



LEGISLATIVE BUDGET BOARD

2028-29 Legislative Appropriations Request (LAR)

Overview for State Agencies

**PRESENTED TO AGENCY STAFF
LEGISLATIVE BUDGET BOARD STAFF**

July 2026

Agenda

- What is an LAR?
- Getting Started
- Baseline Request Limits
- General Guidance – Key Schedules
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What is an LAR?

- The Legislative Appropriations Request (LAR) is a state agency's request for appropriations for the upcoming biennium (2028–29).
- The 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 are integral to preparation of the General Appropriations Act (GAA).
- The LAR connects the agency's Strategic Plan and the GAA by providing a fiscal expression of the agency's priorities.

Getting Started

- Before you begin LAR production in ABEST, your agency should have the following items completed and approved by LBB and OOG:
 - Strategic Plan budget structure and performance measures;
 - 2026-27 Base Reconciliation; and
 - LBB-OOG approved GR/GR-Dedicated Funds baseline request limit for 2028-29 (derived from approved Base Reconciliation).

Getting Started

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

Baseline Request Limits

- Refer to the **Policy Letter** for exceptions to the 2028-29 GR-Related Funds request limits (baseline request limit).
- The number of FTE positions in the baseline request should not exceed the FY 2027 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 Letter 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 2026-27 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 – Admin. Statement (cont'd)

If your agency is impacted by **HB 149**, relating to regulation of the use of AI, or **HB 4751**, relating to the Texas Quantum Initiative, from the 89th Legislature, Regular Session, and is unable to implement a mandatory provision of either bill due to a lack of an appropriation made for that purpose:

- clearly state that fact in the Administrator's Statement;
- provide an estimate of any required costs and FTE positions to implement the provision(s) for each fiscal year of the biennium; and
- note whether your agency is including these amounts as part of the budget request.

General Guidance - Strategy Request

- The ***Strategy Request*** (Schedule 3.A.) provides historical spending and FTE levels (FY 2025-27), performance (key and non-key measures), and the 2028-29 baseline funding and FTE request at the strategy level.
- 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 2028-29 baseline request compared to the 2026-27 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 2026-27.
 - Dollar amounts in the Explanation of Biennial Change are shown in All Funds, use the *Explanation* field to specify changes by Method of Finance.
 - Agencies should fully identify each strategy impacted by the required three percent reduction and fully reconcile those adjustments in this section.
 - Identify associated increase or decrease in FTE positions.

General Guidance – Capital Budget

- The 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) for the definition and categories of capital budget projects.

New Schedule – Interagency Contracts

- The ***Interagency Contracts Tracking Schedule*** (6.L) has been added to collect data on interagency contracts (IAC) budgeted at each agency.
 - Agencies that have actual or projected IAC funding must fill out the schedule.
 - State agencies that do not have IACs are not required to complete the schedule.

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.

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*.
- Agencies with Exceptional Items with **Information Technology** components that would create a new or revise an existing capital budget item are directed to submit those components as a sub-request.

New for 2028-29 LAR– Exceptional Items

- 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)***.
- Agencies with Exceptional Items with **Full-time Equivalents** (FTEs) or **Salary Impact** are directed to add the 1.0% contribution for group health insurance and the 0.5% contribution for retirement.
 - For Exceptional Items **impacting salary levels**, agencies are also directed to add the 0.5% retirement contribution. (The 1.0% Group Health Insurance should not be impacted by a salary level change.)

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 2026-27 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** or upon LBB or OOG request.
- **COVID-19 pandemic federal funds** are not reported in the Federal Funds Tracking Schedule.
- The Federal Funds Tracking Schedule now requires additional information on federal maintenance of effort (MOE) and federal match requirements.
- Grants included in this section **must identify amounts used for employee benefits** and any amounts of General Revenue Funds used as match or MOE for employee benefits. These amounts should equal benefits reported in the Federal Funds Supporting Scheduled (6.C.).
- LBB Analysts may ask for additional federal funds detail beyond these thresholds as needed.

Submission/Distribution

- Agency LAR **submission due dates** are provided in the *LAR Detailed Instructions for Agencies*.
- Information on **submission and distribution of electronic (searchable PDF) and bound paper copies** is included in the *LAR Detailed Instructions for Agencies*.
- Post the 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 resources and links to templates for LAR non-ABEST request and supplemental schedules. 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 – including information in the Administrator’s Statement.
- Utilize the checklists found throughout the LAR instructions.
- If you have any questions on any schedules or other issues, please reach out to your assigned LBB analyst.



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Contact the LBB

Legislative Budget Board

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