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## Agency News



# Legislature, Governor's Office issue instructions for 2014-15 agency budget requests

In May, the Legislative Budget Board (LBB) and the Governor's Office of Budget, Planning and Policy (GOBPP) published instructions governing preparation and submission of Legislative Appropriations Requests (LAR) for the 2014-15 biennium. This begins the budgeting process which will eventually determine how much funding the upcoming 83<sup>rd</sup> Legislature will appropriate to the Texas Department of Criminal Justice (TDCJ) and other state agencies. LARs reflect an agency's strategic plan and provide a fiscal expression of the agency's priorities, including performance and cost projections.

For the 2014-15 biennium, most agencies' LARs may not include a "baseline" request that exceeds the sum expended in fiscal year (FY) 2012 and budgeted in FY 2013. One notable exception of interest to state employees is the Employees Retirement System, which may request additional funds needed for the state's contributions to pension systems and group benefit programs. Requests for amounts in excess of the funds expended in FY 2012 and budgeted in FY 2013 may be submitted as "exceptional items."

Agencies must also submit a supplemental schedule detailing how they would reduce their funding request by an additional 10 percent, in 5 percent increments. Chief Financial Officer Jerry McGinty urged employees to remain calm despite the request for state agencies to demonstrate the impact of budget reductions totaling up to 10 percent, describing it as a prudent budget exercise.

"In the context of developing any budget, it's common for decision-makers to want information regarding the impact of possible spending reductions," said McGinty. "In fact, that is usually the case when the Legislature considers the state budget, just as it is for most agencies, businesses and households. It's far too premature to make any assumptions about funding for the next biennium."

Agency employees should remember that the LAR is only the first step in a lengthy appropriations process and any decisions impacting agency appropriations and operations will be carefully considered by both the governor and Legislature before such measures are adopted. TDCJ's appropriations

request for 2014-15 will be considered and voted upon during the Texas Board of Criminal Justice's meeting on August 23, and the agency's LAR will be submitted to the LBB and GOBPP by August 30. Other important dates in the upcoming budgeting process include:

**August and September 2012:** agencies submit biennial 2014-15 LAR; LBB and GOBPP hold joint budget hearings

**October through December 2012:** LBB and GOBPP develop budget recommendations

**January 2013:** LBB budget recommendations and governor's budget proposals delivered to the 83<sup>rd</sup> Legislature

**January through May 2013:** 83<sup>rd</sup> Legislature considers and adopts the General Appropriations Bill

**June 2013:** Comptroller certifies the General Appropriations Bill; governor acts on the General Appropriations Bill by approving or disapproving of the entire bill or sections contained in the bill ●