

# **Instructions for completing the Rate Adjustment Narrative Justification (Form RANJ)**

## **General information**

The Rate Adjustment Narrative Justification (Form RANJ) form is required **only** from **central service agencies** that anticipate a change in their assessed rates for services they provide to other state government agencies.

**Please use the Word format provided by DPB.** You can download the format for Form RANJ from DPB's web site (go to [www.dpb.virginia.gov](http://www.dpb.virginia.gov), then click on the "Documents & Forms" link in the blue column at left, then type in "Decision Package" in the Search window).

Complete a separate narrative justification for each anticipated rate change. Please put each narrative justification into a separate document in Microsoft Word.

You **must** complete all the items. If an item is not applicable, insert "N/A." Do not delete any items.

When you save your completed table, name it according to the following convention: your agency's three-digit code followed by "RANJ" followed by the decision package number. Example: If you are agency 999 and you submit proposals for two rate adjustments, numbered 300 and 301, the files for these narrative justifications would be *999RANJ300.doc and 999RANJ301.doc*.

## **Specific information**

- **Item 1. Agency name:** Type in the agency name.
- **Item 2. Agency code.** Insert your agency's three-digit code.
- **Item 3. Decision package number.** Use the three-digit category number as specified in "Numbering decision packages" in Section 2 of these instructions.
- **Item 4. Title.** Insert a short descriptive title (no more than 100 characters long). Remember that your title should begin with an action verb.
- **Item 5. Description.** Provide a full description of the actions involved in the proposed rate adjustment.
- **Item 6. Objectives/results.** Describe the anticipated results or objectives your agency expects to accomplish if the proposed rate adjustment is approved. What issue or problem are you trying to resolve? Be as specific as possible.
- **Item 7. Consequences of not altering rates.** Indicate the consequences you expect if the rate adjustment is not approved.
- **Item 8. Need for request.** Provide detailed information to indicate the need for the proposed rate adjustment. For example: Have demographic, vendor prices, or other factors created the need for the rate adjustment? Cite quantitative data wherever possible.

- **Item 9. Alternatives considered.** Indicate any other alternatives you considered to a rate adjustment and why you selected the proposed action. Briefly list the pros and cons of each alternative.
- **Item 10. Service rates currently in effect.** List, by the lowest commonly used unit of service, the rate currently being charged to state agencies. If the rates vary by agency, list all rates to the extent necessary so that the rate may be determined for any and all affected agencies. (Items 10, 11, 12, 13, and 14 may be submitted to DPB on an electronic spreadsheet along with Form RANJ.)
- **Item 11. New service rates being proposed.** List, by the lowest commonly measured unit of service, the new proposed rate to be charged to state agencies. If the rates are to vary by agency, list all rates to the extent necessary so that the rate may be determined for any and all affected agencies.
- **Item 12. Service rate's unit of measure.** Define and describe the units of measure in the adjustment proposal sufficiently for the average lay person.
- **Item 13. Total number of units used by each agency.** List, by the lowest commonly measured unit of service, the expected number of units to be utilized by each state agency.
- **Item 14. Projected Revenues under existing rates.** Provide revenue estimates based on maintaining the current, existing rate structure.
- **Item 15. Projected Revenues under proposed rates.** Provide revenue estimates based under the new, proposed rate structure.
- **Item 16. Effective date of rate adjustment by agency.** List the expected dates the new proposed rate changes are to go into effect for the agencies. If the dates are to vary by agency, list dates by agency.
- **Item 17. Is the proposed rate change mandated?** Check the appropriate box to indicate if the proposed rate change is mandated. If so, indicate what precisely the mandate requires and what is its origin (cite federal or state statutory provisions). **Note:** Requirements of state or federal *regulations* are not considered "mandates." Also, a rate change is not mandated if legislation enables or authorizes the activity but does not require it.
- **Item 18. Has JLARC approval been received?** Check the appropriate box to indicate whether the proposed rate change has been approved by JLARC. If yes, please send DPB a copy of JLARC's approval. If no, indicate when JLARC is expected to consider approval.
- **Item 19. Appropriation Act language needed?** Put an "X" in the appropriate box to indicate if there is a need to add, revise, or delete language in the Appropriation Act. If yes, insert the affected page(s) of the 2007 Appropriation Act showing deletions marked as a strike-through and additions underlined. Chapter 847 language can be downloaded from the Legislative Information System.