



FY 2023 Budget Development Kickoff Meeting

Office of Management & Budget

August 5, 2021

**RHODE
ISLAND**

Agenda

1. Introduction
2. Budget Submission Timeline
3. FY 2022 Revised Budget
4. FY 2023 Budget Development Process Overview
5. BFM Updates
6. Upcoming Trainings
7. Agency Point of Contact Collection

1. Introduction

2. FY 2023 Budget Timeline

August 5: FY 2023 Budget Process kickoff

August 24: Policy Lab at Brown University data and evidence trainings

August – September: BFM trainings and Office of Management and Budget Office Hours

September: Follow up data and evidence trainings with the Policy Lab at Brown University

Throughout September: Office of Management and Budget office hours

September 24: Small agency budget submissions due

October 1: Large agency budget submissions due (statutory budget submission deadline)

January 20: Governor's Recommended Budget Released

3. FY 2022 Revised Budget

Agencies are expected to operate within the current year budget as enacted, both within the bounds of the individual line items of the prevailing Appropriations Act as well as by agency “bottom-line” funding levels

- Particularly with respect to appropriations of general revenue and the Rhode Island Capital Plan Fund (RICAP)
- Reallocations of appropriated funding between general revenue or RICAP line items of any agency, even if of a “zero-sum” nature, is likewise prohibited
- However, through the use of the BFM base budget form and the Personnel Cost Forecasting module, agencies will maintain the ability to reallocate funding among natural accounts and between line-sequences *within* general revenue line items as necessary
- If an increase to general revenue or RICAP line items in FY 2022 is deemed absolutely crucial to the continuation of effective and efficient agency operations, agencies must submit an FY 2022 Decision Package that clearly explains the underlying causes and programmatic rationale(s) for the increase
- Increases to Federal Funds, Restricted Receipt, and (non-RICAP) Other Funds line items are allowable within the agency budget submission but are subject to review and revision by OMB and the Governor’s Office on a case-by-case basis

4. Budget Development Process Overview

Notable Changes in FY 2023:

- Updated Decision Package template
- BFM Decision Package form will include revenue naturals, which will allow agencies to submit proposals with revenue impacts directly in BFM
- BFM Decision Package form will include outyear impacts, and agencies will be asked to submit estimates for the five-year forecast, when applicable
- Base budget changes may, at agencies' discretion, conveniently be submitted utilizing the Decision Package form in BFM
- Program Operational Review (further detail provided)
- Elimination of the agency Program Impact Statements and federal award catalogue

FY 2023 Budget Development Goals:

- Streamline budget submission while continuing to focus on the use of evidence and data in the development of budget proposals
- Create additional functionalities based on agency feedback that allows agencies to include additional details
- Reduce the number of reports required for budget submission

Program Operational Review Details

New in FY 2023: Agencies will be asked to include in their submission a thorough review of agency operations to ensure that agencies have sufficient resources for efficient operations

- Review should focus on customer facing programs
- Include notable pain points that exist with current resources, and whether additional resources would improve program efficacy in a measurable way, or whether program resources can be reduced because of changes in program volume or business process streamlining
- Format should be a memorandum for the whole agency, or at the discretion of the agency, memoranda by program, from the Agency Director to Governor

In conducting this review, agencies may consider:

- Conducting a LEAN review
- Comparing costs to the public to those of the state
- Collaborating with the DOA Divisions of Information Technology, Purchases, or Human Resources

5. Updated Decision Package Template

The Decision Package form has been redesigned for the FY 2023 budget cycle in order to improve user experience and eliminate non-critical narrative categories, while continuing to emphasize the role of evidence-based budgeting in the Rhode Island budget process

- The goal of the new form is to eliminate problems encountered by agency staff in submitting their narratives through BFM, as well as improve the quality of information that is submitted with Decision Packages
 - Continues to emphasize data and evidence while eliminating cumbersome formatting
- The Decision Package form will be submitted through a Microsoft Word document in order to give agency staff more control over the narrative submission process
- If a proposal requires statutory changes, agencies should submit fully formatted statutory language, as well as a brief memo explaining the statutory changes and corresponding budget/policy implications

Examples of Decision Package forms will be available on the [OMB website](#), and trainings focused specifically on how to write and submit an excellent Decision Package in the new format will be available to agencies throughout the summer months. Templates for formatting statutory changes and corresponding memos available on the website as well.

BFM Decision Package Form: Revenue Naturals

- The Decision Package form in BFM will, for the first time, include revenue natural account codes, which will allow agencies to create Decision Packages with revenue impact in BFM
- The inclusion of revenue natural account codes on the BFM Decision Package form will allow agencies to submit stand-alone revenue generating proposals as well as comprehensive proposals that include both revenue and expenditure components
- In addition to proposing program reductions, agencies may propose mechanisms to increase departmental revenues as part of their budgetary submission.
 - Like revenue fee structure changes, these proposed revenue options should be submitted to the Budget Office for consideration as part of the Agency budget request, through Decision Packages.
- This change will also allow for a more efficient tracking of such proposals across agencies and throughout the budget development process

BFM Decision Package Form: 5 Year Forecast

Outyear forecasts can be included for constrained and unconstrained Decision Packages in the BFM budget form

- If the outyear field is left blank, the Budget Office will assume that the proposal’s outyear impact will remain steady and will apply standard growth rates to estimate outyear costs
- If proposals have unique outyear impacts (for example, if a proposal begins six months into a fiscal year, or there are expected changes in caseload across years, or a proposal is a one-time expense and does not have outyear costs) agencies should include their outyear estimates in the Decision Package form

| 2022 Budget Request* | 2023 Budget Request* | 2024 Budget Request* | 2025 Budget Request* | 2026 Budget Request* | 2027 Budget Request* |
|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| table. | | | | | |
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BFM Base Budget Changes

This year, while base budget changes can continue to be submitted through the BFM Base Budget Form, as has been the case in previous years, agencies will also be able to submit base budget changes utilizing the Decision Package form in BFM

- Base budget change decision package functionality is provided as an optional convenience to agencies that wish to group changes together or provide additional detail in the item description field about a given change
- Agencies should also consider using this form to avoid the practice of submitting identical constrained and unconstrained decision packages
- To submit a base budget decision package, alongside “Constrained” and “Unconstrained,” agencies will now be able to select “Base Budget” in the dropdown menu on BFM Decision Package form
 - Agencies should group base budget changes by program and provide explanations for each shift within the BFM item description field
- Base Budget Change Decision Packages are reflected in the base budget, constrained, and unconstrained agency requests

| Instance ID | Form Definition | Definition Name | Name | Header Organization |
|-------------|-----------------|----------------------------|------|---------------------|
| 10196 | 9430 | Decision Package - Program | test | 03068 |

| | |
|--|--|
| Stage Code:* 9433 OMB Analyst Review | Header Organization: 03068 Office of Management and Budg |
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|--------|--------|--------------|-------------|-------------|
| Header | Budget | Position Tab | Revenue Tab | Attachments |
|--------|--------|--------------|-------------|-------------|

| | |
|------------------------------------|------|
| Name:* Example Decision Package | Save |
|------------------------------------|------|

| | | |
|--|-------------------|---------|
| Item Description: Include brief summary here. | Type: Base Budget | Rank: 0 |
|--|-------------------|---------|

* Budget Article Required:

6. FY 2023: Trainings and Support

In FY 2023, OMB will continue to provide trainings and budget development support to CFOs and other agency staff. **Support components include:**

- BFM trainings
- Weekly OMB office hours
- The Policy Lab at Brown University Trainings. Live training led by The Policy Lab Director David Yokum to dive deeper into sections of the Decision Package template that ask for data and evidence sections, and provide information and tips to help staff understand and utilize these new sections
- Templates and instructions available on the OMB website, [here](#)
- Additional one-on-one assistance from OMB staff upon request

Documents Available on OMB Website

The following FY 2023 budget development documents are available on the OMB website:

- FY 2023 Budget Instructions
- BFM Agency User Guide
- Decision Package Template
- Decision Package Examples
- Planning Values
- Pay Period Tables
- Budget Article Item Formatting Template
- Budget Article Item: Statutory Impact Summary Memo Template
- Revenue Impact Statement Template
- Rhode Island Evidence Scale

[OMB Website Linked Here](#)

Note: FY 2023 Budget Targets as well as the statutorily mandated List of Required Reports form will be emailed to agencies shortly

BFM Trainings

FY 2023 Operating Budget Training Opportunities

- Training Timeline
- Agency Budget Submission Deliverables
- Base Budget (includes Contracts)
- Decision Packages
- Performance Management
- Federal and Restricted Receipts (BR7)
- Departmental Revenues
- Attachments
- Agency Submit Form
- Personnel Cost Forecasting
- Reporting
- Group Training with OMB
 - ✓ MS Teams with Call-in Option
 - ✓ 2 offerings /week
 - ✓ 1.5-hour sessions
 - ✓ Please see schedule on the following page and contact Melanie Oxley to register
- 1:1 Training Sessions / Office Hours
 - ✓ Office Hours: 2 offerings / week
 - ✓ Please contact your agency budget analyst directly to set-up 1:1 trainings

BFM Trainings and Office Hours Schedule

FY 2023 Operating Budget Training and Office Hours Schedule

- Trainings in August:
 - 8/11: 1-2:30pm (*Natural Resources and Transportation*)
 - 8/13: 1-2:30 (*Public Safety*)
 - 8/16: 10:30 – 11am (*General Government*)
 - 8/19: 10:30 – 11am (*Health and Human Services*)
 - 8/24: 9:30 – 11am (*Education*)
 - 8/26: 10 – 11:30 (*Make-up session*)
- Office Hours in September (optional – all agencies):
 - 9/8: 12-2pm
 - 9/10: 12-2pm
 - 9/13: 12-2pm
 - 9/15: 12-2pm
 - 9/21: 12-2pm
 - 9/23: 10:30 – 12:30pm
 - 9/27: 10:30 – 12:30pm
 - 9/29: 12-2pm

7. Agency Point of Contact Collection

Updating CFO and other relevant contacts for the FY 2023 budget cycle

- Agencies should provide the contact for the CFO
 - Agencies may provide other relevant financial or programmatic staff that should be included in FY 2023 budget development communications

[OMB Website Linked Here](#)

Budget Office Contact Update Form

Please use this form to update all contacts, at your agency, who should be on the Budget Office contact lists. Please note that occasionally we send items out to *only* CFOs; otherwise mailings will also be sent to any Additional Financial Contacts that you specify on this form.

Submitted by: _____ Agency: _____
 Title: _____ Phone: _____
 Email: _____

| Official Chief Financial Officer (CFO) | | | |
|--|-------|-------|-------|
| Name | Title | Email | Phone |
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| | | | |
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| Additional Financial Contacts | | | |
| Name | Title | Email | Phone |
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Please submit this form to Melanie Oxley (melanie.oxley@omb.ri.gov)

Questions?

We will spend the remainder of the allocated time answering any questions or concerns you may have about the FY 2023 budget development process.