



Validation Session

Budget Prep

Operating Budget

December 01, 2008

LaGov



Validation Session Agenda

- Purpose
- Work Session Recap
- TO-BE processes by Topic
 - Key Design Elements and Decisions
 - Changes and Challenges
 - Open Issues
 - Benefits/Improvements
- Supporting Master Data Design
 - Key Design Elements and Decisions
 - Changes and Challenges
 - Open Issues
 - Benefits/Improvements
- FRICE-W objects
- Conversion Strategy and Interim Solution
- Organizational Impacts
- Next Steps
- Questions



Purpose of Validation Sessions

- Validation Sessions are intended to provide feedback to the workshop participants regarding the TO-BE process design:
 - Review and discuss TO-BE business process design
 - Confirm adherence to Leading Practices inherent in SAP or reasons for differing
 - Ensure the State's business requirements have been addressed
 - Highlight decisions that define the process, approval steps and integration points
 - Review and discuss Master Data design
 - Address key integration points
 - Support organizational requirements
 - Consistent and appropriate use of data fields
 - Identify areas of changing process, roles, and responsibilities
 - Resolve open issues or identify strategy for resolution
 - Analyze and document the benefits, improvements, and challenges inherent in the TO-BE process design

Note: Validation sessions are an affirmation of work session decisions, and assume the SAP functionality knowledge covered in TO-BE session.



Validation Session Objectives

- Review and validate key decisions made
- Discuss any “parking lot” and “action items” that need to be dealt with
- Validate any FRICE-W objects required
- Discuss key changes, challenges, and improvement opportunities
- Discuss realization schedule and plans
- Questions/Concerns?



Overview of Today's Validation Session

- Review OPB's overall timelines and details for developing the Governor's Executive Budget and amendment tracking
- Agencies' budget development process
- Review the Integration with FM/GM and Retraction details
- Review Budget Data Conversions, Budget Reporting and Budget Publishing requirements
- Performance Measures



Workshop Session Recap

Business Process	Workshop Codes	Goals	Work Session Date	AM/PM
Operating Budget Timeline	FI-BP-002	<ul style="list-style-type: none"> ▪ Overview of Budget Prep system ▪ Overall timelines for Executive Budget and HB1 ▪ Versions needed in the budget development process 	08/14/2008	AM
Operating Budget: Detail & Systems	FI-BP-003	<ul style="list-style-type: none"> ▪ Review BR & CB Forms ▪ Review Continuation Budget prep details ▪ Review Executive Budget prep details ▪ Review legislative Tracking and OPB involvement ▪ BA-7 Process 	08/27/2008	AM/PM
Budget Prep and data coordination with FM	FI-BP001/ FI-FM-002	<ul style="list-style-type: none"> ▪ Budget Prep design coordination with FM & GM ▪ Sharing of Master Data ▪ Budget Transfers & Adjustments ▪ BA-7 Process 	09/17-18/2008	AM/PM
Operating Budget: Agencies Perspective	FI-BP-004	<ul style="list-style-type: none"> ▪ Details of Salary & Non-Salary Budgets ▪ Continuation Budget Request (CB Forms) ▪ New & Expanded Service Requests (NE Forms) ▪ Technical/Other Adjustments (T/OAP Forms) ▪ Total Request Summary ▪ Salary Analysis BR-9B (ISIS HR) 	09/23-24/2008	AM/PM



Session Recap Continued...

Business Process	Workshop Codes	Goals	Work Session Date	AM/PM
Budget Data Conversion	FI-BP-009	<ul style="list-style-type: none">▪ Conversions from various systems: Including BRASS, AFS, Excel, etc.▪ How many years of Data Conversion	11/05/2008	AM
Budget Reports & Publishing	FI-BP-010	<ul style="list-style-type: none">▪ Approach for all Budget Reports and compilation thereof▪ Budget Prep for Publishing	10/29/2008	AM
Integration with FM & GM	FI-BP-008	<ul style="list-style-type: none">▪ Details of how Budget Prep data is retracted to FM & GM	11/12-13/2008	AM/PM
Performance Measures	FI-BP-011	<ul style="list-style-type: none">▪ Performance Measures: Process & Tools	11/18/2008	AM/PM



Operating Budget - OPB



Operating Budget – Design Considerations

- Executive Budget: BP Versions for OPB’s budget development

<u>Draft Versions</u>	<u>Version Description</u>
A1	Agency’s Budget Development
BR	Agency’s Budget Request Submission (Nov 1)
B1A	Bare Bones Budget
B1B	Preliminary Recommendation for Agency Appeal
B1C	Agency Appeal version
C1A	Commissioner’s Decisions
D1A	Governor’s Decisions
EB1	Executive Budget submitted to Legislature

- Legislative Session: Amendment Tracking Versions

<u>Draft Versions</u>	<u>Version Description</u>
CA	Consider version for House Appropriation Committee
LA	LEG Version for House Appropriation Committee
CH	Consider version for House Floor
LH	LEG version for House Floor
CS	Consider version for Senate Finance Committee
LS	LEG version for Senate Finance Committee
CC	Consider version for Senate Floor
LF	LEG version for Senate Floor
CC	Consider version for Conference Committee
LC	LEG version for Conference Committee
PRE	Preamble adjustments
LG1	Governor’s Vetoes
LV1	LEG Veto Overrides (is this to be re-considered?)
FIN	Final Appropriation

- The above draft Versions will be considered in Realization. All final versions will be available in future years for BP reference and use
- LEG version – No one but the Budget Office will be able to see the “Consider” version. The legislative staff and public can be given access to reports created by the OPB in the LEG version.
- Security roles will determine who can access each version.



Operating Budget: OPB Versions

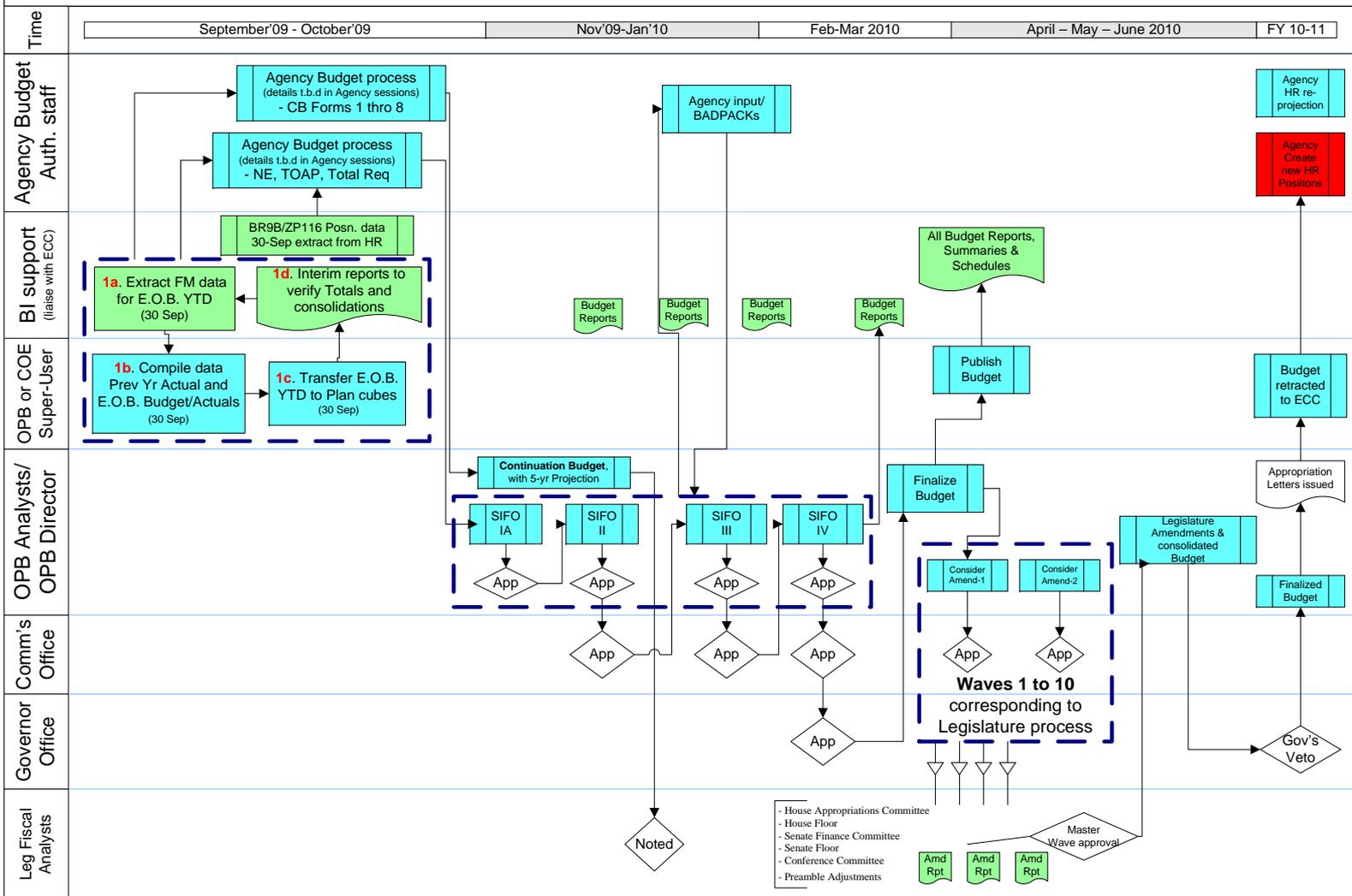
Legacy terminology	Approx. dates on Fiscal Calendar	OPB BRASS (for ref only)	Budget Prep TOBE Stages-Version #s	Budget Prep TOBE Stages-Versions Name	Funds Mgt TO-BE Version #s	Funds Mgt TO-BE Version Names
<u>Agency Level</u>						
To be outlined later after Agency sessions	20Sep-01Nov	--	A1 more T.B.D.	Agency's Budget Development Last Year's Start data Agencies' submission		
<u>Office of Plg & Bud</u>						
	01-Nov	Stage 1	B1 or BR	Agency Budget Request Submittal (Nov-1)		
- OPB's Prelim. Recommendations (Bare-bones)	mid Dec	Analyst Recom	B1A	Bare Bones Budget		
- Prelim. Exec Budget to Agencies	late Dec	Stage 2	B1B B2C	Preliminary Recommendation for Agency Appeal		
- Agencies complete Appeals/BADPACKS (Budget Agency Decision Packages)	Jan	Director decision	B1C B2E	BADPACKS / Target Dollars Agency Appeal Version		
<u>Commissioner Review</u>						
SIFO IIC - Prelim. Budget Recomm	Feb	Stage 3	C1A C4C	Commissioner's Decisions		
<u>Governor Review</u>						
- Executive Budget published/presented to Legislature	end Mar	Stage 4	D1A EB1 D4	Governor's Decisions Executive Budget submitted to Legislature	ORG	Frozen earlier version
<u>Legislative Session: Appropriation process (each has a Considered process List)</u>						
Cons List/Wave before House Appropriations Committee			CA +CA2-CA3	Consider version for House Appropriation Committee	C	Check data for Comm reject
House Appropriations Committee		APP	LA +LA2-LA3	LEG version for House Appropriation Committee	L	
Cons List/Wave before House Ways & Means Committee			CW +CW2-CW3		C	Only for HB2, not for HB1
House Ways & Means Committee		W&M	LW +LW2-LW3		L	Only for HB2, not for HB1
Cons List/Wave before House Floor			CH +CH2-CH3	Consider version for House Floor	C	
House Floor		HF	LH +LH2-LH3	LEG version for House Floor	L	
Cons List/Wave before Senate Finance Committee			CS +CS2-CS3	Consider version for Senate Finance Committee	C	
Senate Finance Committee		FIN	LS +LS2-LS3	LEG version for Senate Finance Committee	L	
Cons List/Wave before Senate Rev & Fisc Committee			CR +CR2-CR3		C	Only for HB2, not for HB1
Senate Revenue & Fiscal Affairs Committee		R&F	LR +LR2-LR3		L	Only for HB2, not for HB1
Cons List/Wave before Senate Floor			CF +CF2-CF3	Consider version for Senate Floor	C	
Senate Floor		SF	LF +LF2-LF3	LEG version for Senate Floor	L	
Cons List/Wave before Conference Committee			CC +CC2-CC3	Consider version for Conference Committee	C	
Conference Committee		CC	LC +LC2-LC3	LEG version for Conference Committee	L	
Preamble Adjustments		??	PRE / LP4	Preamble adjustments		Is this "C" or "L" ?
Governor's Veto		VTO	LG1	Governor's Vetoes		
Legislative Veto Override		OVR	LV1	LEG Veto Overrides (to be re-considered?)		
Net Amendments for Session		NET	Not reqd?			Only for HB2, not for HB1
Issue of Appropriation Letters to all Agencies		???	FIN ZQ4	Op Bud Final Appropriation Retraction to ECC-FM (Note: Similar to AFS load)	ADP	Final Budget approved by the Legislature
Equivalent HB2 process for Capital Budget			ZC1	Cap Bud Retraction to ECC-FM (Note: Similar to AFS load)	ADP	Final Budget approved by the Legislature
<u>FM Versions (incl BA-7 Budget Adjustments)</u>						
					'0'	Operative or Current Version



OPB Business Process Flow

PDD0010 Overview of Operating Budget processes

Note: External Data Systems, BI Planning, Business Intelligence and ECC 6.0 steps are color-coded





Key Decisions: Operating Budget – OPB

- Decision-1 The versions for Budget Development in BP module
The identified 'draft' versions will be used to start the Realization phase.
BP versions will facilitate the OPB to have all budget changes/adjustments to be captured at different snapshots in time.

- Decision-2 No Extraneous data collected from other systems
There is no additional extraneous information from the Economist (e.g. Revenue) needed as budget data during budget prep process or for data conversion.

- Decision-3 DI and BSLT codes will be used in SAP
The OPB budget analysts will continue to identify adjustments using DI codes and BSLT codes for amendments similar to BRASS.
This is a familiar process already being performed by OPB budget analysts that will be continued. This will allow for continued reporting requirements that are currently in place. However, prior years' data will not be converted to SAP, i.e. DI's and BSLT's will start with a blank slate.



Key Decisions: Operating Budget – OPB

- Decision-4 EOB extracts of EOB information from ECC Actual Budget Cubes for budget development

Two Extracts of the EOB were identified from Actual Budget Cubes (data including BA7 from FM). Once for the agencies (Date: TDB annually by OPB) and second for OPB's EOB Freeze Date (Date: TBD each year by OPB).

These Extracts will be executed by OPB/COE Super-User and will help maintain data consistency throughout the State, and it will be automated without need for Agency collection, re-entry, duplication and reconciliation.



Changes & Challenges: Operating Budget - OPB

- **Change-1:** Data used for budget prep will reside in BI planning cubes
 - Org. impact: Previously, data used for budget prep came from multiple sources, reports, etc and had to be consolidated into Excel spreadsheets to be used for budget prep. In the Budget Prep module, all budget data will need to reside in BI planning cubes, sourced either from ECC or external data systems (interfaced or uploaded data). There will be no need for re-entry of data by OPB into database.
 - Policy impact: None related to this
 - Training: Super-user BP training for key personnel in different budget roles



Changes & Challenges: Operating Budget - OPB

- **Change-3:** Grant Budgets will be developed as per State dimensions
 - Org. impact: Grants budgeting is currently being developed and monitored differently by each Agency/Department on Excel and/or other systems. Grants budgets will now have to be individually considered when developing budgets.
 - Policy impact: All Agencies have to maintain/monitor Grants budget in SAP Grants module and each Agency will need to have a Grants Management role in their office.
 - Training: Specific User training in Grants module will be needed for users



Open Issues: Operating Budget - OPB

- Issue: Higher Education submission of budget requests:
Data needed from Higher Ed institutions to be explored further with project management during Realization phase.
- Issue: Review requirements of Addendum Budget Requests, i.e. Budget Request for Sunset Review, Information Technology, Children's Budget, and Louisiana Workforce Commission. Layouts will be determined during Realization phase.
- Issue: Compatibility of Excel 2007 with SAP
This matter is being studied by Tech team.



Benefits & Improvements: OPB/Operating Budget

- To facilitate Agency submission, such that OPB Analysts can rely on and review budget estimates, without requiring data Re-entry / Re-keying
- Standardize budgeting and business planning processes for all components of the State: This allows Agencies & OPB to use the same common basis of data and processes to prepare/review/approve Budget data at various stages, viz., Agency preparation, OPB Review, Governor Executive Budget, Legislature review & Issue of Appropriation Letters.
- Full system data integration between Accounting ('actual') and Budget data
- Ability to better manage Executive Budget submission timelines, for:
 - Collection of Budget & Actual data
 - Collation / Consolidation of data (Previous year Actual, EOB, etc)
 - Analysis & Presentation (Summary, Slice & dice of the same information)
- Ease of reference-ability for “budget build” data of each year, in terms of Stages-Versions, documented during the budget build/approval process
- Ability to capture greater detail by Program, Policy Areas and Account code (new codes especially for Grants, Projects, etc)
- Ad hoc Reporting tools and/or capability for Budget Analysts
- Provide quicker, easier and 24 x 7 access to Budget prep tool for all Users, especially during peak Budget closing times



FRICE-W Objects: OPB/Operating Budget

- Reports:
 - Reporting for NGO/SLP & Non-OPB Amendments: For Non- Government Org./Special Legislative Projects), the requirement is to identify and report certain types of adjustments during Budget Development and Legislative Amendment process

- Enhancements:
 - Text justification in Budget Prep: The requirement is for Agencies to be able to enter text justifications to support their budget requests, during submission of the Agency Version of the budget to OPB

Agency Budget Requests



Key Decisions: Agency Budget Requests

- Decision-1 Extract for BR-9B from ISIS HR
Only one Extract of BR-9B is needed by Agencies to perform Salary analysis
The information from BR-9B report is understood to be a point in time and no further comparisons are expected in the process

- Decision-2 BR-9B Extract from ISIS HR to be un-changeable
Any additional info/adjustment to be reflected separately in a different layout
This will avoid confusion between the OPB Budget analysts and their respective agencies during salary analysis

- Decision-3 Vacancies maintained in ISIS HR up to Sept. 30th by Agencies is still required beyond that date
The vacancies must be maintained because of the need to monitor positions throughout the year by the Commissioner
Agencies that were not maintaining Vacancies (as indicated in ISIS-HR system with an "X") will need to do so now



Key Decisions: Agency Budget Requests

- Decision-4 Agencies will enter budget at a lower level than Program level

Budget development will be done at the detailed level. MOF has yet to be determined at what level, but expenditures will be at the four number object code. Also, Fund Center structure has yet to be finalized and must be addressed during the Realization Phase.

Once system is loaded with master data, agencies will maintain their budget at the detailed level without having to resort to an outside system, i.e. excel spreadsheets

- Decision-5 Level of budgeting vs. level of budget control

Currently, the decision is to have budget controls maintained at the level as they exist today. However, there are action items to review the level of some of these controls and may be modified at the time of "go live," i.e. getting OPB approval for transfers between expenditure categories.

Agencies will have the flexibility to manage their budgets with efficient workflow processes set up within the system.

- Decision-6 Agencies' requirement is to have only one version for budget development

This will include any agency and department approval levels that the budget development may go through.

This will allow the agencies flexibility to be able to change their requests through all stages of their budget development including changes from the policy decision makers in the department or governing authority.



Changes & Challenges: Agency Budget Requests

- **Change-1: Data used for budget prep must reside in BI planning cubes**
 - Org. impact: Data previously used for budget prep came from multiple sources, reports, etc and had to be consolidated into Excel spreadsheets to be used for budget prep. In the Budget Prep module, the data will need to reside in BI planning cubes, sourced either from ECC or external data systems (interfaced or uploaded data). No need for reentry of data by the OPB into database.
 - Policy impact: None related to this
 - Training needs: Super-user BP training for key personnel in different budget areas

- **Change-2: Planning Functions & Planning Sequences Replace Off-line Excel Macros**
 - Org. impact: Current use of Excel spreadsheets to perform calculation of “What If” scenarios as part of budget prep will be replaced by Budget Prep (BP) planning functions and sequences.
 - Policy impact: None related to this
 - Training needs: Super-user BPS training for key personnel in different budget areas



Changes & Challenges: Agency Budget Requests

- **Change-3: Users must be familiar with new system language**
 - Org. impact: In addition to the above process/tool Training, all Budget End-users need training to be familiar with the new ECC-based account code structure (e.g. Fund, Grant, Func. Area, etc) sufficiently in advance, to be able to prepare/use the new Budget module.
 - Policy impact: SAP terms to replace AFS terms
 - Training needs: All budget prep users must be identified during the realization phase to provide proper training to the appropriate people.

- **Change-4: Master data must be consistent across all modules**
 - Org. impact: Master data in all ECC modules will need to be ready, together with multiple Cross-walks to SAP (from AFS, BRASS, DOTD, ISIS-HR and CORTS/BDS) prior to Budget Go-live. Similarly, sufficient test data will also be needed for DEV and QA environments
 - Policy impact: None related to this
 - Training needs: Super-user BPS training for key personnel in different budget areas



Changes & Challenges: Agency Budget Requests

- **Change-5: ISIS HR data will undergo transformation**
 - Org. impact: After creation of ECC Master data, the ISIS-HR data (Positions, Employee, etc) will need to be “transformed” (Note: Options being considered) to the new ECC-Finance account code structure, in the HR data extraction process for Salary-based budget preparation.
 - Policy impact: Org structure coding will be changed to match ECC
 - Training needs: ISIS HR users will have to be trained to conform to the new ECC accounting code structure

- **Change-6: Budget Appeals process will be developed during Realization**
 - Org. impact: The budget appeal process will have to be streamlined and more flexible to accommodate the different Administrations’ requirements.
 - Policy impact: None related to this
 - Training needs: Agency budget office personnel will need training on the new form/layouts developed.



Open Issues: Agency Budget Requests

- Issue: “Budgeting for Outcomes” being pushed by the Commissioner of Administration and how it will be implemented within SAP system, will continue to be explored and developed during Realization
- Issue: May need rollup commitment items in FM for flexibility of unknown entries.
- Issue: Non-recurring items on certain BA-7 types. This will be looked at during realization phase.
- Issue: A solution for tracking T.O. throughout the year will need to be developed during realization phase.
- Issue: Integration of Contract data and text to be explored during realization phase.



Agency Submission – Benefits & Improvements

- Standardize budgeting and business planning processes for all components of the State: This allows Agencies & OPB to use the same common basis of data and processes to prepare/review/approve Budget data at various stages (viz., Agency preparation, OPB Review, Governor Executive Budget, Legislature review and Issue of Appropriation Letters).
- Budget prep process will change from Excel-based processes to the BI-based Budget Prep system, using Business Explorer and/or Web Tools.
- In addition to the above process/tool Training, all Budget End-users need training to be familiar with the new ECC-based account code structure (e.g. Fund, Grant, Func. Area, etc) sufficiently in advance, to be able to prepare/use the new Budget module.
- Need for all Departments/Agencies to input ‘detailed budget’ for all Expense & Revenue accounts in the budget preparation process and submit budgets online to OPB.
- Master data in all ECC modules will need to be ready, together with multiple Cross-walks to SAP (from AFS, BRASS, DOTD, ISIS-HR and CORTS/BDS) prior to Budget Go-live.
- After creation of ECC Master data, the ISIS-HR data (Positions, Employee, etc) will need to be “transformed” (Note: Separate project underway) to the new ECC-Finance account code structure, in the HR data extraction process for Salary-based budget preparation



FRICE-W Objects

- Workflows:
 - Workflow for FM module Budget Workbench: The requirement is to identify events/recipients for BA-7 and Non-BA-7 postings on Fund Center/Commitment Item used in the posting.

- Enhancements:
 - Text justification in Budget Prep: Aside from the Decision Item (DI), the requirement is for agencies to be able to enter text justifications to support their budget requests, during submission of the Agency Version of the budget to OPB



FM / BP Integration



Design Consideration: Centralized management

- Based on previous slides, review of few initial considerations for the Realization phase:
 - Need to coordinate BP design with FM, GM, PS & HR on ECC
 - Primarily, the source of actual data is ECC Transactional system
 - Hence, the blueprint decisions for transactional data from SAP ECC 6.0 impacts BP
 - Process challenge for ECC-BP master data maintenance – another level of coordination
 - Approach to maintain common Master data between ECC & BI / BP
 - Who, what, when, how – to maintain master data, such as the following:
 - Cost Centers & Fund Centers
 - GL accounts & Commitment Items (Primary Cost Elements are automatically created)
 - FM Derivation Strategies
 - Validations & Substitutions for postings
 - To prepare 2011-12 SAP Budget, need to translate Legacy data to ECC6.0 Master data
 - Cross-walk challenges and mass Budget End-User training of new SAP account codes



Design considerations: FM Addresses & BP

When budget data is retracted to FM, the budget data is transferred into the same FM dimensions used in BI-IP to create the budget such as fund, fund center and commitment items. The location where the budget is assigned, via the FM dimensions, is known as the Budget Address in FM.

Posting addresses (expenditures/commitments) and AVC Address (for budget control) are not updated by BI-IP. These are updated by other modules in FM (Posting address) or determined within FM directly (Control address). These updates can occur at different levels than the Budget Address

Budget item	Posting Address	Budget Address	AVC Address
Fund	1000	1000	1000
Funds Center	3315118510	3315118510	3315118510
Functional Area	5652143040000000	5652143040000000	5000143040000000
Commitment Item	55110000	55000000 *	55000000
Funded Program	Not Relevant	Not Relevant	Not Relevant
Grant	Not Relevant	Not Relevant	Not Relevant



* Exceptions: Budget Address & Posting Address levels can use 3-digit Commitment Item 55110000



Key Decisions: FM / BP Integration

- **Decision-1 Mid-year Budget Adjustments (BA-7) process to occur in FM/GM**

The paperwork will occur as is currently, but adjustments will be initially made (in FM for Non-Grant budget, and in GM for Grants related budgets) by the Agencies with a Workflow process set up to route approvals. Agencies will make entries into FM at the time of BA7 submission. Approvals routing will be from Agency to OPB and to State Treasurer, in that order. OSRAP will be taken out of the approval process (Decision in the session). Subsequently, this has changed (OSRAP decision conveyed).

- **Decision-2 BA-7 transfers between agencies will still be entered in FM by each respective agency**

For Security reasons, one agency budget analyst will not be able to make entries for another agency. (However, Grants transfers is an issue to be discussed in another topic)

This will avoid confusion between the respective agencies when making mid year adjustments.

- **Decision-3 Agencies will enter BA-7 adjustments in FM or GM at the time of submitting BA-7 to OPB**

Rather than the agency waiting until it receives an approved BA-7 before entering the adjustment into the financial system, it will make the entry at the time of submission of the BA-7 and go through the workflow process for Adjustment approval.

This will avoid the daily extractions from the Budget Prep module into FM. OPB will not be maintaining a separate budget tracking system. They will maintain budget adjustments within the ECC system.

- **Decision-4 FM Budget, Posting, and AVC Addresses:**

- Budget Address will be entered at the lowest level FM dimensions (Fund, Fund Center, Funct Area, etc)
- Posting Address – like the Budget, actual expenses and commitments will be updated in FM from other modules (MM, HR, FI, CO, Grants) at the individual/lowest level FM dimensions.
- Control (AVC) Address – Combination of FM dimensions/level at which budget control will take place.



Key Decisions: FM / BP Integration

- Decision-5 BA-7 Transfers Across Agencies
Companion BA-7s involving two or more agencies, each agency will make entries into the ECC system within their own respective Agency area.

- Decision-6 Current Use of BA-7 “Types” in FM
BA-7s will have use of additional fields identifying the Type of BA-7, i.e., Carryforward, Regular, Act 672, Governors Executive Order, etc.

- Decision-7 “New” Grants will require a BA-7 for Budget Authority
When an agency receives a new Grant, it is obligated to submit a BA-7 to get approval for appropriation from the JLCB.
No impact – Policy is currently in place for this type of budget adjustment

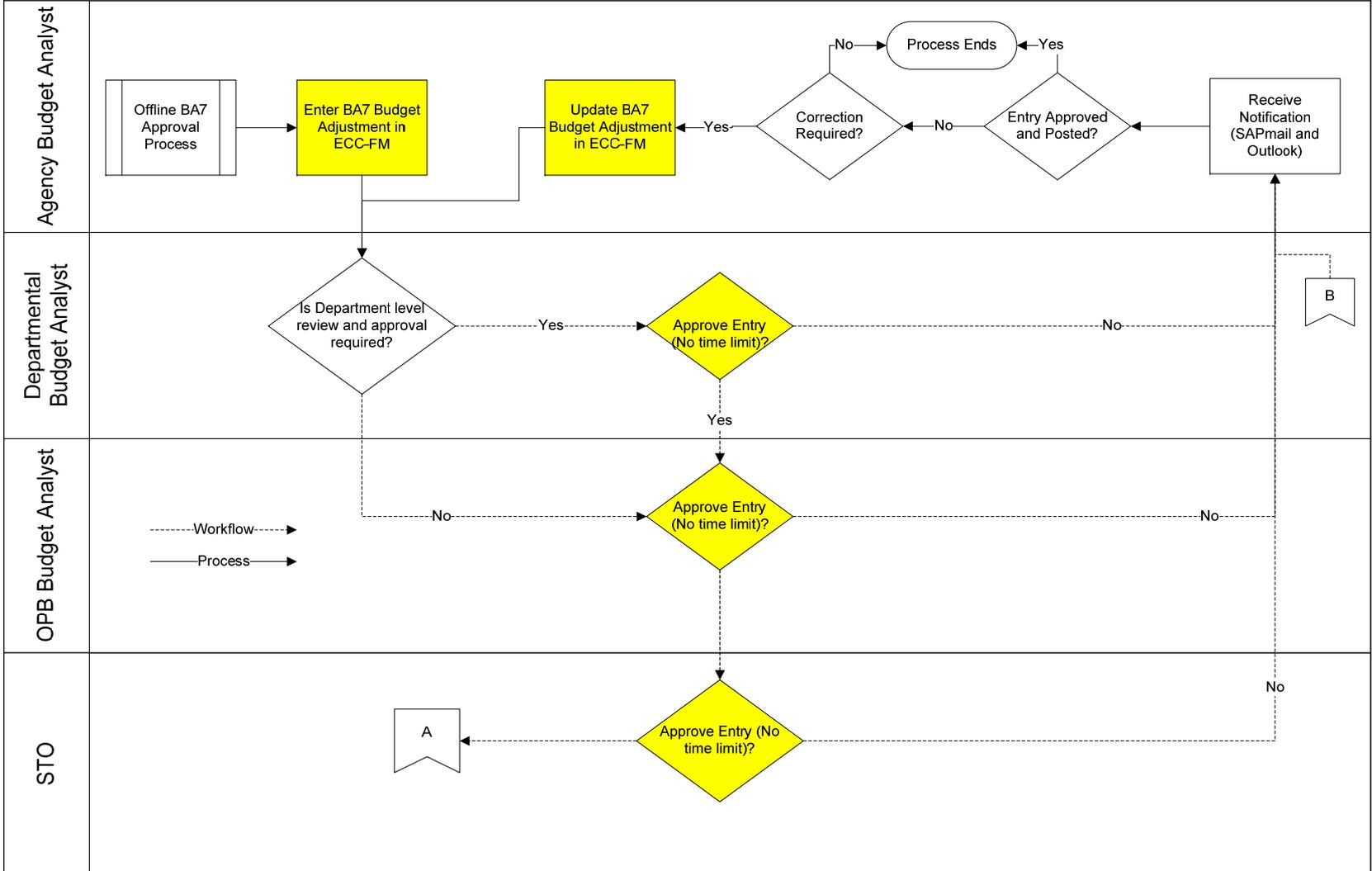
- Decision-8 ECC Budget Types configured, and used in BI-IP:
 - OREC – Original, recurring budget as part of the annual budgeting cycle
 - ONRC – Original, non-recurring budget as part of the annual budgeting cycleThis is important to note in that all adjustments will have either one of these Types tied to it.



TO BE: Mid-year Budget Adjustments (BA7s) – p1

Process: Draft To Be BA7 Mid-Year Budget Adjustments

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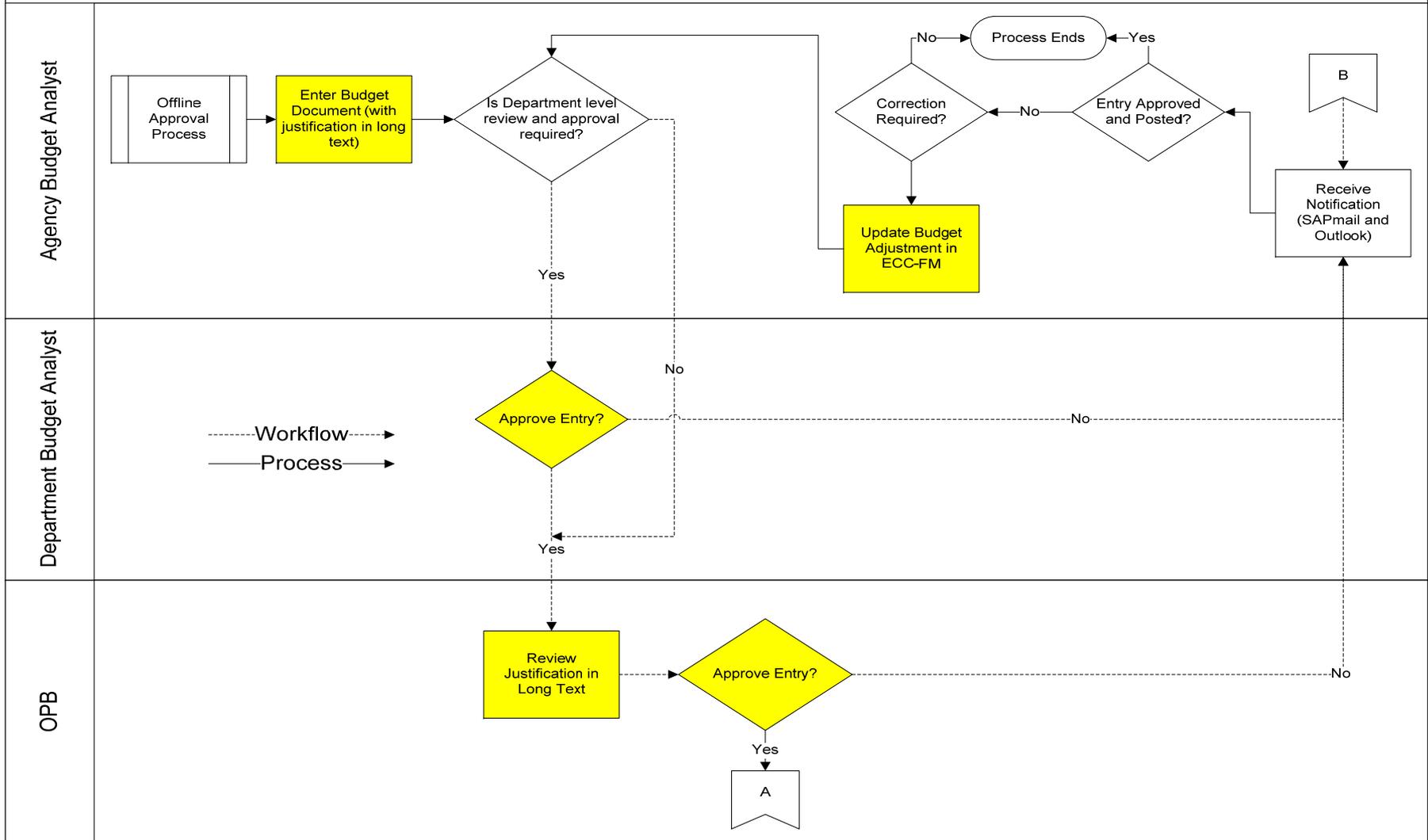




TO BE: Other Budget Adjustments (non-BA7s) –p1

Process: Draft To Be Non-BA7 Mid-Year Budget Adjustments (e.g. Budget Transfers)

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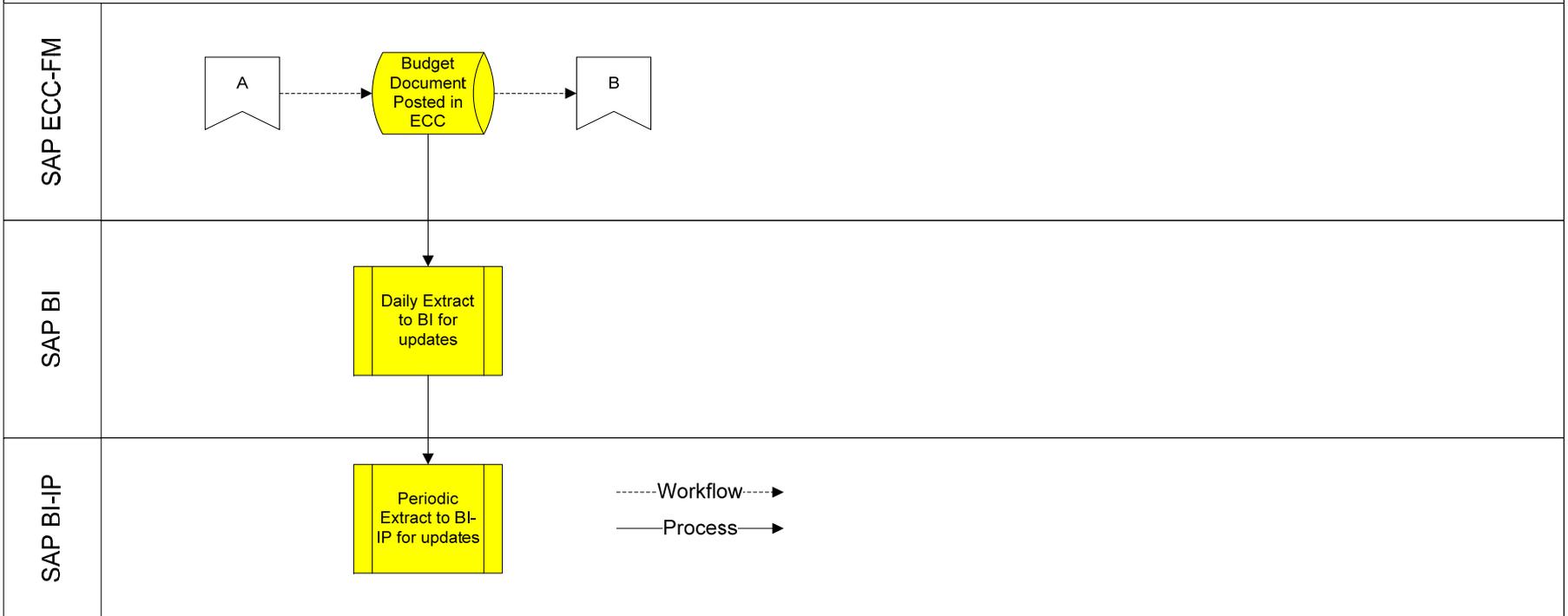




TO BE: Other Budget Adjustments (non-BA7s) –p2

Process: Draft To Be Non-BA7 Mid-Year Budget Adjustments (e.g. Budget Transfers)

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Changes and Challenges: FM / BP Integration

- Change-1: Education on one budget for both revenues and expenses
 - NO AP, RB and EB documents
- Change-2: As budgeting process is decentralized, training on a large number of users
- Change-3: Budget to lowest possible level, if practical, to facilitate detailed actual versus budget reporting (bottom up budget build)
- Change-4: OSRAP will be taken out of approval process for Non-BA-7 adjustments



Open Issues: FM / BP Integration

- Issue: Initial load of budget needs to be researched to see the options of whether a percentage can be loaded, or if timelines can be shifted
- Issue: Ability to attach documents or HTML link in long text and options for BA-7 document repository in FM will be explored by the FM/BP team during realization phase
- Issue: Options for the Functional Area, to cover CAFR reporting and OPB's Policy Area reporting, will be explored in Realization including the different Functional Areas used by OPB & OSRAP



FRICE-W Objects – FI / BP Integration

- Enhancements:
 - Enhancement 1: Capture of long text in FM for BA-7s during BI extraction

- Workflow:
 - Workflow 1: BA-7 Workflow – Agency> Department> OPB> STO (Note: STO wants to continue to be last in approvals)
 - Workflow 2: Approvals and Rejection notifications for BA-7s & non-BA-7s



Budget Data Conversions, Reporting, & Publishing



Key Decisions: Conversions, Reporting, & Publishing

- **Decision-1** The Budget Office requirement is to have only one year of historical “actuals” budget data in SAP FM/BP
This is subject to the final decision of whether MOF is at the Agency level or Program Level
- **Decision-2** Agencies wanted prior year Budget Requests converted to BP
We want to confirm if this is really required. During Go-live data conversion, detailed discussions will be held
- **Decision-3** T.O. to be identified at the Fund Center level by Agencies
This will be done by each Agency in coordination with the BP team.
- **Decision-4** Use of PatternStream will continue
PatternStream will continue to be used for publishing the Governor’s Executive Budget, the Executive Budget Supporting Documents, and the State Budget.
 - OPB will contract with Finite Matters Limited (FML) to develop the “Pset” files necessary to publish the required documents. OPB may have to purchase new licenses for upgraded software to any upgraded requirements by PatternStream, including Adobe FrameMaker
- **Decision-5** No conversion of DI or BSLT information required
OPB will continue to use the functions and required fields in DI and BSLT coding, but this data will not be converted to the new system.
- **Decision-6** Confection of Original HB-1 will be done in MS Word
OPB will continue to produce HB-1 Original Bill in MS Word. It will then be transferred electronically to the legislative staff, where it will be converted to their version of Word Perfect



BI Reporting

- BI will be the primary reporting tool for the State
- Transfers the processing load from the transactional system (ECC) to the reporting system (BI)
- Provides enhanced reporting capabilities including filtering, sorting, analysis, calculations, exporting, and presentation
- Generally, BI is refreshed overnight
 - Typically, delta loads for transactional data and full loads for master data
- Real-time reporting requirements to support **daily** decision-making process may need to be supported by ECC



Approach of BI Reporting in Realization phase

Step-1 Attend Business Process Workshops:

- Break-out sessions for specific drill-down requirements
- Initiate collation of Legacy Reporting Inventory

Step-2 Analyze reporting requirements from Blueprint sessions/documents:

- Perform GAP & FIT analysis of requirements against BI Standard content or ECC reporting (by Functional Teams); and
- Based on analysis, decision to be taken for custom report development in BI or ECC (by way of ABAP development)
- Develop list of development of BI reports and ECC reports

Step-3 Categorize BI reports: Statutory reports, Scorecards, KPI, Mgt Reports, etc

Step-4 Publish BI Reporting Scope document and commence development

Step-5 Prepare ECC report development list and commence development



FM/GM Integration



Key Decisions: FM/GM Integration

- **Decision-1 Budget Authority to be split between Grants & Non-Grants**
Since Grants will be integrated into the SAP-ECC system, the budgeting processes will now have to distinguish between whether the budget adjustment is associated with a Grant or Non-Grant
- **Decision-2 Grantee vs. Grantor budget**
 - Grantee Grants are to be budgeted on a Grant-by-Grant basis
 - Grantor Grants are to be budgeted at the Grantor level
Pass-through Grants will be tracked in the Grantee Module, but for 3rd party application and reporting processing, Grantor Module will be used in conjunction with the Grantee module
- **Decision-3 Grant Master Data will be created by Dept/Agencies**
 - If a new Grant budget is to be included after Nov-01 as part of the budget development process, the Dept/Agencies will create the master data in the Grants module
- **Decision-4 BI-IP data for Grantor/Grantee to GM, and further to FM**
 - Retraction of budget, from BI-IP to FM Module, will be done by OPB, including Grantor budgets
 - BI Query extraction and loading of Grantee Budget will be done by OPB, as pre-post with the Central Grant Administrator (CGA) assisting OPB, and thereafter the Dept/Agency Grant Administrator will post the budget documents in Grantee module
- **Decision-5 Participants recommended new process for Grant BA7 adjustments for approval by Legislature, covering “new Grants” & “existing Grants”**
The wordings for “new Grants” and “Existing Grants”, as recorded in the session and presented in the GM Validation session, are displayed separately on the next slide



Grant Budgeting & Control: Key Decisions

(BI-IP/GM integration presented also in GM Validation)

BI-IP/GM Recommendation for Existing Grants

- The Blueprint session Participants recommended for Management approval that any Budget adjustments related to existing Grants should not have to be approved outside their Agency's office (Department's office?), as long as it does not exceed the Managing Agency's existing approved Budget Authority and Appropriation Unit (Means of Finance), covering:
 - adjustments between two or more Grants
 - adjustments across Object Categories (equiv in SAP)

BI-IP/GM Recommendation for New Grants

- The Blueprint session Participants recommended to change the current/existing law/guideline to allow Agencies to add new Grants and accept new Grants (in Grantee Mgt module), without requiring OPB/Legislative approval (BA7), as long as the Agency does not exceed its existing and approved Budget Authority and Appropriation Unit (Means of Finance).
- The above is for Grants that do not require the State to later sustain that Program, i.e. no future obligation/future fiscal impact to the State after Grant comes to an end. This will be ensured by the Secretary of Department/Agency or his/her Designee.



Changes and Challenges: FM/GM Integration

- Change: 1 Training on budgeting process and functionality differences between Grantor and Grantee will affect Grantee and Grantor grants budgeting
 - Specific Training needed for FM & GM Budget workbenches and functionalities
 - Specific Training needed for Budget Retraction from BI-IP
 - State-wide End-user Training needed for SAP Account Assignments & integration

- Change: 2 Dept/Agency will have to develop a Grants Administrator role within their section

- Change: 3 Users will need to be trained on the following:
 - Postings will be against a Grant, similar to AS-IS Reporting Categories in AFS
 - Budgeting will be by individual Grants
 - Budget Availability Control (in FM & GM) will be turned on and could have impacts on budget transfers.



Open Issues: FM/GM Integration

- Issue: How to budget total Grants budget authority – not full amount
- Issue: How will we be able to identify and track NGOs
- Issue: Identifying Disaster Food Stamps:
 - Budgeting and Actuals
 - How to reimburse?
- Issue: Need for better efficiency in processing new Grants:
 - Policy impact is on the legislative authority to approve any new appropriations
 - Language in the Preamble of the Appropriation Act states:
 - Any increase in such revenues for an agency without an appropriation for the respective revenue source shall be incorporated into the agency's appropriation on approval of the commissioner of administration and the JLCB
- Issue: What happens if issue of Appropriation Letters is delayed (say beyond July 14)?
 - (1) Loading of Partial Budgets (a percentage of the Budget)
 - (2) Load the last approved Budget, and load “delta” budgets
 - (3) Turning off the Budget check functionality (but is not recommended)



Performance Measures



Performance Measures: Design Considerations

- Based on available information, neither BI-IP nor the new PBF solution have a way for Agencies to enter Quarterly performance (Note: PBF is unknown at this time as its still being developed)
- Options discussed for Quarterly performance reporting by Agencies are:
 - 1) Continue to use LaPAS
 - 2) Develop a customized system to look/perform just like LaPAS
 - 3) Continue with LaPAS and examine SAP solutions, PBF & EPS
- If Option-1 is adopted as long term, LaPAS data could be pulled into BI for reporting. This could also be the front-end tool for OPB to enter Performance data and form initial load for Performance development for the budget year. Problem is the additional information included in the Agencies' submission of their Operational Plan.



Key Decisions: Performance Measures

- Decision-1 Follow up on the “Gap” for Performance Measures
 - Developing Performance information for the next budget year
 - Maintaining quarterly reporting for Existing Operating Budget
- Decision-2 Budgeting & Performance should be tied together
- Decision-3 Develop a wish list with consistent Performance Measures
 - Also, the ideal is to have consistent and relevant performance information across multiple years
- Decision-4 Follow up on the impact of Activity Performance Review
 - Activity Performance Review is still being developed by the State and we need to discover the impact on the budgeting process and whether budgeting will go down to the activity level
- Decision-5 Use LaPAS codes rather than BRASS codes for data conversion to Budget Prep
 - BRASS coding was decided to not be as consistent and reliable as the LaPAS codes



Open Issues: Performance

- Issue: Cross walking LaPAS code to BRASS coding, to develop SAP coding.
- Issue: When will the RFP for Performance Training take place?
 - We need to evaluate this together with Activity Performance Review
- Issue: Aligning Performance “Activities” to each financial “cost center”
 - This will truly tie Performance to funding
- Issue: Continue using LaPAS or custom build a new platform? (BI team)
- Action Item: LaPAS Team will furnish the existing LaPAS codes for Budget Prep Team to compare LaPAS data with Performance codes in BRASS, and further to determine the codes that need to be converted to SAP
- Action Item: Change Management Team (Steven P.) will furnish activity based budget data submitted by Agencies for this year.
- Action Item: Budget Prep Team will research sample data included in Operational Plan that is not reported in LaPAS
- Future meetings will be scheduled regarding Performance Measures



Summary of FRICE-W Objects

- **Forms**: There are no special ABAP Forms to be developed for the Operating Budget processes
- **Reports**: The legacy list of Operating Budget reports are being compiled, and would form the BI Reporting Team's scope for development
- **Interfaces**: Besides the inherent link from BI-IP to ECC-FM, there is no other Interface data expected for the development of the Operating Budget build
- **Conversions**: Operating Budget data conversion topic has been separately covered
- **Enhancements**: There are no special Enhancements to be developed for the Operating Budget processes
- **Workflow**: The Workflow needed for Operating Budget have been identified in previous slides



Questions?

