



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

**Governor's Office of
Budget, Planning and Policy**
1100 San Jacinto, 4th Floor
Austin, TX 78701
(512) 463-1778

MEMORANDUM

June 4, 2012

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

Detailed instructions for the submission of legislative appropriations requests for the 2014–15 biennium have been posted on the external websites of the Legislative Budget Board and the Governor's Office. A staggered schedule of submission dates is included as an appendix to the instructions.

As a starting point for budget deliberations, an agency's baseline request for General Revenue Funds and General Revenue-Dedicated Funds may not exceed the sum of amounts expended in fiscal year 2012 and budgeted in fiscal year 2013. Establishment of agency budget baselines through the legislative appropriations request process does not preclude the possibility that state agencies may be asked to reduce their fiscal year 2013 budgets should state fiscal conditions warrant it. Agencies must also submit a supplemental schedule detailing how they would reduce the baseline request by an additional 10 percent (in 5 percent increments) in General Revenue Funds and General Revenue Dedicated Funds.

Exceptions to the baseline request limitation include amounts necessary to:

- maintain funding for the Foundation School Program;
- satisfy debt service requirements for bond authorizations;
- maintain benefits and eligibility in Medicaid entitlement programs, the Children's Health Insurance Program, the foster care program, the adoption subsidies program, and the permanency care assistance program; and
- satisfy employer contribution requirements for state pension systems and employee group benefits (not including payroll contributions made by state agencies and institutions of higher education for group health insurance), though group benefit modifications may be considered.

Funding requests for other purposes that exceed the baseline spending level may not be included in the baseline request but may be submitted as Exceptional Items.

We appreciate the opportunity to work with you and your staff during this budget cycle.

Sincerely,

Handwritten signature of Ursula Parks in black ink.

Ursula Parks
Acting Director
Legislative Budget Board

Handwritten signature of Jonathan Hurst in black ink.

Jonathan Hurst
Director
Governor's Office of Budget, Planning and Policy