



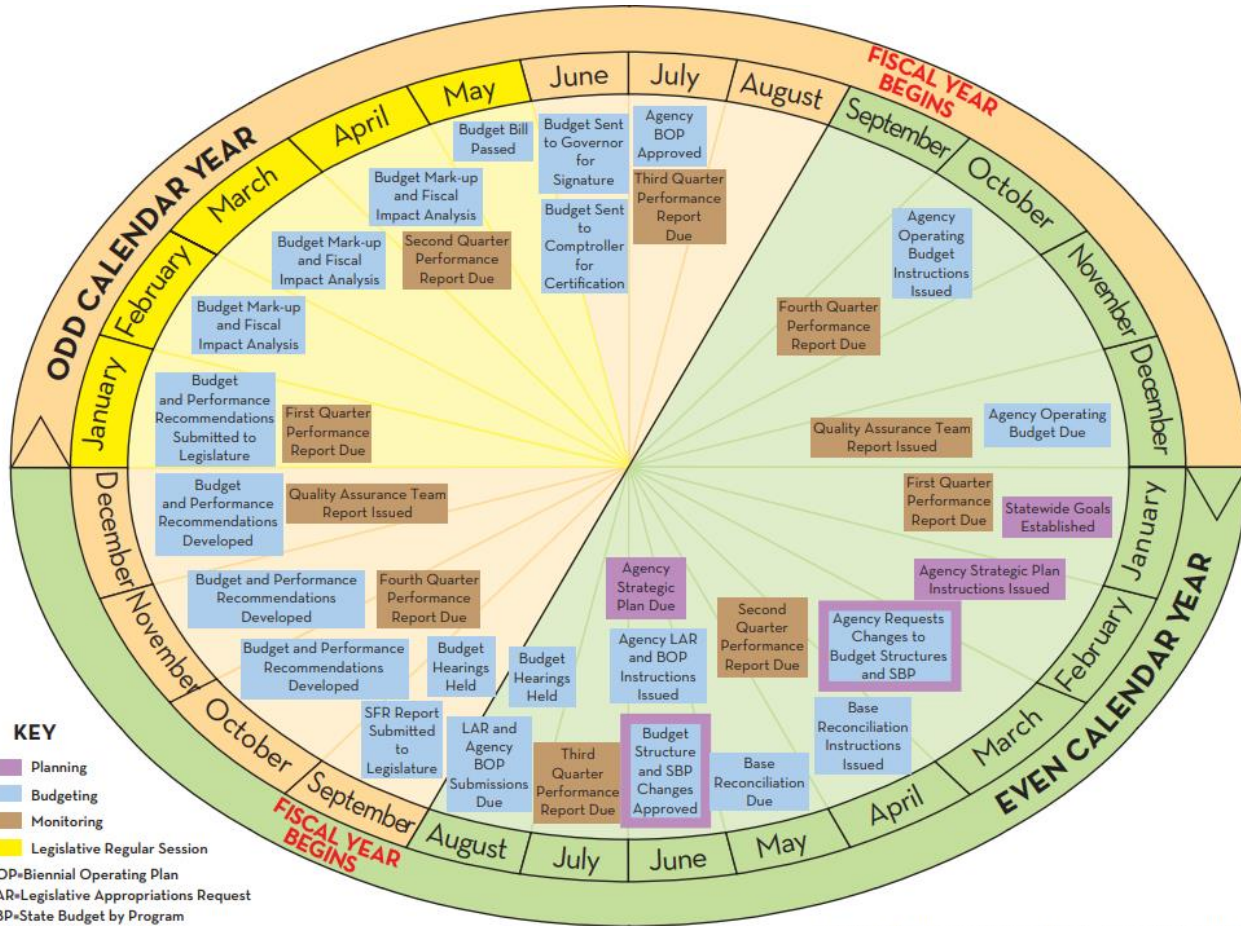
Legislative Appropriations Request & Appropriations

November 4, 2022



TEXAS
Health and Human
Services

Texas Budget Cycle



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Legislative Appropriations Request (LAR)

- Agency appropriations request for the upcoming biennium
- Includes detailed funding information on historical funding and request for upcoming biennium
- Two main components:
 - Baseline or base-level request
 - Exceptional Item requests
- Includes Performance Measures
- Opportunity to show agency's priorities



LAR Public Feedback

- In fall 2021, the Health and Human Services Commission (HHSC) solicited and received feedback from the public and stakeholders regarding the 2024-25 Legislative Appropriations Request (LAR).
- The agency received more than 200 emails containing 572 funding and programmatic requests by the submission deadline (November 19, 2021).
- Most requests, or 54 percent, concerned programmatic or funding changes for Medicaid, including Medicaid Waiver Programs, and Community Behavioral Health Services
- Additionally, 28 percent of replies concerned mental health, either community services, state psychiatric hospital services, addiction services or housing, with feedback on addiction services making up more than half of all mental health comments.



LAR Timeline

- Fall 2021: Public Feedback
- Spring-Summer 2022:
 - LBB Sends Agencies Detailed LAR Instructions
 - LAR & Exceptional Item Requests Developed
- Late Summer 2022: LAR Submitted to Legislative Budget Board (LBB)
- Late Summer-Early Fall: LBB and Office of the Governor hold Joint Budget Hearings on Agency LARs



Pre-Session Appropriations Process

Agencies present their budget request for the next biennium through a Legislative Appropriations Request (LAR) the year prior to a Legislative Session.

The Legislative Budget Board (LBB) and the Governor's Office of Budget, Planning, and Policy conduct public hearings on the LARs.

At the conclusion of public hearings, the LBB meets in closed meetings called Boards of Review to formulate the Base Bill that will be filed in January, 2023.

The LBB Board meets in a public hearing prior to a Legislative Session to set the constitutional spending limit.





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Exceptional Item Requests

We stand ready to work with the Governor and Legislature throughout the budget process

- HHSC is fully aware of the challenges the Texas Legislature faces in writing the state's budget.
- In developing its LAR, HHSC continues to be guided by the following principles:
 - Maintain essential client services
 - Request funding for only what is necessary to prevent agency operations from breaking
- HHSC prioritized and grouped its exceptional item requests into the following categories
 - Maintain Access for Essential Client Services
 - Prevent Disruption of Critical Operations and Achieve Efficiencies
 - Improve Access and Delivery of Behavioral Health Services
 - Comply with State and Federal Regulations
 - Address IT Infrastructure Needs
- HHSC solicited and received more than 2000 emails with more than 500 specific recommendations from the public and stakeholders

Summary of Agency Exceptional Item Requests 2024-25 Biennium

Exceptional Item Category	GR & GR-D Total	Biennial Total	FY24 FTEs	FY25 FTEs
Category 1 – Prevent Disruption of Critical Operations and Achieve Efficiencies	\$ 425,829,763	\$ 624,224,883	18.8	18.8
Category 2 – Improve Access and Delivery of Behavioral Health Services	\$ 133,151,172	\$ 152,124,432	-	-
Category 3 – Comply with State and Federal Regulations	\$ 28,613,368	\$ 56,303,018	45.9	48.9
Category 4 – Maintain Access and Improve Outcomes for Essential Client Services	\$ 2,474,590,868	\$ 5,992,117,191	1.0	1.0
Category 5 – Address IT Infrastructure Needs	\$ 98,846,952	\$ 155,829,715	8.6	8.8
Total Exceptional Item Requests	\$ 3,161,032,123	\$ 6,980,599,239	74.3	77.5

Note: Does not include a combined \$32.5 million in All Funds and 28.0 FTEs associated with exceptional item requests from the Office of the Inspector General and the Texas Civil Commitment Office

