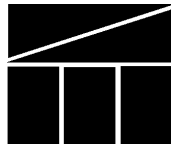


Instructions for Preparing the Decision Packages

2010-2012 Biennial Budget



**Department of Planning and Budget
July 2009**

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Section 1 - Overview

This section summarizes the overall requirements for budget submissions for the Governor's Executive Budget for the 2010-2012 biennium.

These instructions describe how to develop decision packages for your agency's budget requests. They apply to all state agencies and institutions of higher education.

Decision packages must be submitted to DPB by **September 1, 2009**. Your agency's total final budget request for the 2010-2012 biennium is the sum of your base budget submission, base adjustments, technical adjustments, and any decision packages that you submit.

Due to revenue situation in the Commonwealth, the Governor has requested that executive branch agencies limit requests for new spending to those needs that are absolutely essential; e.g., spending for constitutionally mandated requirements or necessary for life or safety reasons. Therefore, the Governor is also asking that each cabinet secretary pre-screen all spending requests from their agencies for the 2010-2012 biennium. Requests to restore budget reductions will not be entertained and requests for any new initiatives should not be submitted unless specifically approved by the submitting cabinet secretary. The Governor has also asks that, to the extent possible, any request for new general fund spending approved by a cabinet secretary have resources that can be redeployed to fund such requests. It is anticipated that the revenue picture will requires that almost all new general fund spending will have to be offset by reductions to existing agency spending resources.

The Governor will submit his 2010-2012 biennial budget to the General Assembly on December 18, 2009. For an up-to-date calendar of budget related activities, please visit the DPB Web site (www.dpb.virginia.gov).

Terms used in these instructions

- **FY 2010** means the fiscal year beginning July 1, 2009, and ending June 30, 2010.
- **FY 2011** means the fiscal year beginning July 1, 2010, and ending June 30, 2011.
- **FY 2012** means the fiscal year beginning July 1, 2011, and ending June 30, 2012.
- **2008-2010 biennium** refers to the two-year period including FY 2009 and FY 2010, which began July 1, 2008, and ends June 30, 2010.
- **2010-2012 biennium** refers to the two-year period including FY 2011 and FY 2012, which begins July 1, 2010, and ends June 30, 2012.
- **2009 Appropriation Act** refers to Chapter 781, 2009 Acts of Assembly.
- **Legislative Appropriation** refers to the dollar amounts and positions contained in the 2009 Appropriation Act.

Highlights of 2010-2012 Submissions

The process of developing decision packages for the Governor's 2010-2012 budget will be similar in many ways to previous years. Decision packages are budget submissions proposing any changes to your agency's base budget not included in your base adjustments or technical submissions. Decision packages are due to DPB by **September 1, 2009**. The submission includes two major components: a narrative justification and a data submission.

- **Narrative justifications.** For each individual decision package your agency submits, you must prepare a narrative justification on Form NJ. (This form can be downloaded from the DPB website, and must be submitted in electronic format.) See Section 3 of these instructions for details about preparing the narrative justification. If your request includes personal services/positions, also complete Form NP.
- **Data submission.** The data submission is an electronic submission through WebBEARS that allocates the resources for each proposed decision package among the affected programs/service areas and objects/subobjects for each year of the 2010-2012 biennium. See Section 4 for details on preparing the data submission.
- **Out-year costs.** Section 2.2-1503.1 of the *Code of Virginia* mandates that the Governor provide six-year spending estimates. As a result, you will be asked to provide a six-year estimate of costs for all decision packages. Form OYF is to be used to record any items for which you anticipate costs in the 2012-2014 and 2014-2016 biennia for which you are not submitting a decision package. For example, a new building coming on-line in November 2014 may require additional funding to cover operating costs. This supplemental funding would not have been requested in any of your 2010-2012 decision packages. See Section 5 for details.
- **Submission of rate adjustments.** If your agency has an internal service fund and proposes an adjustment in the rates it charges other state agencies for specific services covered by that fund--such as telecommunications, office space rentals, or insurance coverage -- you must supply DPB with the information outlined in "Rate adjustments by central service agencies" in Section 7 of these instructions. In addition to any supplemental information that you wish to provide such as spreadsheets, this submission must be made on a Rate Adjustment Narrative Justification (Form RANJ), which is described in detail in Appendix D of these instructions. In addition to completing the Form RANJ, the central agency must provide a spreadsheet showing the 2010-2012 impact by fiscal year over existing rates for each affected state agency.
- **Number of submissions.** Your agency will be required to make an electronic submission to DPB for all proposed decision packages. No hard copies are needed.
- **Sum Sufficient Appropriations.** For internal Service Fund Requests for sum sufficient and/or internal service fund requests, please array your amendments as described previously by program, service area, and appropriate expenditure codes and then use subobject 4101 (Sum Sufficient Recovery) to offset the total amount being requested at the service area level. In addition, do not enter any dollar amounts for the 0600 fund in the "fund" screen. You should enter position totals and fund totals for positions supported by the sum sufficient appropriation.

If your agency has no proposals

If your agency has no decision package requests for the 2010-2012 biennium beyond the base budget adjustments and technical adjustments you submitted in mid-August, no further submission is necessary. Please let your DPB budget analyst know that your agency will not be submitting any decision packages.

Note, even if your agency has no decision packages for the 2010-2012 biennium, it may still be necessary to submit a form for Out-Year Estimates (Form OYF). **All agencies must submit Legislative Reporting Forms (Form FF, Form FS, and Form OM).**

Service Area and Expenditure Structure

You will need to refer to the new Service Area and Expenditure Structure in making your budget submissions. These documents, revised in July 2009, are now available on DPB's web site and can be downloaded at: <http://dpb.virginia.gov/forms/forms.cfm>.

Section 2 - Decision Packages

General information

This section provides general information about the decision package submission due to DPB on **September 1, 2009**. Your agency's decision package budget submission includes two major elements:

1. **Narrative justifications** (one for each proposed decision package). *See Section 3 for specific details about the narrative justification.*
2. **WebBEARS data submission**. *See Section 4 for more on preparing the data submission.*

What is a decision package?

A "decision package" is a proposal to modify your agency's 2010-2012 base budget or to modify language in the 2009 Appropriation Act.

Each decision package should cost out and justify one budget action. The action proposed in each decision package should be a discrete unit that can be evaluated on its own merit, independently of any other proposals. Under certain circumstances, several strategies or actions may be tightly related and cannot be viewed independently. If so, they may be grouped together in one decision package.

Your agency should submit a decision package for:

- Any action that your agency proposes to take in the 2010-2012 biennium that reflects a net savings of dollars or positions, or that reflects a net cost in dollars or increase in positions;
- Any action that your agency proposes that has a significant policy or budgetary impact;
- Any action that impacts achievement of performance targets relating to key objectives/key measures;
- Proposed changes to language in the 2009 Appropriation Act;
- Any budgetary impact associated with legislative proposals; or,
- Funding any general fund not approved by the Governor or Secretary.

Crosscutting issues for higher education

For institutions of higher education, crosscutting issues (base adequacy funding, faculty salaries, enrollment growth, higher education equipment trust fund, and student financial assistance) will be addressed centrally. If your institution has any unique situations related to these issues, you may submit a separate decision package to address your concerns. All other issues for institutions of higher education should be submitted as separate decision packages including requests to support operation and maintenance of new facilities.

2010-2012 decision package categories

You must identify each decision package by a short descriptive title beginning with a verb (no more than 100 characters long) and a unique package number. Assign the numbers according to the categories below. Here are some guidelines about assigning number categories:

- Use the number series assigned to the category that most closely defines the proposed strategy. Use only one category for each decision package.
- If your agency has more than one decision package within a category, assign the numbers for each decision package sequentially. Start with 300 (or 400, or 500, etc, according to the category) and continue sequentially with 301, 302, etc. within each category.
- For each proposal, be sure to use the same number on the Narrative Justification (Form NJ) and in the WebBEARS data submission (where it is called the “addenda” number).
- Consult your DPB budget analyst if you have questions about which category to use.

OPERATING ADDENDA:

<i>Number Series</i>	<i>Category Definition</i>
001-099	Reserved. DO NOT USE (These may be used at a later date if necessary)
100-199	Required Base Adjustments. This category is for the base adjustments communicated to the agencies by DPB.
200-299	Technical adjustments. This category is for technical or housekeeping adjustments that do not have an overall net general fund budget impact or do not involve policy decisions, such as to shift funds or positions between programs or service areas or to appropriate additional nongeneral fund revenue (such as a federal grant that is more than originally anticipated or will continue for an additional year).
300-349	Emergencies. The request is essential to prevent or eliminate an immediate threat to life, safety, health, or property.
350-399	Mandates. The request is necessary to meet the requirements of a state or federal law or a court order. (Note: The definition of “mandate” is restrictive.) Requirements of state or federal regulations are not considered mandates per se. If a regulation or legislation simply enables or authorizes an activity but does not require it, the activity is not considered a mandate. This category should be used only if there is absolutely no alternative but to fund the request. It is anticipated that very few, if any, requests will fall within this definition.
400-449	Unanticipated and unavoidable cost adjustments. This category is for increases or decreases in your agency’s budget to reflect cost adjustments involving existing services or for adjustments to the rates charged by central service agencies for services used by other state agencies. (Note: This category is NOT for budget proposals involving a change in the scope of services or the way your agency delivers services or does business.)

Number Series	Category Definition
450-499	Salary increases and regrades. Salary increases and regrades. This category is for salary increases due to position regrade/classification. (Note: This category is NOT for statewide salary increases or for new positions).
500-549	Caseload or workload adjustments. This category is for routine changes, either increases or decreases, in your agency's budget to reflect cost adjustments involving changes in workloads or client loads. (Note: This category is NOT for budget proposals involving a change in the scope of services or the way your agency delivers services or does business.)
550-574	New general fund spending initiatives. This category is for proposing new general fund spending initiatives that have not received prior approval from the Governor or Cabinet Secretary.
575-599	New general fund spending initiatives source of funding. This category is for identification of the source of funding for new general fund spending initiatives that have not received prior approval from the Governor or Cabinet Secretary. This should be a negative number and within your current budget.
600-625	Operational efficiencies and service reductions. This category is for cost savings or efficiency measures that your agency proposes to implement or for proposals that produce cost savings by reducing the services or scope of services delivered to your agency's customers. Examples include phasing out or eliminating certain administrative activities or positions, reducing or eliminating discretionary expenses (printing, travel, etc.), or decreasing or eliminating current services.
626-650	Reorganizations. This category is for proposals to transfer a program, service, or activity to another government entity (local, state, or federal), or to privatize. This category is for operational or organizational changes that will result in long-term cost-savings or benefits to the Commonwealth such as consolidating organizational units. This category also is for proposals that involve any agency reorganization that produces a need for additional agency resources (either funds or positions), or involves a policy issue. Examples include creating new organizational units or changing functional program units.
651-675	Restoration of prior budget reductions.
676-699	Reserved. DO NOT USE (These may be used at a later date if necessary)
700-723	Information technology. This category is for proposals for information technology resources, including hardware, software (whether commercial packages or custom-developed), telecommunications equipment or services, and any related consulting, training, or support/maintenance services.
724-724	VITA rate change requests. This category is for requests for funding required by any change in VITA rates charged to agencies.
725-799	Other spending or initiatives. This category is for any other proposals for additional resources that will require new or expanded services.

Number Series	Category Definition
800-824	Position level changes only. This category is for technical changes (increases or decreases) to position levels that have no other impact on appropriated amounts.
825-899	Appropriation Act language only. This category is for proposals to add, delete, or modify language in the Appropriation Act. Proposals in this category should have no impact on the appropriation amounts.

Figuring personal services costs

For new positions, you are required to submit a copy of Form NP, which is an Excel file that will calculate the costs of new positions for you. Form NP already contains the rates in the following table. If you have a request that involves personal services costs other than new positions (such as a job class regrade), you will need to calculate the costs separately using the following rates as appropriate.

Use the following rates to calculate fringe benefit costs for any positions affected by a decision package:

Fringe Benefit Table

Subobject	Benefit Factor ¹	Required Base and Technical Adjustments Annual Cost Factors
1111	VRS Retirement Contributions²	
	<i>State Employees</i>	11.26%
	<i>Virginia Law Officers Retirement (VaLORS)</i>	19.23%
	<i>State Police (SPORS)</i>	25.05%
	<i>Judges (JRS)</i>	39.51%
1112	Social Security³	6.20%
	Capped at \$106,800 for CY 2009.	
1112	Medicare	1.45%
1114	Group Life	0.79%
1115	Annual Employer Health Insurance Premiums	
	<i>COVA Care Single</i>	\$4,476
	<i>COVA Care Dual</i>	\$7,968
	<i>COVA Care Family</i>	\$11,688
	<i>COVA High Deductible Single</i>	\$3,984
	<i>COVA High Deductible Dual</i>	\$7,356
	<i>COVA High Deductible Family</i>	\$10,764
	<i>Kaiser Permanente Single</i>	\$4,368
	<i>Kaiser Permanente Dual</i>	\$7,752
	<i>Kaiser Permanente Family</i>	\$11,388
1116	Retiree Health Insurance Credit Premium	1.00%
1117	VSDP & Long-Term Disability Insurance⁴	1.00%
1118	Teachers Insurance and Annuity⁵	10.40%
1119	Defined Contribution Plan⁶	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.

- **Budgeting for new positions.** The “lag pay plan” passed by the 1997 General Assembly instituted new pay periods and shifted the June 30 pay period to the next fiscal year. For new positions hired at the beginning of the fiscal year, you should

assume that the employee would start work on July 10, the first day of the first full pay period. With this start date, only 22 payrolls would be expensed. For all new positions requested, please indicate in the narrative justification the anticipated hire date, career group, role, and pay band. Discuss why the indicated hiring salary was selected. Describe and justify any start date other than July 10.

- **Other personal and nonpersonal services costs.** If your proposal affects positions, make sure that you account for other personal services costs such as overtime payments, wage employment, and payment of leave balances. Also include any support costs such as office supplies, travel, or equipment needed to support the position(s).

Be sure to detail in the justification the nonpersonal services costs that are included in your request and the methodology for developing your cost estimates. Also note any one-time costs. Submit the **New Position Detail (Form NP)** in the electronic format described in the instructions in Appendix B. Attach any necessary supplemental information. E-mail your submission to budget@dpb.virginia.gov and to your assigned DPB budget analyst. All files submitted (including supplemental information) should be named to include the form number (where applicable), the agency code, and the amendment number to which the files apply.

Language-only decision packages

The starting point for the new biennium is Chapter 781. Language-only decision packages are those that do not affect dollar amounts or positions, but propose a change in the language to the 2009 Appropriation Act, including changes to language in Part 3 (Miscellaneous) and Part 4 (General Provisions).

Language changes to Chapter 781 for 2010-2012 that are technical in nature, such as updating a *Code of Virginia* citation or deleting a completed study requirement, can be handled by contacting your DPB analyst before **August 15, 2009**. For these technical changes, you will not need to make a formal submission.

If your agency proposes a change to the language in the 2009 Appropriation Act and the proposed change does NOT affect dollar amounts or positions, you should submit the "Decision Package Narrative Justification (Form NJ)" to explain the intent of your language decision package and why you are proposing it. Use the 825-899 series when assigning a decision package number to language-only proposals. At the end of the form, insert the affected page(s) of the 2009 Appropriation Act showing proposed deletions marked as a strike-through and additions underlined. Chapter 781 language can be downloaded from the Legislative Information System.

Section 3 - Narrative Justifications

Decision package narratives (Form NJ)

The Narrative Justification (Form NJ) is your main tool to explain and justify your budget request so that decision-makers can consider the merits of funding it. You must prepare a separate narrative justification for each decision package.

You must use the prescribed format for the Decision Package Narrative Justification (Form NJ). You can download the Decision Package Narrative Justification in a Word file from DPB's web site (go to www.dpb.virginia.gov, then click on the "Documents & Forms" link on the blue column at left, then type in "Decision Package" in the Search window). The narrative justification must be submitted to DPB electronically via e-mail.

Why is the Form NJ Important?

Here are some guidelines for submitting this narrative:

- **Quality is important.** The quality of your submission is important. Remember: Decision-makers may have only your narrative justification as a basis for evaluating your agency's proposal. You will need to thoroughly explain what the proposal involves and why the proposal should be funded. Be as thorough and complete as you can. Do not feel constrained by the format for the "Decision Package Narrative Justification." Space is not limited. Feel free to provide all the narrative you think necessary to fully explain each decision package. Be sure to spell check your narrative before submitting.
- **Alignment to Key Objectives/Measures is essential.** Requests for funding should align with achievement/maintenance of key objectives/measures (Institutional Performance Standards for higher education). You should clearly articulate how this request impacts performance. If your request does not align to a key objective/measure you must thoroughly describe the unique circumstances justifying the need for this action.
- **Answer all questions in the required format.** You must respond to all the items in the required format. If an item is not applicable, simply put "N/A."
- **Attach additional information if needed.** Be sure to include with your submission any supplementary documents, background information, or other material you think will support your submission and explain your proposal. If these materials are not available in electronic format, send a hard copy to your DPB budget analyst.

See Appendix A of these instructions for the format of the Decision Package Narrative Justification and specific instructions on filling it out.

Sending the Narrative Justification to DPB

Submit the Narrative Justifications (Forms NJ) in electronic format by **September 1, 2009**. Submit one Form NJ for each decision package you are proposing, using the file-naming convention prescribed in Appendix A. E-mail your submission to [**budget@dpb.virginia.gov**](mailto:budget@dpb.virginia.gov).

Section 4 - The Data Submissions

Preparing and filing the data submissions

The data submission allocates the resources your agency proposes in each decision package among the programs and service areas (subprograms), major objects or subobjects of expenditure, and funds or fund detail affected for each year of the 2010-2012 biennium. The data submission is also due on September 1, 2009. Your data must be submitted using the web-based system WebBEARS.

Prepare the budget data for each decision package using the unique decision package number you have assigned to it as a discrete submission even if the request is distributed among several programs and service areas. Do not combine multiple decision packages or portions of them in your data submission.

Remember, when entering dollars or FTE positions for each proposal, use only the incremental change from your agency's base budget. Do not use replacement amounts.

Specific information about the data submission

Personal services. For all personal services, array your planned expenses for each decision package by subobject detail. You can download the revised Expenditure Structure, dated July 2009, from DPB's web site at <http://dpb.virginia.gov/>. If the decision package includes any adjustments for turnover and vacancy savings, you may use the following designated convenience codes:

1192	Turnover/Vacancy Faculty Salaries
1193	Turnover/Vacancy Fringe Benefits
1194	Turnover/Vacancy Medical/Hospital Insurance
1195	Turnover/Vacancy Classified Salaries

Do not use any other convenience codes for personal services.

Remember to carry out position requests to two decimal places. Also, positions can be assigned only to personal services subobject codes.

Nonpersonal Services. ***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 below. 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.)

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. 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

Fund/fund detail information. Include fund information at the program level by fund group. If your agency normally uses fund detail information, include this level of detail in your submission. (NOTE: This is very important since these changes will be incremented against the fund/fund detail data contained in your agency’s base budget that you submitted earlier this summer. If you enter a negative amount for fund/fund detail record that is not in your agency’s base budget, the decision package will create an overall negative fund amount which your agency will have to correct.)

Make sure the fund detail used for the requested position(s) aligns with its funding source(s).

Changes between fund sources only. If a decision package makes a shift between fund sources (for either dollars or FTEs) and the net effect of the decision package or change is zero, you do not need to enter a detail subobject record.

Balancing the submission. Before submission, make sure that the total dollars and positions for the fund/fund detail at the program level balance to the dollars and FTEs at the subobject level for each decision package. If the decision package contains multiple programs, the same rule applies: Each program must balance for dollars and FTEs at the fund/fund detail and at the subobject level.

Numbering the submissions. Number each individual decision package in sequential order according to its unique decision package number (e.g., decision package number 300, decision package number 301, etc.). Be sure to use the same number you use on the Form NJ for each decision package. See “Decision package categories” in these instructions for details on numbering decision packages.

Submitting the data

Submit your data submission using WebBEARS, through DPB’s web site. (Go to www.dpb.virginia.gov, and then click on the WebBEARS link under “Agency Systems” in the blue column on the left.)

Tips on using WebBEARS:

Most agencies have already obtained a login ID for all staff that will be using the WebBEARS system. If you have not already obtained an ID, you must first complete an “Access Request Form” to provide a login ID and password before using the system for the first time. Simply go to the DPB web site (www.dpb.virginia.gov), click on the WebBEARS link under the “Agency Systems” in the blue column at left then, click on “Access Request Form,” and then fill in the required information. Finally, click the “submit” button.)

Remember to use the drop-down menu on the main screen of WebBEARS to select “2010_DecisionPackage” when you enter your data.

WebBEARS has friendly “Help” screens that guide you through the system. If you have technical questions, please contact your DPB budget analyst.

Remember to click on the “Complete submission” button when you are finished with your WebBEARS entry. WebBEARS automatically sends DPB an email when you complete your data submission and click on the submission button.

Section 5 - Out-Year Costs Not Included in Decision Packages

Section 2.2-1503.1 of the *Code of Virginia* requires that the Governor submit a financial plan to the members of the General Assembly for a prospective period of six years. This plan is to consist of:

1. The Governor’s biennial budget,
2. Estimates of anticipated general fund and nongeneral fund revenues prepared for an additional period of four years, and
3. Estimates of the general fund and nongeneral fund appropriations required for each major program for an additional period of four years.

DPB recognizes that some agencies may anticipate out-year spending increases or decreases that may not be submitted as part of a decision package. For example, a new building or facility may be coming on line in September 2013 for which operating costs are anticipated. Since additional funding for this new facility is not required in the 2010-2012 biennium, no decision package would be submitted.

To capture any anticipated appropriation needs for the 2012-2014 and 2014-2016 biennia for which your agency is not submitting a decision package, you must submit an Out-Year Cost Estimates Form (Form OYF). This Microsoft Excel form should be used to report significant general fund and nongeneral fund appropriation increases or decreases you anticipate for the four years following the 2010-2012 biennium.

State agencies and institutions of higher education should submit Form OYF in an electronic format to DPB.

A WebBEARS submission is not required for those anticipated out-year appropriation adjustments for which you are not submitting a decision package this year.

See Appendix C of these instructions for more on Form OYF.

Section 6 – Rate Adjustments by Central Agencies

As the Governor's introduced budget is developed, it is necessary for central service agencies to inform DPB of any actions they might propose that could impact the operating budgets of other state agencies in the future. Such actions include any changes to the rates imposed upon other state agencies for intra-governmental services such as telecommunications, office space rentals, or insurance premiums. It is imperative that this information be received in time for consideration and possible inclusion within the Governor's introduced budget. **No change to central service agency rates may be requested of JLARC or implemented without the prior notification of DPB and inclusion in the Governor's Executive Budget.**

Central service agencies must notify DPB by *September 1, 2009*, about any planned changes to the rates they will assess other state agencies during the 2010-2012 biennium. This notification must include an explanation justifying the proposed rate adjustment, the service rate currently in effect, the new rate being proposed, the unit of measure for the affected service (e.g., square footage of office space, etc.), the total number of units used by each affected state agency, and the effective date of the rate adjustment. Central service agencies should submit the required information in an electronic format on Form RANJ. However, central agencies do not need to make a WebBEARS submission for these rate adjustments unless the rate adjustment impacts their own base budget. If rate adjustments are approved, DPB will make any adjustments for other individual agencies.

See Appendix D of these instructions for more on Form RANJ.

In addition to completing the Form RANJ, the central agency needs to provide a spreadsheet showing the 2010-2012 impact by fiscal year over existing rates for each affected state agency.

Section 7 - Supplemental Reporting Requirements

Section 2.2-603 (E) of the *Code of Virginia* requires each state agency (all branches of government), other than institutions of higher education, to report on the following information annually:

- **Federal grants.** Listing and general description of any federal contract, grant, or money in excess of \$1,000,000 for which the agency was eligible, whether or not the agency applied for, accepted, and received such contract, grant, or money, and, if not, the reasons for which it did not apply. (**Form FF**)
- **Federal spending.** Dollar amount and corresponding percentage of the agency's total annual operating expenditures that were supplied by funds from the federal government. (**Form FS**)

In addition, Section 4-5.05 c2 of the 2005 Appropriation Act requires all agencies to report on organizational memberships with annual dues of \$5,000 or more. (**Form OM**). (section 4-8.01 exempts institutions of higher education.)

The forms and instructions can be found in Appendix E and on the DPB website <http://dpb.virginia.gov/forms/forms.cfm>. No later than November 1, 2009, e-mail your submission to: budget@dpb.virginia.gov. Send each form as a separate attachment.



Virginia Department of Planning and Budget
Decision Package Narrative Justification (Form NJ)

Section 1: Summary Information

1. Agency name: _____ 2. Agency code: _____
 3. Amendment number: _____ 4. Title: _____
 5. Priority of this amendment: _____

6. Does this amendment impact a key objective or measure (Institutional Performance Standard for Higher Education)? YES NO

If yes, please indicate which objective and/or measure is being impacted and explain the impact.

If no, explain the circumstances that should be taken into consideration as to why this request does not impact a key objective and/or measure (Institutional Performance Standard for Higher Education).

Key Objective: _____

Key Measure: _____

Institutional Performance Standard (higher education ONLY): _____

Justification:

7. Summary of costs and positions

	GF Dollars	NGF Dollars	Personal Services Costs	Nonpersonal Services Costs	GF Positions	NGF Positions
FY 2011						
FY 2012						
FY 2013						
FY 2014						
FY 2015						
FY 2016						

8. Summary of nongeneral fund sources. (For nongeneral fund amounts only, complete the table below):

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

(Insert additional rows as needed)

Explanation of / comments on nongeneral fund sources:

9. Description (Include discussion on need for request and explanation on how this request is inherently governmental):

Section 2: Expected Outcomes (this section optional for technical adjustments)

10. Consequences of not funding:

11. Alternatives considered (must list at least one):

12. What are the expected results to be achieved if this request is funded?

Section 3: Detailed Cost Information (this section optional for technical adjustments)

13. Does the request contain one-time funding? YES NO

Amount and explanation of one-time funding:

14. Does the request contain recurring funding? YES NO

Explanation of recurring funding:

15. Does the request contain funding for the cost of new positions? YES NO

If yes, complete a copy of Form NP (Excel file) and include it with your submission. Enter the totals from the Form NP file in the table below. (Make sure the attached Form NP file is named with your agency code and the amendment number for this request.)

New Positions Request (See Form NP For Details)	GF Dollars	NGF Dollars	GF Positions	NGF Positions
FY 2011				
FY 2012				

Explanation of and methodology used in request for new positions:

16. Does the request contain funding for personal services costs other than new positions? (example: added wage employees or a job class regrade) YES NO

If yes, complete the following table:

Other Personal Services Items	FY 2011 GF	FY 2011 NGF	FY 2012 GF	FY 2012 NGF

(Insert additional rows as needed)

Explanation of and methodology used in other personal services costs request:

17. Does the request contain funding for nonpersonal services? YES NO

If yes, complete the following table:

	FY 2011 GF	FY 2011 NGF	FY 2012 GF	FY 2012 NGF
Contractual Services				
Supplies & Materials				
Transfer Payments				
Continuous Charges				
Property & Improvements				
Equipment				
Plant & Equipment				
Obligations				

Explanation of and methodology used in nonpersonal services request:

Section 4: Other Information and Requirements (this section optional for technical adjustments)

18. Are the proposed services mandated? YES NO

Explanation of mandate:

19. Will new legislation be required as a result of this request? YES NO

Explanation of required legislation:

20. Is Appropriation Act language required as part of this request? YES NO

Explanation of required Appropriation Act language:

Appendix A

Instructions for completing the Decision Package Narrative Justification (Form NJ)

General information

Please use the Word format provided by DPB.

You can download the format for Form NJ from DPB's web site (go to 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 decision package. Please put each narrative justification into a separate document in Microsoft Word. In addition, for each amendment request involving new positions, you must complete the DPB form "NP" position calculator and submit it along with each associated amendment Word document (NJ) form. Form NP is an Excel file that can also be found on the DPB website. As with the Form NJ, a separate form NP Excel file must be submitted for each amendment that involves new positions.

Complete a separate decision package for each information technology project. Information technology procurements may be combined together in one decision package.

For technical adjustments, you must complete Section 1 of Form NJ (the other sections are optional for technical adjustments). For all non-technical amendments, you must complete all the items. If an item is not applicable, insert "N/A." Do not delete any items.

When you save the completed forms, name them according to the following convention: your agency's three-digit code followed by "NJ" followed by the decision package number. Example: If you are agency 999 and you submit three decision packages numbered 300, 400, and 401, the files would be named *999NJ300.doc*, *999NJ400.doc*, and *999NJ401.doc*. When submitting the new position Excel files (Form NP), use the same naming convention (replace "NJ" with "NP"). Example: agency 999 amendment 400 involves new positions. The associated form NP file should be called *999NP400.xls*.

Form NJ Item by Item Instructions:

Section 1: Summary Information

- **Item 1. Agency name:** Type in the agency name.
- **Item 2. Agency code.** Insert your agency's three-digit code.
- **Item 3. Amendment number.** Use the three-digit category number as specified in "amendment categories" section of these instructions. It is important that you use the SAME number here that you do in WebBEARS for the "addenda" number.
- **Item 4. Title.** Insert a short descriptive title (no more than 100 characters long). Remember that your title should begin with an action verb such as "increase," "add," "reduce," "transfer," "shift," "expand," etc.
- **Item 5. Priority.** Insert a number here indicating the priority your agency puts on each decision package, with "1" as most important. (Your agency's most important budget amendment would be numbered "1," next most important, "2," etc. Do not use sub-categories such as "1a" and "1b"). No two amendments should have the same priority number.

- **Item 6. Key objectives and measures (Institutional Performance Standard for Higher Education).** Detail how your request does or does not impact the Governor’s key objectives and measures. *If your request does not impact a “key,” how will the success or failure of the funding be evaluated. Make sure to include any performance measures that will be used to evaluate. This section is required.*
- **Item 7. Summary of costs and positions.** Complete this short table to summarize the overall resources required for the budget request. For each year, show the total general fund dollars, nongeneral fund dollars, personal services dollars, nonpersonal services dollars, and positions. Show negative numbers (reductions) in parentheses. You must cost out your proposal for six years taking into account one-time and start-up costs. Do not make any assumptions about future salary or fringe benefit cost increases. These will be handled centrally.
- **Item 8. Summary of nongeneral fund sources.** For nongeneral fund amounts requested, insert in the table the revenue source code, the fund/fund detail code, the title of the fund/fund detail, and the amount required 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 “Explanation / comments on nongeneral fund sources” the methodology used to calculate the nongeneral fund amounts. *Note: Institutions of higher education should explain the impact on student tuition and fees of any requests for nongeneral fund dollars.*
- **Item 9. Description (including discussion on need for request).** Summarize the actions your agency proposes to take with the requested dollars or position. If the decision package is for language only, explain what the language will allow the agency to do. In addition, provide detailed information to indicate the need for the proposed service. For example, is there a waiting list for services? If so how long is the wait, how many individuals are on the list, what is the average wait time to receive services? Have demographic, weather, or other factors changed the need for the service? Cite quantitative data wherever possible. Make sure to explain why request is inherently governmental.

Section 2: Expected Outcomes

- **Item 10. Consequences of not funding.** Indicate the consequences you expect if your proposal is not approved.
- **Item 11. Alternatives considered.** Indicate any other alternatives you considered for accomplishing the objectives of the request and why you selected the proposed action. Briefly list the pros and cons of each alternative. You must identify at least one alternative.
- **Item 12. What are the expected results to be achieved if this request is funded?** Describe the anticipated results or outcomes that your agency expects to accomplish if the proposal is approved. What issue or problem are you trying to resolve? Indicate how you will measure the success of the effort if this proposal were to be funded, giving the specific results that you expect should this proposal be funded.

Section 3: Detailed Cost Information

- **Item 13. Does the request contain one-time funding?** If the request involves additional funding, put an “X” in the “YES” box to indicate if it represents a one-time need. If the requested expenditures are made up of some one-time and some recurring costs, insert an “X” in the YES box, but be sure to explain and indicate how much of the request is one-time. Explain why you consider the funding to be one-time.

- **Item 14. Does the request contain recurring funding?** If the funding is recurring, put an “X” in the “Yes” box. If yes, indicate and explain whether and why funding requirements in future years will be more or less than the current biennium.
- **Item 15. Does the request contain funding for the cost of new positions?** Put an “X” in the appropriate box to indicate if the amendment includes any personal services dollars involving new full-time (or part-time classified) positions. If yes, complete the separate form “NP” Excel file that can be found on the DPB website (www.dpb.virginia.gov). A separate form NP should be completed for each amendment that involves new full-time or part-time classified positions. Enter the GF and NGF dollar totals from the bottom of Form NP and the total number of positions requested in the table provided. Explain the methodology used in determining the cost and other assumptions in the appropriate block. Also describe how these positions relate to the services to be provided through this proposal (i.e., do these positions provide administrative support or do they deliver direct services?). For wage employees or other personal services cost requests, see Item 17.
- **Item 16. Does the request contain funding for personal services costs other than new positions?** Put an “X” in the appropriate box to indicate if the amendment request includes any personal services dollars that do not involve new full-time or part-time classified employees. For example, if the request includes funding for additional wage employees or a salary increase for a specific group of existing employees, then include the cost in this item. In the table provided, list each separate other personal services request and the associated costs. Explain the methodology used in determining the cost and other assumptions in the appropriate block.
- **Item 17. Does the request contain funding for nonpersonal services?** Put an “X” in the appropriate box to indicate if any nonpersonal services costs are included in the request. If yes, use the table to indicate by major object of expenditure the change in resources your agency is requesting for nonpersonal services. Identify and explain specific expenses such as grants and contracts, operating fixed assets, and debt service. **(Institutions of higher education: Include information to justify any proposed increases in student fees.)**

Section 4: Other Information and Requirements

- **Item 18. Are the proposed services mandated?** Put an “X” in the appropriate box to indicate if the proposed services are 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 service is not mandated if legislation enables or authorizes the service but does not require it.
- **Item 19. Will new legislation be required as a result of this request?** Put an “X” in the appropriate box to indicate if your request requires a legislative proposal to amend the *Code of Virginia*. If so, give the proposal identification number and summarize the proposal. If the legislation has not been submitted to the Governor’s Policy Office to date, when will it be, and where is it now? Indicate why the legislation is essential for the success of the request. If the proposal does not involve any needed legislation, indicate “no.”
- **Item 20. Is Appropriation Act language required as part of this request?** 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 so, please include a detailed explanation of the language changes required.)

Appendix B

Instructions for completing the New Position Detail (Form NP)

You must download the Form NP from the DPB web site in order to utilize the preset formulas.

GENERAL INFORMATION

(All data entry is on the “Position Calculator” sheet, you only need to enter data under items one through six and at the bottom of the sheet (to array the totals by GF and NGF). Do not change any formulas on the sheet, or the costs will not be calculated correctly. You may delete empty rows if you do not need them. In addition, you may insert additional rows; however, you must copy the formulas into the newly inserted rows in order to ensure that the costs are authorized correctly.

Step 1: For each position, enter a position title or other descriptive info.

Step 2: Select the retirement type for each position. (Regular VRS, VaLORS, SPORS, judges’ retirement, or defined contribution.)

Step 3: Indicate whether each individual/position participates in the deferred comp match program (Yes/No option).

Step 4: Enter the annual salary for each position.

Step 5: Select a health premium. The statewide average, or the actual employer premium for single, employee plus one, and family coverage can be selected.

Step 6: Enter the number of pay periods of funding for each year. (See discussion starting on page 7.)

Step 7: For each year, identify the general fund and nongeneral fund share for the totals at the bottom of the spreadsheet. Include these amounts along with the total authorized positions you are requesting in item 16 of the Form NJ Word document for this amendment.

-No further data entry is required. The cost of the positions will be calculated based upon the data you entered. Scroll to the right of the “Position Calculator” sheet to see the calculated cost. Look at the “Benefit Rates” sheet to see the fringe rates used.

Appendix C

DPB Form OYF Out-Year Cost Estimates



Virginia Department of Planning and Budget

		C		D		E		F		G		H		I		J	
A	B	FY 2013		FY 2014		FY 2015		FY 2016		FY 2017		FY 2018		FY 2019		FY 2020	
Agency Code	Title	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Total Out-Year Costs:		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Instructions for completing the Out-Year Cost Estimates (Form OYF)

General information

This form is required **only from agencies** that anticipate an increase or decrease in spending in the out-years (e.g., FY 2013, FY 2014, FY 2015, and FY 2016) that is **not** part of a decision package for the 2010-2012 biennium. An example would be a building or facility scheduled to open in FY 2013 for which additional operating expenses would be required.

Please use the Excel format provided by DPB. You can download the format for Form OYF from DPB's web site (go to 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).

Your agency should complete only one Form OYF for all of the anticipated out-year costs for your agency. Please email the form to DPB at budget@dpb.virginia.gov.

When you save your completed table, name it according to the following convention: your agency's three-digit code followed by "OYF." Example: If you were agency 999, the file would be *999OYF.xls*.

Specific information

- **Column A. Agency code:** Type in the agency's three-digit agency code. Note, you must repeat the agency code in each row for which you have a projected cost item.
- **Column B. Title.** Insert a short title starting with an action verb that describes the item for which you are reporting anticipated out-year costs.
- **Columns C-J.** For each year (FY 2013, FY 2014, FY 2015, FY 2016), record the anticipated costs of the item from the general fund and from nongeneral funds.

Appendix D

2010-2012 Rate Adjustment Narrative Justification (Form RANJ)



Virginia Department of Planning and Budget

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

3. Decision package number: _____ 4. Title: _____

5. Description

6. Objectives/results

7. Consequences of not altering rates

8. Need for request

9. Alternatives considered

10. Service rates currently in effect

11. New service rates being proposed

12. Service rate's unit of measure

13. Total number of units used by each agency

14. Projected Revenues under existing rates					
2011	2012	2013	2014	2015	2016

15. Projected Revenues under proposed rates					
2011	2012	2013	2014	2015	2016

16. Effective date of rate adjustment by agency

17. Is the proposed rate change mandated? YES NO

18. Has JLARC approval been received? YES NO

19. Appropriation Act language needed? YES NO

If YES, please explain and show changes:

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, 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 2009 Appropriation Act showing deletions marked as a strike-through and additions underlined. Chapter 781 language can be downloaded from the Legislative Information System.

Appendix E: Legislative Reporting Forms



Virginia Department of Planning and Budget

Report on Federal Contracts, Grants, or Money

INSTRUCTIONS

The Code of Virginia [§2.2-603\(E\)](#) requires that all agencies (except institutions of higher education) report on the availability of federal contracts, grants, or money in excess of \$1,000,000 that your agency was eligible for in FY 2009. FY 2009 is the state fiscal year that began on July 1, 2008, and ended on June 30, 2009.

Agency name: _____

Agency code: _____

FEDERAL CONTRACTS, GRANTS, OR MONEY

Revenue Code*	CFDA Code*	Short Title	Annual \$ Amount	Yes or No (insert Y or N in the appropriate column)			Reason for Not Applying for, Accepting, or Receiving
				Applied For	Accepted	Received	

* Insert the appropriate Commonwealth revenue source code and the Catalog of Federal Domestic Assistance code.

CONTACT INFORMATION

Name & Title of person completing this form

Phone number

Date



Virginia Department of Planning and Budget
Report on Federal Spending

INSTRUCTIONS

[§2.2-603 \(E\)](#) of the Code of Virginia requires that all agencies (except institutions of higher education) report the percentage of their spending from federal funds. On this form, report your expenditures (not appropriations) from federal sources for FY 2009 along with your total operating expenditures (all funds). FY 2009 is the state fiscal year that started on July 1, 2008, and ended on June 30, 2009.

Agency name: _____ Agency code: _____

FEDERAL SPENDING

Check the appropriate box:

- This agency did not expend any federal funds in FY 2009.
- This agency expended federal funds in FY 2009.

If you check this box, complete the following:

Total agency operating expenditures for FY 2009 \$ _____

Amount of FY 2009 expenditures from federal sources \$ _____

Percent of FY 2009 expenditures from federal sources _____ %

Note: Round percent to one decimal place (Example: 24.6%)

CONTACT INFORMATION

Name & title of person completing form _____
Phone number



Organizational Memberships of State Agencies

INSTRUCTIONS

Section 4-5.05 of the 2009 Appropriation Act, requires agencies to report on organizational memberships with annual dues of \$5,000 or more. (Section 4-8.01 exempts institutions of higher education.)

Your agency is requested to provide this information for organizations in which it will hold membership during the current state fiscal year (FY 2010, which began July 1, 2009, and will end on June 30, 2010). You must provide the name of the organization and the purpose of the membership. This information is needed only for membership dues of \$5,000 or more.

Agency name: _____ Agency code: _____

Name of person completing this form: _____

Organizational memberships during FY 2010

Name of organization	Annual dues	Purpose of agency membership
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		