

Budget Savings Strategy

Overview

The Budget Savings Strategy module provides agencies a venue to propose budget reduction strategies at the direction of the Governor or the Department of Planning and Budget (DPB). In addition to this documentation, DPB may issue policy guidance as needed to formulate these strategies.

Quick Guide

AGENCY ANALYST

1. Mouse over the **Operating Budget** menu item and select **Budget Reduction Strategy** from the resulting menu. Once Budget Reduction Strategy is selected, the Overview tab will appear.

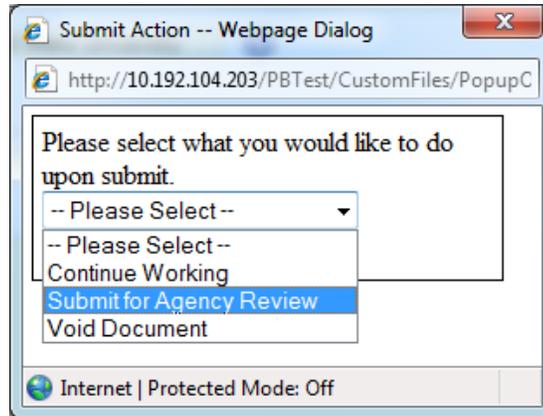
Operating Budget	Capital Budget	Budget
Base Budget Targets		
Base Budget Adjustment Preparation		
Bulk Base Budget Adjustments		
Base Budget		
Base Budget Adjustment		
Technical Adjustment		
Decision Package		
General Assembly Adjustment		
Supplemental Reporting		
Budget Reduction Strategy		

2. Complete the **Overview** tab as described in the Overview Tab instructions below.
3. Complete the **Reductions** tab as described in the Reductions Tab instructions below.
4. Complete the **Narratives** tab as described in the Narratives Tab instructions below.
5. Click **Submit** and select the appropriate action from the available options.



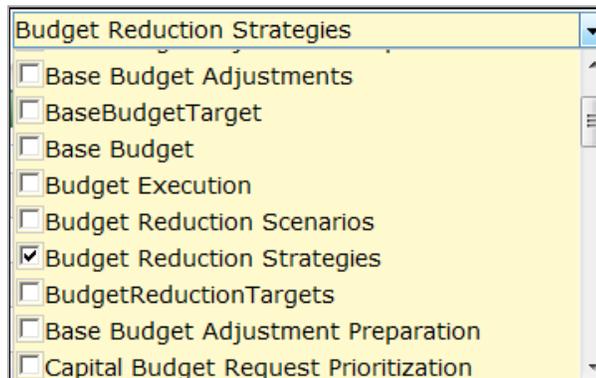
- **Continue Working** – Saves the budget reduction strategy and returns it to the Available Work Items tab on the Work Tray to be claimed by users with similar credentials.

- **Submit for Agency Review** – Submits the budget reduction strategy to the next step in the workflow.
- **Void Document** – Voids the budget reduction strategy.



AGENCY REVIEWER

1. Select **Available Work Items** from the Work Tray.
2. Select the **Document Type** filter and select **Budget Reduction Strategy** to filter on the budget reduction strategies.



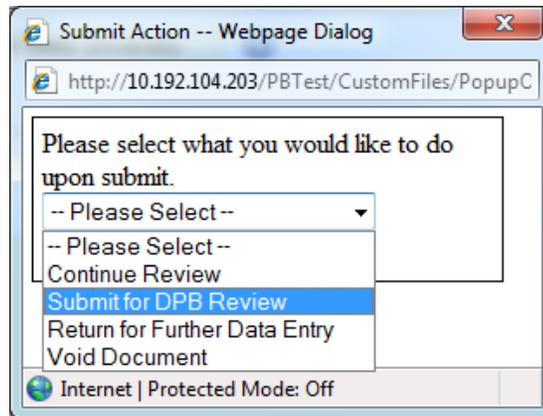
3. Click **Claim** next to a budget reduction strategy that is ready for review. Once budget reduction strategy is claimed, the Overview tab will appear.

Claim

4. Review the **Overview** tab for completeness and accuracy.
5. Select the **Reductions** tab and review it for completeness and accuracy.
6. Select the **Narratives** tab and review it for completeness and accuracy.
7. Click **Submit** and select the appropriate action from the available options.



- **Continue Review** – Saves the budget reduction strategy and returns it to the Available Work Items tab on the Work Tray to be claimed by users with similar credentials.
- **Submit for DPB Review** – Submits the budget reduction strategy to DPB.
- **Return for Further Data Entry** – Returns the budget reduction strategy to the data entry workflow step.
- **Void Document** – Voids the budget reduction strategy.



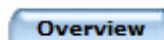
Overview Tab

Overview

The purpose of the Overview tab is to capture the identifying information for the budget reduction strategy.

Instructions

1. Select the **Overview** tab.



2. Select the **Agency** to which the budget reduction strategy will be applied.

3. Select the **Biennium** to which the budget reduction strategy will be applied.

 2010-2012

4. Select the **Version** for the budget reduction strategy.

In any given budget reduction scenario there may be several different versions/rounds, make sure to verify you are using the correct version.

Version 2010-2012 Pass 1 Reductions

5. Enter the **Strategy Title** for the budget reduction strategy.

Insert a short, descriptive title. Remember that your title should begin with a verb such as “increase,” “add,” “reduce,” “transfer,” “shift,” “expand,” etc.

Strategy Title

6. Select the **Category** for the budget reduction strategy.

- **Reduce personnel costs.** This category is for reduction strategies involving personnel that do not involve a reduction in current services. (For strategies that involve a reduction in current service that also include personnel actions, use the “Reduce or eliminate current services” category). Examples include eliminating vacant positions, eliminating or reducing contract or wage employees, employee lay-offs, job sharing, bringing in a new employee at a lower salary (band) than a former incumbent, or turnover and vacancy savings. Keep in mind that turnover and vacancy savings are typically one-time. Savings in this category should take into account salaries and fringe benefit amounts, any related severance costs (WTA), as well as associated nonpersonal service savings.
- **Improved business practices and efficiencies.** This category is for strategies that produce savings by “smarter” operations or more efficient practices, without any reduction in services. Examples include reorganizing or restructuring the agency’s administration or through a reassignment of responsibilities. Another example would be consolidating in one organizational unit work that was previously handled by more than one unit.
- **Reduce discretionary expenses.** This category is for strategies that generate savings as a result of imposing a deferral or reduction in selected discretionary expenses such as travel, equipment purchases, printing, office supplies, subscriptions, memberships, etc. Savings include nonpersonal services costs for the affected discretionary items.
- **Reduce or eliminate current services.** This category is for strategies that generate savings as a result of reducing or eliminating selected current services. Savings would include personal and nonpersonal services costs associated with the

service. (If the proposed strategy reduces services that could be considered “aid to localities or nonstate agencies” or “aid to individuals,” use those categories to describe the strategy.) Any such strategies must include a discussion of how many clients will be impacted.

- **Supplant GF (general fund) with NGF (nongeneral fund) resource.** This category is for strategies that substitute nongeneral fund revenue sources, such as new or increased federal grants, for general fund support. Note there is a separate category dealing with new or increased fees.
- **Reduce aid to localities.** This category is for reduction strategies that involve a reduction or elimination of aid provided to local government entities. Use this category rather than “Reduce or eliminate current services” if the reduction affects aid to locality programs.
- **Reduce or eliminate aid to nonstate entities.** This category is for reduction strategies that involve a reduction or elimination of aid provided to nonstate agencies. Use this category rather than “Reduce or eliminate current services” if the reduction affects aid to nonstate entities. Payments to nonprofit organizations or private businesses are to be considered as aid to nonstate entities.
- **Reduce or eliminate aid to individuals.** This category is for reduction strategies that involve a reduction or elimination of aid provided to individuals. Use this category rather than “Reduce or eliminate current services” if the reduction affects aid to individuals.
- **New fees or change to existing fees.** This category is for substituting user fees for general fund dollars to fund a service or activity.
- **Transfer of NGF operating balances.** This category is used when the strategy proposes using actual or projected year-end nongeneral fund balances in operating programs. Any such approved strategies will result in the transfer of the nongeneral fund cash to the general fund. This type of action is typically one time.
- **GF Pledged Balance.** This category is intended to represent the general fund carryforward amounts pledged by agencies in response to requests by the Governor’s office or DPB.
- **Reversion of capital outlay balances.** This category is used when the strategy proposes using actual or projected balances in general fund capital projects. Any such balances captured will

not be replaced in future budgets. This type of action is typically one-time.

- **General fund revenue producing items.** This category is intended for new actions that will generate general fund revenue.
- **Revenue sharing actions.** This category is for actions that spread revenue across multiple agencies/programs.
- **Reforecast of expenditures.** This category is for actions that reflect an update to previously reported expenditures that result in spending being less than appropriations.

Category

7. Select the **Action Required to Implement** for the budget reduction strategy.

Indicate which of the following best describes the action that needs to take place for the strategy to be implemented.

- Administrative action
- Dollar amendment to appropriation act only
- Budget bill language
- Legislation
- Regulatory change.

Action Required to Implement

8. Select the **Region Impacted** for the budget reduction strategy.

Identify the region of the state that will be affected by the proposed strategy. Select "multiple regions" if one or more regions of the state are impacted.

Region Impacted

Reductions Tab

Overview

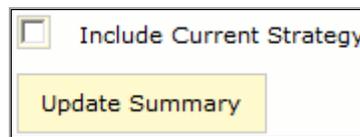
The purpose of the Reductions tab is to allow a user to enter strategy scenarios in the Reductions grid for one or more of the budget reduction scenarios. Also, this tab will display the budget reduction targets and the data for strategies to meet those targets for the selected agency.

Instructions

1. Select the **Reductions** tab.



2. Select the **Filter by Scenario** dropdown and select a scenario to only view information pertaining to a specific scenario.
3. In the Reduction Summary grid, review the predetermined budget reduction targets, for the selected agency. To include the current strategy in the Reduction Summary grid, select the **Include Current Strategy** check box and click the **Update Summary** button when finished entering reduction details.



- **Total Resources** – The total resources for the selected agency.
- **Exempt** – The total predetermined dollars exempt from budget reductions for the selected agency.
- **Discretionary** – The total discretionary spending for the selected agency.
- **Targets to be achieved** – The predetermined target budget reduction for the selected agency.
- **Strategies** – The total budget reduction for the selected agency based upon the current strategies.

A strategy refers to a specific and discrete action to produce budget savings that can be costed out separately.

- **Balance** – The difference between the targets to be achieved and the strategies.

Reduction Summary					
		FY 2011 GF	FY 2011 NGF	FY 2012 GF	FY 2012 NGF
1	Total Resources				
2	Exempt				
3	Discretionary				
4	Target to be achieved				
5	Strategies Proposed				
6	Balance				

Include Current Strategy

Update Summary

4. **Determine how the data is displayed** for the strategy scenario by selecting the **Summary** or **Detail** radio button.

Determine how the data is displayed

Summary

Detail

Simple

- In the select the **Fiscal Year** for the strategy scenario. Check the **One-Time** checkbox if the reduction is one-time rather than ongoing. Consult any policy guidance with respect to one-time savings strategies.
- Select the **Scenario** for which the strategy scenario will be applied.
- Enter the **GF Savings, GF Cost, Resources, NGF Savings, NGF Cost, GF Positions, NGF Positions** and **Layoffs** associated with the implementation of the strategy scenario.

Savings (GF and NGF) should be entered as a positive number.

Costs could include, for example, WTA separation costs or any new equipment needed to generate the savings.

Resources are anything that generates general fund revenue. Examples include: nongeneral fund balances, new fees, capital project balances, etc.

Layoffs are the number of classified employees or faculty that will actually be terminated. Do not include wage or contract employees in this total. This should be a whole number.

Positions should be carried to two decimal places. If elimination of a position will result in a layoff, the layoff would be included as a "layoff." If the strategy is reducing the number of positions, the number should be entered as a negative. If the strategy increases the number of positions, the number should be entered as a positive.

Reductions						
		Fiscal Year	One-time	Scenario	GF Savings	GF Cost
1	 	FY2008	<input checked="" type="checkbox"/>		\$1	\$1

Complex

- In the Reductions grid, select the **Fiscal Year**. Select the **Program**, **Fund** and/or **Subobject** for the strategy scenario.
- Check the **One-Time** check box if the reduction is one-time rather than ongoing.
- Select the **Scenario** for which the strategy scenario will be applied.
- Enter the **Savings, Cost, Positions** and **Layoffs** associated with the implementation of the strategy scenario.

Savings (GF and NGF) should be entered as a positive number.

Costs could include, for example, WTA separation costs or any new equipment needed to generate the savings.

Layoffs are the number of classified employees or faculty that will actually be terminated. Do not include wage or contract employees in this total. This should be a whole number.

Positions should be carried to two decimal places. If elimination of a position will result in a layoff, the layoff would be included as a "layoff." If the strategy is reducing the number of positions, the number should be entered as a negative. If the strategy increases the number of positions, the number should be entered as a positive.

Reductions							
		Fiscal Year	Program	Fund	Subobject	One-time	Scenario
1	 	FY2008				<input checked="" type="checkbox"/>	

- Add rows to the grid as needed by clicking the **Add** button to specify the strategy for multiple scenarios.



Narratives Tab

Overview

The purpose of the Narratives tab is to capture the description for the budget reduction strategy by scenario.

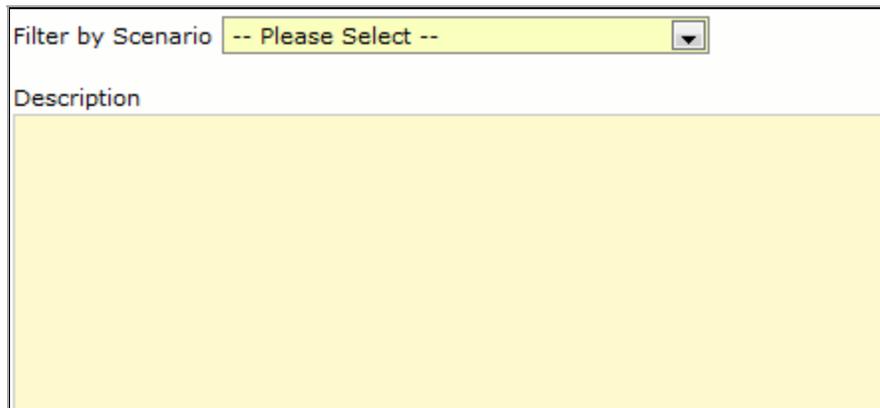
Instructions

1. Select the **Narratives** tab.



2. Using the **Filter by Scenario** dropdown, select a scenario to enter the **Description** for that scenario.

Include a general description of the reduction strategy, which is as specific as possible. In addition, if there are any up-front costs, please include a brief rationale. You must specify what impact each strategy has on clients/citizens/service levels, including, where possible, the number impacted. If this strategy cuts across scenarios, and the dollar savings is different, make sure to fully explain this difference.

A screenshot of a web form. At the top, there is a dropdown menu labeled "Filter by Scenario" with the text "-- Please Select --" and a downward-pointing arrow. Below the dropdown is a large, empty text area with a light yellow background, labeled "Description".

3. If there are multiple scenarios, enter a description for each scenario.

Field Definitions

Field Name	Description
Action Required to Implement	A dropdown field that allows for the selection of the action required to implement.
Agency	A pick list field that allows for the selection of an agency for the budget reduction strategy.

Field Name	Description
Biennium	A dropdown field that allows for the selection of the biennium to which the budget reduction strategy will be applied.
Category	A dropdown field that allows for the selection of a category for the budget reduction strategy.
Complex	A radio button that changes the way the data is displayed in the Reductions grid. Using the complex display, reductions are entered by program, fund and/or subobject savings and cost.
Description	A text field that allows for the entry of a description for a strategy scenario.
Filter by Scenario	A dropdown field that allows for filtering by scenario on the Reductions tab.
Filter by Scenario	A dropdown field that allows for the filtering by scenario on the Reductions tab.
Reduction Summary Grid	A grid that displays the total resources, portion exempt, discretionary spending, target to be achieved, total for current strategies and balance between target to be achieved and strategies for an agency.
Reductions Grid	A grid that allows for the entry of each strategy scenario based upon how the data is displayed: simple or complex.
Region Impacted	A dropdown field that allows for the selection of the region impacted by the budget reduction strategy.
Version	A dropdown field that allows for the selection of the version for the budget reduction strategy.
Simple	A radio button that changes the way the data is displayed in the Reductions grid. Using the simple display, reductions are entered by NGF and GF savings and cost.
Strategy Title	A text field that allows for the entry of a title for the budget reduction strategy.