

# **Instructions for Preparation of the 2009-11 Recommended State Budget**



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**July 2008**

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## 1. INTRODUCTION

The State of North Carolina appropriates operating and capital funds on a biennial, or two year, cycle. An approved budget includes annual amounts for each of the two fiscal years that make up the biennium. Each biennium is referenced by an odd-numbered beginning year and an odd-numbered ending year. For example, the “2009-11 biennium” covers the period from July 1, 2009 through June 30, 2011, and includes fiscal years 2009-10 and 2010-11. Actual biennial budget preparation begins in even-numbered years.

The legislative session convenes for the upcoming biennial budget cycle in January 2009. During this “long” session, the General Assembly will consider the Governor’s recommended budget, as well as other changes presented for legislative review. Following legislative review, a two-year budget will be approved by the General Assembly and certified by the OSBM in the summer of 2009.

The operating and capital budgets for the second year of a biennium are adjusted in a “short” legislative session. This process allows the Governor and General Assembly to take into account revenue fluctuations, salary increases, and emergency items. Traditionally, the second year adjustments occur in May and June of even-numbered years.

Upon receipt of budget requests from departments and agencies, OSBM reviews the requests in preparation of the Governor’s recommended budget. In accordance with the [State Budget Act](#), the recommended budget for 2009-11 will be finalized and released to the new Governor-elect on December 15, 2008. At that time, the Governor-elect will review and finalize the recommended budget. Then, the new Governor will present the recommended budget to the General Assembly on the date of the State of the State Address early in the legislative session.

[Section 2](#) highlights important information in preparing your agency’s biennial budget as well as new items incorporated in this budget cycle. [Section 3](#) provides a timetable of important dates and deadlines. A glossary of budget terminology is included in [Section 9](#).

Departments and agencies should use the following budget instructions in preparing 2009-11 biennial budget requests for submission to the Governor as Director of the Budget.

Questions related to budget preparation should be referred to the [appropriate budget analyst](#) in the Office of State Budget and Management (OSBM).

## 2. HIGHLIGHTS AND WHAT'S NEW

### 2.1 Results-Based Budgeting Update

Results-based budgeting (RBB) was introduced during the development of the 2007-09 budget to encourage more efficient and effective government and to solidify a budget process that emphasizes performance and accountability. RBB uses a practical and common sense approach that communicates why state government agencies exist, what work is performed and how well, and the amount of resources that are devoted to services.

The goals of results-based budgeting include:

- Establishing a framework emphasizing strategic decisions that contribute to the goals of each agency and the Governor's agenda
- Promoting accountability and transparency across state government by making it clear why agencies exist, what work is performed, how much services cost, and how well work is performed
- Improving the budgetary process by integrating a broader range of information into the resource allocation debate
- Developing longer-term planning that focuses on continual assessment and improvement

During this budget cycle, RBB has preceded the development of the continuation budget - to encourage agencies to develop deeper analysis of their work, and to inform the budget development process by strengthening decision-making. Agencies need to document why they exist, show what they are striving to accomplish, and demonstrate results. Allocating resources based on what was done in the past no longer stands as adequate justification for budgetary decisions. Those budgetary decisions need to align with a forward-looking, strategic direction. The RBB information developed by agencies should serve as the strategic foundation for agencies' budget requests.

For the 2009-11 budget process, agencies need to submit actual cost and FTE data for the services identified for each fund, as well as data for key agency indicators and performance measures. The expansion process now includes a greater emphasis on RBB, and priority consideration is given to expansion requests that clearly support agencies' goals and demonstrate a positive impact on key agency indicators and performance measures. Additional information on providing the required data and justification information is included in Section 4 of these instructions.

### 2.2 Important Information for Budget Preparation and Changes from Last Biennium

- OSBM uses on-line systems for preparing the Governor's budget. Go to [http://www.osbm.state.nc.us/budget\\_systems.html](http://www.osbm.state.nc.us/budget_systems.html) to access the web-based version of the state's budgeting system.
- Agencies access all copies of Worksheet I information, RK314 reports, and PM739 reports through their desktops using the X/TND software and the Budget Preparation System (BPS). Because of this direct access, agencies are not mailed hard copies. To

download the X/TND software, visit the ITS Web site at <http://www.state.nc.us/sysware/>. Contact [your OSBM analyst](#) for copies if problems arise from using X/TND.

- The budget attachment forms presented in these instructions, except for those generated by BPS, are available as Excel files. The files can be downloaded over the Internet at <http://www.osbm.state.nc.us>
- The updated [Schedule of Approved OSBM Inflation Factors \(Attachment 5-9\)](#) will be sent separately and will be available on **August 18, 2008**. Inflationary rates approved by OSBM may be applied to the following items in the continuation budget:
  - water and sewer,
  - electricity and natural gas,
  - food,
  - drugs and medical supplies,
  - library books and periodicals,
  - subsistence, and
  - gasoline and fuel oil.

Increases for clothing, telephone service, and textbooks and educational supplies (K-12 schools) are considered on a case-by-case basis, provided the agency can sufficiently document the increase.

- The sum of an agency's appropriation expansion requests may not exceed 5% of the agency's 2008-09 certified appropriation (as reflected on the BD307), unless the agency receives prior written approval from OSBM. Account detail for each expansion request must be at the six-digit level.
- The [Survey of Fees Report](#) is part of the budget preparation process. Instructions about the collection of information for the fiscal year ending June 30, 2008, are forthcoming.
- Due to the new BEACON HR/Payroll System, there are changes to the way that salaries and positions are reconciled between the budget systems and BEACON. See [Section 5.2d](#) for detailed instructions.
- Per Article 8 of the [State Budget Act](#), capital projects funded solely with receipts must now be included in the capital budget passed by the General Assembly. OSBM has created a new Worksheet III to address this requirement. See [Section 8.2](#) for more information.
- The submission of block grant plans and special provisions will be more closely aligned with the expansion budget process this biennium. Specifically, the due date for both items is **November 14, 2008**. This is the same date expansion budget requests are due.
- Funds necessary to support a transfer to statewide management agencies are an allowable adjustment in the continuation budget. See [Section 5.2c.14](#) for more information.

- The final budget package submitted to your OSBM analyst will be made up of:
  - 2 HARD COPIES of Worksheet I information and relevant attachments;
  - 2 HARD COPIES of Worksheet II information; and
  - electronic data submissions including:
    - continuation budget schedules and attachments,
    - expansion attachments,
    - special provisions,
    - block grant plans,
    - appropriate IT attachments, and
    - RBB data in the RBB system.

Refer to each section to determine the details about required elements. Capital items are submitted electronically as a separate package to the Capital Section of OSBM. Agencies may use the table in [Section 3.2](#) as a quick reference for due dates and the corresponding elements for each section.

### 3. WHAT'S DUE

#### 3.1 Timetable for the 2009-11 Budget Preparation Process

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July 2008

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Agencies reconcile BEACON salaries and position counts to authorized budget for salaries and position counts (and its totals) for June 30, 2008

Detailed 2009-11 budget instructions made available by the Office of State Budget and Management on the website at <http://www.osbm.state.nc.us/BudgetInstructions.shtm>

OSBM generates RK314 report listing all two-year type 11, 12, and 14 budget revisions. Report posted in X/TND.

PM739 report, with effective date of June 30, 2008, posted in X/TND. Legislative Salary Increase effective July 1 is included.

Agencies enter actual position counts into BPS using Function 7.

---

August 2008

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

2008 Legislative Session budgetary actions certified by OSBM, and the Budget Preparation System (BPS) updated. BPS data transferred to NCAS, including 2008-09 budget revisions and 2008 Legislative Session's actions.

**August 11, 2008:** All actions to reconcile and realign salary reserve are completed.

**August 15, 2008:** All two-year budget revisions are properly coded for inclusion or exclusion in Worksheet I.

**August 18, 2008:** Preliminary *Worksheet I's* for continuation budgeting are created in BPS and accessed by agencies using X/TND. An updated [Schedule of Approved OSBM Inflation Factors \(Attachment 5-9\)](#) will be sent to agencies.

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September 2008

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Agencies work on Continuation budget ([Section 5](#)) and Expansion items ([Section 6](#)).

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### October 2008

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Agencies/OSBM analyst negotiate Worksheet I adjustments through end of October. Reconciliation of Position Counts and Budgeted Salaries verified by departments, submitted to OSBM.

**October 10, 2008:** All Capital Improvement budget items due into OSBM ([Section 8](#)).

**October 17, 2008:** Results-Based Budgeting (RBB) data for service analysis, key agency indicators and performance measures entered into the RBB system ([Section 4](#)).

**October 31, 2008:** All 2009-11 Continuation items due to OSBM. Agencies required to submit two hard copies of the Worksheet I document. Agencies also required to submit supporting attachments electronically ([Section 5](#)).

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### November 2008

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

**November 14, 2008:** FY 2009-11 Expansion items (Worksheet IIs) due to OSBM ([Section 6](#)).

**November 14, 2008:** FY 2009-10 Block Grant Plans and FY 2009-11 special provisions due to OSBM.

**November 14, 2008:** Information Technology expansion items due to ITS and OSBM ([Section 7](#)).

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### December 2008

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

**December 15, 2008:** Governor finalizes the 2009-11 budget recommendations for the new Governor-elect.

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### January 2009

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

General Assembly convenes.

### 3.2 Summary of Items to Submit to OSBM

#### Required Submissions for the 2007-09 Recommended State Budget

Agency Submissions and Due Dates to OSBM	Where to Enter Data	Where to Find Instructions
<b>Capital Improvement Budget</b> <i>All items due October 10, 2008</i>		
Worksheet III-C Summary (Prioritized List of all Capital Budget Requests)	<a href="#">Excel Worksheet</a>	<a href="#">Budget instructions (Section 8)</a>
Worksheet III-C Capital Budget Request (For General Fund Supported Requests)	<a href="#">Excel Worksheet</a>	<a href="#">Budget instructions (Section 8)</a>
Worksheet III-NGF Capital Budget Request (For non-General Fund Supported Budget Requests)	Excel Worksheet	<a href="#">Budget instructions (Section 8)</a>
Worksheet III-R Summary (Prioritized List of all R&R Requests)	Excel Worksheet	<a href="#">Budget instructions (Section 8)</a>
Worksheet III-R Repair & Renovations Request (For Every R&R Request)	<a href="#">Excel Worksheet</a>	<a href="#">Budget instructions (Section 8)</a>
OC-25 (For Each Capital Budget and R&R Request \$100,000 and Greater)	PDF File or <a href="#">Word Document</a>	<a href="#">Budget instructions (Section 8)</a>
FCAP Report (Pertinent Pages for R&R Requests in the 2007-2009 Biennium)	PDF File or Word Document	<a href="#">Budget instructions (Section 8)</a>
<b>Results-Based Budget Data (RBB)</b> <i>All items due October 17, 2008</i>		
Key Agency Indicators	<a href="#">Web Form</a>	On web application ( <a href="http://data.osbm.state.nc.us/rbb">http://data.osbm.state.nc.us/rbb</a> ) and <a href="#">budget instructions (Section 4)</a>
Service Analysis	<a href="#">Web Form</a>	On web application ( <a href="http://data.osbm.state.nc.us/rbb">http://data.osbm.state.nc.us/rbb</a> ) and <a href="#">budget instructions (Section 4)</a>
Performance Measures	<a href="#">Web Form</a>	On web application ( <a href="http://data.osbm.state.nc.us/rbb">http://data.osbm.state.nc.us/rbb</a> ) and <a href="#">budget instructions (Section 4)</a>

<b>Continuation (Base) Budget</b> <i>All items due October 31, 2008</i>		
Summary of Total Continuation Budget Requests by Department	<a href="#">Excel Spreadsheet</a>	<a href="#">Budget instructions (Section 5)</a>
Worksheet I – Summary by Purpose; Summary by Account; Fund Detail; Position Count; Reconciliation of Requirements, Receipts, and Appropriations; Reconciliation of Position Counts and Budgeted Salaries	<a href="#">Budget Preparation System (BPS)</a>	<a href="#">Budget instructions (Section 5)</a>
Explanation of Increases / Decreases Schedule (Attachment 5-1) – If Applicable	<a href="#">Excel Spreadsheet</a>	<a href="#">Budget instructions (Section 5)</a>
Equipment Purchase Schedule (Attachment 5-2) – If Applicable	<a href="#">Excel Spreadsheet</a>	<a href="#">Budget instructions (Section 5)</a>
Motor Vehicle Purchase Schedule (Attachment 5-3) – If Applicable	<a href="#">Excel Spreadsheet</a>	<a href="#">Budget instructions (Section 5)</a>
Other Vehicle Purchase Schedule (Attachment 5-4) – If Applicable	<a href="#">Excel Spreadsheet</a>	<a href="#">Budget instructions (Section 5)</a>
Format for Building Reserve (Attachment 5-5) – If Applicable	<a href="#">Excel Spreadsheet</a>	<a href="#">Budget instructions (Section 5)</a>
Lease Schedule (Attachment 5-6) – If Applicable	<a href="#">Excel Spreadsheet</a>	<a href="#">Budget instructions (Section 5)</a>
Inflationary Schedule (Attachment 5-7) – If Applicable	<a href="#">Excel Spreadsheet</a>	<a href="#">Budget instructions (Section 5)</a>
Gasoline Schedule (Attachment 5-8) – If Applicable	<a href="#">Excel Spreadsheet</a>	<a href="#">Budget instructions (Section 5)</a>
<b>Expansion Budget</b> <i>All items due November 14, 2008</i>		
Summary List of Expansion Budget Requests (Attachment 6-1)	<a href="#">Excel Spreadsheet</a>	<a href="#">Budget instructions (Section 6)</a>
Worksheet II Expansion Budget Request (Attachment 6-2) – One Form For Each Expansion Request	<a href="#">Excel Spreadsheet</a>	<a href="#">Budget instructions (Section 6)</a>
Business Case Documents for Equipment Lease or Installment Purchases (Attachment 6-3)	<a href="#">Excel Spreadsheet</a> <a href="#">Word Document</a>	<a href="#">Budget instructions (Section 6)</a>
<b>Information Technology</b> <i>Due November 14, 2008</i>		
IT (Information Technology) IT Expansion Request	<a href="#">PPM Tool Web Form</a>	<a href="#">Budget instructions (Section 7)</a>
<b>Additional Information</b>		
Special Provisions – <i>Due November 14, 2008</i>		
Block Grant Plans – <i>Due November 14, 2008</i>		
Fees Information – <i>Due TBD</i>	<a href="#">Web Form</a>	OSBM Budget Memo – Forthcoming

**Notes:**

- 1) Requesting a Continuation (Base) Budget is mandatory; therefore, agencies will submit the necessary Continuation (Base) Budget information listed above for all Governmental and Proprietary budget codes.**
- 2) The submission of Results Based Budgeting information is mandatory for a subset of Governmental and Proprietary budget codes. Contact your OSBM analyst for more information.**
- 3) Requesting additional appropriations for Expansion and Capital Budget projects is optional. All forms listed above are required only if the agency makes an Expansion or Capital Budget request.**
- 4) All forms (with the exception of Capital) must be submitted in paper form as prescribed in the Budget Instructions (see each respective section for number of copies and any additional requirements for electronic submissions) by the due dates indicated.**
- 5) All Capital Improvement Budget Forms must be submitted electronically via CD-ROM or email.**

## 4. RESULTS-BASED BUDGETING ELEMENTS

### 4.1 Results–Based Budgeting Overview

Agencies should use OSBM's Web-based forms located at <http://data.osbm.state.nc.us/rbb> to complete the Results-Based Budgeting (RBB) data elements listed below for the 2009-11 biennial budget process. Final RBB information is due by **October 17, 2008**. Notify your OSBM analyst when information is complete and ready for OSBM review. Additional guidelines on these elements can also be found in the RBB instructions issued November 16, 2007 ([http://data.osbm.state.nc.us/source/RBB\\_instruc\\_0911.pdf](http://data.osbm.state.nc.us/source/RBB_instruc_0911.pdf)).

### 4.2 Instructions for Submitting Results–Based Budgeting Elements

**Service Analysis** allocating 2007-08 actual requirements and FTEs for each service statement.

- Actual requirements should be allocated using the methodology agreed upon with your OSBM analyst.
- The FTE identified for each service should include staff supporting the service function, as well as positions that are vacant or were vacant for part of the year.

**Key agency indicator** and fund-level **performance measure data** for three fiscal years (2005-06, 2006-07, and 2007-08).

- For previously reported measures, verify that historical data are complete and accurate and provide data for 2006-07 and 2007-08. For newly reported measures, provide all available historical data.
- If data are not available for all three years, data must be entered for the most recent year (2007-08) in order for the indicator/measure to be printed.

All other RBB requirements should have been completed by **June 27, 2008**, as specified in the [RBB instructions](#) issued in November 2007. If any revisions to the completed elements are requested, submit the proposed revision and an explanation for the change to the appropriate OSBM analyst.

## 5. CONTINUATION (BASE) BUDGET

The continuation budget provides the funding necessary to continue the existing, authorized level of services for each year of the biennium. Continuation budget requests for 2009-11 are based on the authorized budget for 2008-09, and may be adjusted (increased or decreased from the authorized budget) through the continuation budget Worksheet I process to

- more accurately reflect anticipated levels of expenditures and receipts,
- include allowable adjustments, including inflation, and
- include other adjustments required in certain programs, such as Medicaid and enrollment growth.

Two hard copies of the requested 2009-11 continuation budget are due to OSBM by **October 31, 2008**. Worksheet I and its multiple parts are submitted. Attachments, when applicable, must also be submitted to OSBM. In addition to hard copy, all attachments must be submitted electronically in Excel format using Excel versions 2003 and earlier. The [Checklist for 2009-11 Continuation Budget Requests](#) in Appendix 5-1 is provided to help assemble the final request in the correct order for submission to OSBM. OSBM budget analysts are available to assist departments/agencies in the steps to develop Worksheet I.

The **WORKSHEET I** package includes:

- [Checklist for 2009-11 Continuation Budget Requests](#)
- **Summary of Total Continuation Budget Requests by Department** [\[sample\]](#) – manually prepared based on final BPS generated Worksheet Is, this worksheet provides a total request for the department.
- A Final **Worksheet I** for each budgeted code, which includes the following parts:
  - Summary by Purpose [\[sample\]](#)
  - Summary by Account [\[sample\]](#)
  - Detail Request [\[sample\]](#)
  - Position Count [\[sample\]](#)
  - Reconciliation of Requirements, Receipts, and Appropriation [\[sample\]](#)
  - Reconciliation of Position Counts and Budgeted Salaries [\[sample\]](#)
- Applicable **Attachments**, as follows:
  - [Attachment 5-1 Explanation of Increases and Decreases](#)
  - [Attachment 5-2 Equipment Purchase Schedule](#)
  - [Attachment 5-3 Motor Vehicle Purchase Schedule](#)
  - [Attachment 5-4 Other Vehicle Purchase Schedule](#)
  - [Attachment 5-5 Building Reserves](#)
  - [Attachment 5-6 Lease Schedule](#)
  - [Attachment 5-7 Inflationary Schedule](#) (All items except gasoline/fuel)
  - [Attachment 5-8 Inflationary Schedule for Gasoline and Fuel](#)

### 5.1 Worksheet I Overview

Preparing Worksheet I is an iterative process. It begins with an initial Worksheet I document that captures data in the current authorized budget, and is used to begin analyzing the authorized budget for extension or “continuation” for the two years of the biennium under request, in this case 2009-11. Agencies work with OSBM to determine appropriate adjustments to the

authorized budget and to the adjustments columns of Worksheet I, after analysis and deliberation.

Worksheet I (WSI) is the basic form used in preparing 2009-11 continuation budget requests. Worksheet I is generated from the Budget Preparation System (BPS) and has multiple parts:

- *Summary of Total Continuation Requests by Department* - A component of the Worksheet I final submission to OSBM. It is NOT a BPS-generated form, and is prepared manually by the agency when all BPS WSIs are finalized. Provides a grand total of requirements, receipts, appropriations, FTE, and (if applicable) changes in fund balances recommended for all budgeted codes in a department.
- *Summary by Purpose* – Summarizes total requirements and receipts for all funds in a budget code.
- *Summary by Account (Object)* – Summarizes accounts across all funds to show a total of each expenditure and revenue account for a budget code.
- *Detail Request* – Level at which budget is prepared. Each fund appears with all applicable expenditure and revenue accounts. Detail request data is used to create summaries by purpose and account for each fund.
- *Position Count* – Provides detail of all budgeted positions in a fund code; one sort is shown by fund, and a second sort is shown by funding type.
- *Reconciliation of Requirements, Receipts, and Appropriation* – Explains how the authorized budget in BPS is derived, beginning with the BD307 certified budget, and listing each revision coded to BPS included in the continuation budget. Presented at the budget code level.
- *Reconciliation of Position Counts and Budgeted Salaries* - Constructed to serve the same purpose as the previous reconciliation report. Begins with the certified BD307 budgeted position count and budgeted salaries, then itemizes each revision to the budget that impacts position values and/or salaries. Presented for each fund and salary account.

OSBM generates the first Worksheet I for agencies on **August 18, 2008**. It is populated with prior year actual revenues and expenditures from the June 2008 BD701. It is also populated with certified and authorized budget amounts, which are comprised of the BD307 for 2008-09 plus any budget revisions approved through August 15, 2008 which are not coded “O” to “omit” from BPS. Any revision not coded “O” will be coded “B” by OSBM, indicating the revision has already been included in BPS. Type 11 revisions included in BPS change the certified and authorized budgets. Type 12 and 14 revisions included in BPS impact the authorized budget column only.

In the budget preparation process, the authorized budget is the certified budget (or BD307) plus budget revisions coded “B” by OSBM to be incorporated into BPS. This is different from the authorized budget in the [North Carolina Accounting System \(NCAS\)](#) BD701 report, which begins with the certified budget but includes all budget revisions approved in the fiscal period

(Many revisions to the authorized budget in NCAS are one-time or nonrecurring in nature and are not coded to BPS to become a part of the biennial continuation budget).

OSBM generates a *Reconciliation of Requirements, Receipts, and Appropriation* report from BPS. This form provides the data to explain the requirements, receipts, and appropriations in the certified and authorized budget columns of Worksheet I, listing changes by 606 reference number. The *Reconciliation* report is provided to each department at the same time Worksheet I is furnished.

### **5.1a Accessing Worksheets**

A Worksheet I (excluding the manually prepared *Summary of Total Continuation Requests by Department*) is made available to agencies through the X/TND report management software on **August 18, 2008**. Agencies may view and print the initial continuation budget worksheets at their location on August 18, 2008, by accessing BPS and using the print function 16 to print worksheets by budget code. Subsequent versions of Worksheet I that reflect adjustments and entries to BPS throughout the budget development process may be requested through BPS function 16, and viewed or printed using X/TND.

X/TND software can be downloaded from <http://sccb.its.state.nc.us/sysware/sysware.htm>. Web access to BPS is available at [http://www.osbm.state.nc.us/budget\\_systems.html](http://www.osbm.state.nc.us/budget_systems.html).

### **5.1b Budget Codes for Which Worksheet I is Prepared**

An initial set of continuation budget Worksheet I documents is provided for each budget code that is classified as governmental or proprietary by the [Office of the State Controller \(OSC\)](#) under [Governmental Accounting Standards Board \(GASB\)](#), and determined by OSBM to be included in the Governor's Recommended Budget. A [list of these budget codes](#) is provided on the OSBM website.

### **5.1c Explanation of WSI**

Upon receipt, review the initial Worksheet I for accuracy, familiarize yourself with each column, and understand and complete the tasks associated with each. Below is a summary.

Column # & Name	What It Is	What You Do
Column 1 – Account	Reflects the line item account or object number from the NCAS Uniform Chart of Accounts	Ensure the fund and accounts numbers are correct. Contact OSBM if corrections are needed.
Column 2 – Title	The account or object title from BPS files for the expenditure and receipt line items.	Make sure titles are accurate and consistent with NCAS title file. Contact OSBM for corrections.
Column 3 – Actual	Reflects actual 2007-08 expenditures and revenues transferred by OSBM from NCAS to the BPS files.	Compare this information to the actual expenditures reported in the certified NCAS BD701 for June 2007-08. It should be identical.
Column 4 – Certified	Reflects the 2008-09 certified budget (BD307) issued by OSBM (incorporates all General Assembly actions impacting the 2008-09 budget) plus Type 11 budget revisions coded to be included in BPS (actions approved by the General Assembly and recurring in nature, typically the distribution of statewide reserves).	Review all two-year Type 11 606s for FY 2008-09 using the RK314 report (on X/TND in July 2008) or Budget Revision System (BRS) function 12 to determine which 606s should be included or omitted from BPS. Jointly determine with OSBM analyst any 606s to OMIT. All other 606s, unless already coded B, will be copied to BPS by August 18, 2008, when the initial WSI will be provided. NOTE: After Aug. 18th, any 606 to be added to BPS must be negotiated with and included in BPS by the OSBM analyst using BRS Function 27. Similarly, any 606 included in WSI in error must be manually omitted by the OSBM analyst also using Function 27, and will reflect code O when successfully omitted. Type 11 606s included in BPS will revise the budget in column 4 (certified) and column 5 (authorized). NOTE: All carry-forward 606s from 2007-08 should be OMITTED from BPS.

Column # & Name	What It Is	What You Do
Column 5 – Authorized	Reflects the 2008-09 authorized budget, which is comprised of the certified budget (BD307) plus Type 11, 12 and 14 budget revisions that are copied to BPS to become part of the biennial continuation budget unless adjusted in columns 6 & 8 of the Worksheet I.	The same process described above is done to determine the authorized budget. Agencies use the RK314 report or BRS function 12 to review all Type 12 and 14 budget revisions to determine if any of the 606s listed in the RK314 report should be eliminated (omitted) from WSI. Unless coded O for omit or B to indicate a 606 has already been added to BPS, 606s will be copied to BPS. After the initial WSI is generated August 18, 2008, it is a negotiated process between the agency and OSBM analyst for the OSBM analyst to include additional 606s or omit 606s currently included in BPS. The authorized column is impacted by all 606s included in BPS – Type 11, 12 and 14. NOTE: All carry-forward 606s from 2007-08 should be OMITTED from BPS.
Columns 6 & 8	These are the Increase/Decrease columns used to make adjustments from the authorized budget in one or both years of the biennial budget under request. The increases or decreases in these columns are added to or subtracted from the amount in the authorized budget to produce the amount of recommended budget in each year.	Enter increases/decreases in these columns in BPS, using either Function 7 or Function 8.  See <a href="#">Section 5.4</a> for detailed instructions.
Columns 7 & 9	These columns represent the budget requested for each year of the 2009-11 biennium. These numbers are calculated by BPS (authorized budget for 2008-09 increased or decreased by the amounts in columns 6 & 8).	

## 5.2 Worksheet I Instructions

The authorized budget for 2008-09 is the starting point for the recommended 2009-11 continuation budget. Agencies are encouraged to thoroughly analyze and make sure it accurately reflects the base budget, both in total and for each fund.

### 5.2a Analyzing and Adjusting the Certified and Authorized Budgets (Columns 4 & 5)

Agencies should examine their 2008-09 authorized budgets for opportunities to generate savings or to redirect budgets from over-funded programs or accounts to those which are under-funded. Depending on the magnitude of such adjustments and the extent to which they impact the scope of a program, OSBM may require these adjustments to be submitted as Worksheet II (WSII) adjustments (see [Section 6](#) for details of the expansion process). Review of the authorized budget during continuation budget development allows agencies to identify and report budget overages and deficits that impact the ability to deliver existing programs and services outlined in the budget.

1. Realignments - Agencies are encouraged to realign non-personnel expenditure account lines 5322xx – 535xxx within an operating fund number to reflect more realistic levels of need for 2008-09. A Type 14 budget revision may be included in Worksheet I. Contact the OSBM analyst regarding any 606 that a department would like to request to include in the Worksheet I. Agencies cannot realign accounts for the sole purpose of gaining advantage in continuation budget adjustments.
2. Receipts Adjustments - The [State Budget Act](#), in [G.S. 143C-3-5\(b\)\(2\)c](#), requires estimated receipts in the recommended budget to be adjusted to reflect actual collections from the prior fiscal year, unless the Director of the Budget recommends a change that will result in collections that differ from the prior year, or determines there is a more reasonable basis to accurately project receipts.
3. Inter- and Intra-Departmental Transfers - Agencies must balance inter- and intra-departmental transfers. If one fund or agency includes a transfer, the other fund or agency must also include the matching transfer.
4. Carry-Forward 606s - Budget revisions that authorized a carry-forward from 2007-08 into 2008-09 should not be included in the Worksheet I and must be removed or coded “O” to be omitted.
5. Experimental, Model or Pilot Programs - Programs designated as experimental, model, or pilot must be identified as such either in the continuation budget or as expansion budget requests, as appropriate, until a succeeding General Assembly approves them. Agencies with programs designated as experimental, model, or pilot must furnish a list of these programs with line item detail with continuation budget or expansion budget requests.
6. Salary Reserve Realignment - It is essential that the [Salary Control System \(SCS\)](#) in OSBM reflect correct position and salary information as of **June 30, 2008**. Agencies submit budget revisions (BD606) to OSBM to align salary reserve to accurately reflect the annual salary requirements in each operating fund, and to eliminate any negative amounts that exist. Salary reserve realignments should be submitted by **August 11, 2008**. It may be necessary to reduce or abolish positions in some

instances to eliminate negative salary reserve amounts. Agencies are allowed to retain positive salary reserve amounts in the continuation budgets. See [Section 5.2d](#) for full details on personnel related budgeting.

7. Reconciliation - Use the Reconciliation forms generated by BPS to ensure that authorized requirements, receipts, and appropriation are correct.

#### **5.2b Requests for Increases/Decreases in the Continuation Budget (Columns 6 & 8)**

Changes in the increase/decrease columns of WSI are added to or subtracted from the 2008-09 authorized budget to produce the amounts in the 2009-10 and 2010-11 budget columns. Adjustments are prepared as BPS entries by appropriate department personnel and submitted to OSBM. Increases or decreases requested in Columns 6 and 8 must be explained on an attached schedule ([Attachment 5-1](#)) that indicates the receipt or expenditure accounts to be adjusted and the reason for the change. Where more than one change is requested for one particular account, show the components of the change in the explanation. Complete a separate schedule for each fund that has changes. The total of the adjustments on the agency prepared schedule must equal the total of the increase/decrease columns of Worksheet I.

#### **5.2c Allowable Budget Adjustments**

Allowable adjustments are generally categorized as either inflationary adjustments or other allowable budget adjustments. Adjustments may be requested as increases or decreases to the authorized budget, entered in columns 6 and 8 of Worksheet I, for the following purposes:

1. **Enrollment or Populations Served** – Increases to reflect changes in the enrollment or population currently served by public schools, community colleges, the University of North Carolina System, prisons, and entitlement programs are allowed. In other programs such increases must be requested in the expansion budget. Decreases to reflect reductions in enrollment or populations served in *any* program area must be included in the continuation budget. With respect to the Medicaid program, policy changes are not allowed in the continuation budget and must be considered in the expansion budget process.
2. **Receipt-Supported Activities** – Receipts must be adjusted in the increase/decrease columns to the extent needed to accurately project receipts in the budget years under request. [G.S. 143C-3-5\(b\)\(2\)c](#) requires that the governor's recommended state budget include accurate projections of receipts, budgeted to prior year actual level of expenditure unless the governor's budget recommends changes that cause receipts to differ from the prior year or determines a more reasonable basis for the projection.

If an adjustment to general agency receipts provides additional funds, those funds may be used only to support allowable continuation budget increases. Otherwise, additional general agency receipts are budgeted to reduce state appropriations.

If an adjustment reflects a decrease in receipts, the budget of the program generating the receipts must be reduced. Replacement of reduced or lost receipts must be an expansion budget request. Changes in expenditure accounts supported by receipts require a corresponding change in the appropriate receipt account.

Programs that are 100% receipt supported should make requests for allowable continuation budget adjustments through the Worksheet I process.

3. **Clothing; Telephone Service; Textbooks and Educational Supplies (K-12 schools, including schools in the Department of Health and Human Services and Department of Juvenile Justice & Delinquency Prevention and the N.C. School of Science and Mathematics)** – Increases in continuation requirements are allowed for these items, on a case-by-case basis, provided the agency can sufficiently document the increase. Prior years' actual expenditures and adjustments to 2008-09 budgets made in the 2007 and 2008 legislative sessions must be taken into account in developing continuation requirements. In cases where a portion of the increase is supported by receipts, these receipts must be increased to ensure that the account bears the appropriate share of increased costs.
4. **Personnel-Related Items** – Funds required for longevity pay must be based on the amounts included in the June 30, 2008 PM739 Position Schedule. For UNC campuses, if the PM739 does not include all personnel, detailed documentation must be submitted to support the longevity request. Funds for premium pay, workers' compensation, unemployment compensation, and overtime must be based on the authorized budget. Increases in these accounts may be considered on an individual basis.
5. **Annualization of Programs and New Facilities** – Increases to annualize support in the 2009-11 biennium for programs and new facilities that were funded for only a portion of 2008-09 are allowed. Attach a detailed listing of the request to annualize programs. Attach a spreadsheet in a format similar to [Attachment 5-5, Building Reserve/Annualizations Schedule](#).

Positions requested through reserves in the continuation budget follow the same rates established for positions requested through the expansion (or WSII) process. See the [Expansion section](#) of the instructions for additional details.

6. **Operating Reserves** – Operating costs to make facilities operational and functional are allowed in the continuation budget for authorized capital projects scheduled for completion during the 2009-11 biennium (see Section 8, Capital Budget). Any new programs, activities, or expansion of existing programs and activities associated with capital projects should be a part of the Expansion Budget Request. The total estimated operating costs for each year must be requested in a reserve account (5371AA). A detailed account breakdown of each reserve must be submitted separately, with the estimated completion date of the facility provided by the [Office of State Construction](#), number of positions required, proposed classification of each

position, and other operating costs. A sample schedule for this required detail breakdown is shown in [Attachment 5-5 \[sample\]](#).

7. **Nonrecurring Items** – Nonrecurring or one-time items approved by the General Assembly must be removed from the continuation budget in the increase/decrease columns, including one-time equipment and vehicle purchases included in the 2008-09 authorized budget. For UNC campuses, one-time accreditation expenses included in the 2008-09 authorized budget must be deducted from accreditation expenses requested for 2009-11, and detailed documentation must be submitted to support the request. Agencies should contact their OSBM budget analyst with questions about removal of one-time items.
8. **Replacement of Existing Equipment** ([Attachment 5-2](#))  
An equipment schedule is required only when the request is greater than the amount of the authorized budget. Increased funding for items such as office equipment (fax machines, copiers, etc.), furniture, and computers will not be considered in the continuation budget.
9. **Vehicle Replacement** ([Attachment 5-3](#) and [Attachment 5-4](#))
  - a) Licensed Motor Vehicles ([Attachment 5-3](#)) – Replacement of departmentally owned licensed motor vehicles is allowed in the continuation budget. This replacement includes cars, vans, trucks, jeeps, ambulances, buses, etc.

Additions to the fleet are requested in the expansion budget. Purchase and trade-in amounts for replacement vehicles are determined by each department/agency based on the particular type of vehicle and accessories. Refer to the [Vehicle Term Contracts](#) on the [Division of Purchase and Contract](#) web site as a basis for purchase amounts. The total purchase price of vehicles must be included in the appropriate line item. The estimated sales proceeds for the used vehicle must be budgeted as sale of surplus property receipts. Motor vehicles other than those used by law enforcement officers are scheduled for replacement at the time they are expected to have 110,000 miles ([Motor Fleet Management](#) must follow [G.S. 143-341\(8\)i](#)). Requested replacement of vehicles with less than 110,000 miles must have sufficient written justification. Motor vehicles used by law enforcement officers must be scheduled for replacements as follows: Highway Patrol - 70,000; Division of Motor Vehicles - 70,000, and all other law enforcement - 80,000 miles.

Nonrecurring funds approved in the last biennium for replacement of motor vehicles and included in the authorized 2008-09 budget must be removed from the continuation budget. Replacement schedules should be submitted only when there is an increase over the recurring authorized budget.

- b) Other Vehicles ([Attachment 5-4](#)) – Vehicles which are replaced on an irregular basis, such as farm tractors, combines, crawler tractors, drag lines, front-end

loaders, back-hoes and lawn mower type equipment, may be included in the continuation budget. The age, year purchased, mechanical condition, and annual repair/maintenance cost are prime factors in OSBM's consideration of these requests. Requests to replace other vehicles must be for the continuance of the existing programs or services and must not be to expand the capabilities of the facility.

Nonrecurring funds approved in the last biennium for replacement of other vehicles and included in the authorized 2008-09 budget must be removed from the continuation budget. Replacement schedules should be submitted only when there is an increase over the recurring authorized budget.

10. **Statutorily Established Salary Increases** – Salary increases required by General Statute for specified position classifications, such as magistrates, clerks of court, and the Highway Patrol are included in the requested continuation budget.
11. **Building/Office Lease** – A building/office lease schedule is required only when the request is greater than the amount of the authorized budget. Requests for increases in funding related to building/office lease expenses are allowed as documented on [Attachment 5-6 – Building/Office Lease Schedule](#).
12. **Business Case for Lease Purchases and Installment Purchases** – To assist in standardizing the evaluation of purchasing methods, executive branch agencies prepare a business case to evaluate the most beneficial method of acquiring a commodity when considering a lease purchase or installment purchase. The business case includes guidelines, instructions, and templates to ensure conformity for all agencies. The business case accompanies all expansion budget requests involving a new lease purchase and installment purchases. OSBM reviews these business cases as part of the approval process for the expansion budget. Business cases for lease purchases and installment purchases that are already in existence and are a part of the continuation budget are reviewed and maintained with the agency.

See [Attachment 6-3](#) for instructions on submitting current and proposed debt service requirements by lease purchase and installment purchase agreements.

### 13. **Salary and Fringe Adjustments**

The salary-related amounts reflected in Columns 7 and 9 of the Worksheet I are based on the authorized budget for 2008-09 plus any necessary annualizing of positions (see [item 5](#) above).

#### **Annualizing Salaries on Worksheet I**

Positions funded on a recurring basis, but funded for only a portion payable amount in the authorized year, must be annualized for 2009-11.

OSBM generates Position Schedules (PM739) from the June 30, 2008, BEACON database and makes them available through X/TND. These reports are used for

informational purposes only and are not submitted to OSBM with the continuation budget package. The Legislative Salary Increase (LI) effective July 1 is included. These reports do not include new positions authorized by the 2008 Session of the General Assembly or positions included in authorized building operating reserves.

New positions authorized by the 2008 General Assembly are included in the certified and authorized columns of Worksheet I. If positions are effective after July 1, 2008, they should be annualized in the increase/decrease columns. Positions scheduled to be abolished with an effective date after July 1, 2008 must also be annualized.

*Annualization Example:* A new position is authorized by the General Assembly effective October 1, 2008 at an annual salary of \$47,679. The budget for 2008-09 includes \$35,760 for the position for nine months. The difference between the annual salary of \$47,679 and the nine month (portion payable) salary of \$35,760 is \$11,919. The amount of \$11,919 is the allowable increase for Columns 6 and 8 of the Worksheet I. **Note:** The employer match for both Social Security and Retirement would reflect increases to match the salary increase as well as an annualizing of the employer's share of health benefits.

Agencies are responsible for maintaining accurate and current position salary and position count data. Salaries reflected in BEACON HR System must not exceed the authorized budget plus annualizing of positions. If total salaries in BEACON exceed the authorized budget plus the annualizing of positions, appropriate personnel actions must be taken to adjust BEACON to be within the amounts in columns 7 and 9 of Worksheet I.

**Note:** Legislative Increases authorized for 2008-09 by the 2008 Session of the General Assembly are reflected in the authorized budget for 2008-09 for all employees whose salaries are paid from general fund appropriations. This includes contracted state employees, whose salaries are paid for by transfer of general fund appropriations from one agency to another.

**Note:** Any agency that paid LI to contractors or state employees out of operating funds during the 2007-09 biennium may request reimbursement by submitting a detailed schedule documenting these expenses with their 2009-11 continuation budget materials. Going forward into 2009-11, all LI requests should be processed through the LI fund.

### **Fringe Benefits**

Fringe benefit amounts for Social Security and retirement are based on the funds requested in the appropriate salary line items on Worksheet I for 2009-10 and 2010-11 respectively. The amounts for health benefits are based on the authorized position counts for each year.

The fringe benefits rates are as follows:

Social Security: 7.65%

The total combined rate for [Social Security](#) and [Medicare](#) is 7.65%. The Social Security (OASDI) portion is 6.20% on earnings up to the applicable maximum taxable amount (\$102,000 in 2008); the Medicare portion (HI) is 1.45% on all earnings. The PM739 Position Schedule can be used to determine the appropriate amount to include in the continuation budget for Social Security.

Teachers and State Employees Retirement Rate: 8.14%

State Law Enforcement Officers Retirement Rate: 13.14%

University Employees Optional Retirement Rate: 11.46%

Consolidated Judicial Retirement rate: 17.31%

Legislative Retirement System rate: 4.10%

Health Benefits amount - \$4,157 per year; Medicare-eligible \$3,165.

Retirement and health benefits for permanent state employees who work at least nine months per year and at least 30 hours per week must be included.

For UNC campuses, detailed documentation must be submitted to support the retirement request.

**Note:** The Social Security withholding threshold is the current amount.

See [Section 5.2d](#) for full information about the process for budgeting and reconciling salaries and positions in Worksheet I.

14. **Transfers to State Management Agencies** – Funds needed to support transfer from appropriations or other sources to statewide management agencies are an allowable adjustment in the continuation budget. The need for adjustment must be documented in writing, and must be supported by evidence of a rate or billing increase by the state management agency. Examples of this include payments to the [Office of the State Auditor](#) for audit services, to State [Information Technology Services \(ITS\)](#) for subscription charges, and to [Motor Fleet](#) for additional usage or rate increases.
15. **Allowable Inflationary Increases** – Agencies/departments use allowable inflationary increase rates to accurately project budgetary needs created by inflation for the current biennium and to plan for future biennia. The rates are used to develop increases and/or decreases in those items subject to the inflationary factors. The increases and/or decreases computed for the continuation budget are then placed in Worksheet I columns 6 and 8. The procedures listed below outline the steps involved in using inflationary factors. Agencies may not decrease the authorized budget through realignments for line items on which inflationary adjustments are allowed.

### **Inflation Procedures**

[Attachment 5-9](#) shows the allowable inflation factors that may be used by agencies in preparation of the 2009-11 continuation budget, and may be used as appropriate in preparation of expansion budget requests. Inflation factors must be applied to the 2007-08 actual expenditures.

For expansion requests, allowable inflationary increases are provided through 2013-14 in order to estimate the five-year fiscal impact as required under [G.S. 143C-3.5](#). These rates may be used to develop the increases or decreases applicable to the respective items in an agency's budget. In a situation where the rates are clearly not appropriate and a higher rate can be documented, the higher rate may be submitted for consideration by OSBM.

The *Schedule of Approved OSBM Inflation Factors* must be used for computational purposes. Columns 1 through 5 on [Attachment 5-9](#) reflect the compounding of the allowable rates. These are the factors that must be applied to the 2007-08 actual expenditures for the 2009-11 biennium.

**Note:** The inflation values have been omitted from the *Schedule of Approved OSBM Inflation Factors* in this document. Rates will be provided later in order to use the most current economic data available to produce a sound basis for projecting inflation over the biennium and three years beyond. The schedule is included to provide the list of accounts on which inflation is allowed, for agency planning purposes, and to provide examples of how to calculate inflation for Worksheet I. In the following examples, the inflation factors from 2007-09 are used for illustration. **The inflation values will be provided to state agencies on August 18, 2008.**

Requests for increases and/or decreases in funding related to inflation are considered only when documented on [Attachment 5-1](#).

- a) **Food, Drugs, Medical Supplies, Library Books and Journals, Water and Sewer, Electricity, Natural Gas, and Subsistence** ([Attachment 5-7](#))

Columns 1 through 5 on [Attachment 5-9](#) reflect the compounding of the allowable rate increases. In using these sample rates to determine the allowable increases, use the following formula:

$$\begin{array}{r} 2007-08 \text{ Actual X Compounded Rate} \\ - 2008-09 \text{ Authorized Budget} \\ \hline \text{Allowable Change} \end{array}$$

The allowable change is calculated as the amount in Column 3 of Worksheet I, multiplied by the compounded factor in the Schedule of Approved OSBM Inflation Factors, minus the amount in Column 5 of Worksheet I.

Example: To determine the amount of increase allowed for food for 2009-11 when the actual expenditures for food for 2007-08 were \$500,000 and the authorized budget for 2008-09 is \$505,000:

**2009-10 over 2008-09**

$$500,000 \times 1.046 = \$523,000$$

$$523,000 - \$505,000 = \$18,000$$

**2010-11 over 2008-09**

$$500,000 \times 1.064 = \$532,000$$

$$532,000 - \$505,000 = \$27,000$$

The amount of \$18,000 is entered in Column 6 for a 2009-10 increase and \$27,000 is entered in Column 8 for a 2010-11 increase in the continuation budget in Worksheet I.

- b) **Gasoline and Fuel Oil:** ([Attachment 5-8](#)) To determine the allowable increase for these items, the projected rate per gallon in the *Schedule of Approved OSBM Inflation Factors* is multiplied by the actual consumption in gallons in the 2007-08 actual year, minus the 2008-09 authorized budget.

Stated as a formula, the gasoline increase would be computed as follows:

$$\begin{array}{r} 2007-08 \text{ Actual Gallons} \times \text{Projected Cost Per Gallon} \\ - 2008-09 \text{ Authorized Budget} \\ \hline \text{Change Amount} \end{array}$$

**5.2d Reconciliation of Salaries and Position Counts on Worksheet**

The process for budgeting salaries and positions has been significantly impacted for 2009-11 with implementation of the state’s new BEACON Human Resources/Payroll System. There are new reports and steps to ensure that these elements are appropriately reconciled between the personnel and budget systems. The process is described below.

**May-June 2008**

The agency Salary Control Officer is responsible for reconciling BEACON Human Resources System (referred to in short as “HR” or BEACON) salaries and position counts to the authorized budget for salaries and position counts, and it is especially critical to check the totals for June 30, 2008. Since all agencies, except the universities, have converted from the former [Personnel Management Information Systems \(PMIS\)](#) to BEACON for their HR data, some unexpected changes have occurred. If the accounts were changed during the conversion without processing individual transactions, these adjustments will have to be made to the Salary Control records manually in the HR columns. At any time, the agency can get a BEACON position report called B0149 from the BEACON portal, and this can be used to make sure the Salary Control totals for the June 30, 2008 HR salaries and position counts match the BEACON totals for June 30.

Since major system changes were made to Salary Control functions in July 2007, it is easier to view the budgeted position count and track 606s for specific positions. After the

HR totals are verified with BEACON, compare the HR position count to the budgeted position count in Salary Control. If the totals do not match (Salary Control Function 10), review the detail changes for the year with Salary Control Function 4. If a change was made in PMIS/BEACON that was not documented with a BD606, consult the appropriate OSBM analyst to determine if a new 606 can be approved. If not, an adjustment in BEACON is required.

After the position counts are equal, compare the HR annual salaries with the annual budgeted salaries in Salary Control to ensure that the budget is equal or greater than the HR salary obligation. If it is determined that the agency neglected to send in a BD606 and the OSBM analyst agrees to approve the BD606 to document the HR salary, that can be done before the agency closes out the 2007-08 fiscal year; otherwise, the positions in BEACON must be reduced to make the salary obligations equal or less than the annual authorized budget.

### **July 2008**

After the June 30, 2008 position counts are finalized, those are entered into BPS with Function 7, to be part of the actual column of Worksheet I. This is required by fund and account for all budgeted codes that have positions.

### **July-August 2008**

After the Legislature approves the Appropriation Bill, the 2008-09 budget is certified by OSBM, and all changes to the budgeted salaries or position counts are identified and documented in BPS and shown on the BD307 report.

If the Legislature approves an across-the-board salary increase for 2008-09, a Legislative Increase Transmittal will be provided by BEACON or PMIS. OSBM will prepare a Position Schedule based on the June 30, 2008 salaries with the Legislative Increase added. This is a backup document for the Worksheet I but it may not match the Worksheet I salaries exactly if new positions or reorganizations are entered into BEACON after the LI is calculated.

Using data from BEACON/PMIS, OSBM produces a statewide Position Schedule similar to the one produced from PMIS in the past.

### **August 2008**

The RK314 list of BD606 budget revisions for 2008-09 is reviewed through X/TND to mark any one-time adjustments with the code "O". BRS Function 5 is used to change processing codes on an approved BD606 document. Some BD606s were copied into BPS in April for the short session budget process, and these have a processing code of "B". Before the initial Worksheet I for 2009-11 is produced by OSBM, OSBM copies into BPS any 606s for 2008-09 that do not have the code "O" or "B".

### **September-October 2008**

After the 2008-09 budget is certified by OSBM, the Worksheet I and Reconciliation Report for the 2009-11 can be requested with BPS Function 16 and viewed through

X/TND. The certified/authorized columns of Worksheet I should include the budgeted salaries and position counts in the BD307 for July 1, 2008 plus the distribution of statewide reserves, reorganizations directed by the General Assembly and other permanent budget revisions authorized by OSBM. The BD307 may cause the position counts to be increased or decreased from the June 30, 2008 totals. The same detail transactions in BPS are sorted by line item to produce the Worksheet I report and sorted by reference number to produce the Reconciliation Report.

If the General Assembly funds positions with an effective date after July 1, 2008, the positions should be annualized by entering the difference in the increase columns.

If there is any movement of positions or salaries between budget codes, the BD606s for both budget codes must be included in the Worksheet I.

### 5.3 Continuation Budget Attachments and Appendices Attachments

- **Completed Worksheet I (submit 2 hard copies)**
  - WSI - Summary of Total Continuation Budget Requests by Department [[sample](#)]
  - WSI - Summary by Purpose [[sample](#)]
  - WSI - Summary by Account [[sample](#)]
  - WSI - Detail Request [[sample](#)]
  - WSI - Position Count [[sample](#)]
  - WSI - Reconciliation of Requirements, Receipts, and Appropriation [[sample](#)]
  - WSI - Reconciliation of Position Counts and Budgeted Salaries [[sample](#)]
- **Supporting Schedules (submit 2 hard copies and 1 electronic copy in Excel format)**
  - [Attachment 5-1 – Explanation of Increases and Decreases](#) [[sample](#)]
  - [Attachment 5-2 – Equipment Purchase Schedule](#) [[sample](#)]
  - [Attachment 5-3 – Motor Vehicle Purchase Schedule](#) [[sample](#)]
  - [Attachment 5-4 – Other Vehicle Purchase Schedule](#) [[sample](#)]
  - [Attachment 5-5 – Building Reserves/Annualizations Schedule](#) [[sample](#)]
  - [Attachment 5-6 – Lease Schedule \(Building/Office Lease\)](#) [[sample](#)]
  - [Attachment 5-7 – Inflationary Schedule \(except gasoline and fuel\)](#) [[sample](#)]
  - [Attachment 5-8 – Inflationary Schedule for Gasoline and Fuel](#) [[sample](#)]
  - [Attachment 5-9 – Schedule of Approved OSBM Inflation Factors\\*](#) [[sample](#)]

#### Appendices

- [Appendix 5-1 – Checklist for 2009-2011 Continuation Budget Request](#)
- [Appendix 5-2 – List of Budget Codes](#) – online Excel file
- [Appendix 5-3 – WSI Reference Document](#) – sample with explanatory notes (prints on 11x17 paper)

\*The Schedule of Approved OSBM Inflation Factors will be released on **August 18, 2008**.

**EXPLANATION OF INCREASES AND DECREASES SCHEDULE**  
(For continuation requests only)

**Section 5**  
**Attachment 5-1**  
**(Due 10/31/08)**

Department \_\_\_\_\_

Division or Institution \_\_\_\_\_

Budget Code \_\_\_\_\_

Fund \_\_\_\_\_

ACCOUNT	2009-10			2010-11		
	TITLE	EXPLANATION	AMOUNT	TITLE	EXPLANATION	AMOUNT
<u>Requirements</u>						
<b>Total Requirements</b>			\$0			\$0
<u>Receipts</u>						
<b>Total Receipts</b>			\$0			
<b>Appropriation</b>			\$0			\$0

\* Prepare a separate schedule for each Fund/Account.

**SAMPLE**  
**EQUIPMENT PURCHASE SCHEDULE**  
**PURCHASE OR INSTALLMENT PAYMENTS**  
**(For continuation requests only)**

Section 5  
Sample Attachment 5-2  
(Due 10/31/08)

Department ABC Institution Division or Institution \_\_\_\_\_ Budget Code 13XXX

FUND	ACCOUNT*	PRIORITY	EQUIPMENT DESCRIPTION	JUSTIFICATION	2009-10			2010-11		
					QUANTITY NUMBER	COST PER UNIT	TOTAL COST	QUANTITY NUMBER	COST PER UNIT	TOTAL COST
1101	53 4525	1	<i>Hobart verticle cutter/mixer</i>	existing equipment not operational and cannot be repaired	1	\$7,650	\$7,650			
		2	microwave	existing equipment not operational and cannot be repaired	2	\$175	\$350			
		3	dishwashing machine	existing equipment has been repaired multiple times and requires replacement	1	\$175	\$175			
		1	Jamison walk-in cooler	existing equipment has been repaired multiple times and will require replacement in next 12 months				1	\$4,000	\$4,000
					Total by Fund/Account			Total by Fund/Account		
							\$8,175			\$4,000
					Less: 2008-09 authorized equipment budget			Less: 2008-09 authorized equipment budget		
							(\$2,243)			(\$2,243)
					Net Amount to Worksheet I (Columns 6 & 8)			Net Amount to Worksheet I (Columns 6 & 8)		
							\$5,932			\$1,757

\*Prepare a separate schedule for each Fund/Account.

(R) = Replacement (I) = Installment

**SAMPLE**  
**LICENSED MOTOR VEHICLE PURCHASE SCHEDULE**  
(For continuation requests only)

Section 5  
Sample Attachment 5- 3  
(Due 10/31/08)

Department ABC Institution Division or Institution \_\_\_\_\_ Budget Code 13XXX

FUND	ACCOUNT	PRIORITY	DESCRIPTION (MAKE, MODEL, YEAR AND VIN)	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-09	TYPE OF USE*	JUSTIFICATION (IF APPLICABLE)	2009-10		2010-11	
								TOTAL COST	TRADE-IN VALUE** (IF APPLIC.)	TOTAL COST	TRADE-IN VALUE** (IF APPLIC.)
1100	534541	1	Dodge Van - 1993 VJ186523R23588126	Feb. 1993	125,000	OTH		\$12,750	\$1,500		
1100	534541	2	Chevy Suburban - 1996 SRE12J0FP11597613	Jan. 1996	88,000	OLE				\$28,250	\$2,000
1100	534541	3	Dodge Truck 1/2 Ton 4WD - 1995 KJ258956F46785233	May 1995	113,500	OTH		\$14,000	\$1,000		
Total Request by Fund/Account								\$26,750	\$2,500	\$28,250	\$2,000
Less: FY 2008-09 Authorized Licensed Motor Vehicle Budget (Column 5)								(\$26,000)	(\$300)	(\$26,000)	(\$300)
Net Amount to Add (Subtract) to Worksheet I (Columns 6 & 8)								\$750	\$2,200	\$2,250	\$1,700
(Requirements to Motor Vehicle Account (Object) and Trade-in to Sale of Surplus Property Receipt Account (Object))											

\*Type of use will either be State Highway Patrol (SHP), Division of Motor Vehicles (DMV), other Law Enforcement (OLE) or other (OTH).  
\*\*Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

Note: Prepare a separate schedule for each Fund/Account.

**SAMPLE**  
**OTHER VEHICLE PURCHASE SCHEDULE**  
(For continuation requests only)

Section 5  
Sample Attachment 5-4  
(Due 10/31/08)

Department ABC Institution Division or Institution \_\_\_\_\_ Budget Code 13XXX

FUND	ACCOUNT	PRIORITY	DESCRIPTION (MAKE, TYPE YEAR AND MODEL)	DATE PURCHASED (MONTH AND YEAR)	NUMBER REQUESTED	JUSTIFICATION/CONDITION* (IF APPLICABLE)	2009-10		2010-11	
							TOTAL COST	TRADE-IN VALUE** (IF APPLIC.)	TOTAL COST	TRADE-IN VALUE** (IF APPLIC.)
1230	534541	1	Ford Tractor - 1987 Model 740	Mar. 1997 (New)	1	Nonrepairable, declared unsafe for use by safety officer due to metal fatigue.	\$68,000	\$500		
1230	534541	2	Hough Payloader - 1979 Model H-30-B	Apr. 1979 (New)	1	Poor, replacement parts not available, electrical system not repairable. *Additional maintenance information attached.			\$55,000	\$1,500
			Total Request by Fund/Account				\$68,000	\$500	\$55,000	\$1,500
			Less: FY 2008-09 Authorized Licensed Motor Vehicle Budget (Column 5)				(\$15,000)	(\$250)	(\$10,000)	(\$500)
			Net Amount to Add (Subtract) to Worksheet I (Columns 6 & 8) (Requirements to Motor Vehicle Account (Object) and Trade-in to Sale of Surplus Property Receipt Account (Object))				\$53,000	\$250	\$45,000	\$1,000

\*Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

\*\*Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

Note: Prepare a separate schedule for each Fund/Account.









































































































































