MEETING MINUTES

State of Louisiana LaGov Project

Operating Budget: Agencies' Perspective FI-BP-004

September 23 8:30 a.m. – 4:30 p.m. / September 24 8:30 a.m. – 4:00 p.m

Location: DOTD, East Wing, Room 501
Attendees:

No.	Name	Invited?	Attended?	Comments
1.	**Hodges, Beverly**	Y	N	LaGov
2.	**Thigpen, Drew**	Y	Y	LaGov
3.	**Ramsrud, Mary**	Y	N	LaGov
4.	**Hodnett, John**	Y	N	LaGov
5.	**Dusse, Barry**	Y	Y	OPB
6.	**Barbier, Mike**	Y	N	OPB
7.	**Vaught, Sylvia**	Y	Y	LaGov
8.	**Boyd, David**	Y	Y	LaGov
9.	**Kelly, Will**	Y	Y	LaGov
10.	**Fernandez, Paul**	Y	Y	LaGov
11.	**Jacob-John, Manoj (JJ)**	Y	Y	LaGov
12.	**Peak, Ashley**	Y	Y	LaGov
13.	**Montes, Rene**	Y	Y	LaGov
14.	**Schmitt, L.J.**	Y	N	OPB *
15.	**Whyde, Janet**	Y	Y	LaGov
16.	**Knecht, Gene**	Y	N	LaGov
17.	**Rives, Cindy**	Y	N	OPB
18.	**Buchanan, Marianne**	Y	Y	DOTD
19.	**Schexnaydre,Debbie**	Y	N	OPB
20.	**Bunch, Stephen**	N	Y	LaGov
21.	**Bielkiewicz, Joey**	Y	N	DOC
22.	**LaFleur, Pete**	Y	Y	LSD
23.	**Pendarvis, Hazel**	Y	Y	DOE
24.	**Stockstill,Susan**	Y	Y	DHH
25.	**Fitzgerald, Keith**	Y	N	DHH
26.	**Schioneaux, Beth**	Y	N	
27.	**Hunt, Brett**	Y	N	AG
28.	**Thomas, Gwendolyn**	Y	N	
29.	**Robinson, Linda**	Y	Y	DSS
30.	**Shaw, Beverly**	Y	Y	CRT
31.	**Lellig, John**	N	Y	IBM
32.	**Selders, Janice**	N	Y	DNR

No.	Name	Invited?	Attended?	Comments
33.	**Duncan, Marsha**	N	Y	DOTD (Dye Mgmt.)
34.	**Johnson, Don**	N	Y	DSS
35.	**Steward, Johnnie**	N	Y	DCRT
36.	**Faldetta, Sal**	N	Y	DOTD (Dye Mgmt.)
37.	**Johnson, Debbie**	N	Y	DSS-OCS
38.	**Johnston, Stephen**	N	Y	DSS-LRJ
39.	**Procopio, Steven**	N	Y	Enterprise Readiness
40.	**Smith, Keisha**	N	Y	DNR

	Agenda Item and Notes	*Owner(s)*	*Action Items & Assignments*	*Comments / Follow-up*
1.	**Logistics, Ground Rules, & Introduction**	Paul Fernandez	• None	
2.	**Project Timeline**	Paul Fernandez	• None	
3.	**Workshop Objectives**	Paul Fernandez Manoj Jacob-John	• None	
4.	**Business Process Review** • As-Is Process • Process Improvement Opportunities • SAP Glossary • SAP concepts & functionality • Leading practices • Business process flow • Enterprise readiness challenges	Paul Fernandez Manoj Jacob-John	• See action items & assignments below.	Hard copies provided - Future Budget Prep Sessions, As-Is Process (Executive Budget Development - Detail), SAP Glossary (current and future terms),Master Data Integration, Business Process Flow, BP–FM Design: Versions
5.	**Action Items**		1. Johnnie Stewart – DCRT (Dept. of Culture Recreation and Tourism) Budgeting for Outcomes To provide sample data 2. Paul Fernandez - 18A – to check 3. Don Johnson – DSS Dept of Social Services – Each office – EB/RB Spread – Excel Management 4. Marianne Buchannan – Budget/Actual – Below program level 5. Barry Dusse – Check Leg. version 6. JJ/Chan - Check with other agencies for Grants Budgets 7. Will Kelly - Will SAP run on Windows 2000 (DSS runs on Windows 2000) 8. JJ/Chan - Workout Grant Budgeting options for DSS 9. Fernando Figueroa - Rollup Commitment Items and Higher Level commitment items in FM 10. Paul Fernandez - Check Non-Recurring BA-7 type – OPB policy 11. Paul F./Pete LeFleur. - Check Premium Pay (School for the	

		DEAF) /Shift Differential (Corrections) **12.** Paul Fernandez - To explore option to track TO's in ISIS-HR (2100+2130+5200) or equivalent on SAP codes) –to also include Grant Positions – **Sylvia says that T.O. will not be in ISIS HR - EVER** 13. JJ - Off Budget Grants - Food Stamp Payments – Support Enforcement 14. Marianne Buchannan - To obtain details if DOTD system have info re: Operating Budget 15. JJ/Sal Faldetta – Check with DOTD to see why it can not budget expenditures with funding source. 16. JJ - Check with Logistics Team for conversion of Contract Data Text(CFMS > SAP-MM) 17. Paul Fernandez - Check with Stephen Procoppio on the new Budgeting for Outcomes forms being pushed by the Commissioner and how it will be incorporated into the Budget Request process.
6.	**Key Decisions**	1. Agencies program budget at a level below Program Level 2. Reporting and Planning have the same BI based security during budget build process 3. Only 1 version for agency Operating Budget as of Nov 1 – OPB submittal 4. No Leg. Consider version for Agency. Adopted Leg version of report to Agency 5. Grant related budget with detail a) Subject to validation with Grant SME's in FI-BP-008 6. No D.I. (Decision Item) by agency in Version A1, however, a text field will be provided for narrative description and justifications (Noted in FRICE-W). 7. Sept 30 (around), TBD by OPB – Extract for Agencies EOB/BR9B 8. No further extract for BR9B to recalculate the salary dollars 9. BR9B Extracts to be unchangeable plus adjustments in Layout 10. No cost split for Grants for ZP09
7.	**Parking Lot**	1. DSS Federal authority and inability to capture / tie MOF a. Grants module 2. Date of BR9B run 3. Discretion/Non-Discretion –OPB

		View 4. OPB adjustment in different Obj. Cat/Program 5. DSS Activity crossing programs (e.g. TANF) 6. BAD Packs version –Revisit 7. Budget Authority Re: Grants 8. IAT Budget, If Budget Control 9. Discuss in FI-BP-008 for what is included in Grants Budget 10. Centralized Grants Management
8.	**F.R.I.C.E.- W**	1. **Workflow for FM module Budget Workbench:** The requirement is to identify Events/Recipients for BA-7 & Non BA-7 postings, based on Fund Center/Commitment Item used in the posting. 2. **Text justification in Budget Prep:** Aside from the Decision Item, the requirement is for Agency to be able to enter text justifications to support their budget request, during submission of the Agency version of the budget to OPB (as of 01-Nov each year).
9.	**Interfaces**	1. eGrant – Expenditures to AFS 2. TIPS – Expenditure breakdown (not in AFS) 3. Tyler-Munis – DOE Not operational yet a. RSD 4. CLAP – Expenditures to AFS(OFS)
10.	**BR9B**	1. Decision to include "Unclassified" schedule and indicate increase date (Merit/Step) in addition to merit Action Item: a. HR ISIS to add functionality - capability may already be active b. Agency to provide info (process to-be) Term Pay and Overtime 2. Vacancy maintained in ISIS-HR up to 30-Sept by Agency is still required beyond that date (indicated by 'X') Clean out Ghost positions (funded non-TO positions e.g. 3670) 3. Action Item : Process flow to include agency to continue update 'X' in ISIS HR

Discussion Points:

Timelines - Timelines from the Department of Education (DOE) and the Attorney General's Office (AG) (which is a smaller agency) were presented to find out if they were representative of timelines for agencies in the session. JJ asked if the DOE compiles of all the requests from DOE programs and makes a call as to what is submitted to OPB. Hazel Pendarvis agreed that this was the case for DOE. Marianne Budchannan (DOTD) said that the process was similar for DOTD. Marianne said that DOTD is trying to be more proactive looking at undesignated fund balance and what they were going to get for the next year, before budget compilation. Pete LaFleur from the Schools for the Deaf indicated that the timelines presented were representative of their budget compilation process. Pete LaFleur said that their approval hierarchy was different but in essence the process was the same. Linda Robinson from the Department of Social Services (DSS) said that their budget timeline is not straight forward because the budget preparation process happens different every year. It depends on what the Office of the Secretary decides. The budget process for DSS is started in August every year (this year was different because of the hurricanes) it is completely driven by executive staff. Marianne Buchannan said the DOTD generally starts their process in the last week of August or a month before the OPB issues the budget forms and instructions. DNR said they start about a month in advance. The ZP116 report was discussed and some agencies said that they did not use the report.

In general, agencies may or may not have a central collection process, depending on the size of the agency. Agencies generally start about a month before budget forms and instructions are distributed by the OPB. Agencies have their own budget forms that are distributed and collected. Decisions as to what goes into the OPB budget request are also made at the agency level. Agencies such as the DSS don't necessarily follow a prescribed timeline.

Process Improvements -JJ went over process improvements that have been identified such as in the areas of collection, submission and reporting (analysis and presentation) of budget data. JJ said that the collection of data was going to be easier and more automated with the new system for example; the Existing Operating Budget (EOB) and Actual Expenditure columns would no longer have to be manually entered. Re-entry of information would be minimal. Hazel Pendarvis said that be pre population of budget forms require less budget preparation time.

Process improvements identified by agencies:

Electronic submission of budget requests - Marianne Buchannan from DOTD responded not having to print the budget request for submission would be a process improvement for DOTD because the submission could be electronic.

Budget forms - TR-Sum and TR-Salary Forms -, JJ said there should not be a need to fill out these forms since they would be reports.

Form 18A - Marianne Buchannan (DOTD) asked how important Form 18A (other charges) form was; the form is a further breakdown of form 18 which is similar to form 6. JJ said he was asked to consider (eliminating, revising etc). Paul explained that the form may be going away because of the grants module and because of the discussion in general ledger relating to other charges and to spread to actual categories (Hazel Pendarvis made a suggestion to expand on the 6 and eliminate the 18)

Form CB4 – Linda Robinson asked if the CB 4 would still be required if the use of the non-recurring flag was going to be in place with the new system. Paul Fernandez said that it would still be required because sometimes it may only be part of the BA-7 that is non-recurring. Susan Stockstill made the point that it is more complex because the item that is non-recurring may be split into multiple means of finance. Susan said that it has been the case that General Funds were the means of finance where the non-recurring item was subtracted. Barry Dusse said it was an inherent flaw in the process. Linda Robinson said that non-recurring items also have acquisitions within them.

Streamlining the Appeals Process - Pete from the Schools for the Deaf said they would like for the system to pull the details into a summary for the appeals process. JJ asked if a report would suffice for such a purpose, the answer was yes. Linda Robinson agreed with the appeals process improvement since the information was already in the CB forms. Linda also said

the elimination of the BAD Packs would help and be a process improvement. JJ said a modified BAD pack could be a possibility.

Process improvement notes:

Budget Versions - David Boyd asked if there was a desire at the agency level for "what-if" or the ability to have different versions the group responded there was currently not a need.

Linda Robinson from DSS did not agree that tying revenues to expenditures was a process improvement (50/60 federal grants for DSS) because the funding mix for expenditure was different from month to month. Linda said that there were a different set of issues for larger agencies and therefore more complex.

Budgeting for Outcomes Johnnie Stewart from the Department for Culture and Tourism (CRT) asked if the new system would allow budgeting for outcomes, she said that the CRT had been completing their budgets in this format for the past four years. She said that the budgeting for outcomes information is enter+-ed into the regular OPB budget request forms. Johnnie also mentioned that the CRT had been producing was an operational plan. Pete LaFleur said that the budgeting forms were going to change. Paul Fernandez said that this is relatively new and that he was aware of the letter from the commissioner regarding budgeting for outcomes but that he did not know how it was going to look. Paul said he thought the budgeting for outcomes would tie the performance information to an activity.

Agency Budget Build Process – Marianne Buchannan from DOTD asked if the agencies would still have to manually breakout what OPB sent by district and section and down to the individual ISIS category. JJ responded by saying that it would be possible to build the budget for DOTD at a dimension beyond the program level. Paul Fernandez said that the budget build would more than likely be prepared and submitted at a detailed level; with any OPB adjustments posted at the detail level to a generic object. Linda Robinson from DSS said that it would be up to each agency to decide at what level they would prepare (and submit) their budget depending on their budget preparation process. Linda also said that there be a huge plus in being able identify where the OPB made adjustments because a lot of time is spent figuring out where OPB adjustment have been made and correcting those adjustments. Susan Stockstill from DHH pointed out that when the budget is built, a dummy org would be required to budget at a specific level. JJ responded by saying it could vary by agency depending on OPB and agency requirements, one of which was identified in a previous session. (Budgeting at program level as required by law) Marianne Buchannan from DOTD said that it would probably be better to keep the budget preparation at a high level, because more would have to be known at the front-end and agencies would have to go to the OPB for every adjustment. JJ said that those considerations would have to be weighed out. Susan Stockstill from DHH said that the system should have the flexibility for agencies to budget at the most detailed level known at the time, for example salaries may not be known at the time of budget submission which could be broken out later but if the IT department is asking for something then she wants the ability to request budget in the IT cost center level. Susan said that the EOB should come over to budget preparation module at the most detailed level known at the time.

Means of Finance - Linda Robinson pointed out that grants for DSS were open ended and were based on the number of people that walked in the door. More specifically, Linda said there was not a way to budget for the specific means of finance since the number of people that will walk in the door is not known at the time the budget request is being compiled and past experience would not help budget the current year. Hazel Pendarvis said that DOE also had grants that were open ended (the school lunch program). The layout presented by JJ in the slide deck represented the budget collection taking place at the budget category/means of finance level. The group let JJ know if the budget was compiled according to the layout then a great amount of detail would be required. Hazel Pendarvis said DOE does this currently. Susan Stockstill from DHH asked if the budget had to be balanced by means of finance and object category as presented on the sample layout. Particularly if grants are going to be budgeted in this manner then it is difficult to budget travel (for example) by a specific grant. JJ said this would be discussed further in the joint blueprint session with grants management. JJ said that certain non-recurring or new grants could be summarized in a budget category called Federal Funds and then spread to specific grants after retraction into to ECC. The topic of grant budgeting was discussed and the fact that it would change the way that agencies currently budget for grants. Sylvia Vaught made the point that some reasons to implement the grants module was to capture more information about the grant for reporting purposes and to take functions that were largely isolated and bring them into the system. Barry

Dusse asked if the system was flexible enough to swap budget authority between two grants. JJ responded that it should be feasible in the new system as long as the grants were separate. Linda Robinson asked if the agencies would need to go to OPB for grant control. Sylvia Vaught responded by saying that currently there is no central grants management and that OPB does not currently perform this function.

Sub Program - Barry Dusse said that the administration was leaning towards budgeting by activity (or Sub-Program not the AFS activity field).

Level of budgeting vs Level of budget control – JJ explained that the level at which agencies chose to budget could be different than the level the agencies chose to control. Agencies were concerned about having to go through the OPB to make budget adjustments during the year. The discussion on the level of budgeting was that agencies could prepare and submit the budget at a specific level and would have to let the OPB know where to make adjustments for the budget request submitted. Agencies would have to either spread their original budget to a desired level or spread OPB adjustments if their original budget was submitted at a desired level.

BR9B

JJ asked if everyone was comfortable with the date for the BR9B information extraction (30th of September) everyone agreed. JJ also asked if there was any need for any BR9B information before that time. The answer was no. The BR9B is changed by some agencies to incorporate changes that are not reflected. Susan Stockstill also said that positions have to be monitored in case they are cut. Beverly Shaw from CRT said that the salary budget is not based on the request that the agencies submit but instead on what the OPB calculates. Sylvia asked if only old positions were being budgeted. Paul Fernandez said that OPB budgets for vacancies, he said that the OPB fully funds salaries with an attrition factor applied. Susan Stockstill made the point that there would not be any automation of the process; everything that is currently being done would be done in the new system. Susan said that BR9B reports would still need to be run and reconciled to reports run by OPB. Sylvia Vaught said that the ultimate solution would be to use position based budgeting. Sylvia Vaught said one solution for the vacancies issue could be to get rid of ghost positions (although she does not recommend) and as positions get unfunded then create new positions.

Key points

- Promotions and Raises in ISIS HR are only available as a future action but are not effective dated. ISIS HR is not intended to forecast.

- Proposal (Barry Dusse): One extraction of BR9 information that would remain static and adjustments/changes would be submitted on a different layout (form). In effect an addendum to the BR9B
- Unclassified Job, Pay Scale could be loaded in ISAS HR (With no CAP)
    - Possible to to input merit increases on unclassified positions

- For Filled positions merit increases could be projected.

- ISIS HR does have premium pay however there are rules that apply

- The budget office would have to issue a directive to the agencies to maintain 'X''s on positions for vacancies to appear. Currently Vacancies are equal to total number of T.O. (Total Organization) less Filled Positions.

AmendmentProcess - The amendment process was discussed and it was concluded that reports would be provided to the agencies to provide information about specific amendments

Budget Versions – After some discussion and explanation about versions, it was decided that only one version is required by the agencies. Other topics about budget versions were around how OPB budget adjustments were

going to be made in the budget. One possible solution would be to record the adjustments in a generic account and have the agency spread the adjustments once the budget is approved.