

**Legislative Budget Board**  
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**Governor's Office of  
Budget, Planning and Policy**  
1100 San Jacinto, 4<sup>th</sup> Floor  
Austin, TX 78701  
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## MEMORANDUM

May 27, 2010

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

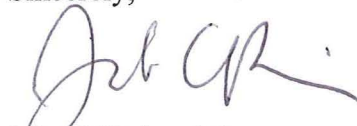
Detailed instructions for the submission of legislative appropriations requests for the 2012-13 biennium have been posted on the Legislative Budget Board and Governor's Office websites. A schedule of due dates is included as an appendix to the instructions.


As a starting point for budget deliberations, an agency's baseline request for general revenue-related (GR and GR-Dedicated) funds may not exceed the sum of amounts expended in fiscal year 2010 and budgeted in fiscal year 2011 adjusted to reflect the full five percent reduction target identified by our offices for each agency. Agencies must also submit a supplemental schedule detailing how they would reduce the baseline request by an additional 10 percent (in five percent increments) in general revenue-related funding.

Exceptions to the baseline request limitation include amounts necessary to maintain funding for the Foundation School Program, satisfy debt service requirements for bond authorizations, maintain benefits and eligibility in Medicaid entitlement programs, the Children's Health Insurance Program, and the foster care program, maintain health and human services eligibility staffing, and satisfy employer contribution requirements for state pension systems and employee group benefits, though group benefit modifications may be considered. Funding requests for other purposes which exceed the baseline spending level may not be included in the baseline request but may be submitted as exceptional items.

We appreciate the opportunity to work with you and your staff during this budget cycle.

Sincerely,

  
John O'Brien, Director  
Legislative Budget Board

  
Mary Katherine Stout, Director  
Governor's Office of Budget,  
Planning and Policy