



Legislative Budget Board
Robert E. Johnson Bldg.
1501 N. Congress Avenue, 5th Floor
Austin, TX 78701
(512) 463-1200

**Governor's Office of
Budget, Planning and Policy**
1100 San Jacinto, 4th Floor
Austin, TX 78701
(512) 463-1778

MEMORANDUM

May 5, 2008

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

Detailed instructions for the submission of legislative appropriations requests for the 2010–11 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 2008 and budgeted in fiscal year 2009 plus an amount equal to the GR-related allocation for the two percent / \$50 employee pay raise in 2009. Agencies must also submit a supplemental schedule detailing how they would reduce the baseline request by 10 percent, or down to 90 percent, 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 existing bond authorizations, maintain caseloads for federal entitlement services, satisfy employer contribution requirements for state pension systems, and maintain adult prison populations. 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 new budget cycle.

Sincerely,

Handwritten signature of John O'Brien in black ink.

John O'Brien, Director
Legislative Budget Board

Handwritten signature of Mike Morrissey in black ink.

Mike Morrissey, Director
Governor's Office of Budget, Planning
and Policy

JOB/MM: fis