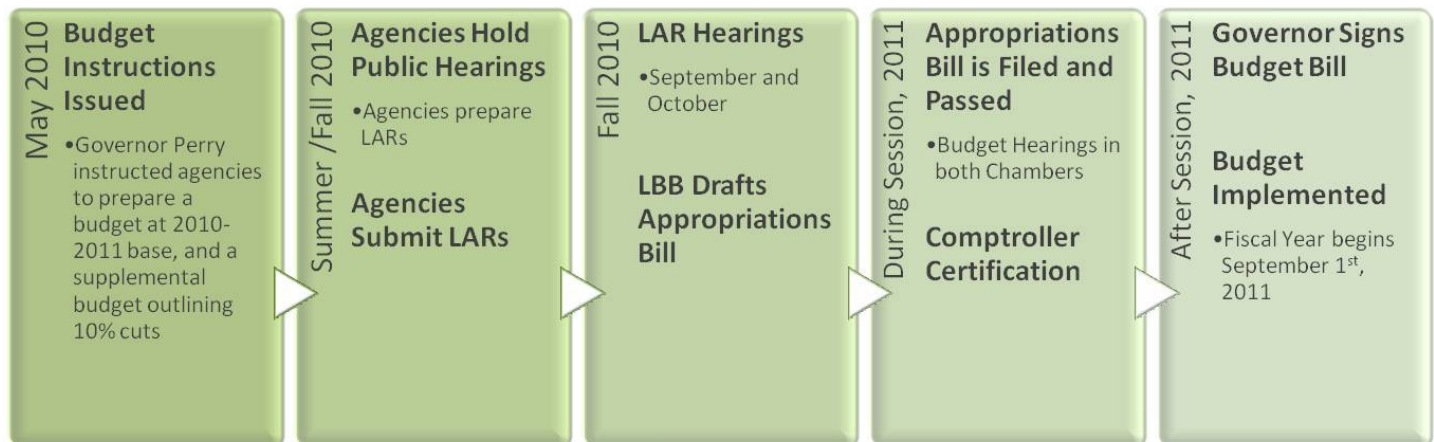


A Guide to the Texas Budget Process

Texas has a two year budget cycle—called a biennium—that starts in the fall after each legislative session. The next biennium (2012-2013) will begin after the 82nd Legislative Session, on September 1st, 2011 and, will be in effect until August 31st, 2013.

Timeline of the Budget process from 2010-2011



How does the Budget process work?

Before Session (May–Nov.)

1. Budget Instructions: The spring before the legislative session, the Legislative Budget Board (LBB) and the Governor's Office of Budget, Planning and Policy (GOBPP) issue instructions to state agencies, state courts and public higher education institutions, telling them how much money they are allowed to request in developing their budgets. The instructions set the baseline for the state budget.

The budget instructions for the 2012-2013 budget cycle state that agencies are not allowed to request more than they received in the 2010-2011 biennium, and also mandate that each agency prepare a supplemental budget outlining which cuts the agency would make if their budget were cut by ten percent.

2. LAR Submission: Over the summer, agencies use the budget instructions to develop their budget requests, or Legislative Appropriation Requests (LARs). Agencies must submit their LARs to the LBB and the GOBPP by early August.

3. LAR Hearings: After agencies have submitted their LARs, the LBB and GOBPP hold public hearings to discuss the agency's proposals.

During Session (Jan.- ??)

4. General Appropriations Bill: The fall before session starts, the LBB prepares a draft appropriations bill, which is filed in both the House and the Senate, and is passed like any other bill.

5. Comptroller Certification: After the appropriations bill has been passed, the Comptroller must certify that there will be enough revenue to cover all the appropriations.

6. Signing and Implementation: Once the comptroller has certified that there will be enough revenue to cover the appropriations, the bill goes to the Governor's office to be signed.

After the Session:

7. Implementation: The appropriations bill goes into effect on September 1st of odd-numbered years and is implemented over the following two years.

In Brief: The Current Budget (2010-2011 Biennium)

The current biennium began on September 1st, 2009 and will be in effect until August 31st, 2011. The total amount of funds for the **2010-2011 biennium is \$182.2 billion**, an increase of \$10.1 billion from the previous biennium.

This includes the following sources:

General Revenue:

\$80.6 billion, 44.2% of all funds (non-dedicated)

\$6.4 billion, 3.5% of all funds (dedicated)

Federal funds:

\$65.5 billion, 36% of all funds

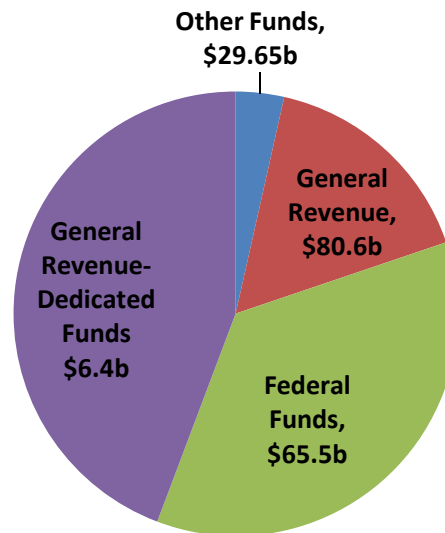
More than half of federal funds (52%) are allocated to Health and Human Services. This year federal funding increased 4% because of the \$12 billion that Texas received in the form of American Recovery and Reinvestment (ARRA) funds.

Other Funds

\$29.6 billion, 16.3% of all funds

Other funds include all funds that are not financed through General Revenue or federal funds, such as the State Highway Fund, Texas Mobility Fund, other trust funds and bond proceeds.

Texas 2010-2011 Biennium Budget



Source: LBB Fiscal Size-up, Dec. 2009

Budget Shortfall:

State leaders predict that there will be a \$21 billion deficit for the upcoming budget cycle. According to state budget experts, cutting agency budgets by ten percent would save approximately \$4 billion, factoring in the programs exempted from cuts. Budget cuts often fall hardest on the most vulnerable Texas citizens. Below is a list of some of the cuts agencies are proposing to meet their 10 percent reduction goals, and who the cuts would effect.

Some Proposed Cuts in Agency LARs (affecting children):

The Department of Family and Protective Services (DFPS) target is to reduce by \$78.7 million of General Revenue.

DFPS would cut funding to the Prevention and Early Intervention programs by \$73.7 million (84%), including related full-time employees, which would mean that **14,172 children** would no longer have access to abuse, neglect and juvenile delinquency prevention programs.

The Department of State Health Services (DSHS) target is to reduce by \$244.7 million of General Revenue.

DSHS would reduce funding to state mental health programs, which means that **2,652 fewer children** would have access to mental health services.

DSHS would cut funding to public clinics, resulting in a **50% reduction** of the number of children vaccinated there—this would affect about **113,000** children.

The Children with Special Health Care Needs program would be cut to serve **837 fewer children**.

DSHS would eliminate dental services to children, which would affect about **9,000 children**.

DSHS would cut **\$4 million** from obesity prevention and control programming.

The Texas Education Agency (TEA) target is to reduce by over \$260 million of General Revenue.

TEA would **cut grants for physical education** in grades 6, 7, and 8 in campuses where 60% or more students are identified as economically disadvantaged.

TEA would cut funds for Texas Regional Educational Service Centers that house **Regional School Health Specialists**, who provide training and technical assistance in order for school districts to implement coordinated school health.

Other States:

According to the Center on Budget and Policy Priorities, Since 2008:

—At least 31 states have implemented cuts that will restrict low-income children's or families' eligibility for health insurance or reduce their access to health care services.

—At least 29 states plus the District of Columbia are cutting medical, rehabilitative, home care, or other services needed by low-income people who are elderly or have disabilities, or are significantly increasing the cost of these services.

—At least 33 states and the District of Columbia are cutting aid to K-12 schools and various education programs.

—At least 43 states have cut assistance to public colleges and universities, resulting in reductions in faculty and staff in addition to tuition increases.

—At least 43 states and the District of Columbia have made cuts affecting state government employees

Related Links and Sources:

LARs at the LBB website:

http://www.lbb.state.tx.us/External_Links/LAR_82R/Agency_LAR_Listing_82R.htm

Agency LAR hearings at the LBB website

http://www.lbb.state.tx.us/Budget_Hearings/Schedule_by_Date.htm

DSHS Presentation on LAR

<http://www.dshs.state.tx.us/council/agendas/Aug2010/2012-13-LAR-82510.ppt>

CPPP article on writing the Texas budget:

<http://www.cppp.org/research.php?aid=1007&cid=6>

Texas Impact articles on budget basics:

<http://texasimpact.org/statebudget>

Texans Care for Children Testimony on LARs

<http://txchildren.org/testimony>

CBPP article on what other states are doing:

<http://www.cbpp.org/cms/?fa=view&id=711>



Texas Impact is a grassroots network for Texas religious communities.

Our members include regional and statewide religious organizations, local congregations and alliances, and individuals

Texas Impact: People of Faith Working for Justice • 221E. 9th Street, #403 • Austin, TX 78705 • www.texasimpact.org