

## **Base Reconciliation**





# **Training Agenda**

- What is a Base Reconciliation?
- Why is it Important?
- Getting Started
- What's New
- Operating ABEST
- Base Reconciliation Adjustments
- Common Errors
- Agency Resources

### What is a Base Reconciliation?

Base Reconciliations provide the basis for agencies to reconcile their original appropriations by Method of Finance (MOF) and full-time equivalents (FTEs) for FY 2023 expended, FY 2024 estimated, and FY 2025 budgeted, taking into consideration adjustments made through:

- Agency Riders, Special Provisions, and General Provisions in the General Appropriations Act (GAA);
- Approved Requests to Exceed (RTEs);
- Legislation affecting appropriations;
- Changes in federal funding levels or collected revenues;
- Governor vetoes; and
- Lapses.

# Why is it Important?

The Base Reconciliation is the first step in the Legislative Appropriation Request (LAR) process.

The Base Reconciliation, as approved by the LBB and Governor, establishes the **2024-25 Base** for General Revenue (GR) and GR-Dedicated (GR-D) Funds.

The 2024-25 Base is used to calculate an agency's **2026-27 GR/GR-D baseline request limit.** 

# **Getting Started**

#### Before you enter information in ABEST:

- 1) Read agency Base Reconciliation instructions;
- 2) Review the approved 2024 Operating Budget to ensure consistency across submissions;
- 3) Confirm MOF starting points as determined by the Conference Committee Report GAAs;
- 4) Gather adjustments made in the Fiscal Size-Up GAA;
- 5) Gather adjustments related to approved Requests to Exceed (RTEs); and
- Gather adjustments made during a Special Session, if any.

### What's New

- Five Percent Salary Adjustments
  - Reflect 2023 salary adjustment funding provided by SB 30, 88(R), as a "Transfer"
  - Reflect 2024-25 salary adjustment funding as a "Transfer" only for any additional funds received from the Comptroller to implement the adjustment
  - Reflect any lapsed salary appropriations
  - LBB analysts will provide a supplemental spreadsheet to capture additional salary data
- Unexpended Balance (UB) authority provided by rider should be classified as "UB" rather than "Rider Appropriation"

### **Instructions**

#### Legislative Budget Board website:

https://www.lbb.texas.gov/Agencies\_Portal.aspx



#### WHAT'S NEW

- Base Reconciliation Instructions 2024-25 Biennium (March, 2024)
- Instructions for Preparing and Submitting Agency Strategic Plans (Feb, 2024)
- ABEST Instructions for Finalizing Budget Structures and Defining Measures (Feb. 2024)

# **ABEST & Example Document**

https://www.lbb.texas.gov/Budget\_Submissions.aspx

HOME > AGENCIES PORTAL > INSTRUCTIONS: BUDGET SUBMISSIONS



Strategic Plan Instructions
Base Reconciliation Instructions

Base Reconciliation Instructions for Fiscal Years 2024-25 (March, 2024) ABEST Instructions for Base Reconciliation 2024-25 Biennium (March, 2024) Base Reconciliation Example for Fiscal Years 2024-25 (March, 2024)

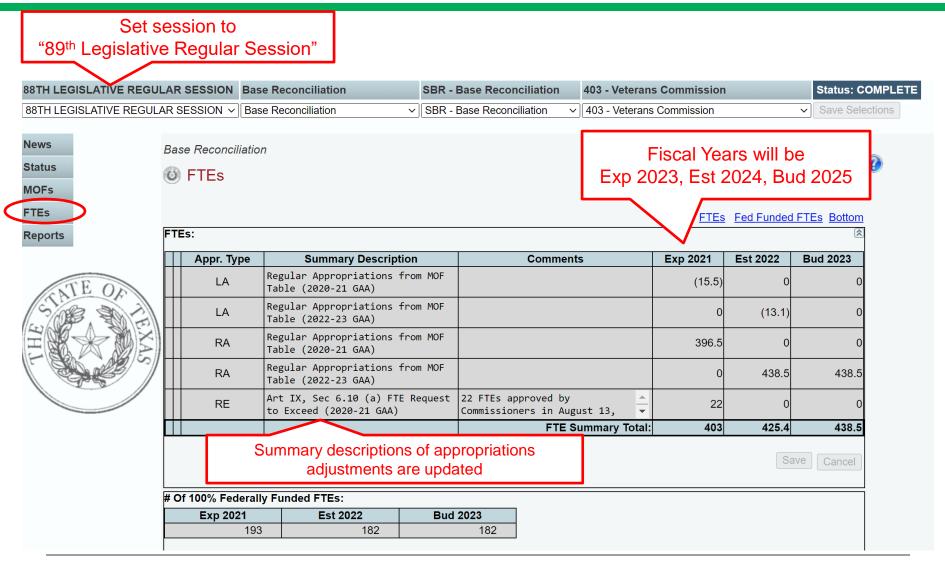


## **ABEST – Reporting MOFs**

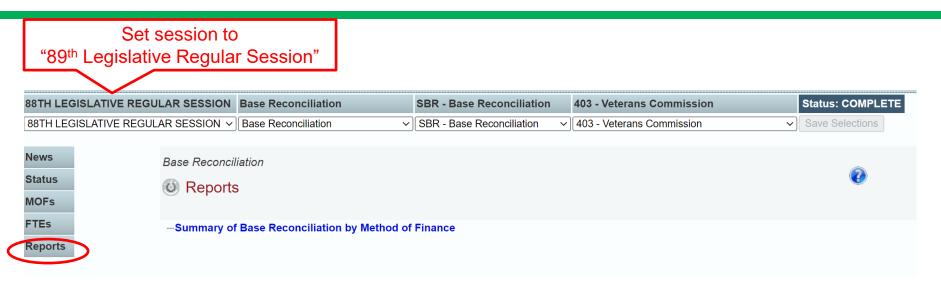


Summary descriptions of appropriations adjustments are updated

# **ABEST – Reporting FTEs**



# **ABEST – Pulling Reports**



# **ABEST – Pulling Reports**

89th Regular Session will be 3/11/2024 1:14:47PM Summary of Base Reconciliation by Method of Finance 88th Regular Session, Base Recon, Version 1 displayed Fiscal Years will be updated to Automated Budget and Evaluation System of Texas (ABEST) Exp 2023, Est 2024, Bud 2025 403 Veterans Commission METHOD OF FINANCING Exp 2021 Est 2022 Bud 2023 GENERAL REVENUE General Revenue Fund REGULAR APPROPRIATIONS Regular Appropriations from MOF Table (2020-21 GAA) \$14,415,008 **\$**0 \$0 Regular Appropriations from MOF Table (2022-23 GAA) \$14,541,428 \$14,413,095 RIDER APPROPRIATION Art IX, Sec 13.11, Earned Federal Funds (2022-23 GAA) \$1,358,792 \$1,358,792 \$0 Comments: EFF estimated earned above \$1,110,194 per Art IX, Sec 13.10 (b), Memo sent to LBB and CPA March 11, 2022 SUPPLMNTL, SPECIAL APPRO. HB 2, 87th Leg, Regular Session \$(722,667) \$0 Comments: Fiver Percent Summary descriptions of appropriations adjustments are updated

# **MOF Adjustment Types**

Adjustments to MOF appropriations are grouped by **Appropriation Type** including:

- Regular Appropriations
- Rider Appropriations
- Emergency and Supplemental Appropriations
- Governor's Disaster/Deficiency/Emergency Grants
- Transfers
- Unexpended Balances
- Lapsed Appropriations

# **MOF Adjustments**

#### **Regular Appropriations**

- Agencies should start with the <u>exact</u> regular appropriations amount from the agency's Method of Financing table in the **Conference Committee Report** versions of the 2022-23 & 2024-25 GAAs.
- FTE reconciliation should start with the "Number of Full-Time-Equivalents (FTE)" amounts in the Conference Committee Reports.

# **MOF Adjustments**

#### **Rider Appropriations**

- Agency Bill Pattern Riders
- Article IX General Provisions
- Special Provisions (end of Articles II, III, IV, V, VIII & X)

### Supplemental, Special, or Emergency Appropriations

- Legislative appropriations not contained in the GAA
- Supplemental Appropriations Bills (e.g. SB 30, 88R)
- Governor's veto proclamations

#### Governor's Disaster/Deficiency/Emergency Grants

# **MOF Adjustments**

#### **Unexpended Balances (UB)**

- Authority to carry forward unspent appropriations from one fiscal year to another provided at the MOF or Strategy level ("& UB").
- New: UB authority provided by rider should be reported as a UB, not as a Rider Appropriation.

#### **Lapsed Appropriations**

Appropriations not spent during the applicable fiscal year that cannot be carried forward. This can include lapses in funding or lapses in authority.

#### **Transfers**

Appropriations transferred from one agency for expenditure by another agency.

### **Common Errors**

- Incorrect Starting Point: The starting appropriations for each MOF should be from the <u>Conference Committee</u> <u>Report</u>, not the Fiscal Size-Up version of the bill.
- Incorrectly Reflecting RTEs:
  - Unless given explicit approval, Base Reconciliations should not include adjustments for pending RTEs.
  - All approved RTEs must be included.
- Office of the Governor Grants: Use MOF 8000 (Other Funds) to report grant funds, excluding ARPA (MOF 325) received from the Trusteed Programs within the Office of the Governor.

### **Common Errors**

- Transfers Not Netting to Zero: All transfers must net to zero such that the transfer out matches the transfer in.
- Missing/Incorrect Appropriation Authority: All provisions for additional appropriation authority should be included and correctly cited. You should always use the most specific citation possible.
- Incorrectly Reflecting Earned Federal Funds (EFF): EFF amounts are included in the starting point for General Revenue Fund 0001. Agencies should only include a separate line for EFF if there was a lapse or increase compared to amounts assumed in the GAA.

### **Common Errors**

#### COVID-19 Funds:

- All federal funds provided in response to COVID-19 should utilize a .119 suffix for the CFDA and be reported under MOF 325.
- Unless a more specific authority is applicable, agencies should use Article IX, Sec 14.04 as the citation for the related MOF adjustments.

# **Agency Resources**

- Base Reconciliation Instructions and Example
  - See Appendix A of the instructions for helpful links and other reference documents
- 2024 Operating Budget Reconciliation
- Conference Committee Report Bill Pattern
- Fiscal Size-Up Bill Pattern
- USAS Reports for Lapses and UBs
- State Auditor's Office FTE Report
- Your assigned budget analyst

# Questions?



#### **Contact the LBB**

Legislative Budget Board www.lbb.texas.gov 512.463.1200