

Legislative Appropriations Request

Fiscal Years 24-25

Sarah Keyton, Associate Commissioner for Administration

Ken Martin, Chief Operating Officer/Chief Financial Officer

LAR Purpose and Components

In the summer of even-numbered years, state agencies submit a **Legislative Appropriations Request (LAR)** to provide financial and operational information to the Legislature for making budgetary decisions for the next fiscal biennium.

The LAR is the agency's opportunity to recommend changes to the budget and/or request additional funding from the Legislature for specific purposes.

Major components include:

- An administrator's statement
- The agency's baseline budget
- Exceptional item requests
- Proposed updates and revisions to budget riders

LAR Timeline

- July 1** Received LAR instructions and Policy Letter
- July 8** Received GR/GR-D limit and approved base
- July 29** Completed LAR due to the Governor's Office and the Legislative Budget Board (LBB)
- Fall 2022** Governor's office and LBB hearings on agency LARs
- Jan. 10, 2023** 88th Texas Legislature convenes
- Jan. 2023** Initial FY24-25 appropriations bills released

LAR Base Funding

- The LBB determines the starting point for building the agency's base budget for FY24-25.
 - Starting point is FY22-23 funding less Baylor College of Medicine formula funding and one-time expenses for the Capitol Complex relocation.
- Unlike previous years, the agency was not required to take a mandatory percentage reduction or to propose schedules for absorbing such a reduction.
- The LAR base for FY24-25 does not continue federal funding received from COVID-19 relief bills during the current biennium.
- For the FY24-25 biennium, the agency's All Funds base is \$1.762 billion.
- Any funds the agency requests beyond this amount must be submitted as Exceptional Item Requests.

The majority of the agency's budget is trusted funds that are passed through to institutions, students, borrowers, and other stakeholders.

Administrator's Statement

The LAR must include a statement from the agency's administrator providing context on issues fundamental to the agency's budget, including changes in policy, provision of services and externalities since the last biennium.

The focus of the Commissioner's Administrator's Statement is the importance of the agency's budget to achieving the goals of *Building a Talent Strong Texas*. Critical components in the statement include:

- Continuing strong state **investment in higher education**
- Building on the **Governor's Tri-Agency Workforce Initiative**
- Supporting the work of the **Texas Commission on Community College Finance**
- Making additional targeted investments in **student financial aid, data security and modernization, college and career advising, and supporting innovation and collaboration**



Exceptional Item Requests



STUDENT FINANCIAL AID - \$153M

State need-based student financial aid has proven to be essential to ensure students across the state have opportunities to enroll in and complete postsecondary credentials of value. Continued investment will ensure the state is advancing access to higher education **equitably for the benefit for all Texans**. This request holds steady the three need-based financial aid programs and includes a request to allow flexibility to direct targeted aid to support critical enrollments of transfer students through Texas Transfer Grants and high-achieving students who are low-income through the Texas Leadership Scholars program.



DATA SECURITY AND MODERNIZATION - \$15M

The Governor and Legislature have made significant investments in upgrading the security and utility of the state's education and workforce data infrastructure to protect sensitive student-level data and provide timely and actionable information and analysis for students, employers, institutions, policymakers, and other key stakeholders. This funding would sustain momentum across these critical efforts, implement applications that will enable new security software to enhance protection of confidential data, and will support innovative platforms to engage students and key stakeholders.

Exceptional Item Requests



COLLEGE AND CAREER ADVISING - \$20M

This funding would support multiple initiatives to bolster college and career advising from secondary schools through higher education, to support advisers across the state, provide modern digital advising resources, and make advising more relevant, accessible, and effective for today's students.



INNOVATION AND COLLABORATION - \$47.5M

The request would help provide expanded opportunities for Texans to complete credentials of value, reskill and upskill, and participate in paid work-based learning experiences. The request would also support the agency's efforts to launch centralized technical and administrative support for small, mid-sized, and rural-serving institutions, especially public community and technical colleges, and to support expanded inter-institutional partnerships that collaboratively and efficiently advance state goals.