

TEXAS STATE BUDGET PROCESS FOR THE 2026-2027 BIENNIUM

2024

JULY - AUGUST

Legislative Budget Board (LBB) sends Legislative Appropriations Request (LAR) instructions to all state agencies

State agencies develop strategies plans & associated LARs. These are submitted to LBB & the Governor's Office of Budget, Planning & Policy (GOBPP)

SEPTEMBER - DECEMBER

The LBB & the GOBPP hold hearings on each agency's strategic plan and LAR

Based on the hearings, the LBB & the GOBPP separately prepare budget recommendations to be presented to the Legislature in January at the beginning of the Legislative Session

The Texas Comptroller publishes the Texas Annual Cash Report, Detailing revenues & expenditures of state funds from the previous fiscal year

2025

JANUARY

The 89th Regular Legislative Session begins on January 14, 2025

The Texas Comptroller presents the Biennial Revenue Estimate (BRE) to the Legislature, providing a formal estimate of the funds likely to be available from taxes & other revenue sources over the next two years

The Senate & the House present preliminary funding recommendations & file the General Appropriations bills

The Governor submits budget recommendations to the Legislature

FEBRUARY - MARCH

The Senate Finance Committee & Subcommittees & the House Appropriations Committee & Subcommittees conduct hearings on their versions of general appropriations bills

2025

APRIL - JUNE

Hearings end & the process of “markup” begins. The Senate & House Committees revise their appropriations bills to reflect their funding decisions.

The revised bills are issued as committee reports, which are sent to each chamber for a vote by the full body. The committee report may be further amended before passage. (The House & Senate historically have taken turns on whose bill is passed first to go the other chamber of consideration. The other chamber usually substitutes its own version of the bill)

The Lt. Governor of the Senate & the Speaker of the House appoint a conference committee to reconcile differences between the House-passes & Senate-passed versions of appropriations bills

The conference committee drafts a budget that reconciles differences between the House & Senate versions & files it as the conference committee report.

It is sent to both chambers for final approval. Further amendment is prohibited

The last day of the 89th Regular Legislative Session in June 2, 2025

Once approved, the conference committee report is sent to the Comptroller for certification that the bill is within available revenue, & to the Governor for signature. The Governor may veto individual spending items (line items)

SEPTEMBER 1

Fiscal Year 2026 begins September 1, 2025; agencies begin spending appropriated funds

During the two years of the budget cycle, state agencies report to the LBB regarding their performance relative to performance targets. Some agencies will be audited by the State Auditor’s Office (SAO)

The Texas Comptroller presents certification revenue estimates, detailing the data used to certify the General Appropriations Act & other appropriation bills approved by the Legislature

DECEMBER

The Texas Comptroller publishes the Texas Annual Cash Report, detailing revenues and expenditures from the previous fiscal year

Fiscal Size-Up will be produced biennially by the LBB, describing how funds were appropriated

