

Instructions for Preparing Required Base Adjustments and Other Technical Adjustments

2010-2012 Biennial Budget



Department of Planning and Budget
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Overview

This package provides guidance and instructions for the preparation of adjustments to your agency's base budget including any technical adjustments. This submission is due to DPB by **5:00 P.M. on Friday, August 7, 2009.**

This submission involves the following which will be discussed in more detail in these instructions:

- A WebBEARS data submission for required base adjustments and other technical adjustments. (The 2010-2012 Base Budget has been pre-loaded in WebBEARS for your reference. No action is required on your part for this submission. See below for more information.)
- The submission of a technical adjustment narrative form (TAN) for each technical adjustment submitted (this excludes required base adjustments). A copy of this form and instructions are located in Appendix B of this document.

These instructions apply to all state agencies and institutions of higher education.

In late July, DPB will issue additional instructions for submitting "decision packages," which will include requests for changes in services or new services. The final total budget request for the 2010-2012 biennium will consist of the base budget, required base and technical adjustments, and any decision packages that your agency submits.

The base budget submission has been pre-loaded for your agency and is provided for reference only. The base budget in WebBEARS is based on your FY 2010 operating plan submission for dollars and positions as included in Chapter 781, 2009 Acts of Assembly. The base submission can be found in WebBEARS under "2010_Base". Any required adjustments to your base budget such as the distribution of central appropriation actions, the reflection of certain changes approved administratively, the deletion of one-time costs, or the annualization of partial-year funding will be submitted as required base and/or technical adjustments in the separate "2010_Adjustments" submission.

Please note: Funding shown in this base submission is not guaranteed to be in the Governor's budget released on December 18, 2009.

Definitions

FY 2011 refers to the period from July 1, 2010, to June 30, 2011.

FY 2012 refers to the period from July 1, 2011, to June 30, 2012.

2010-2012 biennium refers to the two-year period that begins July 1, 2010 and ends June 30, 2012.

A detailed calendar of upcoming budget events and deadlines can be found on the DPB website.

Required Base Adjustments and Other Technical Adjustments

In past years, adjustments to agency base budgets required by DPB and technical adjustments requested by agencies were included in separate WebBEARS submissions. This year, these addenda have been combined into one submission in WebBEARS. This submission is the “2010 Adjustments” item on the budget dropdown box. Despite the fact that these items are being included in a common WebBEARS data submission, their intent remains unchanged over previous years. A description of required base adjustments and other technical adjustment follows.

Required Base Adjustments

Required base budget adjustments consist of mandatory changes to your 2010-2012 base submission. DPB will identify and communicate these mandatory adjustments to you soon after these instructions are issued. These adjustments will consist of addenda in the 100 addenda number series. The addenda number for each of these required adjustments will be provided to you by DPB.

Examples of required base budget adjustments include:

- Removal of one-time costs,
- Net zero transfers of dollars or positions,
- Annualization of partial year spending or reductions,
- Shifting of funds or positions between programs,
- Addition of nongeneral fund revenues to reflect actions already approved administratively, and
- Increase in position level to reflect actions already approved administratively

For these DPB identified base adjustments, no narrative submission is required. See the “Electronic Data Submission” section of these instructions on how to submit required base adjustments in WebBEARS.

Other Technical Adjustments

Other technical adjustments are agency generated adjustments to your base budget. Unlike the required base adjustments, these adjustments require the submission of a narrative form justifying and describing the request in addition to the WebBEARS data. Other technical adjustments will be entered in the “2010 Adjustments” submission in WebBEARS using 200 series addenda numbers. **Do not submit other technical adjustments addenda for items identified as required base adjustments and do not combine other technical adjustments with required base adjustments into one addenda.**

Similar to base adjustments, technical adjustments can be submitted for one or more of the following purposes:

- Remove one-time costs not included in base adjustments,
- Net zero transfer of dollars or positions between programs,
- Account for additional nongeneral fund revenues that involve no policy changes,

- Account for an increase in position level to reflect actions already approved administratively, or
- Other technical changes or corrections to the agency base budget.

Technical adjustments increasing agency general fund dollars will not be accepted.

Contact your budget analyst if you have questions about whether an adjustment meets these criteria or not.

For each proposed technical adjustment, submit via email attachment(s) a Technical Adjustment Narrative Form (TAN) to budget@dpb.virginia.gov . Make sure to copy your DPB budget analyst on this message.

Things to Consider for Base and Technical Adjustments

Service Areas

Service areas are the link between the budget and the strategic plan. You should not be making changes to your service areas unless you have worked with your DPB budget analyst first and the change has been approved by DPB.

Personal Services

For personal services issues not addressed by the submission of your FY 2010 Operating Plan, please refer to the Expenditure Structure on the DPB Web Site (http://dpb.virginia.gov/forms/expstrx/ExependStructure_FY2008.pdf) and the FY 2010 Operating Plan Instructions. An updated fringe benefit table is located in Appendix A of this document.

Nonpersonal Services

If you need more dollars in a major object than shown in the arrayed subobjects under that major object, you may use the appropriate designated convenience codes for the balance. For example, if your expenses in the 1200 major object of expense are greater than the total of the detailed subobject codes, you may put the additional dollars in convenience subobject 1295. All the allowable nonpersonal convenience codes are:

1295	Undistributed Contractual Services
1395	Undistributed Supplies and Materials
1495	Undistributed Transfer Payments
1595	Undistributed Continuous Charges
2195	Undistributed Property and Improvements
2295	Undistributed Equipment
2395	Undistributed Plant and Equipment
3195	Undistributed Obligations

For nonpersonal services not specifically listed in the required subobject codes listed in the FY 2010 Operating Plan Instructions (located at www.dpb.virginia.gov), use

ONLY the designated convenience codes listed above. Do not use any other budgetary nonpersonal services convenience codes, including those in Section D of the Expenditure Structure or elsewhere. (Note: For institutions of higher education, recoveries should include the appropriate recovery subobject code.)

Electronic Data Submission

Agencies will use WebBEARS to prepare and transmit the data submission for required base adjustments and other technical adjustments. The data submission arrays your requests by fund, program/service area, and by object of expenditure (subobject for personal services and major object for nonpersonal services).

Here are some additional guidelines for submission:

- **Choose “2010_Adjustments.”** In WebBEARS, be sure to choose the submission called “2010_Adjustments” from the drop-down menu on the main screen.
- **Use the correct addenda number series.** Use the 100 addenda number series provided to you by DPB for required base adjustments and the 200 series for other technical adjustments (addenda number series 200 through 299).
- **Remember to click the ‘Complete Submission’ button.** WebBEARS automatically sends DPB an e-mail when you complete your data submission by clicking on the final “Complete Submission” button.

WebBEARS has an on-line help feature for those who are unfamiliar with the system. Go to DPB’s Web site: <http://dpb.virginia.gov/> and click on WebBEARS in the blue column at the left.

Appendix A

Fringe Benefit Table

Subsubject	Benefit Factor ¹	Annual Cost Factors Used In The 2010-12 Base Budget	Required Base and Technical Adjustments Annual Cost Factors
1111	VRS Retirement Contributions²		
	<i>State Employees</i>	11.15%	11.26%
	<i>Virginia Law Officers Retirement (VaLORS)</i>	20.86%	19.23%
	<i>State Police (SPORS)</i>	25.76%	25.05%
	<i>Judges (JRS)</i>	43.01%	39.51%
1112	Social Security³ Capped at \$106,800 for CY 2009.	6.20%	6.20%
1112	Medicare	1.45%	1.45%
1114	Group Life	1.00%	0.79%
1115	Annual Employer Health Insurance Premiums		
	<i>COVA Care Single</i>	\$4,740	\$4,476
	<i>COVA Care Dual</i>	\$8,472	\$7,968
	<i>COVA Care Family</i>	\$12,420	\$11,688
	<i>COVA High Deductible Single</i>	\$4,200	\$3,984
	<i>COVA High Deductible Dual</i>	\$7,776	\$7,356
	<i>COVA High Deductible Family</i>	\$11,364	\$10,764
	<i>Kaiser Permanente Single</i>	\$4,704	\$4,368
	<i>Kaiser Permanente Dual</i>	\$8,412	\$7,752
	<i>Kaiser Permanente Family</i>	\$12,312	\$11,388
1116	Retiree Health Insurance Credit Premium	1.20%	1.00%
1117	VSDP & Long-Term Disability Insurance⁴	2.00%	1.00%
1118	Teachers Insurance and Annuity⁵	10.40%	10.40%
1119	Defined Contribution Plan⁶	10.40%	10.40%
1138	Deferred Compensation Match Payments One-half of employee's contribution per pay period, up to a max of \$20 per pay period or \$480 annually		

Note: Percentage costs refer to percent of salaries. Health insurance premiums are the annual employer dollar cost for an individual.

Appendix B

Technical Adjustment Narrative (TAN)

The technical adjustment narrative (Form TAN) provides DPB with a description of the proposed technical adjustment and the supporting rationale or justification. A copy of the form can be found in Appendix C.

Agencies must complete a separate Form TAN for each proposed technical adjustment. Do not submit this form for required base adjustments (addenda numbers 100 to 199). This form is available in Microsoft Word format on DPB's web site at <http://dpb.virginia.gov/forms/forms.cfm>. A separate narrative justification for each technical adjustment must be submitted.

All items in the Form TAN must be completed, if an item is not applicable, insert "N/A." Do not delete any items. Name the file according to the following convention: your agency's three-digit code followed by "TAN" and the 200 series addenda number used for the adjustment being requested. Example: If you are agency 999, the file for the addenda 201 technical adjustment would be named "999TAN201.doc"

- Item 1. Agency name: Type in the agency name.
- Item 2. Agency code. Insert your agency's three-digit code.
- Item 3. Addenda number. Use the 200 series. If your agency is proposing more than one technical adjustment, number the first one 201, the second one 202, and then sequentially, 203, 204, etc. **(It is important that you use the SAME number here that you do in the WebBEARS data submission.)**
- Item 4. Title. Insert a short descriptive title (no more than 100 characters long) describing the action, beginning with a verb.
- Item 5. Description. Summarize the actions your agency proposes to take.
- Item 6. Rationale or need for the request. What issue or problem are you trying to resolve? What is the need for the proposed action? Be as specific as possible.
- Item 7. Methodology for cost of proposal. Provide an explanation of the methodology used to calculate the figures in the technical adjustment.
- Item 8. Nongeneral fund sources. Put an X in the appropriate box to indicate if the proposed technical adjustment involves a change in nongeneral fund revenue. If "yes," insert in the table the revenue source code, the fund/fund detail code, the title of the fund/fund detail, and the amount for each year of the biennium. Add additional lines if needed for more revenue source codes or fund details. Also, provide in the block marked "Nongeneral fund methodology" the methodology used to calculate the nongeneral fund amounts. State if the nongeneral funds involved are grant funds.

Technical Adjustment Narrative (TAN) Form

1. Agency name: _____ 2. Agency code: _____

3. Addenda number: _____ 4. Title: _____

5. Description:

6. Rationale or need for the request:

7. Methodology for cost of proposal:

8. Nongeneral fund sources: YES NO

If YES, fill in table below:

Revenue Source Code	Fund/ Fund Detail Code	Fund/Fund Detail Title	FY 2011 Amount	FY 2012 Amount

Nongeneral fund methodology: