

August 18, 2020

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

Today, we are releasing the detailed instructions for the submission of Legislative Appropriations Requests (LAR) for the 2022-2023 biennium. These instructions are posted on the websites of the Legislative Budget Board (LBB) and the Office of the Governor. You may begin the process of entering data into the Automated Budget and Evaluation System of Texas (ABEST). Please contact your assigned LBB analyst if you have further questions.

As the Comptroller of Public Accounts recently stated, the current economic outlook “carries an unprecedented amount of uncertainty.” While we have immense faith that the Texas economy will recover and continue leading the nation, this uncertainty further demonstrates that the state must maintain its commitment to fiscal restraint.

We appreciate the efforts your entities have made in the current fiscal biennium to minimize spending that did not impact services or necessitate reductions in force when possible. All state entities will be required to submit an LAR with a base funding amount equal to your adjusted 2020-2021 base. Some agencies that were exempted from the 5 percent reduction in the 2020-2021 appropriations years will be provided adjusted baseline numbers for purposes of the 2022-2023 LAR. Any request above that base level, including a restoration of reductions, should be included as an exceptional item.

Exceptions to the baseline request limitation include amounts necessary to:

- maintain funding for the Foundation School Program under current law;
- satisfy debt service requirements for bond authorizations;
- maintain funding at fiscal year 2021 budgeted levels plus amounts necessary to cover the impact of payroll growth for state pension systems and employee group benefits (not including payroll contributions made by state agencies and institutions of higher education for retirement and group health insurance), though group benefit modifications may be considered;
- maintain current benefits and eligibility in Medicaid programs, the Children's Health Insurance Program, foster care programs, the adoption subsidies programs, and the permanency care assistance program (baseline requests for these programs should include amounts sufficient for projected caseload growth);
- maintain funding for programs serving individuals with intellectual or developmental disabilities;
- maintain funding for Child Protective Services; and
- maintain funding for the Department of Public Safety.

We will continue to work with Comptroller Hegar to closely monitor the economy and state revenues. To prepare for the possibility of reduced state revenues in the upcoming session, each entity shall provide additional information about existing programs, listing the top priorities for the entity, and how a reduction in the specific program would impair an entity from fulfilling its core mission.

Thank you for your dedicated service to Texas. While the future carries significant uncertainty, we know that by working together we can ensure the State will continue to provide core government functions and a high level of customer service. We look forward to working with you in preparation for the 87th Legislative Session.

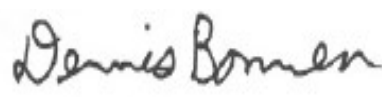
Sincerely,



Greg Abbott
Governor



Dan Patrick
Lieutenant Governor



Dennis Bonnen
Speaker of the House