

**State Budget by Program (SBP)  
Key Terms**

October 2018

Term	Definition
<b>Account</b>	A separate financial repository held within a Fund category or type (e.g., General Revenue, General Revenue-dedicated, Federal or Other Funds) used to finance specific appropriations. Some accounts are not established by statute or constitution, and are a means to track certain appropriations and related expenditures.
<b>Agency</b>	A statutorily or constitutionally established entity which is authorized to act on behalf of and as an agent of the state and which is usually funded by the General Appropriations Act.
<b>Article</b>	A major division of a bill or statute. Used in the general appropriations act to group agencies with similar functions (e.g., Health and Human Services, the Judiciary, etc.)
<b>Biennium</b>	A two-year period; in Texas the state biennium runs from September 1 of an odd-numbered year until August 31 of the next odd-numbered year.
<b>Fiscal Year</b>	A twelve (12) month period at the end of which accounts are reconciled. In Texas, the fiscal year runs from September 1 of one year until August 31 of the next year.
<b>Fund</b>	A constitutionally or statutorily authorized repository of revenue which is used for financing appropriations and which consists of either: (1) an independent fiscal entity with a self-balancing set of accounts, (e.g., the State Highway Fund); or (2) a category of revenues or receipts, (e.g., general revenue funds).
<b>General Appropriations Act</b>	The law that appropriates biennial funding to state agencies and institutions of higher education for specific fiscal years and sets provisions for spending authority.
<b>General Appropriations Bill</b>	The proposed legislation, as it moves through the legislative process and before it becomes law, that would make appropriations to state agencies and /or institutions of higher education for specific fiscal years, including provisions for spending authority. A general appropriations bill makes appropriations for three or more purposes and can be effective for up to a two-year period.
<b>Legal Authority</b>	Authority granted by federal law and/or state constitution or statute enacted by the legislature which provides requirements and guidelines for administering state programs.
<b>Legislative Budget Estimates</b>	A biennial document prepared by Legislative Budget Board (LBB) staff that contains funding and performance data for previous years, budgeted data for the current year, agency requested data for the next biennium, and LBB appropriation recommendations for state agencies and institutions. The document is introduced into the legislature at the start of each regular session.

Term	Definition
<b>Method of Finance (MOF)</b>	A term which identifies the sources and amounts authorized for financing certain expenditures or appropriations made in the General Appropriations Act. A source is either a “fund” or an “account” established by the legislature or comptroller, or a category of revenues or receipts (e.g., federal funds). There are four (4) MOF categories used in the General Appropriations Act as follows:
<ul style="list-style-type: none"> <li>• <b>General Revenue (GR) Funds</b></li> </ul>	The non-dedicated portion of the General Revenue Fund, which serves as the state’s primary operating fund, plus three education funds: the Available School Fund, the State Instructional Materials Fund, and the Foundation School Fund.
<ul style="list-style-type: none"> <li>• <b>GR-Dedicated (GR-D) Funds</b></li> </ul>	More than 200 accounts within the General Revenue Fund dedicated as a result of the fund-consolidation process or subsequent legislation affecting revenue dedication within the General Revenue Fund that began in 1991.
<ul style="list-style-type: none"> <li>• <b>Federal Funds</b></li> </ul>	Grants, allocations, payments, or reimbursements received from the federal government by state agencies and institutions. This does not include Earned Federal Funds which the state receives through federally funded programs that are not required by the governing agreements to be expended on those programs.
<ul style="list-style-type: none"> <li>• <b>Other Funds</b></li> </ul>	<p>Any funds not included in the other three methods of financing such as the State Highway Fund, the Texas Mobility Fund, the Property Tax Relief Fund, the Economic Stabilization Fund, trust funds, bond proceeds, interagency contracts, certain revenue held in higher education “local” accounts, and constitutional funds (except the Available School Fund).</p> <ul style="list-style-type: none"> <li>➤ <i>Appropriated Receipts</i> include all receipts—such as fees, reimbursements, and other revenue—received for an authorized service and appropriated to the agency usually to offset costs of providing the service.</li> <li>➤ <i>Interagency Contracts</i> include funds received from another state agency in exchange for services, material, or equipment through a written agreement, and unless directed otherwise by the budget offices, does not include transfer of funds from another state agency due to enactment of legislation that transfers programs.</li> <li>➤ <i>Bond Proceeds</i> include appropriated funds from authorized general obligation or revenue bond issuances.</li> </ul>

Term	Definition
<b>Program</b>	<p>A program may consist of an entire strategy or a subset of one or more strategies. A program is defined as an agency function, activity or group of activities that meets one or more of the following criteria:</p> <ul style="list-style-type: none"> <li>• A named program, function, or activity [i.e., named in federal and/or state law, agency rules (T.A.C.), or identified by a common name];</li> <li>• A group of activities designed to achieve a specified goal;</li> <li>• Is funded at one (1) percent or more of the agency’s budget;</li> <li>• Is directly related to the core mission of the agency;</li> <li>• Is referenced in a rider;</li> <li>• Is a funding decision point for the legislature; and/or</li> <li>• It is historically of interest to the legislature or the public.</li> </ul> <p>While state agencies and institutions of higher education are consulted in identifying programs, ultimately State Budget by Program (SBP) programs are determined by LBB staff. Therefore, SBP programs may not be the same as programs developed by state agencies for their internal operations.</p>
<b>Program Category</b>	<p>Grouping of similar programs into distinct types. There are 17 Program Categories:</p> <ul style="list-style-type: none"> <li>01 Business &amp; Workforce Development and Regulation</li> <li>02 Employee Benefits Services</li> <li>03 Family and Nutrition Services</li> <li>04 Health Care – Acute Care Services</li> <li>05 Health Care – Disease Prevention, Treatment &amp; Research</li> <li>06 Health Care – Rehabilitation, Disability &amp; Long Term Care</li> <li>07 Behavioral Health – Mental Health Services</li> <li>08 Behavioral Health - Substance Abuse Services</li> <li>09 Higher Education Instruction, Financial Aid &amp; Research</li> <li>10 Incarceration and Supervision</li> <li>11 K-12 Education Instruction</li> <li>12 Legal Services and Law Enforcement</li> <li>13 Local Government and Community Support</li> <li>14 Natural Resources Management &amp; Regulation</li> <li>15 Service Eligibility and Coordination</li> <li>16 State Government Administration &amp; Support</li> <li>17 Transportation and Infrastructure Support</li> </ul>
<b>Program Areas</b>	<p>Grouping of one or more SBP Programs which share common purposes and may serve similar populations.</p>
<b>Rider</b>	<p>A legislative directive, inserted in the General Appropriations Act following strategy appropriations for an agency, which provides direction, expansion, restriction, legislative intent, and/or in certain cases an appropriation. The term also applies to special provisions at the end of each article and general provisions in the General Appropriations Act.</p>

Term	Definition
<b>Strategy</b>	Each agency's section (or "Bill Pattern") in the General Appropriations Act (GAA) identifies one or more strategies that provide appropriations to further the agency's goals. A strategy generally houses one or more programs which may spend that strategy's appropriation; programs and legislative direction regarding them are often described in an accompanying rider.

**Sources:** Legislative Budget Board, the *Legislative Lexicon* published by the Texas Senate Research Center.