATION

The budget summaries include the following components: Budget Overview; 2.A. Summary of Budget by Strategy; 2.B. Summary of Budget by Method of Finance; 2.C. Summary of Budget by Object of Expense; and 2.D. Summary of Budget by Objective Outcomes. The Budget Overview includes data for fiscal years 2023 and 2024 only, while the other summaries include fiscal year 2022.

See the *Sample Operating Budget/Appendices* document for examples of these summaries.

IMPORTANT

- Amounts reported for fiscal years 2022 and 2023 include expenditures plus accruals and encumbrances payable from respective fiscal years.
- Amounts reported for fiscal year 2024 include the agency’s best estimate for anticipated expenditures and encumbrances.
- Transferred programs should be reported at the agency in which the expenditure was made.
- Be prepared to provide an explanation for any significant differences from the agency appropriations to expended and budgeted amounts.

DATA ENTRY

The budget summaries include data for five ABEST-generated summaries. The names of the ABEST data-entry screens associated with each summary are shown in Figure 2 on page 5. The agency status does not have to be set to *complete* to generate a summary. However, agencies must set the status of the general budget submission to *complete* before generating a final copy to ensure that no contradictions exist among sections of the request.

BUDGET OVERVIEW

The Budget Overview concisely summarizes the agency’s actual expenditures for fiscal year 2023, including accruals and encumbrances, and budgeted expenditures for fiscal year 2024, by strategy and MOF. The schedule represents the agency’s goal and strategy appropriation pattern from House Bill 1, Eighty-eighth Legislature, Regular Session, 2023. For all fiscal years, the MOF and full-time-equivalent (FTE) position amounts, when totaled, must equal the Adjusted MOF and FTE Totals included in 2.B. Summary of Budget by Method of Finance.

SUMMARY OF BUDGET BY STRATEGY

2.A. Summary of Budget by Strategy represents the agency’s goal and strategy appropriation pattern from House Bill 1, Eighty-eighth Legislature, Regular Session, 2023. The schedule contains information on actual expenditures for fiscal years 2022 and 2023, including accruals and encumbrances, and budgeted 2024 expenditures. For fiscal years 2022 and 2023, the strategy amounts when totaled should equal the 2022–23 biennial Base Reconciliation previously approved by the LBB and the Office of the Governor, Budget and Policy Division, except for appropriation adjustments for Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, and updated data. For fiscal year 2024, the strategy amounts should include any appropriation adjustments for legislation from the Eighty-eighth Legislature that makes, reduces, or reclassifies appropriations to the agency and other updated data. The MOF and FTE position amounts, when totaled, must equal the Adjusted MOF and FTE totals for all fiscal years included in 2.B. Summary of Budget by Method of Finance.

SUMMARY OF BUDGET BY METHOD OF FINANCE

2.B. Summary of Budget by Method of Finance summarizes the agency’s expenditures for fiscal years 2022 and 2023 and budget for fiscal year 2024 by MOF. This summary enables the LBB and the Office of the Governor, Budget and Policy

Division, to reconcile the original appropriation with the final expended and adjusted budgeted amounts. Each MOF is assigned to a category of fund (General Revenue Funds, General Revenue–Dedicated Funds, Federal Funds, or Other Funds). Each MOF is detailed further by Types of Appropriation (Regular, Rider, Transfers, etc.). See Categories of Funds and Types of Appropriation in the Method of Finance section of these instructions beginning on page 11.

IMPORTANT

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

For each MOF, enter the Regular Appropriation amounts from the applicable Conference Committee Report (CCR) of the General Appropriations Act (GAA). Specifically, enter the Regular Appropriation amounts from the CCR on Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021, for fiscal years 2022 and 2023, and from the CCR on House Bill 1, Eighty-eighth Legislature, Regular Session, 2023, for fiscal year 2024.

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

- latest estimates of Federal Funds and federal reimbursements;
- changes in appropriations (including Earned Federal Funds) based on changes to revenue estimates;
- appropriating riders in agency bill patterns, and Special and General Provisions;
- Governor’s Veto Proclamation reductions;
- House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; House Bill 2896, Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; House Bill 3461, Eighty-eighth Legislature, Regular Session, 2023; House Bill 4041, Eighty-eighth Legislature, Regular Session, 2023; and any other legislation from the Eighty-eighth Legislature, 2023, (including called sessions) that makes, reduces, or reclassifies appropriations to the agency;
- any funds that specifically are authorized for expenditure on agency operations such as appropriated unexpended balances authorized by agency riders; Article IX provisions, including salary adjustments; and legislation from the Eighty-eighth Legislature, 2023, and funded by an appropriating rider in Article IX;
- budget reductions and transfers mandated by Special Provisions and General Provisions in the GAA;
- executive orders; and
- lapsed funds.

The information in the summary for fiscal years 2022 and 2023 should match the 2022–23 Base Reconciliation previously approved by the LBB and Office of the Governor, Budget and Policy Division. The only exceptions from the approved base reconciliation are for appropriation adjustments for Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; any other legislation from the Eighty-eighth Legislature, 2023 (including called sessions), that makes, reduces, or reclassifies appropriations to the agency; and any updated data including, but not limited to, estimated appropriations, Federal Funds

receipts, and lapses. For all fiscal years, the Adjusted MOF Totals in the Summary of Budget by Method of Finance must equal the total of the strategy amounts by MOF included in the Summary of Budget by Strategy.

In addition to the MOF summary entered by the agency, the summary also reconciles FTE positions as reported in agency strategies.

SUMMARY OF BUDGET BY OBJECT OF EXPENSE

2.C. Summary of Budget by Object of Expense summarizes the agency's budget by OOE codes to show goods and services purchased by the agency.

SUMMARY OF BUDGET BY OBJECTIVE OUTCOMES

2.D. Summary of Budget by Objective Outcomes summarizes agency outcome measures. Enter actual performance for fiscal years 2022 and 2023. For budgeted fiscal year 2024, enter the agency's current projected performance for each key and non-key outcome measure. For estimates that are not the same as the 2024 targeted performance identified in the 2024–25 GAA, updating the current estimate does not constitute a request to change the target.

METHOD OF FINANCE

The method of finance (MOF) section in each applicable summary identifies the sources from which funds have been appropriated, expended, or budgeted. The Automated Budget and Evaluation System of Texas (ABEST) uses four method of finance categories: General Revenue Funds, General Revenue–Dedicated Funds, Federal Funds, and Other Funds.

GENERAL INFORMATION

The Summary of Budget by Method of Finance enables the Legislative Budget Board (LBB) and the Office of the Governor, Budget and Policy Division, to reconcile the final expended amounts for fiscal years 2022 and 2023 and the budgeted amounts for fiscal year 2024 with the General Appropriations Acts (GAA) for these years.

This summary should identify the MOF category and MOF code for all amounts appropriated, expended, or budgeted. This summary also reconciles the number of full-time-equivalent (FTE) positions for each fiscal year.

See the *Sample Operating Budget/Appendices* document for an example of this summary.

Agencies should consult their analysts at the LBB or the Office of the Governor, Budget and Policy Division, with questions about which MOF code to use for a particular source of funds.

IMPORTANT

For each MOF, enter the Regular Appropriation amounts from the Conference Committee Report of the applicable General Appropriations Act. Specifically, enter the Regular Appropriation amounts from the Conference Committee Report on Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021, for fiscal years 2022 and 2023 and from the Conference Committee Report on House Bill 1, Eighty-eighth Legislature, Regular Session, 2023, for fiscal year 2024.

CATEGORIES OF FUNDS

Each MOF in an agency's Summary of Budget by Method of Finance is assigned to one of four categories of funds in ABEST.

GENERAL REVENUE FUNDS

General Revenue Funds include all nondedicated General Revenue Funds and accounts, and Earned Federal Funds.

- Earned Federal Funds include all monies received in connection with a federally funded contract, grant or program, which are not required by the governing agreement to be distributed on that program. Earned Federal Funds typically include, but are not limited to, recoveries of costs previously paid from a nonfederal fund source, indirect cost allocations, sales of fixed assets purchased with Federal Funds, and interest earned on advances of Federal Funds. These federal receipts are treated as General Revenue Funds for state accounting purposes. Figure 4 shows citations for these funds.
- Tobacco Settlement Receipts require the appropriate MOF codes for funds received as tobacco settlement receipts that are not dedicated.

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

Pursuant to the General Appropriations Act (GAA), 2022–23 and 2024–25 biennia, Article IX, Section 13.10, Earned Federal Funds (EFF) are classified as collected revenue to the General Revenue Fund and included as part of the MOF Code 0001. Article IX provisions provide the amount of General Revenue Funds appropriations contingent on the collection of EFF by agency.

The Summary of Budget by Method of Finance should identify the incremental amount of EFF greater than or less than the fiscal years 2022, 2023, and 2024 amounts estimated in Article IX, Section 13.10(b) (2022–23 and 2024–25 GAAs). Affected agencies should identify the incremental amount of EFF greater than the amounts estimated in the provisions as Rider Appropriations within the General Revenue Funds MOF. Reductions due to uncollected revenue should be shown as Lapsed Appropriations. Affected agencies receiving additional appropriation authority via these provisions should review and comply with the notification and reporting requirements contained in Section 13.10, subsections (c) and (d).

Pursuant to Article IX, Section 13.10(h) (2022–23 and 2024–25 GAAs), EFF collected for post-retirement health insurance should not be included in agency appropriations. Agencies currently including collections for post-retirement health insurance in General Revenue Funds appropriations must adjust the appropriation down by this amount. Agencies should contact the Employees Retirement System of Texas to determine amounts for retiree insurance.

Any unexpended and unobligated balances in General Revenue Funds appropriations contingent on EFF at the end of fiscal year 2022 may be carried forward into fiscal year 2023 and identified as an Unexpended Balances adjustment. Pursuant to Section 13.10(e), however, no unexpended balance authority carries over between biennia, and any unexpended balances of EFF that remained on August 31, 2023, lapse to the General Revenue Fund. Affected agencies should include unspent, unobligated amounts that are not carried forward as a Lapsed Appropriation entry in the Summary of Budget by Method of Finance. (See Unexpended Balances Authority on page 16.)

GENERAL REVENUE–DEDICATED FUNDS

General Revenue–Dedicated Funds include all dedicated General Revenue Fund accounts. The MOF codes on the LBB website list the General Revenue–Dedicated Fund accounts and incorporate changes made by House Bill 2896, Eighty-seventh Legislature, Regular Session, 2021, and House Bill 3461, Eighty-eighth Legislature, Regular Session, 2023, relating to the creation and re-creation of funds and accounts.

FEDERAL FUNDS

Federal Funds include all revenue received from the federal government that is not classified as Earned Federal Funds. The MOF Code for most Federal Funds is 0555. Federal Funds received in response to the COVID-19 pandemic are reported using MOF Code 0325. Federal reimbursements related to natural disasters should be shown as Federal Funds. Use the appropriate Catalog of Federal Domestic Assistance (CFDA) number and extension to correctly identify Federal Funds awards and expenditures. CFDA numbers related to the pandemic are distinguished by the suffix 119, unless otherwise indicated by the LBB. Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, appropriated funds using CFDA number 21.027.119 for Coronavirus State Fiscal Recovery Funds and CFDA number 21.029.119 for the Coronavirus Capital Projects Fund. Similarly, CFDA numbers used to identify federal funding from the Infrastructure Investment and Jobs Act are distinguished by the suffix 120. See the Federal Funds Supporting Schedule beginning on page 27 for additional information on entering a new CFDA number in ABEST.

IMPORTANT

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

OTHER FUNDS

Other Funds may include Appropriated Receipts, Interagency Contracts, Bond Proceeds, and certain constitutionally or statutorily dedicated funds. These funds should be itemized using the applicable MOF codes.

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

The Summary of Budget by Method of Finance should itemize Appropriated Receipts by specific appropriation authority, such as 2024–25 GAA, Article IX, Section 8.02, Reimbursements and Payments; Section 8.03, Surplus Property; Section 8.07, Appropriation of Collections for Seminars and Conferences; or other relevant authority. Use a Regular Appropriations entry to show any amounts of Appropriated Receipts included the agency’s MOF in the GAA. If collections are anticipated to be greater or less than the Regular Appropriations amount, show the incremental difference with a Rider Appropriation adjustment (increases) or Lapsed Appropriation (decreases).

Interagency Contracts include funds received from another state agency in exchange for services, material, or equipment through a written agreement. Unless directed otherwise by your analyst at the LBB or the Office of the Governor, Budget and Policy Division, these funds do not include transfers of funds from another state agency due to enactment of legislation that transfers programs. The MOF Code for Interagency Contracts is 0777.

IMPORTANT

An agency purchasing goods or services from another state entity will use the original MOF (e.g., General Revenue Funds, Federal Funds, etc.). The agency acting as the vendor or provider of goods or services will use Interagency Contracts as the MOF.

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

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

TYPES OF APPROPRIATION

The Summary of Budget by Method of Finance must include descriptions that identify the appropriation authority for every type of appropriation included in the operating budget. Provide comments to explain the reasons for various appropriation adjustments. The section below explains standard types of appropriation.

REGULAR APPROPRIATIONS

Regular Appropriations (RA) are direct appropriations included in the agency’s MOF table in the Conference Committee Report of the applicable GAA. In the Summary of Budget by Method of Finance, Regular Appropriations typically are the first entry for each MOF code, and all other entries are shown as adjustments to this amount using other types of appropriation. As previously instructed, for each MOF, enter the Regular Appropriation amounts from each GAA: the Conference Committee Report on Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021, for fiscal years 2022 and 2023, and the Conference Committee Report on House Bill 1, Eighty-eighth Legislature, Regular Session, 2023, for fiscal year 2024.

RIDER APPROPRIATIONS

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

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

Additional considerations include the following:

- Some riders provide estimated appropriation authority for revenue collections, with the estimated amounts identified in the riders and included in the agency's regular appropriations in the MOF table. If the actual amounts are greater or less than the amount stated in the rider, show the incremental difference as a separate entry. If multiple revisions to an estimate result from different events, list each revision separately and show the same rider authorization for each. Appropriation reductions due to uncollected revenue may be shown either as a revised receipt Rider Appropriations adjustment or as a Lapsed Appropriation adjustment (see page 17);
- In addition to riders in agency bill patterns, certain provisions in Article IX authorize agencies to increase or decrease appropriations. Examples include Article IX, Part 13, Federal Funds, and Article IX, Section 8.02, Reimbursements and Payments (2022–23 and 2024–25 GAAs);
- Use caution when identifying appropriation adjustments related to a capital budget rider. Amounts shown in a capital budget rider are included in the agency's MOF table. However, agencies may be authorized to carry forward an unspent appropriation for a capital budget item. An appropriated amount that is carried forward from a previous fiscal year or biennium should be cited as an Unexpended Balance (UB). Capital budget riders in agency bill patterns may provide other authority for capital budget adjustments or may contain restrictions on that authority; and
- When an appropriation is contingent upon certification by the Comptroller of Public Accounts (CPA), include only the certified amount. If the entire appropriation is not certified, include the appropriation stated in the rider, then show a negative entry for the amount that is not certified. Note that the appropriation related to the certification might be included in the Regular Appropriation in the MOF table. In these instances, do not enter the amount as a Rider Appropriation because the result will double-count the appropriation.

IMPORTANT

Agencies that receive authority to carry forward unexpended balances through a rider should classify that appropriation type as an Unexpended Balance (UB) rather than a Rider Appropriation (RI).

SUPPLEMENTAL, SPECIAL, OR EMERGENCY APPROPRIATIONS

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

Supplemental, Special, or Emergency Appropriations include, but are not limited to, the following:

- House Bill 2, Eighty-seventh Legislature, Regular Session, 2021;
- House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021;
- House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021;
- Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021;
- Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023;
- legislation from the Eighty-seventh Legislature, 2021, and Eighty-eighth Legislature, 2023, (including called sessions) that makes, reduces, or reclassifies appropriations to the agency; and
- Governor's Veto Proclamation reductions.

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

IMPORTANT

Agencies that receive authority to carry forward unexpended balances through a supplemental appropriation should classify that appropriation type as a Supplemental, Special, or Emergency Appropriations (SU) with the appropriate supplemental legislation cited.

GOVERNOR'S DISASTER/DEFICIENCY/EMERGENCY GRANTS

Governor's Disaster/Deficiency/Emergency Grants (GV) require the use of MOF Code 8000 (Other Funds) to report grant funds received from the Trusteed Programs within the Office of the Governor. These funds include any grant received pursuant to Article I, Trusteed Programs within the Office of the Governor, Rider 2, Disaster and Deficiency Grants (2022–23 and 2024–25 GAAs), which should be cited as the authority for these funds. MOF Code 8000 also is required to report any funds received from Trusteed Programs when the sources were the emergency appropriations made available by Article I, Trusteed Programs, Rider 3, Governor's Emergency Appropriations (2022–23 and 2024–25 GAAs), which is the authority to cite for these funds. Entries reported as a Governor's Disaster/Deficiency/Emergency Grant will be treated similarly to Interagency Contracts for budget summary purposes.

TRANSFERS

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

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

Classify the following as Transfers:

- funds transferred from the CPA to an agency pursuant to Section 9.01 of Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, to provide salary increases for employees of certain state agencies;
- an agency should reflect the fiscal year 2024 salary adjustments as a Transfer (TR) only if the agency was unable to implement the salary increase with amounts appropriated and received an additional allocation in fiscal year 2024 from the CPA;
- budget reductions related to efficient use of state-owned and state-leased space, Article IX, Section 11.04 (2022–23 and 2024–25 GAAs), and lease savings, Article IX, Section 11.06 (2022–23 GAA);
- budget transfers authorized by contingency appropriation provisions;
- funds transferred by a budget execution order—do not reference cases in which budget execution authority transfers funds between strategy items within the agency;
- disaster-related transfers authorized by Article IX, Section 14.04 (2022–23 and 2024–25 GAAs); and

- program transfers between agencies pursuant to legislation but not addressed in the GAA or other appropriation legislation.

Do not classify the following as Transfers:

- Benefit replacement pay and employee benefits such as retirement, group insurance, Social Security, and post-retirement healthcare costs should not be included, except as directed in the following schedules:
 - Estimated Revenue Collections Supporting Schedule;
 - Federal Funds Supporting Schedule; and
 - Federal Funds Tracking Schedule.
- The 50.0 percent reimbursement paid to the Texas Workforce Commission (TWC) for unemployment benefits—Article IX, Section 15.01, Reimbursements for Unemployment Benefits (2022–23 and 2024–25 GAAs)—is a payment made from agency appropriations that should be treated as an expenditure at the strategy level. Agencies that are required to reimburse TWC an additional 50.0 percent from unappropriated fund balances likewise should not show the additional 50.0 percent as a Transfer or other adjustment in the Summary of Base Request by Method of Finance.
- Amounts transferred pursuant to the Statewide Cost Allocation Plan—Article IX, Section 15.04, Appropriation Transfers: Billings for Statewide Allocated Costs (2022–23 and 2024–25 GAAs)—should be treated as expenditures when they are transferred from appropriated funds.
- Amounts transferred to the Health Professions Council—pursuant to Article VIII, Special Provisions Relating to All Regulatory Agencies, Section 3, Funding for Health Professions Council (2022–23 and 2024–25 GAAs)—should be treated as expenditures when they are transferred from appropriated funds.
- Payroll contributions for group health insurance—authorized by Article IX, Section 17.03, Payroll Contribution for Group Health Insurance (2022–23 and 2024–25 GAAs)—should be treated as expenditures when they are transferred from appropriated funds.
- Additional payroll contribution for retirement contribution—pursuant to Article IX, Section 17.06, Additional Payroll Contribution for Retirement Contribution (2022–23 and 2024–25 GAAs)—should be treated as expenditures when they are transferred from appropriated funds.

UNEXPENDED BALANCES

Unexpended Balances (UB) are funds carried forward from a previous fiscal year’s appropriation as authorized by a specific provision in the GAA, or other legislative or constitutional authority. See Article IX, Section 6.01, Unexpended Balance (2022–23 and 2024–25 GAAs), for a complete definition. Agencies should include UBs by MOF and report amounts unspent and unobligated as a negative entry in the first year and a corresponding positive entry in the following fiscal year. Identify the specific carry-forward authority, which may include a designated MOF, strategy, rider, or Article IX provision, and list it as a UB type of appropriation. Agencies with UB authority for Bond Proceeds must provide a reasonable estimate of unencumbered and unissued appropriation balances appropriated by prior legislatures.

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

Use caution when identifying appropriation adjustments related to a capital budget rider. Amounts shown in a capital budget rider are included in the agency’s MOF table. However, agencies may be authorized to carry forward an unspent appropriation for a capital budget item. For example, Article IX, Section 14.03, Transfers – Capital Budget (2022–23 and 2024–25 GAA), enables agencies to carry forward unspent capital budget amounts from the first year to the second year of the biennium. Carryforward should be cited as UB.

BASE ADJUSTMENTS

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

LAPSED APPROPRIATIONS

Lapsed Appropriations (LA) within each fund and account should be identified as negative entries. Lapsed appropriations are amounts left unspent and unobligated at the end of a fiscal year. Uncollected revenue may be shown as a lapse or a revised receipt in another appropriation type. Do not include amounts identified as UBs. Include amounts that have lapsed as a negative entry by each applicable MOF code. Report any anticipated lapses for fiscal year 2024.

FULL-TIME-EQUIVALENT POSITIONS

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

The FTE position summary follows the same format previously described for MOFs regarding the source for Regular Appropriations: an agency's authorized FTE position cap as identified in the Conference Committee Report on Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021, for fiscal years 2022 and 2023, and in the Conference Committee Report on House Bill 1, Eighty-eighth Legislature, Regular Session, 2023, for fiscal year 2024. Adjustments to the FTE position cap should be itemized following the Regular Appropriations using the remaining categories of appropriation types (e.g., Rider Appropriation, Transfer, etc.) and specific authority for each.

Unless specific legislative exceptions have been made for an agency, the total adjusted FTEs reported as expended for fiscal years 2022 and 2023 should equal the average of the four quarterly amounts reported to the State Auditor's Office.

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

- Unauthorized Number Over (Below) Cap (UN) is entered to represent any difference between the agency's adjusted cap and the actual number of FTE positions (in completed fiscal years) or budgeted FTE positions (in the current fiscal year) after all authorized adjustments to an agency's cap have been entered; and
- Board or Administrator FTE Positions Adjustments. A state agency may exceed its FTE position cap by the lesser of 50.0 FTE positions or 10.0 percent of the cap in its bill pattern without LBB approval, subject to the requirements and limitations listed in Article IX, Section 6.10, Limitation on State Employment Levels (2022–23 and 2024–25 GAAs). Show these adjustments as a rider appropriation and use the appropriate ABEST dropdown selection.

100 PERCENT FEDERALLY FUNDED FTE POSITIONS

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

CHECKLIST ITEMS

- Does the summary represent appropriate and specific General Appropriations Act, Article IX, provisions, end-of-article Special Provisions, agency-specific riders, and vetoes?
- Does the summary include all Transfers, including Interagency Transfers or transfers from the Comptroller of Public Accounts, to implement certain salary increases pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023?
- Do the Regular Appropriation amounts represent the biennial 2022–23 and fiscal year 2024 Regular Appropriation amounts, as shown in the Conference Committee Reports on Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021, and House Bill 1, Eighty-eighth Legislature, Regular Session, 2023, MOF tables?
- Excluding adjustments for Supplemental Appropriations (e.g., Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023), and updated data, do the biennial 2022–23 amounts in the Summary of Budget by Method of Finance reconcile to the approved 2022–23 Base Reconciliation?
- Does the summary include Rider Appropriations, Unexpended Balances, and Supplemental Appropriations adjustments as necessary?
- Does the summary include lapsed appropriations and revised receipts?
- Do FTE positions equal the sum of positions across all strategies in the Strategy Level Detail schedule?
- Do FTE positions include all positions that are 100.0 percent federally funded?
- Where applicable, are significant variances in expenditures, such as lapses or unanticipated changes in unexpended balances, addressed in the comments section?
- Are carry-forwards categorized as Unexpended Balances?

STRATEGY LEVEL DETAIL

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

DATA ENTRY

This summary is generated by the Automated Budget and Evaluation System of Texas (ABEST). Goals, objectives, strategies, and performance measures included in the Strategy Level Detail summary must represent the budget structure in House Bill 1, Eighty-eighth Legislature, Regular Session, 2023. The names of the ABEST data-entry screens associated with this summary are shown in Figure 2 on page 5.

Performance measures include an agency's actual performance for all measures for fiscal years 2022 and 2023 and budgeted performance levels for fiscal year 2024. For fiscal year 2024 budgeted performance, report the agency's projected performance for all measures, both key (those cited in the General Appropriations Act (GAA)) and non-key (those not included in the GAA, but that are part of the agency's approved strategic plan and budget structure). Projected performance should be the agency's most current estimate, not necessarily the established target included in House Bill 1, Eighty-eighth Legislature, Regular Session, 2023. Submission of the operating budget does not constitute a request to change the targets for fiscal year 2024 established in House Bill 1.

OBJECTS OF EXPENSE

Objects of expense include strategy costs by 18 objects of expense. Incorporate all direct strategy costs, all capital budget costs allocated to the strategy, and other direct capital costs. Refer to the Capital Budget Project Schedule section beginning on page 21 for more detail on identification and allocation of capital budget expenditures.

METHOD OF FINANCE

Method of finance (MOF) includes each fund or account and amount used as a funding source for the strategy for expended fiscal years 2022 and 2023 and budgeted fiscal year 2024. Federal funding sources must be detailed by the Catalog of Federal Domestic Assistance (CFDA) number. See the Federal Funds Supporting Schedule section beginning on page 27 for additional information and clarification regarding appropriate MOFs and how to enter CFDA numbers in ABEST.

FULL-TIME-EQUIVALENT POSITIONS

The number of full-time-equivalent (FTE) positions are the total number of positions associated with each strategy and rider appropriation for expended fiscal years 2022 and 2023 and budgeted fiscal year 2024. Refer to page 29 of the *2024–25 Legislative Appropriation Request, Detailed Instructions for Agencies*, for definitions related to FTE positions. The sum of positions across all strategies must equal the Adjusted FTE Total for each fiscal year included in 2.B. Summary of Budget by Method of Finance.

TRANSFERRED PROGRAMS

Expended and budgeted amounts, FTE positions, and performance measure data for a transferred program should be shown by both the transferring and receiving agencies, depending on the fiscal year during which the program existed at the agency. Program expenditures, positions, and performance measure data in years before the transfer should be shown at the agency that made the expenditures; receiving agencies should not enter historical expenditures for a transferred program as if the program had existed at the receiving agency during those years. Both the transferring agency and receiving agency should report the authorization for the funds transfer for fiscal years 2022, 2023, and 2024 in the Summary of Budget by Method of Finance only.

RIDER APPROPRIATIONS

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

USE OF SUBSTRATEGIES IN THE OPERATING BUDGET

Agencies may be required by either the LBB or Office of the Governor, Budget and Policy Division, to submit detailed budget information for certain strategies on a sub-strategy basis. When required, complete the Sub-strategy Detail spreadsheets provided in electronic format on the websites of the LBB and the Office of the Governor, Budget and Policy

Division. The OOE, MOF, and FTE position amounts included in the sub-strategy spreadsheets should equal the sum of the total OOE, MOF, and FTE position amounts included in the parent strategy. Spreadsheet forms must be emailed to the Office of the Governor, Budget and Policy Division, at budgetandpolicyreports@gov.texas.gov and included in the searchable PDF submitted through the LBB Document Submissions application at docs.lbb.texas.gov.

CHECKLIST ITEMS

- Do the totals for OOE and MOF balance for each strategy?
- Does the sum of the Strategy Level Detail summaries equal the totals by fiscal year shown in the Summary of Budget by Method of Finance?
- Does the sum of FTE positions in the Strategy Level Detail summaries equal the Adjusted FTE totals by fiscal year in the Summary of Budget by Method of Finance?
- Are rider appropriations, expenditures, and FTE positions for fiscal years 2022, 2023, and 2024 included?
- Are the CFDA number and the dollar amount shown with the heading Federal Funds in the Summary of Budget by Method of Finance?
- As applicable, do the OOE, MOF, and FTE position totals for sub-strategies sum to the OOE, MOF, and FTE position totals for the parent strategy?

CAPITAL BUDGET PROJECT SCHEDULE

The Capital Budget Project Schedule:

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

A capital budget project is defined as:

- an item or asset with a unit cost exceeding \$100,000 in fiscal year 2022 or 2023, or \$500,000 in fiscal year 2024;
- similar or identical items with individual unit costs of less than \$100,000 in fiscal year 2022 or 2023, or \$500,000 in fiscal year 2024, that constitute a functionally unified asset or asset improvement; such items must be grouped together and considered a capital budget project if the aggregate cost of the items exceeds \$100,000 in fiscal year 2022 or 2023, or \$500,000 in fiscal year 2024;
- agency information technology (IT) infrastructure: hardware purchases or leases should be aggregated to determine if the \$100,000 or \$500,000 threshold is met;
- assets acquired from consultants/contracted service providers: information resource technologies or other assets developed or acquired through a consultant or contracted services;
- leased information resource technologies: leased equipment or software that constitute or are components of a functionally unified asset should be viewed as part of the total capital budget project cost and treated like cash purchases of information resource technologies; and
- pooled assets: vehicle purchases, regardless of whether they are purchased separately or as a group, should be included in the capital budget request if the aggregate purchase cost exceeds \$100,000 in fiscal year 2022 or 2023, or \$500,000 in fiscal year 2024.

Each agency that has made expenditures for capital budget projects during fiscal years 2022 or 2023, or that anticipates expending appropriated funds for capital budget projects for fiscal year 2024, shall prepare and include a Capital Budget Project Schedule.

See the *Sample Operating Budget/ Appendices* document for an example of this schedule.

IMPORTANT

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

If applicable, the Capital Budget Project Schedule also should include the following amounts:

- expenditures for capital budget projects not originally included as part of the capital budget rider provision for an agency;

- expenditures for capital budget projects made in accordance with additional spending authority provided in Article IX, Section 14.03, Transfers – Capital Budget (2022–23 and 2024–25 GAAs), House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, and Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023;
- contingency appropriations included in agency-specific riders and Article IX provisions (2022–23 and 2024–25 GAAs);
- payments to the Department of Information Resources (DIR) for services provided through the Data Center Services program, as defined by the Texas Government Code, Chapter 2054, Subchapter L, Statewide Technology Centers; and
- expenditures related to the Comptroller of Public Accounts' (CPA) Centralized Accounting and Payroll/Personnel System (CAPPS), including deployment-related and ongoing maintenance and support costs. Agencies transitioning to or implementing CAPPS as a hub agency also should identify related expenditures in accordance with the Capital Budget Project Schedule.

The Capital Budget Project Schedule in this document is an informational item only and should not be used to request authorization to exceed the capital budget expenditure limitations established by Article IX, Section 14.03, Transfers – Capital Budget (2022–23 and 2024–25 GAAs) or other agency-specific limitations.

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

For fiscal year 2024, the Data Center Consolidation capital budget project should include agency estimates of data center services costs, considering the following factors: program transfers authorized by the Eighty-eighth Legislature, 2023 (including called sessions); changes in operation; utilization; and vendor credits associated with contract amounts for Data Center Services. Use Capital Expenditure Category Code 7000 for all Data Center Services projects.

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

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

Examples of noncapital expenditures to exclude are:

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

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

- use MOF Code 0780 for General Obligation Bond Proceeds;
- use MOF Code 0781 for Revenue Bond Proceeds;

- use MOF Code 8226 for Master Lease Purchase Program (MLPP) Revenue Bond Proceeds; and
- use type of financing codes to indicate the type of financing proposed for each project, which include:
 - CA for Current Appropriations;
 - GO for General Obligation Bonds;
 - RB for Revenue Bonds;
 - ML for MLPP; and
 - LP for Other (non-MLPP) Lease Purchase.

Use Capital Expenditure Categories to indicate the type of expenditure for each project. Figure 5 shows the OOE Code for each capital expenditure category.

FIGURE 5 DEFINITIONS OF CAPITAL EXPENDITURE CATEGORIES		
OBJECT OF EXPENSE CODE	CAPITAL EXPENDITURE CATEGORY	DEFINITION AND COMPTROLLER EXPENDITURE CODE
5001	Acquisition of Land and Other Real Property (except for right-of-way purchases made by the Texas Department of Transportation)	For expenditures directly related to purchase of land and purchase or lease-purchase of buildings. Includes, but is not limited to: <ul style="list-style-type: none"> • 7345 – Land • 7342 – Buildings • 7392 – Land Purchased for Resale/Housing Loans
5002	Construction of Buildings and Facilities	For expenditures directly related to contracts for construction of permanent improvements and to construction and improvements to grounds and land. Includes, but is not limited to: <ul style="list-style-type: none"> • 7341 – Construction of Buildings • 7346 – Construction/Improvements of Grounds and Land • 7350 – Lease/Purchase of Buildings • 7373 – Furnishing and Equipment (Capitalized)
5003	Repairs or Rehabilitation	For expenditures directly related to repairs and rehabilitation of buildings or other improvements, such as the remodeling of office space. Includes, but is not limited to: <ul style="list-style-type: none"> • 7343 – Remodeling of Buildings – State-owned • 7344 – Remodeling of Buildings – State-leased
5004	Construction of Roads (except for such expenditures made by the Department of Transportation)	For expenditures directly related to contracts for road construction and improvements. Includes, but is not limited to: <ul style="list-style-type: none"> • 7356 – Real Property - Infrastructure - Capitalized
5005	Acquisition of Information Resource Technologies	For expenditures directly related to purchase or lease-purchase of computer equipment, purchase of computer software, purchase or lease-purchase of telephones, telephone systems, and other telecommunications and video/teleconferencing equipment. Includes, but is not limited to: <ul style="list-style-type: none"> • 7243 – Computer Services – Education/Training

FIGURE 5
DEFINITIONS OF CAPITAL EXPENDITURE CATEGORIES

OBJECT OF EXPENSE CODE	CAPITAL EXPENDITURE CATEGORY	DEFINITION AND COMPTROLLER EXPENDITURE CODE
		<p>Services (Object of Expense (OOE) Code 2001 Professional Fees and Services)</p> <ul style="list-style-type: none"> • 7379 – Computer Equipment – Capitalized • 7385 – Lease Purchase of Computer Equipment • 7395 – Computer Software – Purchased – Capitalized • 7519 – Lease/Purchase of Telecommunications Equipment • 7520 – Telecommunications – Equipment purchase – Capitalized
5006	Transportation Items	<p>For expenditures directly related to purchase or lease-purchase of motor vehicles, boats, and aircraft. Includes, but is not limited to:</p> <ul style="list-style-type: none"> • 7351 – Lease/Purchase of Motor Vehicles/Passenger Cars • 7352 – Lease/Purchase of Motor Vehicles/Other • 7365 – Boats • 7371 – Motor Vehicles – Passenger Cars • 7372 – Motor Vehicles – Other • 7375 – Aircraft
5007	Acquisition of Capital Equipment and Items	<p>For expenditures directly related to purchase or lease-purchase of furnishings and equipment, and to purchase of books, prerecorded reference material, and animals. Includes, but is not limited to:</p> <ul style="list-style-type: none"> • 7373 – Furnishings and Equipment – Capitalized • 7376 – Lease/Purchase of Furnishings and Equipment • 7386 – Animals – Capitalized • 7388 – Fabrication of Equipment – Higher Education • 7389 – Books and Prerecorded Reference Materials – Capitalized
5008	Lease Payments to Master Lease Purchase Program (for items acquired in fiscal year 2017 and previously)	<p>For installment payment obligations payable to Texas Public Finance Authority. Includes:</p> <ul style="list-style-type: none"> • 7964 – Master Lease Disbursements
7000	Data Center Services/ Shared Technology Services	<p>For payments to the Department of Information Resources for data center services/shared technology services. Includes:</p> <ul style="list-style-type: none"> • 7285 Computer Services – Statewide Technology Center (OOE Code 2001 Professional Fees and Services)
8000	CAPPS Statewide Enterprise Resource Planning (ERP) System	<p>For expenditures related to agency transition to the statewide ERP system referred to as the Centralized Accounting and Payroll/Personnel System (CAPPS) and for programming, development, and deployment costs for agencies transitioning to a CAPPS as a hub agency. Also includes expenditures related to ongoing maintenance and support costs for CAPPS systems.</p>

**FIGURE 5
DEFINITIONS OF CAPITAL EXPENDITURE CATEGORIES**

OBJECT OF EXPENSE CODE	CAPITAL EXPENDITURE CATEGORY	DEFINITION AND COMPTROLLER EXPENDITURE CODE
9000	Cybersecurity	<p>Includes, but is not limited to:</p> <ul style="list-style-type: none"> • 7203 – Registration Fees – Employee Training (OOE Code 2009 Other Operating Expense) • 7242 – Consultant Services – Information Technology (Computer) (OOE Code 2001 Professional Fees and Services) • 7262 – Maintenance and Repair – Computer Software – Expensed (OOE 2009 Other Operating Expense) • 7267 – Maintenance and Repair – Computer Equipment – Expensed (OOE Code 2009 Other Operating Expense) • 7275 – Information Technology Services (OOE Code 2001 Professional Fees and Services) • 7379 – Computer Equipment – Capitalized • 7380 – Computer Software – Expensed (OOE Code 2009 Other Operating Expense) • 7395 – Computer Software – Purchased – Capitalized <p>For expenditures directly related to the protection of computer systems from theft and damage to their hardware, software, or data, and from disruption or misdirection of services. Includes, but is not limited to:</p> <ul style="list-style-type: none"> • 7275 – Information Technology Services (OOE Code 2001 Professional Fees and Services) • 7379 – Computer Equipment – Capitalized • 7395 – Computer Software – Purchased – Capitalized

CENTRALIZED ACCOUNTING AND PAYROLL/PERSONNEL SYSTEM

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

- Comptroller of Public Accounts (CPA);
- agencies with a CAPPs capital budget project in their bill patterns in the 2022–23 and 2024–25 GAAs; and
- hub agencies that have implemented or are in the process of implementing separate, agency-managed systems; these agencies should show both implementation and ongoing maintenance and support costs.

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

DATA ENTRY

The Capital Budget Project Schedule is generated in ABEST. Refer to Fiscal Year 2024 Operating Budget Instructions, *ABEST Data Entry for Executive and Administrative Agencies, Appellate Courts, and Judicial Branch Agencies* and Figure 2 on page 5 of this document for data-entry screen names.

Assign capital budget projects to appropriate capital expenditure categories. Generate the schedule after entering the expended or budgeted amounts for each project for fiscal years 2022 to 2024. ABEST will group projects by category and calculate subtotals.

CHECKLIST ITEMS

- Were capital acquisitions reviewed to determine whether they should be included in the Capital Budget Project Schedule? This step includes past, present, and future acquisitions and MLPP agreements.
- Does the Capital Budget Project Schedule include CAPPs expenditures, including ongoing maintenance, for fiscal years 2022 to 2024 in Capital Expenditure Category Code 8000?

FEDERAL FUNDS SUPPORTING SCHEDULE

The Federal Funds Supporting Schedule:

- shows how Federal Funds support agency programs;
- provides historical and projected expenditures of federal funding sources;
- assists in analysis of the effects of federal legislation on the state budget; and
- identifies Federal Funds for any grant award of \$5.0 million or greater, or any award requested by the LBB or Office of the Governor, Budget and Policy Division, analyst.

The Federal Funds Supporting Schedule identifies:

- state agency expenditures and projections of Federal Funds by program title and Catalog of Federal Domestic Assistance (CFDA) number;
- strategy-specific information for each federal program; and
- additional information related to employee benefits paid with Federal Funds and General Revenue Funds used as a match or maintenance of effort for employee benefits.

See the *Sample Operating Budget/Appendices* document for an example of this schedule.

DATA ENTRY

The Federal Funds Supporting Schedule is generated in the Automated Budget and Evaluation System of Texas (ABEST). Refer to Fiscal Year 2024 Operating Budget Instructions, ABEST Data Entry for Executive and Administrative Agencies, Appellate Courts, and Judicial Branch Agencies, and Figure 2 on page 5 for data-entry screen names. After entering the method of finance (MOF) for each strategy request and all additional required information in ABEST, generate the Federal Funds Supporting Schedule. Include any CFDA programs by number and title that meet the \$5.0 million award threshold or have been requested by the LBB or Office of the Governor, Budget and Policy Division, analyst. The agency must set the status of the general budget submission in ABEST to *complete* before generating a final copy of the Federal Funds Supporting Schedule.

FEDERAL FUNDS

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

- select the appropriate MOF code to identify Federal Funds, which typically is 0555. COVID-19 pandemic-related Federal Funds are reported as MOF Code 0325;
- provide the CFDA number and title for each source of funding. If a CFDA number cannot be found in ABEST or if a new CFDA number is replacing another CFDA number, email cfda@lbb.texas.gov and provide the following information:
 - contact information (name and phone number of requestor);
 - agency code and agency name;
 - CFDA number;
 - program name for the CFDA number you are requesting; and
 - notice of grant award or other documentation that demonstrates that the agency has received Federal Funds, along with the intended use. For example, a subrecipient who has entered into a contract with a primary recipient of a grant award must provide a copy of the contract or agreement that it received from the primary recipient; and

- provide expended amounts for fiscal years 2022 and 2023, and budgeted amounts for fiscal year 2024.

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

- if any portion of Federal Funds are passed through from one state agency to another state agency or institution of higher education, the expending agency—not the initial recipient—should report the funding as Federal Funds;
- for federal grants that are appropriated across agencies, such as Temporary Assistance for Needy Families, each agency should report the amount of the grant appropriated to it, except for the lead agency, which should report on any amounts not otherwise appropriated;
- if any portion of Federal Funds are passed through to a non-state entity, the initial recipient should report the funding as Federal Funds; and
- any exceptions to this policy should be discussed with your Legislative Budget Board analyst and your Office of the Governor, Budget and Policy Division, analyst.

ADDITIONAL FUNDS FOR EMPLOYEE BENEFITS

Agencies expending \$5.0 million or more in total Federal Funds must:

- identify, by CFDA number, expended amounts for fiscal years 2022 and 2023, and budgeted amounts for fiscal year 2024 for employee benefits paid with Federal Funds (including group insurance, retirement, Social Security, and benefit replacement pay); and
- identify expended amounts for fiscal years 2022 and 2023, and budgeted amounts for fiscal year 2024 for employee benefits paid with General Revenue Funds used as match or maintenance of effort in each federal program (including group insurance, retirement, Social Security, benefit replacement pay, and post-retirement healthcare costs).

Amounts reported for employee benefits should be reported in the listing for Additional Federal Funds for Employee Benefits, not in the strategy listing. The total Federal Funds for a CFDA number in this schedule should total the amounts listed in the strategy(ies) and the additional amounts for employee benefits. The total Federal Funds for a CFDA number and amounts listed for employee benefits should also match the amounts reported for applicable fiscal years in the Federal Funds Tracking Schedule.

HURRICANE HARVEY GRANTS

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

CHECKLIST ITEMS

- Does the report include all federal awards that equal or exceed \$5.0 million?
- If the agency meets the \$5.0 million Federal Funds threshold, does the report include expenditures and estimates for the related employee benefits (Federal Funds and General Revenue Funds) for each program?
- Do amounts entered as total Federal Funds for a given CFDA number match amounts reported for the CFDA number in the Federal Funds Tracking Schedule?
- Do amounts reflected as Additional Federal Funds for employee benefits match Employee Benefit Payment amounts reported in the Federal Funds Tracking Schedule?

FEDERAL FUNDS TRACKING SCHEDULE

The Federal Funds Tracking Schedule:

- cross-references annual federal awards of \$5.0 million or greater with actual and projected state fiscal year amounts;
- provides historical and projected expenditures of federal funding sources;
- assists in analysis of the effects of federal legislation on the state budget; and
- identifies Federal Funds carried forward from previous fiscal years.

All agencies in receipt of Federal Funds are required to submit the Federal Funds Tracking Schedule for any grant award of \$5.0 million or greater. Please note that the \$5.0 million threshold refers to the federal award and not the final expended amount. Grants below that threshold are not required to be tracked via this schedule unless requested by the Legislative Budget Board (LBB) or Office of the Governor, Budget and Policy Division. The request(s) may include one or more federal programs by Catalog of Federal Domestic Assistance (CFDA) number and title. Contact the budget analyst at the LBB or the Office of the Governor, Budget and Policy Division, for additional information.

The Federal Funds Tracking Schedule is generated in the Automated Budget and Evaluation System of Texas (ABEST).

See the *Sample Operating Budget/Appendices* document for an example of this schedule.

DATA ENTRY

Enter the requested information into ABEST. Refer to Figure 2 on page 5 for data-entry screen names. Include any CFDA programs by number and title that meet the \$5.0 million award threshold or that have been requested by the LBB or Office of the Governor, Budget and Policy Division, analyst. See the Federal Funds Supporting Schedule for additional information on how to add a new CFDA number in ABEST.

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

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

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

CHECKLIST ITEMS

- If the agency received an award of \$5.0 million or more, did the agency provide current, historical, and projected expenditures through this schedule (excluding funds related to the COVID-19 pandemic)?
- Did the agency provide additional information to identify employee benefits payment amounts?
- Do the totals across state fiscal years equal the annual totals in the Federal Funds grant and award totals?

ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

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

Submit this schedule if any of the following apply:

- the agency is an Article II, Health and Human Services, or Article VIII, Regulatory, agency;
- the agency has an Appropriations Limited to Revenue Collections rider in the 2022–23 or 2024–25 General Appropriations Act (GAA);
- the agency collects any revenues, including those deposited to General Revenue Funds or General Revenue–Dedicated Fund accounts, that are budgeted in the agency’s method of finance (MOF), including riders; or
- the agency is instructed to do so by the LBB or the Office of the Governor, Budget and Policy Division.

Report Appropriated Receipts in this schedule. Also, include a separate section in the Estimated Revenue Collections Supporting Schedule for Earned Federal Funds (EFF) if the agency is affected by Article IX, Section 13.10 of the 2022–23 or 2024–25 GAA.

IMPORTANT

- Consult with the Office of the Governor, Budget and Policy Division, and LBB analyst(s) to determine the funds and accounts to be reported in this schedule.
- List total revenue collections, including the amounts collected that are greater than appropriated amounts.
- Do not report other Federal Funds in this schedule. Federal Funds are reported in the Strategy Level Detail Request and can be printed using the Federal Funds Supporting Schedule.

DATA ENTRY

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

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

Refer to Figure 2 on page 5 for data-entry tabs and submenus. See the following sections for more detail on each item.

BEGINNING BALANCE

For each fund or account, list actual unencumbered beginning balances for fiscal years 2022, 2023, and 2024. If revenues are deposited into a nonspecific account in the General Revenue Fund, it is not necessary to calculate a beginning balance. Review House Bill 3461, Eighty-eighth Legislature, Regular Session, 2023, and the Comptroller of Public Accounts’ (CPA) Manual of Accounts to determine if the fund or account was established or re-established and if revenue was dedicated or rededicated by the Legislature.

ACTUAL AND ESTIMATED REVENUE

List actual revenue collections for fiscal years 2022 and 2023 and estimated collections for fiscal year 2024. List collections by revenue source using the CPA's revenue object codes. Revenue sources must include Appropriated Receipts and receipts shown in the 2024-25 GAA, Article IX, General Provisions, that are specific to your agency.

The Estimated Revenue Supporting Schedule includes separate sections for each fund or account to which agencies deposit revenue. Agencies affected by Article IX, Section 13.10 of the 2022–23 and 2024–25 GAAs, should include a separate section in the schedule for Earned Federal Funds, using the following guidelines:

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

IMPORTANT

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

DEDUCTIONS AND TRANSFERS

List deductions made from the fund or account, including but not limited to:

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

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

Total Deductions include all deductions.

ENDING FUND OR ACCOUNT BALANCE

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

Pursuant to Article IX, Section 6.09, Appropriations from Special Funds (2022–23 and 2024–25 GAAs), appropriation amounts from special funds or General Revenue–Dedicated Accounts may not exceed actual balances and available revenues in the fund or account. Accordingly, agencies may not show an estimated negative balance in a special fund or General Revenue–Dedicated Account. Any anticipated shortfalls in a special fund or General Revenue–Dedicated Account must be offset by an appropriation reduction in the Summary of Budget by Method of Finance.

ASSUMPTIONS USED IN PROJECTING REVENUE

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

CHECKLIST ITEMS

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

BUDGETARY IMPACTS RELATED TO RECENTLY ENACTED STATE LEGISLATION SCHEDULE

The Budgetary Impacts Related to Recently Enacted State Legislation Schedule provides detailed information about agency costs and savings resulting from the enactment of new state legislation by the Eighty-eighth Legislature, 2023, all sessions. The schedule allocates amounts to each strategy in which the expanded or new initiative is budgeted. It also specifies the method of finance (MOF) and object of expense (OOE) for the expanded or new initiative budgeted in each strategy.

GENERAL INFORMATION

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

Information on these schedules should be limited to agency costs and savings that are directly or indirectly related to an expanded or new initiative for expended fiscal year 2023, budgeted fiscal year 2024, and estimated fiscal years 2025 to 2027. This information includes direct and indirect impacts to services, programs, and benefits, and any impacts to the agency's administrative and capital budgets. Do not include cost changes that the agency would have incurred without the implementation of recently enacted state legislation.

Identify the cost or savings of the expanded or new initiative by strategy and indicate the MOF and OOE within each strategy for each item.

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

If an expanded or new initiative contains information technology (IT) components, agencies should provide additional information, including a description of the new or existing project, proposed hardware and software, and development costs. If an expanded or new initiative may result in out-year costs for fiscal years 2025 to 2027, agencies should provide a description and estimate of the anticipated costs. If an expanded or new initiative request contains expected contracted costs of \$50,000 or more, agencies should provide a description of the goods or services to be procured by contract and the type of contract to be awarded, among other information.

See the *Sample Operating Budget/Appendices* document for an example of this schedule.

PART A. BUDGETARY IMPACTS OF RECENTLY ENACTED LEGISLATION

The Budgetary Impacts Related to Recently Enacted State Legislation Schedule is generated in the Automated Budget and Evaluation System of Texas (ABEST).

Submit each expanded or new initiative on a separate schedule. The agency should summarize and describe any applicable costs, savings, and Federal Funds related to the initiatives. Fiscal year 2023 should represent actual impacts on expenditures, fiscal year 2024 should represent budgeted impacts, and fiscal years 2025 to 2027 should represent estimated impacts.

Agencies should include the following information:

- name of the expanded or new initiative;
- the State Budget by Program name for the initiative;
- the legal authority for the initiative, including the session law and the specific section of the state statute to which the costs are related;

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

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

- the project description related to the expanded or new initiative, including whether it is an existing or new project;
- for fiscal years 2023 to 2027, the number of FTE positions and estimated costs related to the project;
- all development costs associated with the project;
- the type of project – Centralized Accounting and Payroll/Personnel System (CAPPS), cybersecurity, application remediation for Data Center Services, Legacy projects, or other; and
- the proposed hardware and software and an indication of whether the proposal can be scalable (i.e., implemented across multiple years).

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

- estimated percentage of the total initiative cost for fiscal years 2024 to 2025 to be expended on contracted goods or services;
- description of the goods or services to be procured by contract, including the type of contract to be awarded (e.g., consulting, professional, construction, major information systems, other services, or goods) and expected duration of the anticipated contract;
- anticipated method of procurement for the contract (e.g., sole source, proprietary, request for qualifications or proposal); and
- for consulting, professional, or other services, a description of the factors the agency considered for these services (e.g., cost benefit analysis, identification of advantages and disadvantages, etc.).

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

This report automatically generates data from submitted Part A. Budgetary Impacts Related to Recently Enacted State Legislation Schedules to provide a summary of all budgetary impacts for fiscal years 2023 to 2027. No additional data entry is necessary.

APPENDIX A: HELPFUL LINKS AND OTHER REFERENCE DOCUMENTS

Conference Committee Report on Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021

www.lbb.texas.gov/Legislative_Session.aspx → View Other Legislative Sessions → 87th Legislature 2022-2023 → Conference → Bills

Conference Committee Report on House Bill 1, Eighty-eighth Legislature, Regular Session, 2023

www.lbb.texas.gov/Legislative_Session.aspx → Conference → Bills

Operating Budget Instructions

www.lbb.texas.gov/Agencies_Portal.aspx → Instructions: Budget Submissions & Other Reporting → Operating Budget Instructions

Operating Budget Instructions (ABEST Data Entry)

www.lbb.texas.gov/Agencies_Portal.aspx → Instructions: Budget Submissions & Other Reporting → Operating Budget Instructions → Fiscal Year 2024 Operating Budget Instructions ABEST Data Entry

Operating Budget Instructions (Institutions of Higher Education ABEST Data Entry)

www.lbb.texas.gov/Agencies_Portal.aspx → Instructions: Budget Submissions & Other Reporting → Operating Budget Instructions → Fiscal Year 2024 Operating Budget Instructions ABEST Data Entry for Institutions of Higher Education

LBB Document Submissions

docs.lbb.texas.gov

Certification of Dual Submissions Form

www.lbb.texas.gov/Agencies_Portal.aspx → Instructions: Budget Submissions & Other Reporting → Operating Budget Instructions → Certification of Dual Submission: Template

Sub-strategy Detail Template

www.lbb.texas.gov/Agencies_Portal.aspx → Instructions: Budget Submissions & Other Reporting → Operating Budget Instructions → Sub-strategy Spreadsheet: Template

Sample Operating Budget/Appendices

www.lbb.texas.gov/Agencies_Portal.aspx → Instructions: Budget Submissions & Other Reporting → Operating Budget Instructions → Sample Operating Budget/Appendices

State Auditor's Office (SAO) FTE Reports

www.sao.texas.gov/ → Resources → Tools → Online Systems → Full-Time-Equivalent (FTE) State Employee System

Object of Expense (OOE) Codes

www.lbb.texas.gov/Agencies_Portal.aspx → Instructions: Budget Submissions & Other Reporting → Data Entry Reference Materials → Object of Expense Codes

Method of Finance (MOF) Codes

www.lbb.texas.gov/Agencies_Portal.aspx → Instructions: Budget Submissions & Other Reporting → Data Entry Reference Materials → Method of Finance Codes

Comptroller of Public Accounts (CPA) Revenue Codes

www.lbb.texas.gov/Agencies_Portal.aspx → Instructions: Budget Submissions & Other Reporting → Data Entry Reference Materials → Revenue Object Codes