



MEETING MINUTES

State of Louisiana LaGov Project

Capital Budget Details and Processes - FPC

October 14, 15, 16, 2008

Claiborne Room 141

Attendees:

No.	Name	Invited?	Attended?	Comments
1.	Hodges, Beverly	Y	N	LaGov
2.	Hodnett, John	Y	Y	LaGov
3.	Vaught, Sylvia	Y	N	LaGov
4.	Boyd, David	Y	N	LaGov
5.	Kelly, Will	N	Y	LaGov
6.	Fernandez, Paul	Y	Y	LaGov
7.	Jacob-John, Manoj (JJ)	Y	Y	LaGov
8.	Montes, Rene	Y	Y	LaGov
9.	Whyde, Janet	Y	Y	LaGov
10.	Cali, Dom	Y	N	DOTD
11.	Humm, Lori	Y	N	DOTD –Dye Mgmt.
12.	Davis, John	Y	Y	FPC
13.	Milner, Marty	Y	Y	FPC
14.	Oglesby, John	Y	Y	DOTD
15.	Futch, Lynn	Y	N	FPC
16.	Romeo, Robin	Y	Y	DOTD
17.	Elliott, Mary	Y	Y	DOTD
18.	Parish, Jan	Y	Y	DOTD
19.	Tessier, Robert	Y	Y	DOTD
20.	Schexnaydre, Debbie	N	Y	DOTD
21.	Duncan, Marsha	N	Y	DOTD- Dye Mgmt.
22.	Samson, Lauren	N	Y	DOTD
23.	Lodge, James	N	Y	OSRAP
24.	LeBlanc, Carolyn	N	Y	FPC
25.	Whitmore, Simone	N	Y	FPC
26.	Lee, James	N	Y	DOTD
27.	Bunch, Stephen	N	Y	LaGov
28.	Gerhart, Steve	N	Y	LaGov
29.	Stringfellow, Mary	N	Y	FHWA
30.	Burgess, Eric	N	Y	DOTD
31.	Sanders, Trini	N	Y	DOTD
32.	Lelig, John	N	Y	LaGov

<i>Agenda Item and Notes</i>	<i>Owner(s)</i>	<i>Action Items & Assignments</i>	<i>Comments / Follow-up</i>
1. Logistics, Ground Rules, & Introduction	John Hodnett	<ul style="list-style-type: none"> None 	
2. Workshop Objectives	Manoj Jacob-John	<ul style="list-style-type: none"> None 	
3. Business Process Review <ul style="list-style-type: none"> Process Improvement Opportunities SAP Glossary SAP concepts & functionality Leading practices Business process flow Enterprise readiness challenges 	John Hodnett Manoj Jacob-John	<ul style="list-style-type: none"> See action items & assignments below. 	Hard copies provided - Future Budget Prep Sessions, , SAP Glossary (current and future terms), Master Data Integration, Business Process Flow, BP-FM Design: Versions
4. <u>Action Items</u>	James Lee	1. Find detail of TAND – Highway Needs and Priorities	
	Jan Parish/Mary Elliott (DOTD) John Hodnett/Simone Whitmore	2. Find statute that binds DOTD to a particular project. FPC	
	Simone Whitmore	3. For Non-State show matches statute 911 (find a request where one was but in)	
	Lauren Samson Budget Prep Team	4. MOF interfaces from DOTD to AFS 5. Explore automatic generation of schedule number for “New projects” – After funding is finalized in HB2 bill	
	Carolyn LeBlanc	6. Bond series field /in BDS file to AFS (Cash/Non Cash)	
	Will Kelly	-----Day 2----- 7. Military; Admin Agencies enter their own funding request.	
	Christine Lee (PS)	8. Ensure that in PS as Admin Agency field	

<i>Agenda Item and Notes</i>	<i>Owner(s)</i>	<i>Action Items & Assignments</i>	<i>Comments / Follow-up</i>
	Paul Fernandez	9. Ensure Agency # in Business Area for <ol style="list-style-type: none"> a. LSU/Universities b. FPC Agency – files have AFS Agency ^ check with FPC 	
	Will Kelly	10. Cash/Non Cash LOC in BDS outbound file	
	Will Kelly	11. Tracking of line item activity, file, proposed	
	Simone Whitmore	12. Check on restriction of 25% on Non-State Project dollar value.	
	Simon Whitmore/John Hodnett	13. Example of changes non state project in submitting Agency- during LEG process	
	Will Kelly	14. Example of dollar text that needs to be tracked in the financial system e.g.: local match	

5. Key Decisions

1. Agency submission version A1 (not for prior funding) should include MOF in SAP account codes. Proposed new funding
2. For Agency version A1 prior + proposed new funding = estimated project costs (page 6 of eCorts form)
3. For prior funded projects Request # in the schedule is to be the request # of the first year of funding.
4. Manually assign Schedule #
5. Schedule # to be Budget Fiscal Year (SAP Plan Year) and Request # and not the leg – year
6. No need for Alpha designation in (next to year) on schedule number)
7. Retracting after HB2 is approved in lump sum by 'Capital Fund'
8. Approvals by OSRAP,

Agenda Item and Notes

Owner(s)

Action Items & Assignments

Comments / Follow-up

- STO based on request by FPC (Fiscal) in FM by changing Non Consumable budget to consumable budget by project. (and 'not' by project phase)
9. CO budget to retract CO budget
 10. List the agencies not in this group
 11. No requirement to capture 10, 20 years (forecast)
 12. No tracking of Proposed Amendments
 13. HB2 based amendment to be tracked similar to HB1 Amendment
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6. Parking Lot

1. How AFS Project # is converted to SAP (PS)
 2. Future feasibilities and needs assessment database for FPC
 3. Need for longer text in the name of the Non-State projects, where they appear in HB2 Bill – including \$ values
 4. Setting up non-state agency that submits eCorts request.
 5. FM line item or header to identify "NULL" budget lines, after retraction – to be listed on reports. (after retraction)
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7. Organizational Impacts

1. Manual assignment of schedule # Before : Fiscal Group After: Capital Outlay Budget
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8. Integration Points

9. F.R.I.C.E.- W

1. When manually assigning schedule # for supplemental projects,
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Agenda Item and Notes

Owner(s)

Action Items & Assignments

Comments / Follow-up

- ensure that schedule is populated by user. Before HB2 Bill is prepared
2. For new projects auto generation of schedule #, after funding is final in HB2 bill (Cash funded projects)
 3. OSRAP/STO approvals for moving in FM non - consumable budget to consumable budget.
 4. Long text requirement for Legislative tracking of HB2 Amendments
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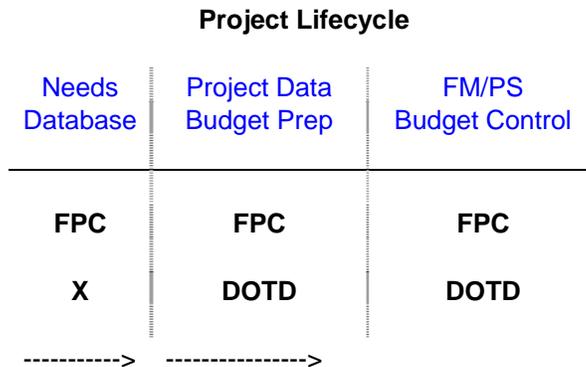
Discussion Points:

- Blueprint session structure FI-BP-006 was 2½ days long and was segmented as follows:

1st Day – FPC House Bill II Confection to the Capital Outlay Act
 2nd Day – DOTD – Budget Partition to eCorts Submission (Continued in FI-BP-007A)
 ½ Day – FPC Legislative Amendment Tracking

- FPC – As-Is

The first part of the day included subject matter experts from FPC and DOTD. JJ presented a review of the SAP ECC transactional layer, the Business Intelligence component and the Integrated Planning (IP) module. John Hodnett reviewed the as-is processes for Facilities Planning and Control, he described the confection of House Bill II in detail. John Hodnett said the process for the collection, review and inclusion of capital outlay request into House Bill II was elaborate and required input from project selection to timing for funding projects. JJ explained that one the challenges was tracking a project from sunrise to sunset. JJ discussed the concept of a needs data base which is not necessarily used by DOTD or FPC but is used in some form to ultimately derive House Bill II. James Lee from DOTD said that some needs were tracked in a system called TAND (Highway and Priority Needs). JJ further explained that a needs database is a collection of potential projects (needs) that are submitted from various sources in the case of FPC the need could be a capital outlay request submission. The next step in the project lifecycle would be the project creation and finally the project control (Funds Management/Project Systems in SAP). The following graphic was displayed.



Capital Outlay Request Numbering – JJ reviewed the request numbering that is taking place in eCorts and consequently in House Bill II. The capital outlay request receives a number at the time of submission and the number is printed in House Bill II if the request is selected. The schedule numbering is currently done manually by Carolyn LeBlanc after House Bill II becomes the Capital Outlay Act. Currently requests for the same project are linked only by title. Extensive searches based on the title of the project are done in order to link capital outlay requests to a project.

Critical Process Improvement – A Funded capital project may end up with multiple capital outlay requests. Currently there is not a way to link or relate requests to the project for which funding is being requested. Throughout the project lifecycle there is not an identifying field which is used to determine a projects’ relationship to an original and/or any supplemental (subsequent) funding requests.

To Be Design - JJ explained that the linking of an original request (the first time a request was funded (Key Decision 3) to a project would have to be a manual process (Key Decision 4); the to-be design has the original request as part of the schedule number. In the FPC to-be design below, the request # is assigned when saved. The abbreviated to-be process below is meant to point out how the request number will be a **continuous sequential number** for each request and how that number is part of the schedule numbering. (Please see slide deck for complete to-be process)

FPC Capital Projects Budget data in House Bill 2

#	InfoCube	Process overview
ECORTS cube	Agencies submit Capital Outlay Request forms (equivalent to ECORTS forms)	<ol style="list-style-type: none"> All relevant fields of ECORTS (or any new version of its modified form), incorporating the new SAP account codes for "M.o.Financing" MOF, Ranking & Text on separate tabs Agency submission recorded/tracked Agency "Save" to generate a Request #, a continuous sequential number for each "Save"
HB2 cube	Consolidation for House Bill 2 Note: "Projects with funding" to bypass the "Bond cube"	<ol style="list-style-type: none"> Assign equiv of Schedule #, during the prep for House Bill 2 (NN-AGY-FYA-Request #) FPC ranking process & prioritization, St/N-St. Allocation of CLOC, NCLOC, etc to projects Re-appearance in HB2 for Projects "not yet funded" (NN-AGY-FYA-Request #) HB2 consolidation of next FY for all Projects, based on CLOC, NCLOC, etc - in SAP acct code HB2 Reports and publishing process

Request # is generated upon "save"

Original Request # is used in the Capital Outlay Act numbering

Schedule Numbering. – The numbering scheme was presented by JJ and is detailed in the table below.

As-Is Schedule Numbering

Dept	Agency	Year session held Calendar Year	Bond Funding	Sequence #
01	111	06	B	XXXXXXXXXX

To-Be Schedule Numbering

Rollup of BA	Business Area (BA)	(Plan Year) Budget Fiscal Year	(Original) Request #
01	111	06	XXXXXX

Changes in the to-be schedule numbering were as follows:

- o Key Decision 5 -The to-be schedule numbering uses budget fiscal year (SAP plan year); that is the year the schedule would be enacted changed from the calendar year in which the legislature passed House Bill II.
- o Key Decision 6 - No Alpha Character to denote type of funding. John Davis indicated that it was not necessary to include an alpha character to denote the type of funding for the request (for example "B" for Bond funding).
- o Sequence Number – There sequence number would no longer be used, instead the capital outlay request # will be used.

There was discussion regarding the implications of changing the year and the sequence number in the schedule numbering. Simone Whitmore made the point that it could be confusing users to find the correct schedule numbers. Carolyn LeBlanc said that physical files would have to be changed for old project numbers. John Davis said that it was not be necessary to change any of the physical files. The to-

be capital outlay request process includes the manual assignment to an original funding request if the request is supplemental or a unique funding request number if the request is new. Upon assignment of the original funding request, the prior funding for the project would be known and the appropriate fields on the form could be pre-populated. Currently the prior funding history for a project is not known at the time the request is initiated. Pre-populating the prior funding history would assist the submitting entity when the capital outlay request is initiated. Currently prior funding is required for supplemental requests; the information is gathered and has to be input into the form.

Prior Funding Required

Project ID 536049		CAPITAL OUTLAY REQUEST			http://www.state.ia.us/ecorts/	
Project Level Agency		FISCAL YEAR 2009 - 2010				
TRANS & DEVE						
07-270 - Secretary's Emergency Fund for Bridge Damages, Other Reimbursements, Federal Funds, and Opportunity Grants						

Prior Funding Page 2

FPC Project No. Assigned to Prior Funding Sub-project No.

Authorized Means of Financing	Amount	Year	Act#	Priority	Bond	Credit
Fees & Self-gen	9,000,000	2002	23	1	<input type="checkbox"/>	<input type="checkbox"/>
Fees & Self-gen	15,000,000	2003	24	1	<input type="checkbox"/>	<input type="checkbox"/>
Fees & Self-gen	15,000,000	2004	2	1	<input type="checkbox"/>	<input type="checkbox"/>
Fees & Self-gen	15,000,000	2005	26	1	<input type="checkbox"/>	<input type="checkbox"/>
Fees & Self-gen	15,000,000	2006	27	1	<input type="checkbox"/>	<input type="checkbox"/>
Total	\$69,000,000					

Proposed New Funding

This project does not require funding in Year 1

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
State Funds	25,000,000	0	0	0	0	\$25,000,000
IAT	0	0	0	0	0	\$0
*Local Funds	0	0	0	0	0	\$0
*Reimbursement Bonds	0	0	0	0	0	\$0
*Fees/Self-Gen. Rev.	25,000,000	0	0	0	0	\$25,000,000
*Revenue Bonds	0	0	0	0	0	\$0
**Statutory Dedications	50,000,000	0	0	0	0	\$50,000,000
Federal Funds	5,000,000	0	0	0	0	\$5,000,000
Total	\$105,000,000	\$0	\$0	\$0	\$0	\$105,000,000

*Describe specific source of funds

**Type of Statutory Dedication

What fiscal year (FY) was the project or program first submitted for consideration?

Means of Finance and the Six SAP Dimensions – The six SAP dimensions (fund, fund center, funded program, grant, commitment item, and functional area) in the to-be design were discussed in the context of how and when the values would be required in the capital outlay request form. The group raised some concern over how any of the submitting entities (state agencies, non-state agencies, higher education, or local governments) would know what to enter in the respective fields. Simone Whitmore from FPC asked if there were other ways to obtain the information for the values required in each of the fields, JJ said (Key Decision 1) that in the to-be design the user would have to enter the required information for the six dimensions. JJ noted that the current forms require the user to enter the means of finance at a high level. Form Validation (Key Decision 2) and use of versions – there was discussion about the validation that takes place for the eCorts submission. JJ explained that one of the validations performed was to have the prior funding costs added to the proposed new costs would equal to the estimated project costs.

Security – Carolyn LeBlanc asked what the difference between FPC and DOTD was in the to-be process as far as the capital outlay act was concerned. JJ said that the difference would only be the security and what access everyone had to each of the cubes. The access that everyone would have would depend on their role and the security levels that would be established. James Lodge asked if super users would have access to everything; for example under a “center of excellence” support model. JJ said that based on the type of work that is done currently, the type of work and what needs to be done (to setup master data for instance) may be different in the future. Security may or may not be the same. Carolyn LeBlanc pointed out that currently the state treasure office (STO) could only inquire on appropriations however OSRAP (James Lodge) could actually make changes. JJ said that a detailed exercise to determine everyone’s roles and their level of access would be conducted.

Key Decision 7 Lump Sum Retraction – The concept of a lump sum retraction from BI-IP into FM was introduced by JJ as part of the to-be solution for FPC and DOTD projects. John Hodnett said that money could not be moved from one project to another without legislative approval for FPC projects. John Hodnett said what is appropriated for each project is in fact limited to each project. The DOTD group (Mary Elliott, Robin Romeo, and Jan Parish) indicated that DOTD is designated by the Capital Outlay Act. Mary Elliott said that a list of projects is presented to the committee (tape). The John Hodnett asked if the DOTD was bound by projects submitted on the list. Mary Elliott said they are supposed to be going off the list; however that is not always possible. Jan Parish said that the legislature appropriates an amount and they fund projects on the list however DOTD is not bound to those projects. JJ explained that the to be process for FPC as an example, would include a cube for the collection of capital outlay requests (eCorts cube), a cube in which House Bill II (HB2 Cube) would be confected and submitted to the legislature and finally a cube to house bond funded amounts (Bond cube). JJ explained that projects funded with funds other than bond funds could become projects in SAP upon enactment, since these projects would be designated in the act. Bond amounts would be retracted in lump sum and projects would be created based on the list of projects approved by the bond commission.

Retraction frequency & timing -Two options were discussed as it pertained to the timing in which the project budgets would be retracted into ECC.

1. Lump Sum - The entire amount of projects to be funded by bonds would be retracted upon the signing of House Bill II. The details would be managed as required, the STO and OSRAP would have a level of approval. Once the bond commission approved funding for specific projects, then an approval path would include the OSRAP and STO (as it is currently in place) to setup each of the project budgets.

To – Be Sequence of Events (project funded with bonds)

1. A capital outlay request is initiated and submitted by an eligible submitting entity
 2. The request is processed by FP & C; (determines that all is accurate and complete)
 3. House Bill II is confected and includes the request submitted
 4. House Bill II is transmitted to the Legislature and goes through all the required committees
 5. House Bill II is signed by the governor and becomes the capital outlay act, which includes the request submitted in the step above.
 6. The FPC Bond Cube is populated with amounts funded by bonds (as per the capital outlay act) at the same time the amount is put in a planning cube to match all the funds management (FM) dimensions. (includes capital outlay request above)
 7. **Key Decision 9** - The entire amount to be funded by bonds is retracted to FM as a non consumable budget by the capital outlay budget group
 8. A meeting is held by the bond commission; the capital outlay request above is approved for bond funding
 9. **Key Decision 8** - A project number is created in project systems; a project budget (the appropriated amount) is approved by OSRAP and STO and established in FM from the amount retracted for bond funding.
2. Monthly retraction after each meeting held by the bond commission for approval of a group of projects. The sequence of events would be the same as the lump sum however step 7 (the retraction into FM) would have to be completed each time the bond commission met. (Step 8 would happen before step 7)

John Davis asked where the approvals were in the second option in order to retract into the FM module, JJ explained that this option required approval workflow for the (BI) business intelligence module. Carolyn LeBlanc made the point that the to-be process could also work for statewide projects since statewide projects have caps, however it was not clear in the to-be design where the fit would be for the statewide projects. Statewide projects could be established as one project and have sub-projects or could be established as one project with amounts added after each approval. James Lodge asked if the same rules would apply to agencies that administer their own funding requests (instead of FPC). Will Kelly, said that currently admin agencies (such as The Department of Economic Development and the Department of Military Affairs) have a Y in the agency number. It was determined that the same rules applied for admin agencies as far as the to-be processing. Carolyn LeBlanc asked if a distinction should be made for agencies that administer their own funding. None was identified.

FI-BP-006 FPC Day 2 (1/2 day session)

Key Decision 13 Legislative Amendment Tracking – Simone Whitmore discussed the increasing need for FPC to track amendments and how it is cumbersome, difficult and time consuming; current amendment tracking for FPC is done on a spreadsheet. Simone said that amendment tracking process would be valuable in the enforcement of the 25% non-state limitation. John Hodnett pointed out that an amendment tracking process would benefit everyone needing to track amendments. JJ pointed out that the Office of Planning and Budget currently uses “Budgo” (BRASS) to track amendments. John Hodnett went over the process that House Bill II goes through in the legislature. John Hodnett said that House Bill II is reprinted with the amendments made by house committees; however it is not reprinted in the Senate because House Bill II is not a Senate bill amendment tracking in the Senate becomes difficult. John Hodnett said that an amendment could be made by a Senate committee and subsequently the same amendment can be amended by a different senate committee but the bill is not re-printed so the effects of the amendment may not be immediately known. Furthermore, amendments are introduced from different sources, this adds to the complexity of tracking amendments. John Hodnett said the amendment tracking would be useful in managing project scope creep. Will Kelly said that BDS (Budget Development System) was meant to track amendments however it was decided to only enter net amendments after the session is over. Will Kelly said that the Department of Administration Commissioner would use amendment tracking particularly for Non Governmental Organizations for example if someone “tacked on” something to the bill. Will Kelly mentioned that BDS was not able to satisfy one of the requirements for amendment tracking which were house bill sub-clauses that had to be tracked on the house floor. John Hodnett went on to say that the information from the legislature is not available. In summary, there was consensus among the group that there was a need for FPC to have an amendment tracking process.

To-Be Amendment Tracking (BSLT) -JJ presented the amendment tracking solution in the to-be design for the Office of Planning and Budget (OPB). JJ pointed out that the amendment tracking process was fundamentally the same for both the OPB and the FPC. John Davis said that the FPC also presents a “consider” list that the commissioner of administration which is also presented by the OPB for amendments. JJ said the Body Supplementary Legislative Tracking (BSLT) could be used to track each amendment. Text would be entered in the field and a tracking identifier would be assigned to the amendment. Each amendment would be tracked through the house and senate committees and would have the same options (Accept/Reject/Modify) as the to-be amendment tracking process for OPB. Reports would be available based on appropriate security.

Appropriation Title Language tracking Simone asked if text could be tracked in the solution presented, JJ replied that it could. John Hodnett said that both text and dollar amounts were important to track. Simone Whitmore and John Hodnett more specifically brought up text that is part of the line item (or appropriation) which in many cases contains language that is important and may have a dollar impact. An example of this would be local matching requirements or conditions to be meant by the submitting entity under which the line item is appropriated. John Hodnett said it is a parenthetical statement that that appears as part of the title. The Simone Whitmore said that project managers include match as part of their calculation. John Hodnett said that in other cases lines of credit may be rescinded after a period of time.

Access to the Legislature - JJ asked if there was a requirement to provide access to the legislature with a report of budget amendments for example. John Davis said that there was not specific security for the legislature to view budget amendments. There was discussion if any access would be available to the legislature however there were no key decisions on this subject.

Null Appropriations - John Davis asked how null appropriation would be handled in the to-be solution. John Hodnett said null appropriations were appropriations that were not funded; or disqualified appropriations (known after the session) JJ said that the appropriation would remain in the system with a “non-consumable” budget. James Lodge asked if text could be entered somewhere to indicate that the appropriation was null. John Davis said that they would still be needed in the system.

SAP Public Sector Budget Formulation (PBF) - Will Kelly asked if the solution presented would only be a stop gap if the new budget preparation tool from SAP was implemented later. There was a review of new proposed budget preparation module from SAP by JJ. JJ displayed an example of the text from the demo provided by SAP; he pointed out that the capabilities in terms of tracking text were not known in the new tool. JJ said that it would difficult to track text because the new tool is also cubed based.