

STATE OF UTAH

FY 2013 AND FY 2012 SUPPLEMENTAL

BUDGET GUIDELINE HIGHLIGHTS

BUILDING BLOCK AND SUPPLEMENTAL FUNDING REQUESTS

All one-time and ongoing requests for state funding above the FY 2013 base provided by GOPB must be ranked together in priority order. Building block requests must include objective, measurable criteria for tracking results and benefits derived from funding the request. Requests for FY 2012 supplemental state funding must be ranked in priority order separately from the FY 2013 building block requests.

LEGISLATION WITH FISCAL IMPACT

The Governor's budget recommendation will include funding for legislation he supports. Thus, any agency supporting legislation that has a fiscal impact must submit a Form 400 or 600 and prioritize the request along with the other building block or supplemental requests. Only legislation that has been reviewed in the budget process will be considered for inclusion in the budget.

DISCONTINUED BUDGET PREP FORMS

It is no longer necessary to complete Form 103 (Mission Statement, Goals/Objectives, and Recent Accomplishments), as that information should already be provided in an annual or other separate report. Form 360 includes performance measures so a separate Form 361 (Performance Measures Inventory) is no longer required. Form 383A (Requested Lease Detail) provides sufficient lease information so Form 383 (Leases) is no longer required.

FEE SCHEDULE CHANGE

The Governor's Office of Planning and Budget (GOPB) is working on an improved procedure for submitting fee schedules and will soon provide guidance on the new procedure. Until then, you need not enter fee information in Budget Prep.

STANDARD FOR BUDGETING REVENUE TRANSFERS

To ensure statewide consistency with how revenue transfers are budgeted, Transfers In and Transfers Out must be shown separately, rather than as one net transfer.

For example, federal guidelines require the Department of Health (DOH) to have in hand matching state funds before it can draw down a federal Medicaid match. Thus, other host agencies operating programs that receive Medicaid funds must first transfer to DOH the state seed money appropriation. DOH, in turn, draws down the federal match and then transfers back to the host agency the combined state seed money and the corresponding federal match.

DOH shows: (1) the seed money from the host agency as a positive Revenue Transfer In, (2) the ensuing federal revenue match as Federal Funds, and (3) the combined federal match and original state seed money transferred back to host agency as an Expenditure Transfer Out.

Host agency shows: (1) the seed money transfer to DOH as a negative Revenue Transfer Out, (2) the combined federal match and original state seed money received back from DOH as a Revenue Transfer In, and (3) the corresponding program costs as Expenditures.

OTHER ITEMS TO BE REVIEWED

GOBP will also analyze increases in FTE, increases/decreases in non-state funds, changes and proposed uses of non-lapsing fund balances, and program performance measures.

BUDGET PREP TRAINING

Budgets for FY 2013 must be submitted using Budget Prep. Mandatory training for new users will be conducted on August 4 and August 31 from 8:00 a.m. to 4:00 p.m. Budget Prep refresher training will be conducted on August 3 from 8:00 to 11:00 a.m. and September 1 from 1:00 to 4:00 p.m. To sign up, please send an e-mail message to Sandra Naegle with your name, department number, and preferred training date.

KEY DUE DATES

Building projects to DFCM	Friday, July 15, 2011
IT budget requests to DTS	Monday, August 15, 2011
Forms 400 and 600 to GOBP	Tuesday, September 6, 2011
Non-state projects to DFCM	Wednesday, September 14, 2011
Capital improvements to DFCM	Wednesday, September 21, 2011
Budget request package to GOBP	Thursday, September 22, 2011
Federal funds summary to GOBP	Monday, September 26, 2011

STATE OF UTAH FY 2013 BUDGET GUIDELINES

PURPOSE AND AUTHORITY

Any entity desiring an appropriation must follow Governor's guidelines.

These guidelines are issued under the authority of and pursuant to Utah Code 63J-1-201(7)(a):

For the purpose of preparing and reporting the budget, the Governor shall require from the proper state officials, including public and higher education officials, all heads of executive and administrative departments and state institutions, bureaus, boards, commissions, and agencies expending or supervising the expenditure of the state monies, and all institutions applying for state monies and appropriations, itemized estimates of revenues and expenditures. The Governor may also require other information under these guidelines and at times as the Governor may direct.

INFORMATION SHARED WITH LEGISLATURE

Financial information shared with the Legislature must be given to GOPB first to ensure consistency.

To ensure consistency and accuracy of data, agencies must provide copies of any financial-related information requested by the Legislature to their GOPB analyst before submitting it to legislative staff. This should occur throughout the year and not just during the budget process. Giving the Legislature incorrect or inconsistent data undermines an agency's credibility and lessens the likelihood that budget requests will be funded.

As methods for calculating financial information have been agreed upon by GOPB and the LFA, agencies should not provide legislative staff or any other group with financial information that is different from GOPB's until it has been reconciled and approved by GOPB.

FY 2013 BASE BUDGET

Budgets should be built on FY 2012 funding levels less one-time appropriations.

The FY 2013 base budget is calculated by starting with the FY 2012 General Fund, Education Fund, Transportation Fund, and restricted funds appropriations and reducing those amounts for one-time appropriations. The FY 2013 base budgets for these funds are shown in Tables 1 through 5. Column *b* shows the FY 2012 one-time appropriations to be subtracted.

Agencies should budget for DAS, DHRM, and DTS services based on anticipated usage levels but use FY 2012 internal service fund (ISF) rates. GOPB will adjust the funding for any FY 2013 ISF rate changes.

NON-STATE FUNDS

Non-state funds will be used for compensation and benefit increases.

Agencies are to reserve a portion of their non-state funds (federal funds, dedicated credits, etc.) to cover compensation and benefit changes. See "Personal Service Increases" section for more information.

No new non-state funded programs without prior approval.

Agencies may not initiate or start participating in non-state funded programs or activities without GOPB approval, as such may obligate or commit the State to eventually spend state funds. Requests to enter into such programs must be made using Form 400, *Request for Increase in Funds for FY 2013 Budget*.

INFLATION

Absorb inflation within base budgets.

Agencies are to absorb inflationary increases within existing budgets. GOPB may budget for such increases through ISF rates adjustments.

INFORMATION TECHNOLOGY REQUESTS

IT requests due to DTS by Aug 15.

Requests for projects involving mostly information technology must be submitted to the Department of Technology Services (DTS) by **August 15**.

CAPITAL DEVELOPMENT - BUILDING PROJECTS

Building project requests not submitted to DFCM will not be included in the Governor's budget.

Agencies requesting state or non-state funded projects must submit a Needs Statement to DFCM by **July 15**. After review, DFCM will forward the statements to GOPB and the Building Board for further analysis. Project requests not submitted to DFCM and the Building Board for review will not be included in the Governor's budget.

FEDERAL FUNDS

Any agency currently receiving or planning to receive federal aid must complete a Federal Funds Request Summary Report, which GOPB will separately send to each agency along with corresponding instructions. Although the report is separate from the budget request package, the amounts should tie to those in Budget Prep. The report must be completed electronically by **September 26**.

High impact federal grants require full legislative approval during session.

Any federal grant application in excess of \$10 million in federal funds or \$1 million in state match or that requires 11 or more additional permanent employees must be approved by the entire Legislature during the general session.

New federal programs may not be implemented without approval.

Agencies may not begin a new program with federal aid without prior approval from GOPB and, when applicable, the Legislature. This precludes any expectation that the State will continue the program or its infrastructure after the grant expires or is reduced.

Agencies may accept or use federal aid only for programs that are consistent with the needs and goals of the State and its citizens and that are not prohibited by the provisions of state law. For more information on accepting federal aid, see 63J-5-101-204 of the *Utah Code*.

All applications for federal aid must be submitted to GOPB for review and approval throughout the year. Submissions will be compared to entries in the Federal Funds Summary Report to assess changes. GOPB will work with the LFA to ensure applications needing legislative action are reviewed by the Executive Appropriations Committee in a timely manner during the interim.

APPROPRIATED LOAN FUNDS

Agencies must submit loan program data.

Any agency that manages a grant or a loan fund should budget for estimated revenue, expenditures, and loan amounts, regardless whether the funds are appropriated or not.

PERSONAL SERVICES

VACANCIES AND TURNOVER SAVINGS

Turnover savings must be budgeted.

Budget and fund only those vacancies that are likely to be filled in FY 2012 and FY 2013. Do not include contingency positions that will only be filled under unusual or unanticipated circumstances. Inclusion of contingency positions could lead to funding reductions by GOPB or the LFA.

GOPB will not recommend positions that are not fully funded.

A vacant position report must be completed and submitted with the FY 2013 budget request. Data for this survey is provided by DHRM and is based on closing information from the previous fiscal year. After completing the survey, complete Form 500 as part of the budget submission.

Agencies should budget for turnover savings in each program to show the amount of money saved when budgeted positions go unfilled or remain under-filled. Turnover savings should be shown as a negative dollar amount in each program's personal services budget.

FTE CALCULATIONS

FY 2012 and FY 2013 full-time equivalent (FTE) employee counts should be comparable to FY 2011. The Division of Finance calculates actual year FTE by dividing total hours paid in FY 2011 by 2,088, which is the number of regular work hours in a year.

Follow standard rules to report FTE counts.

When calculating FTEs for FY 2012 and FY 2013, include all permanent and seasonal positions. A full-time, year-round position is equivalent to 1.0 FTE.

For part-time/year-round positions, divide the annual hours worked by 2,088. An employee budgeted to work 15 hours per week year-round = .374 FTE, or $15 \text{ (hours)} \times 52 \text{ (weeks)} / 2,088$.

For full-time/part-year positions, divide the annual hours worked by 2,088. An employee budgeted for six months at 40 hours per week = .50 FTE, or $40 \text{ (hours)} \times 26 \text{ (weeks)} / 2,088$.

Do not include in FTE counts:

- Board and commission members
- Legislators
- Temporary positions (AJ positions that are nine months or less)
- Contracted positions
- Overtime funded from turnover saving

VEHICLE REQUESTS

Additional vehicles must be requested through the budget process.

An agency wishing to increase the number of vehicles in its fleet must do so by requesting either: (1) intent language via Form 104, (2) non-lapsing spending authority via Form 210, or (3) new ongoing funding via Form 400. Regardless of the funding source, the agency should coordinate with GOPB and the LFA to ensure that the correct number of vehicles is reflected in the LFA's report to the appropriations subcommittee.

PERFORMANCE MEASURES

Performance measures should be aligned with the balanced scorecard.

Agencies are required to provide a list of performance measures for evaluating the effectiveness and efficiency of each program, using Form 360. These should be the same measures used in the program-level balanced scorecard. The LFA will show these performance measures in its budget report.

LEGISLATION

BILLS

Submit all known legislation to GOPB with the budget package.

Agencies must submit a summary of any upcoming legislation on Form 105 by September 22. This includes legislation with and without a fiscal impact and bills proposed by entities outside your agency. The summary will be reviewed by the Governor's senior staff and GOPB. If drafted, a copy of the legislation should be included with the summary.

The Governor's budget recommendations will include funding for legislation he supports. Only legislation that has been reviewed in the budget process will be considered for inclusion in the budget.

INTENT STATEMENTS

Agencies should use Form 104 to request legislative intent statements.

REQUIRED BUDGET FORMS

The required forms are shown in Appendix One. All agencies should use Form 102 to provide a one-page executive summary of the significant cost drivers impacting agency budgets. This form is intended to provide GOPB and the Legislature with a broad understanding of current and future budget concerns and impacts. Responses should not justify building block and/or supplemental requests, but should discuss agency-wide issues that will affect current and future budgets.

DEADLINES

Below is a planning and budget calendar for the FY 2013 budget cycle. Required data are to be submitted on or before the specified due date.

Any task force, commission, or study group that has a request with a fiscal impact must submit it to GOPB, via the appropriate agency, by September 6, 2011.

FY 2013 PLANNING AND BUDGET CALENDAR	
- 2011 -	
July 12	Guidelines Released
July 15	Building Project Need Statements due to DFCM
August 3, 4, 31, and September 1	Budget Prep Beginning Training
August 15	DTS ISF Rate Approval Meeting (proposed changes)
August 15	IT requests due to the Department of Technology Services (DTS)
August 18	DAS, DTS, DHRM, Natural Resources, and Public Ed submit completed ISF forms to Division of Finance for review
August 25	DAS/DHRM ISF Rate Approval Meeting (proposed changes)
August 29	DTS ISF Rate Approval Meeting (proposed changes)
September 1	DAS/DHRM ISF Rate Approval Meeting (proposed changes)
September 6	Preliminary Requests Forms 400 (Bldg. Block) and 600 (Supplemental) Due to GOPB Budget Analyst
September 8	Final ISF Rate Committee Meeting, if needed
September 14	Non-State Funded Capital Developments due to DFCM
September 21	Capital Improvement List due to DFCM
September 22	Final Budget Package Due to GOPB Budget Analyst
September 22	Summary of Upcoming Legislation due
September 22	Performance Measures Inventory due
September 22	Form 102 - Summary of Significant Cost Drivers Affecting Budgets due
September 26	Federal Funds Summary due to GOPB federal funds analyst
October 5	Building Board Hearings on Capital Development Projects
October 26	Building Board Prioritization and Recommendations
Oct. 17 - Oct. 28	Governor's Budget Briefings (tentative dates)
December 1	Last Day for Governmental Entities to File Bills
Mid-December	Governor's Recommendations Released
December 13	Executive Appropriations Committee sets Legislative Priorities
- 2012 -	
January 23	Legislative Session Begins
March 8	Legislative Session Ends