

Chapter: General Financial Provisions
Rule: Budget Administration and Process

Effective Date: 6/16/05, T-73
Page: 1 of 4
Replaces: GAP.09.01
Dated: 12/31/96, T-40

ACA Standard(s): 3-JTS-1B-01, 1B-04, 1B-05, 1B-06, 1C-04,
1C-05, 2B-06, 5C-02, 5C-04

(a) **Policy.**

- (1) Funding is provided for all programs serving youth in the care of the Texas Youth Commission (TYC) through TYC budget administration procedures to ensure the effective operation of programs, prudent use of resources, and compliance with all relevant federal and state laws and regulations. In even-numbered years, the agency's budget request for legislative appropriations is prepared for the upcoming biennium. Agency spending authority received under the General Appropriations Act is implemented through an annual budgeting process that begins prior to a new fiscal year and involves monitoring and required adjustments throughout the fiscal year. The agency's budget is established based on specific assumptions for achieving key performance measure annual targets and estimates for non-key measures. Budget administration reflects objectives developed through the agency planning process and budgets are administered using principles of sound fiscal management.
- (2) Program administrators are responsible for budget requests, budget receipts, and budget implementation for their units according to TYC guidelines for the budgetary process as described below. *Program administrators* may include executive staff, division and department directors, superintendents, and other staff with authority for program operations and budgets.

(b) **Rules.**

(1) **Biennial Budget Request to the Legislature.**

- (A) In even-numbered years, the Research Department prepares long-term forecasts, performance measure projections, and other analyses relating to youth populations and potential demand for agency services. Research results are used as a basis for agency planning and requests for biennial appropriations.
- (B) The Central Office Financial Support Division is responsible for coordinating the process to develop and finalize the agency's biennial budget request to the Legislature. In accordance with budget development instructions from the Legislative Budget Board, the Division disseminates materials and schedules for this purpose to program administrators throughout the agency.
- (C) Program administrators identify the resources including staff, space, materials, supplies, facilities, and special equipment necessary for meeting objectives consistent with the agency's strategic and business plans. Alternative resource needs are identified in priority order when decisions must be made on desired or feasible levels of program achievement.
- (D) The TYC Board must approve the biennial budget request in a public meeting prior to submission of the request to the Legislative Budget Board.

(2) **Annual Operating Budget.**

- (A) Pursuant to passage of the General Appropriations Act, and prior to each new fiscal year, the Central Office Financial Support Division coordinates the process to establish the agency's annual operating budget. The Division

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disseminates to program administrators throughout the agency materials and schedules for detailed annual funding allocations for each organizational unit.

- (B) Program administrators prepare estimates of expenditures of funds allocated to their organizational units. The Central Office Financial Support Division coordinates the agency priorities and needs assessments received from each program administrator for TYC Board approval.
- (C) Following TYC Board approval of the agency's annual operating budget, program administrators establish the detailed expenditure plans for the new fiscal year for their organizational units.
- (D) The Central Office Financial Support Division is responsible for monitoring implementation of the operating budget for agency compliance with all applicable laws and rules, including timely reporting. The Division consolidates detailed internal operating budgets in accordance with instructions from the Legislative Budget Board and the Governor's Office for an agency report in November of odd-numbered years.
- (E) Approved operating budgets, including authorized salary positions, may be amended by using the Budget Amendment Request form, ACC-901. Program administrators may submit requests to the appropriate assistant deputy executive director for approval. The ACC-901 form is forwarded to the Central Office Financial Support Division for final approval and processing. The Executive Council must approve all Full Time Equivalent (FTE) position increases and the assistant deputy executive director for human resources must approve all reallocation and classification position changes.

(3) **Performance Measures.**

(A) **Responsibilities.**

- (i) The Research Department within the Central Office Financial Support Division coordinates all agency responsibilities for performance measure definitions and procedures, calculations, projections, analyses, and reports in accordance with the special provisions of the General Appropriations Act. The Research Department maintains a master file for each measure, and disseminates materials and schedules to designated program coordinators to assist agency compliance with statutory requirements.
- (ii) The Assistant Deputy Executive Directors of the Juvenile Corrections Division and the Rehabilitation Services Division designate appropriate department directors as performance measure coordinators.
- (iii) The coordinators identify the staff within Central Office or each facility whose efforts are coordinated.
- (iv) The Research Department disseminates numerical data and other information to the performance measure coordinators, Central

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Office/Field facility staff, and superintendents.

- (v) All staff with performance measure assignments are responsible for numerical and qualitative analysis to ensure the accuracy of data and explanations of performance.
- (vi) Executive staff, division and department directors, superintendents, and other management staff are responsible for the timely submission, accuracy, and completeness of reports, and for utilizing relevant performance measure information to manage agency operations to achieve targeted results.

(B) Definitions and Procedures.

The Research Department works with all appropriate staff to develop and maintain a detailed definition and procedures for each performance measure.

(C) Projections and Analyses.

The Research Department assists the biennial process for strategic planning by developing long term projections for the agency's outcome measures. Additionally, the Department supports development of the annual operating budgets and biennial appropriations requests by coordinating analyses for annual targets for key measures and estimates for non-key measures. The Department works with all appropriate program staff to develop projections based on trend analyses as well as information relevant to anticipated performance. The Department may perform ad hoc analyses on the measures throughout the year and in response to external requests as higher priority responsibilities allow.

(D) Reports.

- (i) The Research Department prepares and submits the agency's quarterly performance measures reports to the Legislative Budget Board, Governor's Office, and State Auditor's Office through entry into the Automated Budget Estimating System of Texas (ABEST); the reports are also submitted to the State Library and to the Library Publications Clearinghouse.
- (ii) The reports are compiled through coordination with designated program coordinators and facility staff according to detailed procedures and schedules communicated to all appropriate staff prior to the new fiscal year. The reports are finalized following documented verification review of each calculation and documented review of ABEST input. The Research Director is responsible for disseminating the reports to the TYC Board and agency management staff on a quarterly basis for their use in managing agency activities.

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(4) **Capital Budgeting.**

- (A) The Central Office Financial Support Division will coordinate the implementation of the capital budget in accordance with the current appropriation authority for capital budget items, the unexpended balance rider authority, and the expenditure/transfer limitations contained in the General Appropriations Act
 - (B) Capital budget items are defined by the General Appropriations Act to include expenditures for the following assets with a biennial project cost or unit cost in excess of \$25,000:
 - (i) Construction of Buildings and Facilities
 - (ii) Repairs of Rehabilitation of Buildings and Facilities
 - (iii) Acquisition of Information Resource Technologies
 - (iv) Transportation Items
 - (C) The agency must submit capital budget planning information biennially to the Bond Review Board and all projects financed with bonds must be coordinated with the Texas Public Finance Authority.
 - (D) All information resource capital items must be budgeted and acquired in accordance with the Information Resources Strategic Plan and Biennial Operating Plan as approved by the Legislative Budget Board.
 - (E) All transportation items must be budgeted and acquired through the oversight of the Vehicle Utilization Board.
 - (F) All construction and major repair items must be budgeted and acquired through the oversight of the Central Office Construction Management Committee.
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