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GOVERNOR

ANGELE DAVIS
COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of Planning and Budget

REVISED

MEMORANDUM

TO: Department Heads, Undersecretaries, and Fiscal Officers

FROM: Ray L. Stockstill
Director 

DATE: September 19, 2008

RE: PREPARATION OF FISCAL YEAR 2009-2010 BUDGET DOCUMENTS

For Fiscal Year 2009-2010, all budget forms, addenda forms, and instructions are available in Microsoft Excel and PDF. Electronic versions of these forms are available on the Office of Planning and Budget (OPB) website <http://www.doa.louisiana.gov/opb/index.htm>. To download budget forms, addenda forms, and instructions, first access the OPB website; then select **PBB Forms and Guidelines** > **Budget Forms and Instructions** from the navigation menu. The Forms and Guidelines page contains a link entitled **FY 2009-2010 Budget Forms**. Right click on the link, select "Save Target As..." and choose a place on your hard-drive to save the file named *opb_forms.zip*. This zip file contains all budget forms and their instructions. Once you have downloaded the file *opb_forms.zip* to your computer, use Windows Explorer to locate this file in the folder where you saved it. After you locate this file, double click on it to unzip the budget forms and save them to your computer. The OPB developed these forms using Microsoft Excel so you will need to use software that is capable of using this format. The budget form instructions are in PDF, so you must use software that can read this format in order to read these instructions.

It is important that you take the time to carefully read through the entire packet.

Total Budget Request

Title 39 mandates that budget development be on the basis of **appropriation levels** rather than **continuation levels**. However, Continuation Level is an important interim step in the budget development process. Agencies will prepare their budget requests with the current year

existing operating budget as the budget request base to which adjustments are made to arrive at the total budget request. The “total budget request”, must be submitted on or before November 3, 2008. It consists of six (6) separate components: the operational plan, the existing operating budget, the continuation budget, the technical/other adjustment package, new or expanded service requests, and total request. The total budget request should be accompanied by the addenda identified in this letter.

Hurricane disaster recovery funding should be distinctly indicated in the various components of the budget request. Clear descriptions of the uses and sources of the hurricane disaster recovery funding should be provided.

The existing operating budget (EOB) is the current year appropriation level adjusted for all APs, RBs, EBs, and BA-7s approved as of September 30, 2008. An EOB performance standard is the initial performance standard (from Act 19 or Act 49 of the 2008 Regular Legislative Session) and any adjustments to performance standard as a result of BA-7s approved as of September 30, 2008.

The development of continuation budget (CB forms) allows the identification of the financial resources necessary to carry on all existing programs and functions of the budget unit at their current level of service in the ensuing fiscal year, including any adjustments necessary to account for the increased cost of services or materials due to inflation and estimated increases in workload requirements resulting from demographic or other changes. Performance indicators must be used to justify workload adjustments in continuation budget forms.

New or expanded service requests (NE forms) provide information relative to the cost of new and/or expanded services, defined as (1) increases caused by a change in laws, regulations, or procedures which are/were controllable by the agency, and (2) additional services not previously provided nor defined under the workload criteria. Performance sections must be filled out to explain how objectives and performance indicators will be affected by the NE request.

Technical/Other Adjustments (T/OAP forms) reflect adjustments from the Continuation Level that allow for technical changes and transfers of a program or function from one agency or department to another agency or department. Any changes reflected by these forms (T/OAP) must have a zero statewide impact. Technical/Other Adjustments forms also contain a section, which must be filled out, to explain how the items of this form will affect performance.

The total request summary (TR-SUMM forms) provides a ready reference and a cross-check of the “total budget request”. To capture the total hurricane disaster recovery funding contained at the various time periods and stages of the agency’s budget request, the TR-SUMM form has been modified to reflect “total budget request”, “total hurricane disaster recovery funding”, and “total budget request excluding hurricane disaster recovery funding”.

The operational plan (OP) is the principal narrative portion of the budget request. It is the annual work plan of an agency and its component programs. As such, it must include a description of agency and program missions, goals, activities, objectives, and performance indicators. Use the OP form included in the budget request package. It is important that you carefully read and follow the “Operational Plan Guidelines and Instructions.” OP guidelines have been modified to require the use of strategic objectives. As a result, the “Strategic Link” will no longer be required after each objective. This change links strategic and operational plans more directly and streamlines the operational planning process. The operational plan should clearly reflect – where applicable – hurricane recovery efforts of the agency.

When preparing your “total budget request”, use the following guidelines:

1. Justifications: Full justifications of requests and data, including performance indicators, are imperative. Use continuation sheets where needed.
2. Personal Services: Explanations and calculations of lines 13 through 36 in columns 7 through 9 on the TR-Salaries form must be shown as a part of your explanations of the CB, T/OAP and NE forms.

The ISIS-Human Resources (HR) payroll system enables the generation of more accurate, detailed reports, including the ZP116 base level report. The ZP116 report will be used to calculate the salary and related benefits required by each of your agencies. The ZP116 form should be downloaded (converted) to an Excel format. Use this Excel spreadsheet as the basis for your salary and related benefits base level calculations.

All budget requests that are different from the base-level ZP116 report from the HR system MUST be fully documented/justified. All budget requests MUST start with the base level report as of September 30, 2008 and detail all exceptions.

Should you be unable to fully document/justify requested changes, the base-level ZP116 will be utilized for your agency's salary and related benefits budget.

YOU MUST IDENTIFY YOUR VACANCIES ON THE ZP116 REPORT. As referenced in the Commissioner of Administration’s ISIS-HR Memorandum dated July 15, 2008. (http://www.doa.louisiana.gov/OPB/faf/ISIS_HR_Use.pdf).

We suggest you run this report early to identify any problem in order that corrections can be made in the HR system's database. OPB intends to utilize but not be limited to the following reports:

ZP116 - for filled positions

ZP 16 - for a Summary report of position data by personnel sub-area

3. Related Benefits:

- A. Retirement - Form BR-12 asks you to "Post the actuarial rates for the Existing Operating Budget for each applicable retirement system". Please be apprised that the percentages for each system are:

	<u>UAL + NORMAL = TOTAL</u>		
(1) State Employees Retirement Rate	11.18%	7.32%	18.5%
(2) Teachers State Retirement Rate	8.55%	6.95%	15.5%
(3) State Police Retirement Rate	12.00%	15.30%	27.3%

The retirement system rates are preliminary and may be revised later if necessary!

- B. FICA - Use the following percentages for computation:

- | | |
|----------------------------|---|
| (1) FICA (Social Security) | 6.2%, up to a maximum salary of \$106,800 |
| (2) Medicare FICA | 1.45%, no maximum salary |

- C. Group Insurance – The estimated group insurance growth rate increase is 3.0%. Please use these percentages when developing your Fiscal Year 2009-2010 budget request.

4. Operating Expenses and Professional Services: Standard inflation factors

- (1) 1.6% general inflation
- (2) 4.4% medical inflation

5. Acquisitions/Major Repairs: These must be fully justified and requested on the appropriate form. New and replacement equipment must be identified.

The definition of acquisitions was revised in the "CLARIFICATION OF ACQUISITION OBJECTS" memorandum from the Office of Statewide Reporting and Accounting Policy (OSRAP) referenced as MEMORANDUM OSRAP 02-05 dated August 14, 2001.

6. Interagency Transfers (IAT): All agencies with IAT revenues or expenses must coordinate and ensure that both (the sending agency and the receiving agency) agencies agree on the amount of the IAT (justify each increased / decreased in IAT revenue). Signed IAT agreements must be submitted with the full budget request, which is due on November 3, 2008. Please refer to Memorandum OSRAP 03-03 dated July 22, 2002 regarding Interagency Transfers. Failure to coordinate will jeopardize the inclusion of IAT authority in the Executive Budget!

There are certain mandated statewide IAT expenditures for which agreements cannot be executed by November due to the computation of these numbers/costs not being finalized prior to near completion of the Executive Budget process. Although this is not a complete listing, some examples are Civil Service, Division of Administrative Law, Comprehensive Public Training Program, State Treasurer, and Legislative Auditor. If you have questions

concerning this process, please contact your OPB budget analyst. Expenditures for these services should be requested at the current year invoiced amount. IAT agreements are to be executed and copies forwarded to the OPB when the amounts are actually determined for these items.

7. Insurance premiums through the Office of Risk Management should be included in the agency's 2009-2010 budget request.
8. Payments made to the Louisiana Office Facilities Corporation (LOFC), and/or State Buildings and Grounds for operations and maintenance and/or rental charges should be requested at the current year appropriated level.
9. New or Expanded Service Requests: No restriction will be placed on an agency request; however, consideration should be given to the state's limited resources. The forms must be identified by program. Each request must be prioritized at the departmental and budget unit level.
10. Unless the OPB has given written authority for program modification, the agency's programs must be as reflected in the Existing Operating Budget as of September 30, 2008. Any program modifications should be requested in the TOAPs.

Addenda

There are five (5) addenda to the Total Budget Request packet: Activities, Sunset Review, Information Technology, Children's Budget, and Louisiana Workforce Commission. All addenda forms and instructions are available on the OPB website. Submit these addenda to the Office of Planning and Budget as separate packages accompanying the "total budget request".

- The Activities addendum breaks programs into discretionary and non-discretionary activities.
- The Sunset Review addendum identifies legislatively authorized activities for which implementation funding has not been provided.
- The Information Technology (IT) addendum requests costs associated with the acquisition and operation of IT activities. All IT request will be prepared and submitted online (<http://bpm.doa.la.gov/metastorm/custom/oitlogin.asp?MODE=LOGIN>) using the information technology workflow process. Thresholds for the Criteria for Submittal of an IT Request were revised (<http://oit.louisiana.gov/public/Criteria%20for%20Submittal.pdf>). Questions regarding the on-line IT workflow process should be directed to Barbara Oliver via e-mail at itbudget@la.gov. Please note that the IT-0 budget form (that can be downloaded from the workflow website listed above) must be submitted with your total budget request to OPB, and an electronic copy in Excel format submitted via e-mail to itbudget@la.gov.
- The Children's Budget, as mandated by R.S. 46:2603 and 2604, is a subset of information provided elsewhere in the budget request and is designed to provide information relative to

the cost of children's services. Children's Budget forms include Child Forms DT, DS, DC, AS, AC, Child-1 and Child-2. All agencies should carefully analyze their programs and review the Children's Budget Instructions before making a determination about whether or not they are subject to the provisions of the statute. The completed Children's Budget addendum must be submitted to the Office of Planning and Budget with the budget request; a copy must be submitted also to Ms. Natalie Robottom, Director of Community Programs, Children's Cabinet, Office of the Governor at (225) 219-4206.

- Budget units subject to the provisions of Act 1 of 1997, which created the Louisiana Workforce Investment Council (WIC), must comply with additional budget request requirements (except as limited, restricted, or otherwise prohibited by the Constitution of Louisiana). Questions regarding the WIC addendum should be directed to (225) 342-3110. The completed WIC addendum must be submitted by October 24, 2008, to the Louisiana Workforce Investment Council. In addition, the completed addendum should accompany all copies of the total budget request submitted to the Office of Planning and Budget. See Appendix A of the WIC Budget Request Instructions and Guidelines for Fiscal Year 2009-2010 for a listing of Agencies Required To Submit A Workforce Development Budget Request.

Submission of "Total Budget Request" and Addenda

No later than November 3, 2008, submit the following:

<u>To Recipient Agency</u>	<u>Number of Copies</u>
Office of Planning and Budget 1201 North Third Street Claiborne Building, Suite 7-150 Baton Rouge, LA 70802	<u>Original</u> and two (2) copies [three (3) sets in all] of the "total budget request" and addenda
Legislative Fiscal Office 18th Floor, State Capitol Building 900 North Third Street P.O. Box 44097 Baton Rouge, LA 70804	One (1) copy of the "total budget request" and addenda
Joint Legislative Committee on the Budget 1st Floor, State Capitol Building	One (1) copy of the "total budget request" and addenda
Senate Finance Committee 1st Floor, State Capitol Building	One (1) copy of the "total budget request" and addenda
House Appropriations Committee 11th Floor, State Capitol Building	One (1) copy of the "total budget request" and addenda

Performance Audit Division
Office of the Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70802

One (1) copy of the “total budget request” and
addenda

Louisiana Workforce Commission
1001 N. 23rd Street
Baton Rouge, LA 70802

Agencies subject to the provisions of Act 1
of 1997 must submit one (1) copy of the
Louisiana Workforce Commission addendum

Attn: Ms. Natalie Robotom
Director of Community Programs
Children’s Cabinet
Office of the Governor
P. O. Box 94004
Baton Rouge, LA 70804-9004

Agencies subject to the provisions of the
Children’s Cabinet must submit one (1) copy
of the Children’s Budget addendum

Attn: Barbara Oliver
<mailto:itbudget@la.gov>

An electronic copy of all IT
Details Form(s)

It is the responsibility of the submitting agency to ensure that all forms are delivered to the appropriate recipient agencies, as stated above.

If you have any questions pertaining to any of the OPB forms or instructions please contact your OPB budget analyst.

Thank you for your cooperation in filing a complete and timely set of budget documents.

RS:MA:lor