Instructions for the Submission of Required Base Budget Adjustments

2018-2020 Biennial Budget

Department of Planning and Budget

August 2017

TABLE OF CONTENTS

Overview of Base Budget Adjustments

These instructions provide guidance to address the next step in the preparation of the Governor's introduced budget for the 2018-2020 biennium -- the submission of required base budget adjustments. Submissions are due to DPB by **<u>September 11, 2017.</u>**

Base budget adjustments consist of required changes to your 2018-2020 base budget as identified by DPB. Base budget adjustments include items such as:

- The removal of one-time costs;
- Net zero transfers of dollars or positions;
- The annualization of partial year spending or reductions;
- The shifting of funds or positions between programs;
- The addition of nongeneral fund appropriation to reflect actions already approved administratively;
- The increase in position level to reflect actions already approved administratively; and
- The distribution of Central Appropriation amounts to agency budgets.

DPB has created targets for base budget adjustments and you will use the Base Budget Adjustment module in the Performance Budgeting system to spread these adjustment targets to the appropriate programs, service areas, fund details, and subobjects. In addition, you may also use the Base Budget Adjustment Bulk Submit to DPB module to manage and submit all adjustments to DPB at one time. Instructions for using these modules are included in this package.

The base adjustment targets are embedded within the base adjustment module and can also be found listed on the DPB website at the same place where you downloaded these instructions.

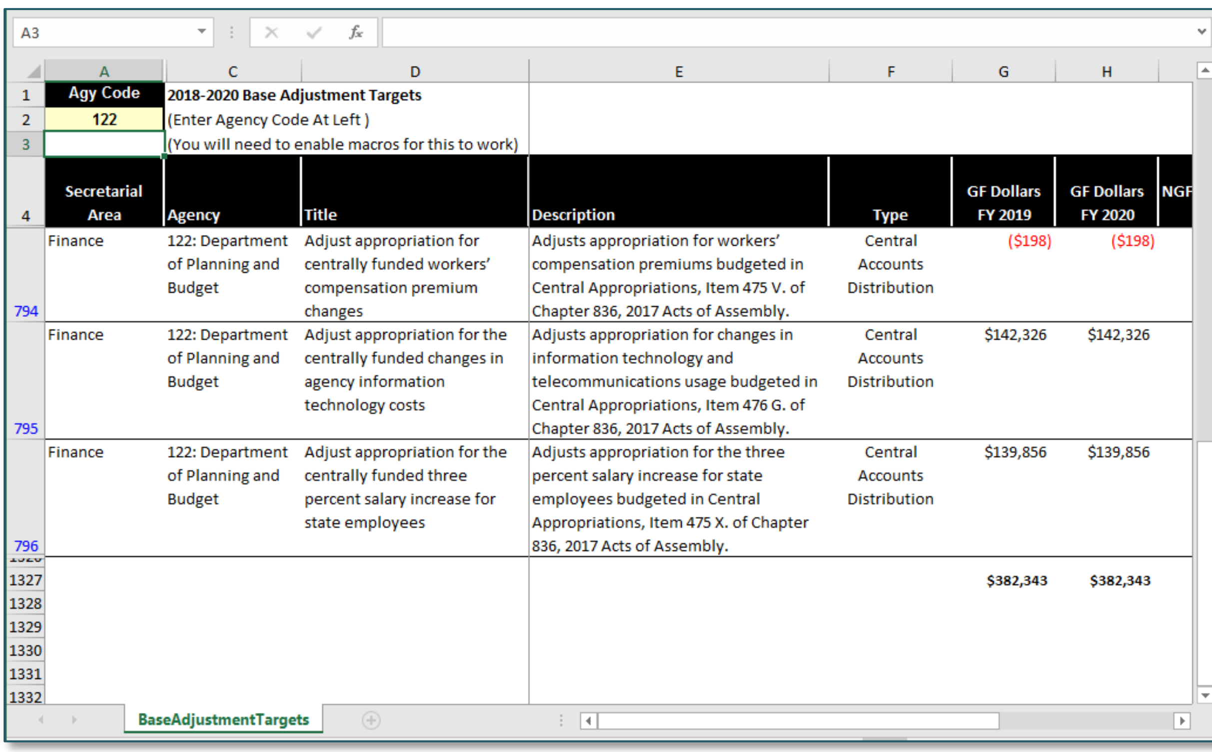
These adjustments will be made against base budgets being created and submitted by agencies. You should make sure your agency's base budget submission is substantially completed prior to spreading base budget adjustment amounts. See the Base Budget instructions on the DPB website for information on that submission.

Obtaining Base Adjustment Targets

The first step prior to beginning your submission is for you to obtain a listing of the base budget adjustment targets created by DPB. You may obtain these targets by downloading an Excel file from the DPB website containing your agency's targets.

Follow these steps to use the Excel targets listing:

1) Download a copy of the Excel file from the same place that you downloaded these instructions (Note: upon the initial release of these instructions, this file may be unavailable. A separate message will be sent when the base adjustment targets have been released.
2) After opening the file, if you see a security warning at the top of the screen or a pop-up security warning, click "Enable Content". This will enable the macros within the file that allow you to see the content.
3) Enter your three-digit agency code in the yellow shaded box under the "Agy Code" heading and click "Enter", "Tab", or arrow out of the shaded cell.
4) The spreadsheet should populate with a listing of the base adjustment targets for which you will need to create individual base budget adjustment submissions.



	A	C	D	E	F	G	H
1	Agy Code	2018-2020 Base Adjustment Targets					
2	122	(Enter Agency Code At Left)					
3		(You will need to enable macros for this to work)					
4	Secretarial Area	Agency	Title	Description	Type	GF Dollars FY 2019	GF Dollars FY 2020
794	Finance	122: Department of Planning and Budget	Adjust appropriation for centrally funded workers' compensation premium changes	Adjusts appropriation for workers' compensation premiums budgeted in Central Appropriations, Item 475 V. of Chapter 836, 2017 Acts of Assembly.	Central Accounts Distribution	($198)	($198)
795	Finance	122: Department of Planning and Budget	Adjust appropriation for the centrally funded changes in agency information technology costs	Adjusts appropriation for changes in information technology and telecommunications usage budgeted in Central Appropriations, Item 476 G. of Chapter 836, 2017 Acts of Assembly.	Central Accounts Distribution	$142,326	$142,326
796	Finance	122: Department of Planning and Budget	Adjust appropriation for the centrally funded three percent salary increase for state employees	Adjusts appropriation for the three percent salary increase for state employees budgeted in Central Appropriations, Item 475 X. of Chapter 836, 2017 Acts of Assembly.	Central Accounts Distribution	$139,856	$139,856
1327						$382,343	$382,343
1328							
1329							
1330							
1331							
1332							

Personal Services

Benefit Rates

If any of your base adjustments involve personal services, you should use the rates included in the table below as applicable.

Sub Object	**Benefit**		*2018-20 Budget Development Rates/Factors*[1]
1111	**VRS Retirement Contributions**		
	State Employees		13.49%
	Virginia Law Officers Retirement (VaLORS)		21.05%
	State Police (SPORS)		28.54%
	Judges (JRS)		41.97%
1112	**Social Security** [2]		6.20% **capped** at $127,200
1112	**Medicare**		1.45%
1114	**Group Life**		1.31%
1115	**Annual Employer Health Insurance Premiums**		
	COVA Care	Single	$7,764
		Employee + One	$13,908
		Family	$20,388
	COVA High Deductible	Single	$6,612
		Employee + One	$12,288
		Family	$17,952
	HealthAware	Single	$7,776
		Employee + One	$14,184
		Family	$20,796
	Kaiser Permanente	Single	$6,648
		Employee + One	$11,796
		Family	$17,232
1116	**Retiree Health Insurance Credit Premium**		**1.18%**
1117	**VSDP & Long-Term Disability Insurance**		0.66%
1118	**Teachers Insurance and Annuity**[3] **Plan 1**		10.40%
1118	**Teachers Insurance and Annuity**[3] **Plan 2**		8.50%
1119	**Defined Contribution Plan**[4]		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

[1] Percentages refer to percent of salaries. Health insurance premiums are the annual employer dollar cost for an individual.

[2] The $127,200 Social Security cap applies to calendar year 2017. Future year caps are unknown at this time.

[3] For institutions of higher education: This includes alternative retirement options, such as TIAA-CREF, for those employees as defined in § 51.1-126 of the Code of Virginia. Plan 1 employees are those employees hired before July 1, 2010. Plan 2 employees were hired after June 30, 2010.

[4] Used for employees eligible for a defined contribution plan established pursuant to § 51.1-126.5 of the Code of Virginia.

Calculating the Cost of Personal Services

While the position planning grid within the Performance Budgeting system is capable of calculating the cost of personal services, it is not recommended that you use this functionality in your base adjustment submission. The PB system is designed to use one set of rates at a time and since this year the base budget module is also being used at the same time as the base adjustment and decision package modules, the rates being used by the Position Planning grid are more appropriate for base budget development.

Instead, it is recommended that personal services cost for this submission be calculated outside of the PB system. A position calculator has been posted on the DPB website in the same place where you downloaded these instructions. This position calculator is a Microsoft Access database that will assist you with calculating personal services costs and will also help you create a file that can be uploaded into the PB system. Instructions for using this calculator and importing the resulting data into the PB system have also been posted on the DPB website.

Nonpersonal Services

For nonpersonal services, you should array any applicable changes by major object of expenditure unless a more detailed subobject detail is desired. You should use the allowable nonpersonal convenience subobject codes listed in the table below if you are arraying these amounts by major object. **No other budgetary convenience subobject codes may be used.**

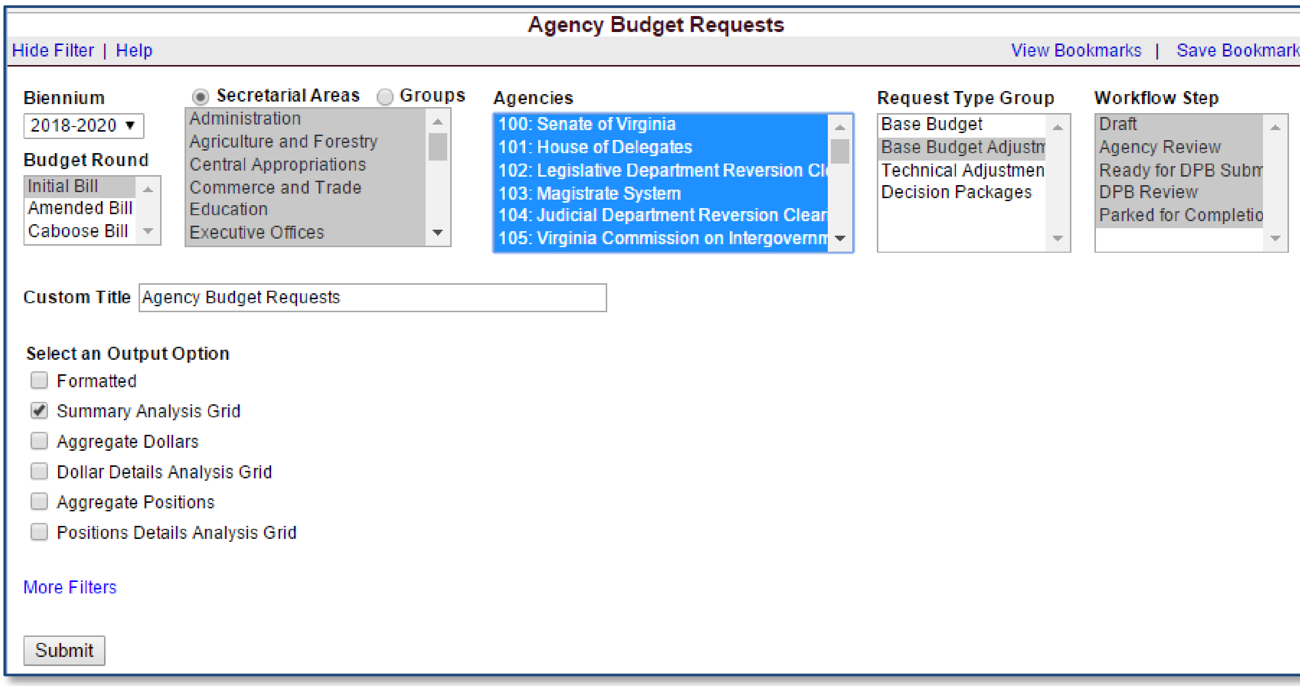
If you choose to array nonpersonal services to a lower level of detail, you may refer to the complete subobject code listing available at the following link: http://bit.ly/2reMZFe.

Allowable Nonpersonal Services Convenience Codes

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

Reports

In addition to the previously mentioned Excel file for obtaining your agency's base budget adjustment targets, you will also be using the multi-purpose BD1.17 - Agency Budget Requests Performance Budgeting system report for viewing base budget adjustment work items that you have already created. This report contains several options that allow you to run detailed reports on requested dollar amounts and authorized positions.



To view information on your base budget adjustment work items in the Performance Budgeting system, choose the "Base Budget Adjustment" selection in the "Request Type Group" filter. Likewise, if you want information regarding your base budget, choose "Base Budget".

Using the BD 1.17 report, you can view base adjustment submissions at different levels of detail including at a summary level which can be viewed by choosing the "Formatted" or "Summary Analysis Grid" output options. In addition, the base adjustment submission can be viewed at various summation levels using the "Aggregate Dollars" or "Aggregate Positions" output options or you can view the raw record details using the "Dollar Details Analysis Grid" or "Position Details Analysis Grid" output options. The "Formatted" option is designed to be exportable to a PDF file but any of the other options can be exported to Excel after the report is run.

The following links provide some common ways that you can run the BD 1.17 report to view your base adjustments. These links will open the BD 1.17 with various options pre-filtered however, you will need to select your agency form the “Agencies” box and click the “Submit” button at the bottom of the report after the report opens.

- Agency Base Adjustments – Formatted
- Agency Base Adjustments - Summary Grid
- Agency Base Adjustments Summed By Program and Fund - Dollar Aggregate
- Agency Base Adjustments Summed By Service Area and Fund - Dollar Aggregate
- Agency Base Adjustments - Positions Summed By Program and Fund
- Agency Base Adjustments - Positions Summed By Service Area and Fund
- Agency Base Adjustments - Dollar Detail Records
- Agency Base Adjustments - Position Detail Records

Base Budget Adjustment Module Instructions Performance Budgeting System

To access the base budget adjustment module, select "Base Budget Adjustment" under the "Operating Budget" menu. This will open an empty base budget adjustment work item. At any time, you may submit or save the work item as indicated in the instructions below. The work item will then be available in the work tray for you and others with the same permissions in the Performance Budgeting System.

If you have any questions of a policy nature, please contact your DPB budget analyst. If you experience technical issues with the Performance Budgeting System, you can use the "Help Request" option on the top menu within the Budgeting application to open a ticket or you can contact the PB Help Desk at PBHelpDesk@vita.virginia.gov.

Base Budget Adjustment Module Quick Guides

AGENCY ANALYST QUICK GUIDE

1. Mouse over the Operating Budget functional area menu item and then mouse over Base Budget Adjustment. From the resulting dropdown menu, select Base Budget Adjustment. The Overview tab will appear.
2. Complete the Overview tab as described in the Overview tab instructions.
3. Complete the Position Planning tab as described in the Position Planning tab instructions.
4. Complete the Budget Detail tab as described in the Budget Detail tab instructions.
5. Click Submit and select the appropriate action from the available options.
   - Continue Working - Saves the base budget adjustment and returns it to the Available Work Items tab on the Work Tray for users with similar credentials to claim.
   - Submit for Agency Review - Submits the base budget adjustment to the next step in the workflow.
   - Void Document - Voids the base budget adjustment.

AGENCY REVIEWER QUICK GUIDE

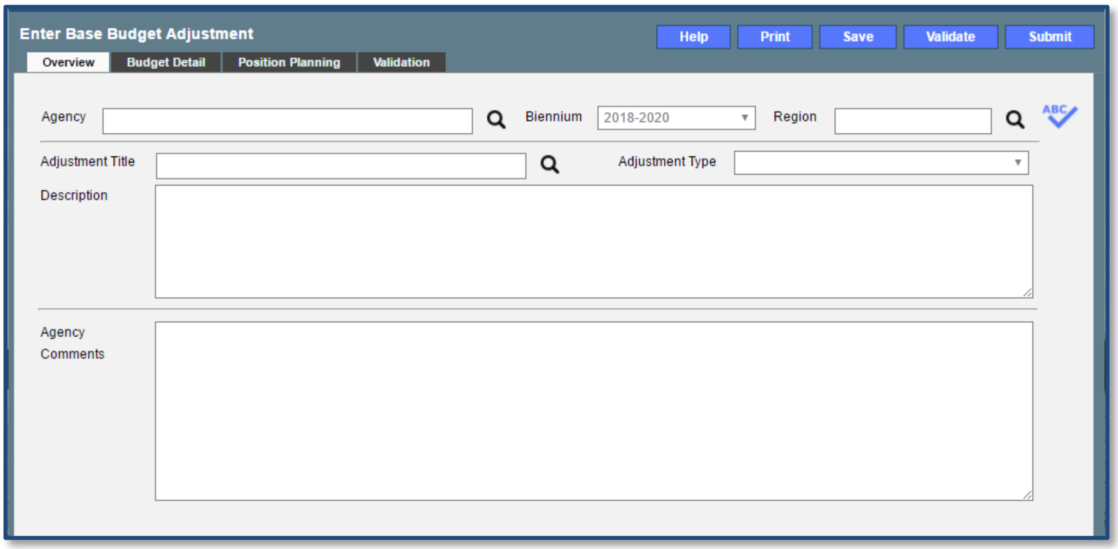
1. Click on Available Work Items from the Work Tray.
2. Select the Document Type filter and select Base Budget Adjustments to filter on the base budget adjustments.
3. Click Claim next to a base budget adjustment that is ready for review. Once the base budget adjustment is claimed, the Overview tab will appear.
4. Review the Overview tab for completeness and accuracy according to the instructions issued by DPB.
5. Click the Budget Detail tab and review for completeness and accuracy according to the instructions issued by DPB.
6. Click the Position Planning tab and review for completeness and accuracy according to the instructions issued by DPB.
7. Click Submit and select the appropriate action from the available options.

- Continue Review - Saves the base budget adjustment and returns it to the Available Work Items tab on the Work Tray for users with similar credentials to claim.
- Submit for DPB Review - Submits the base budget adjustment to DPB.
- Return for Further Data Entry - Returns the base budget adjustment to the data entry workflow step.
- Void Document - Voids the base budget adjustment.

Overview Tab

Overview Tab Overview

The purpose of the **Overview** tab is to select which DPB prepared base budget adjustment to work with. Once a base budget adjustment is selected, the **Overview** tab captures the identifying information for the base budget adjustment and allows a user to select the level at which the budget details will be entered.



Overview Tab Instructions

1. Click on the **Overview** tab.
2. Select the **Agency** to which the base budget adjustment will be applied.
3. Select the **Adjustment Title** from the list of available adjustments prepared by DPB.

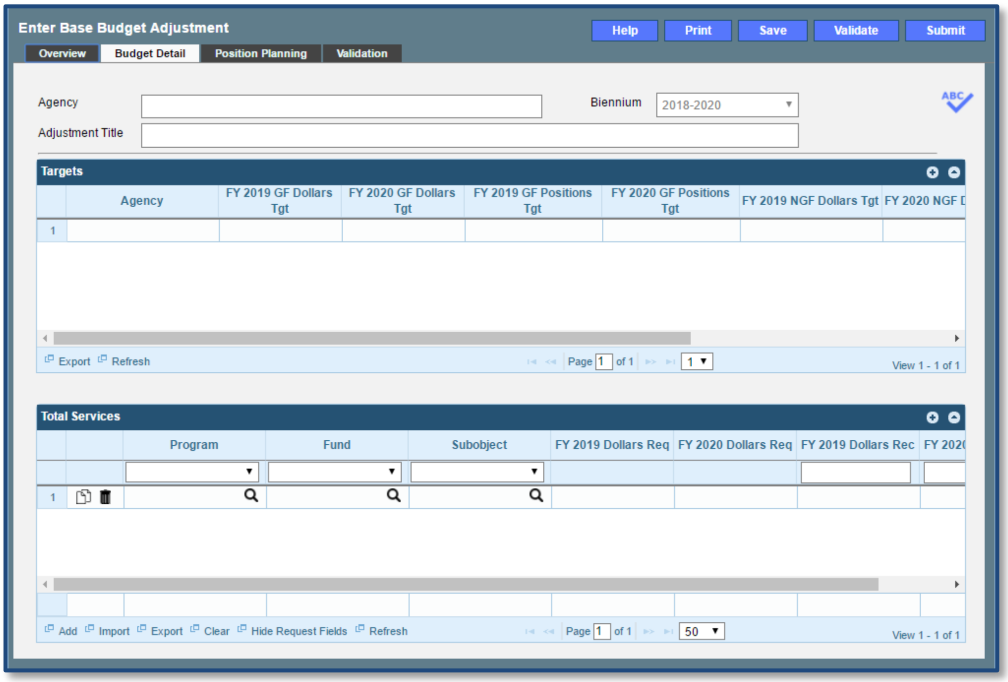
   NOTE: After you have created a Base Budget Adjustment work item, it will no longer appear on the list of available adjustments in this list. Instead, you must access already created Base Budget Adjustment work items in the Performance Budgeting System work tray. In addition, if your agency has only one base adjustment on the list, it will auto-populate the work item with that adjustment.

4. Confirm that the **Biennium** to which the base budget adjustment will be applied is correct.
5. Select the **Region** of the state most impacted by the adjustment. If the adjustment impacts multiple regions, select "Multiple Regions".
6. Read the DPB provided **Description** for the base budget adjustment.
7. Enter any **Agency Comments** for the base budget adjustment.

Budget Detail Tab

Budget Detail Tab Overview

The purpose of the Budget Detail tab is to capture the budget details, line by line, for the base budget adjustment. You will be required to enter the Program, Fund, Subobject, and Year 1 and Year 2 dollars for each line item associated with the base budget adjustment. Note: The Position Planning tab must be used to budget for any authorized positions associated with the base budget adjustment.



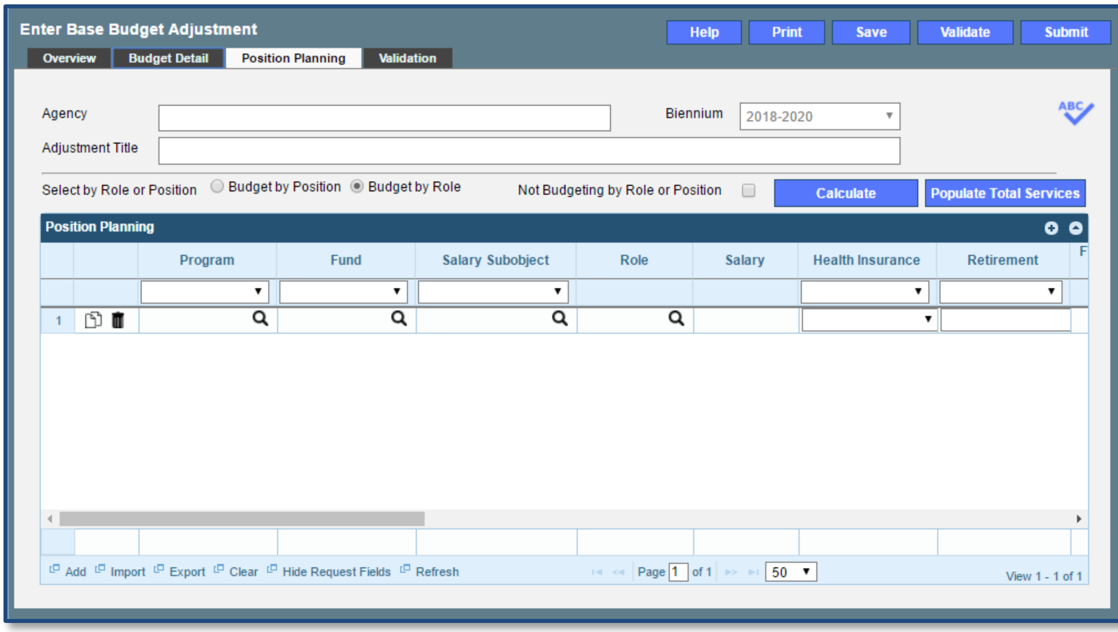
Budget Detail Tab Instructions

1. Click the **Budget Detail** tab.
2. Take note of any DPB targets in the **Targets** grid for the base budget adjustment. The budget details in the **Total Services** grid must match the general Fund and nongeneral Fund targets for dollars and positions for each year of the biennium before the base budget adjustment can be submitted to DPB.
3. Confirm the Personal Services data in the **Total Services** grid if the Position Planning tab was used to budget for positions. If the data is incorrect, return to the Position Planning tab to make corrections and then repopulate the data as described in the Position Planning tab instructions.
4. In the **Total Services** grid, enter the **Program**, **Fund**, and **Subobject** for each line item.
5. Enter the **FY 20XX Dollars** for the line item, where XX represents the first and second years of the biennium.
6. Add rows to the **Total Services** grid as needed to specify multiple budget lines.

Position Planning Tab

Position Planning Tab Overview

The purpose of the **Position Planning** tab is to record the authorized positions associated with a base budget adjustment. As previously indicated in the "Calculating the Cost of Personal Services" section of these instructions, while the position planning grid is capable of calculating the cost of personal services, it is not recommended that you use this functionality in this submission.



Position Planning Tab Instructions

Not Budgeting by Position or Role

Use this option to record authorized positions only in the position planning grid. This is the recommended method for this submission. Use this method in conjunction with the Position Calculator on the DPB website to calculate personal services costs. See the "Calculating the Cost of Personal Services" section of these instructions for more information.

1. Click on the **Position Planning** tab.
2. Check the **Not Budgeting by Position or Role** checkbox.
3. In the **Position Planning** grid, enter the total number of positions for the Agency for both the first year and second years of the biennium in the **FY 20XX Positions** cells.
4. Add rows to the **Position Planning** grid, by clicking the **Add** button in the lower left corner of the grid as needed.
5. Authorized positions can also be uploaded from an .xls file.

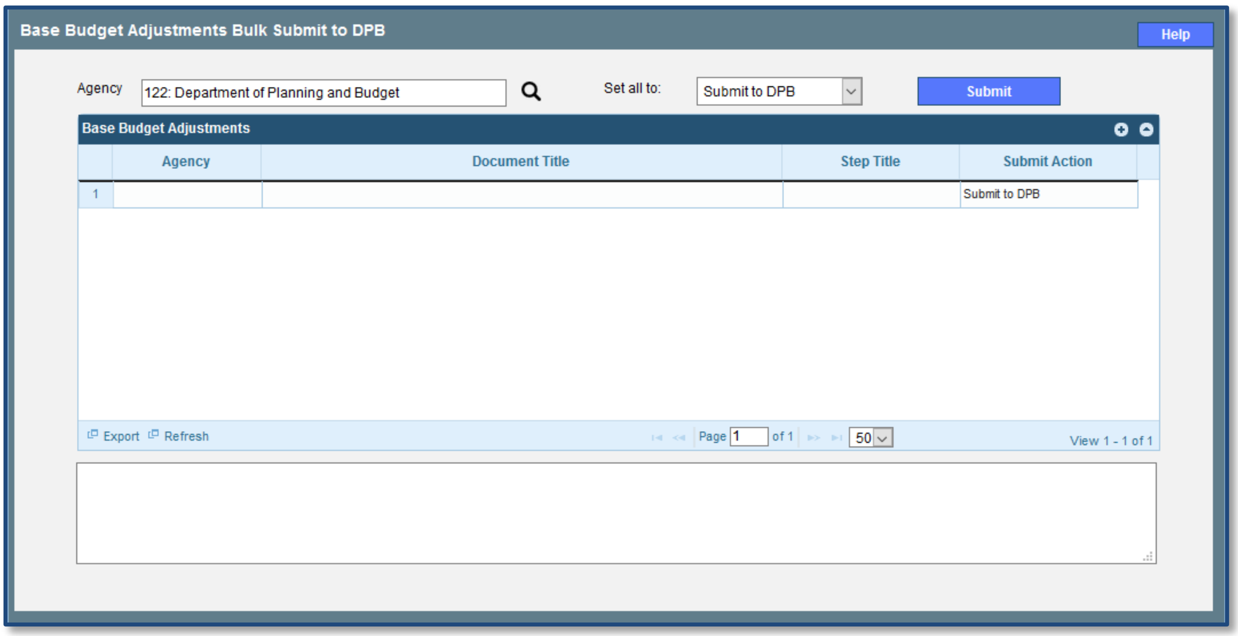
Position Planning by Role / Position Planning by Position

Using the Position Planning grid to calculate Personal Services costs by role or position is <u>not</u> recommended for this submissions. Instead, use the "Not Budgeting by Role or Position" option (above) for authorized positions and the Position Calculator on the DPB website to calculate the dollar costs. See the "Calculating the Cost of Personal Services" section of these instructions for more information.

Base Budget Adjustment Bulk Submit Instructions Performance Budgeting System

Bulk Submit Overview

The purpose of the Base Budget Adjustment Bulk Submit to DPB module is to allow an agency to submit all their base budget adjustments to DPB at once.



Bulk Submit Instructions

1. To ensure that all requests are accounted for, look at the Document Title column to review the base budget adjustments.
2. Confirm that the Step Title and State fields are correct for each of the base budget adjustments.
3. To bulk manage the submit action, click the Set all to dropdown and select the submit action that the requests require: Submit to DPB, Continue Review, or Return to Previous Submitter. If submitting to DPB, all requests must be set to Submit to DPB. The submit actions correspond to the submit actions in the base budget adjustment documentation.
4. Click the Submit button. A message will display in the text box below the submit button to alert you that the submit was successful.