



## LEGISLATIVE BUDGET BOARD

# 2026-27 Legislative Appropriations Request (LAR)

## Training for State Agencies

**PRESENTED TO AGENCY STAFF**

**LEGISLATIVE BUDGET BOARD STAFF**

**AUGUST 2024**

# Training Agenda

---

- What is an LAR?
- Getting Started
- Baseline Request Limits
- General Guidance – Key Schedules
- Submission/Distribution
- Helpful Tips

# What is an LAR?

- A Legislative Appropriations Request (LAR) is a state agency's request for appropriations for the upcoming biennium (2026–27).
- LAR has two primary components:
  - Baseline or Base-level requests (funding within LBB-OOG approved GR-Related Funds request limit amounts); and
  - Exceptional Item requests (requests for funding above the LBB-OOG approved limits).

# What is an LAR?

- The LAR includes ***quantitative information***, such as projected performance, projected costs, and methods of finance proposed for state services; and ***qualitative information*** and narrative language (e.g., Administrator's Statement; descriptions/justifications for requests) that is integral to preparation of the General Appropriations Act (GAA).
- LAR connects the agency's Strategic Plan and the GAA by providing a ***fiscal expression of the agency's priorities***.

# Getting Started

- Before you may begin LAR production in ABEST, your agency needs the following items completed and approved by LBB and OOG:
  - Strategic Plan budget structure and performance measures;
  - 2024-25 Base Reconciliation; and
  - LBB-OOG approved GR/GR-Dedicated Funds baseline request limit for 2026-27 (derived from approved Base Reconciliation).

# Getting Started

- Before you begin entering LAR information in ABEST:
  - Read the **Policy Letters**.
  - Read the ***LAR Detailed Instructions for State Agencies and ABEST Instructions – Data Entry for State Agencies, Appellate Courts, and Institutions of Higher Education***.
- Go to the LBB website – Agencies Portal to access the policy letters, instructions, LAR templates (supporting schedules not entered ABEST), and other LAR resources.

[https://www.lbb.texas.gov/Agencies\\_Portal.aspx](https://www.lbb.texas.gov/Agencies_Portal.aspx)

# Baseline Request Limits

- Refer to the Policy Letters for exceptions to the 2026-27 GR-Related Funds request limits (baseline request limit).
- 2024-25 Salary Adjustments: In general, the LBB-OOG approved GR-Related Funds request limits have been calculated to accommodate two full fiscal years of funding for the FY 2025 salary adjustment levels.
- The number of FTE positions in the baseline request should not exceed the FY 2025 FTE Cap as adjusted in the approved Base Reconciliation unless otherwise instructed by LBB and OOG.

# General Guidance – Administrator’s Statement

- The ***Administrator’s Statement*** should explain issues fundamental to the agency’s appropriations request, including:
  - Significant policy changes;
  - Significant changes in provision of services (e.g., client population, costs, efficiencies, technology, privatization);
  - Significant externalities (e.g., population changes, court orders, federal mandates, service demands); and
  - Purpose of any new funding being requested.



# General Guidance – Admin. Statement (cont'd)

- For agencies with programs identified in the *Policy Letters as exceptions to the baseline request limitation*, include a description of the funding request for that program, the methodology for determining the funding level, and how the request differs from the 2024-25 budget for that program.
- Include any requested **changes to exempt positions** (e.g., position titles, authorized salary levels or group numbers, new exempt positions, and requests for additional funding to increase salaries).

# General Guidance - Strategy Request

- The ***Strategy Request*** (Schedule 3.A.) provides actual (FY 2023) and estimated (2024-25) spending, performance (key *and* non-key measures), and FTE levels, and the 2026-27 baseline request at the agency's Strategic Plan strategy level of detail.
- It also provides narrative information, including:
  - The ***description*** and ***justification*** for each strategy;
  - ***External*** or ***internal factors*** affecting each strategy; and
  - ***Explanation of Biennial Change*** – descriptions of incremental funding changes in the 2026-27 baseline request compared to the 2024-25 estimated/budgeted levels.

# General Guidance - Strategy Request (cont'd)

---

- The ***Explanation of Biennial Change*** should include detailed information describing requested funding increases and decreases from 2024-25.
- Explain changes by Method of Finance.
- Identify associated increase or decrease in FTE positions.
- Specify increases or decreases from 2024-25 base spending related to the 2024-25 ***Salary Increases for General State Employees***.

# Gen. Guidance – Capital Budget

- LAR ***Capital Budget Supporting Schedules*** provide historical, budgeted, and requested funding for projects with a unit / unified asset cost exceeding \$500,000 for all capital project categories, except *Data Center / Shared Technology Services*.
- Agency ***Data Center / Shared Technology*** costs of **\$100,000 or greater for a fiscal biennium** should be reported as a capital project.
- Refer to the LAR Instructions, Part 5, Capital Budget, (pages 43 - 46) for the definition and categories of capital budget projects.

# General Guidance – Exceptional Items

- ***Exceptional Item Request Schedules*** provide detailed information required for analysis of exceptional item requests.
- Provide detailed descriptions and justifications.
- Specify whether each request continues an existing initiative or establishes a new initiative.
- Describe expected service enhancements, improvements in effectiveness of agency operations, and impact on performance measures.
- **New for 2026-27 LAR:** Exceptional Item ***sub-request detail*** may now be entered directly into ABEST (for agencies that usually submit sub-request detail separately).

# General Guidance – Exceptional Items (cont'd)

- Exceptional items / components meeting **capital budget** definitions and requirements must be reported in the *Exceptional Item* schedules and the *Capital Budget Project Schedule - Exceptional*.
- Additional details are required for **information technology** components [status (new or existing project), project type, outputs and outcomes, alternative analysis, alternative analysis / scalability, out-year IT costs].
- All requests for **new construction** or **facility repair/rehabilitation projects** should be included in the relevant *Capital Budget Schedules* and in the ***Summary of Requests for Facilities-Related Projects (Part 8)***.

# General Guidance – Rider Requests

- ***Rider Revisions and Additions Requests*** (3.B.) should include sufficient justification for the requested revisions, additions, or deletions.
- Provide a description of the effect of the revision/deletion on agency appropriations and activities compared to the 2024-25 biennium.
- If a rider request would make an appropriation in addition to amounts included in the baseline *Strategy Request*, the additional appropriation should be reflected in *Part 3.C., Rider Appropriations and UB Request* (amounts within baseline request limits) or included as an exceptional item (request amounts above the baseline limits).
- **If no rider revisions are requested**, submit Schedule 3.B., with a note indicating that no changes are requested.

# General Guidance - Federal Funds

- Submit the ***Federal Funds Tracking Schedule (6.D.)*** for any grant award **greater than \$5.0 million** in FY 2023 or upon LBB or OOG request.
- **COVID-19 pandemic federal funds** are not reported in the *Tracking Schedule*.
- The *Federal Funds Tracking Schedule* now requires additional information on federal maintenance of effort (MOE) and federal match requirements.
- Agencies receiving more than \$5.0 million total Federal Funds in FY 2023 must **identify amounts used for employee benefits** and any amounts of General Revenue Funds used as match or MOE for employee benefits.
- Analysts may ask for additional federal funds detail beyond these thresholds as they are needed.



# Submission/Distribution

---

- Agency LAR **submission due dates** provided on pages 9 and 10 of the LAR *Detailed Instructions for Agencies*.
- Information on **submission and distribution of electronic (PDF) and bound paper copies** is included on page 14 of the LAR *Detailed Instructions for Agencies*.
- Place LAR on your agency's website within five days of submitting the required PDF to LBB and OOG.

# Helpful Tips

- **Appendix A** of the *LAR Detailed Instructions for Agencies* includes links to templates for LAR non-ABEST request and supplemental schedules and other helpful reference documents. Make sure you use current templates.
- Provide sufficient detail to fully explain changes in strategies, by MOF by utilizing the “Explanation of Biennial Change” input. Be prepared to explain how those funds were shifted among strategies.
- Make sure all required schedules are completed and schedules which should tie to each other are consistent.
- Use the checklists found throughout the LAR instructions.
- If you have any questions on any schedules or other issues, please reach out to your assigned analyst.



# LEGISLATIVE BUDGET BOARD

## **Contact the LBB**

Legislative Budget Board

[www.lbb.texas.gov](http://www.lbb.texas.gov)

512.463.1200