

FY 2024 Annual Budget Instructions



State of Rhode Island
Office of Management and Budget
August 2022

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Introduction

One of the most important policy functions of state government is the development of the budget. The budget is a plan of expenditure, a statement of values describing the state's priorities, and a plan of operation detailing how the state will use its financial resources to move these priorities forward to meet the needs of the public. The budget must include realistic estimates of all proposed expenditures, proposed means of financing them, and detailed contextual information about new spending and changes to funding levels.

Given the uncertainty with respect to available resources in FY 2024, and consistent with historical practice, this year each agency will make a three-part budget request:

- A current services level base budget request;
- A constrained budget equal to a 5 percent reduction for FY 2024; and,
- An unconstrained budget request including expansionary proposals should additional resources be available.

Constrained budget requests should be reasonable and realistic; budget requests that propose unrealistic or unattainable savings (i.e., “selling the Washington Monument”) may be returned to the agency as incomplete. Ideally, constrained budget proposals should address areas of cost growth or eliminate unnecessary, inefficient or duplicative programs. Further, **if an agency proposes reasonable savings initiatives, OMB will look more favorably on reinvesting some of those savings into its unconstrained budget initiatives. Unconstrained budget requests should be limited in number and meet one or more of the following criteria:**

- Addressing immediate health and safety needs;
- Reducing out-year costs and addressing cost drivers; or,
- Improving the efficiency or outcomes of agency programs, as demonstrated through performance data.

Revised and FY 2024 Budget

This section summarizes changes, discussed in further detail throughout this document, included in the FY 2023 Revised and FY 2024 Budget Instructions.

- This year, Decision Packages will be entered directly into the BFM Decision Package form including evidence-based policy intervention information within the narrative tab of the form. The form has been updated to reflect all required fields. Unlike previous years, no Microsoft Word or PDF template will be provided for Decision Packages. Agencies may submit additional information or data by attaching documents to the Decision Package form within BFM.
- This year, agencies should review and update all performance measures included in their budget submission. Agencies should focus on developing and submitting performance measures for major agency programs and/or initiatives that reflect the agency's highest priorities as well as the Governor's statewide priorities. Additional instructions are included in this document.
- Agencies must submit the BR-3B – Contract Professional Services form which identifies the

number of contract workers and other contracted dollars budgeted in the FY 2023 enacted, FY 2023 revised and FY 2024 budgets. This form should list all purchased services for which funding is requested in the 630000 series of natural accounts. A brief description of the services provided by the vendor should also be provided. Some of these services may also fit the definition of a privatization service, as explained above, and thus will require the additional information outlined in RIGL 37-2.3-4(3).

Budget Timeline

- **August 11:** FY 2024 Budget Process kickoff
- **August – September:** BFM trainings and Budget Office “office hours”
- **September 23:** Small agency (< \$15.0 million all funds budget) budget submissions due
- **September 30:** Agency budget submissions due
- **October – December:** Review of agency budget requests
- **January 19, 2023:** Governor’s Recommended Budget is submitted to General Assembly

Budget System

The FY 2024 Budget will be the sixth budget developed in the budget system known as Budget Formulation and Management (BFM). Separate instructions on using the system are available on the Office of Management and Budget (OMB)/Budget Office website at www.omb.ri.gov. OMB will update these instructions as necessary as new features are added and system changes are made.

FY 2024 Budget Targets

The first phase of the FY 2024 budget process involves the preparation and announcement of budget targets, which each agency should adhere to in the preparation of its upcoming budget. The budget targets formulated by the Budget Office are based upon anticipated growth rates of both statewide and agency-specific cost parameters coupled with preliminary revenue estimates for the ensuing fiscal year. An important feature of the budget target process is that, unlike appropriations, targets are set at the agency-wide level, rather than at the individual program or sub-program level, allowing agency directors and leadership staff to exercise a level of discretion in determining how allocations should be distributed among programs in the budget request. This process encourages agency leadership to make program adjustments that shift resources from low to high priority services.

The Governor has a constitutional mandate to submit a balanced budget to the General Assembly. In order to provide the Governor with a wide variety of options for reducing spending to meet the realities of resource scarcity, agencies will be required to submit both a current services level (CSL, also referred to as the “target base”) budget and a constrained budget based on the targeted reduction funding level provided by the Budget Office.

The current services level budget should be in line with current staffing and operations of the agency (essentially, as shown in the “FY 2024 target base” item on page one of your agency’s target sheet); in other words, the budget needed to continue operating at the same service levels as embedded in the FY 2023 enacted budget.

The constrained budget request should include a package of expenditure reductions which are necessary to achieve the savings target should such cuts be necessary. The Budget Office does *not* welcome agencies to propose revenue initiatives for the purpose of meeting constrained target

savings. However, an agency may include revenue initiatives relating to revenue types which are administered by the agency when they are motivated by a policy objective. Examples of acceptable justifications for revenue initiatives include: revenue impact is incidental to some other policy objective (e.g., change in Medicaid benefits may have indirect impact on revenues collected from healthcare providers); revenue change is necessary to comply with law or regulation (e.g., needed to conform with federal regulation); revenue change is a routine updates (e.g., update to accommodate inflation or cost of providing services); proposed to accomplish a policy objective (e.g., incentivize timely filing of application, simplify rate schedules, bring rates in line with neighboring states). Revenue initiatives will be considered most favorably when they are justified with significant agency analysis which considers factors such as comparable state fees, history of rate increases, policy justifications, cost/benefit analysis, and assessment of the value provided to citizens. Agencies are encouraged to consider the cost of administration when requesting revenue initiatives.

While not specifically requested in recent years, the Budget Office welcomes agencies to submit unconstrained requests that are in line with the highest agency priorities and the Governor's strategic direction. These requests for new programs and expansive funding for existing programs will be viewed most favorably if they represent innovative, data-driven and evidence-based approaches to meet the needs of Rhode Islanders and may be offset by decreases elsewhere in the agency budget. Agencies should minimize the number of unconstrained requests and instead focus developing a small number of well-developed and evidence-supported requests that closely align with the Governor's strategic priorities.

Furthermore, the Budget Office encourages agencies to submit proposals that require additional expenditures – investment - in the budget year but can be definitively shown to decrease agency operating costs in outyears. Such requests should clearly demonstrate, through data and analysis, that investments in FY 2024 would result in savings in FY 2025 or FY 2026.

In this year's budget request, agencies will continue to use Decision Packages to provide detailed narrative information about their most complex expansionary or constrained requests. **Agencies should use Decision Packages to present the different current service level, constrained, and unconstrained funding options available.** This year, the narrative component of Decision Packages will be submitted using only the Decision Package form in BFM. The Decision Package form, updated for the FY 2024 budget development process, now includes additional requests for information that largely mirror the questions included on Microsoft Word and PDF forms used in previous years. Note that this year, the Budget Office will not be providing Decision Package forms outside of BFM.

Less complex changes, low dollar value changes, and simple funding transfers between line items will be detailed in the base budget form, or base budget Decision Packages (explained in detail later in the instructions). Further information about filling out Decision Packages, as well as more detail about the types of changes that are appropriate for the base budget form, base budget Decision Packages, or constrained/unconstrained Decision Packages, is available in the Budget Request Preparation section below.

FY 2023 Revised Budget

Forms for preparing the FY 2023 Revised Budget are located under the BFM toolbar "Budget Formulation."

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). Given recent legislative changes to RI General Laws § 35-3-24 contained

in Article 2, Section 5 of the FY 2020 Appropriations Act, the Budget Office is requiring that all agency budget submissions for FY 2023 revised appropriations remain at or below the enacted level *at the program (i.e. line item) level* for all general revenue and RICAP line items. As a reminder, the *line item* is generally designated by the first 4-digits of the seven-digit appropriation accounts (“line-sequences”) that together comprise an appropriation in Article 1. Although there are some exceptions, as general rule, a line item authorizes the legal boundary for the totality of expenditures from a specific source of funds within a specific budget program.

One exception to this rule is where a discretionary reappropriation (general revenue) has been previously approved by the Governor, an automatic RICAP balance forward from FY 2022 is operative, or language within Article 1 of the FY 2022 Revised Appropriations Act explicitly reappropriates certain funding to FY 2023. However, in no cases shall the requested increase extend beyond the funding afforded by these types of reappropriation.

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 (PCF), agencies will maintain the ability to reallocate funding among natural accounts and between line-sequences *within* general revenue line items as necessary. Effectively, this provides agencies the latitude to realign enacted program financing in recognition of any necessary technical adjustments to the current year expenditure plan and acknowledgement of any *intra-program* surpluses and deficits that are anticipated. However, reallocations of program financing that are clearly not in keeping with the appropriation intent of the General Assembly, while strongly discouraged by OMB, should be set forth in an FY 2023 Decision Package.

If an increase to general revenue or RICAP line items in FY 2023 is deemed absolutely crucial to the continuation of effective and efficient agency operations, agencies must submit an FY 2023 Decision Package that clearly explains the underlying causes and programmatic rationale(s) for the increase. All relevant database modifications should be contained within the Decision Package itself, and not subsumed within the base budget form(s). Although some increases in general revenue appropriations may be needed due to unforeseen circumstances, it is expected that most of these requests will be related to federal funds, few will be related to general revenue, and very few will ultimately be submitted as part of the FY 2023 Supplemental Appropriations Act in January.

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. Unless permissible under current statute, **requests for new restricted receipt accounts will be accepted for FY 2024 only, as these generally require prior legislative authority to establish, pursuant to RIGL § 35-4-22.1(b) and RIGL § 35-4-22.2.**

Brief Outline of Budget Process

The expenditure targets to be used for developing your budget submission will be distributed shortly after these instructions. As in previous years, the Budget Office will again conduct BFM trainings and hold general purpose office hours. These will take place in August and September.

Pursuant to RI General Laws § 35-3-4, all agencies are required to submit budget requests no later than October 1, 2022. OMB is again using a tiered submission schedule for agency budget requests:

- Agencies with total FY 2023 enacted budgets of less than \$15.0 million (all funds) are required to submit their requests no later than **September 23, 2022.**
- Agencies with total FY 2022 enacted budgets of greater than \$15.0 million (all funds) are

required to submit their requests no later than **September 30, 2022**.

Please note that if you do not submit your budget by the assigned submission date, you will not have the opportunity to participate in the October pitch meetings and present your budget to OMB leadership.

Following agency budget submissions, the Budget Office will review agency budget requests for compliance with the Governor's direction, technical accuracy, and adherence to the agency's and the Governor's stated policies and priorities. Agency proposals will need to be brought into balance with the revised estimate of total revenues, as determined by the November Revenue Estimating Conference. Detailed preliminary budget recommendations will then be developed for each program and agency. The key elements considered as part of the development of these recommendations will include program plans and performance measures, information about program evidence base, alignment with policy guidelines and strategic priorities, agency explanations of services through narrative submissions, and any additional information provided by agencies in follow-up meetings and discussions. **It is in your best interest to submit robust, detailed narratives that fully capture your agency's priorities and expected outcomes from your requests.**

RIGL § 35-3-7 requires the submission of both the supplemental budget and the new year budget by the third Thursday in January, or on the first Thursday in February in the year following the election of a new Governor. This year's submission date falls on January 19, 2023.

Budget Request Preparation

Agency budget requests must adhere to the format described below and will only be considered complete if all required documentation and backup information is provided. While some agencies may not require each section as described, the basic format and order of presentation should be followed in the preparation of all budget requests. Incomplete budget submissions will be returned to agency staff upon receipt by the Budget Office. The required documentation, in general order of presentation, includes all of the following:

- Letter of Transmittal*
- Table of Contents*
- Agency Summary Information/Overview (BFM Reports 403 and 103)
- Agency Strategic Plan*
- Department/Agency Budget Tracking Sheets (Reports 150 and 160)
- Revenue Estimates (Report 170N)
- BR-3B Contract Professional Services Form*
- Program Information – FY 2023 Budget
 - Program Narrative (Report 402)
 - Program Summary Financial Data (Report 123)
 - Decision Packages (Report 105)
 - Natural Account Backup Information (Report 151)
 - Federal/Restricted Account Estimates (Report 107)
 - Performance Measures (Report 401)
 - List of Reports*

*created outside of BFM (add as attachment using Form 5400)

Letter of Transmittal

A letter of transmittal from the head of the agency or department must accompany the budget submission. This letter should provide a brief overview of the budget request from the Director's perspective. Letters of transmittal should clearly explain the problems that the agency is facing, provide a high-level overview of proposed solutions/innovations, and advocate for the agency's requested budget. The following guiding questions can be answered in the letter of transmittal:

- How does this budget meet the strategic plan, goals, objectives and policies of the department or agency?
- What major issues are of concern to the Director?
- How are the major issues of concern addressed within the budget proposal?
- What are the Director's top priority requests for the budget cycle?
- How has the agency attempted to meet budget targets creatively through strategic reductions and prioritization of programs?
- How does the agency plan to strategically address the financing gap that may arise when pandemic-associated federal recovery funds are no longer available to support programs? How does the agency plan to wind down or otherwise fund such federally supported programs?

The letter should be addressed to the Governor. The letter should be included in the printed submission and also attached to form 5400 – Agency Submission Attachments (under the Budget Formulation tab).

Agency Summary Information (BFM Reports 103 and 403)

This report provides a summary of the financial data for the entire agency or department. The fiscal information provided in the report includes:

- Total expenditures for each program within the agency.
- Total expenditures for each category of expenditure.
- Totals expenditures for each source of funds.
- Total number of FTE positions funded in the agency.

In this section, in addition to the summary financial data, a general narrative overview of the Department or Agency should be provided as context for OMB, Governor's Office, and Legislature staff analyzing the budget submission. The Agency Narrative page should be updated regularly in BFM and used as the narrative overview page in this section. The following information should also be provided:

- **Agency Description** - This section should include a general description of the agency, its organization, programs, and overall objectives. This section should provide the reader with an understanding of the agency's operations, why the agency exists, what services it provides, and what its priorities are. (This information is entered in the BFM Strategic Planning form and report 403 – Agency Descriptions can be printed for submission.)
- **Agency Expenditure Summary** - The BFM report 103 - Agency Summary Report - BR-1 should be printed to show the total expenditures by source of funds, program, and major category of expense as requested for the budget year, the enacted and revised data for the current fiscal year, and the actual expenditures for the two prior fiscal years.

- **Strategic Plan** – Agencies should include a copy of their most recent strategic plan in their printed submission and attach the plan in the BFM database using the “Agency Submission Attachment” Form 5400, under Budget Formulation. Agency strategic plans should be updated regularly and should include clear, quantifiable goals and information about agency and program performance wherever available.

Revenue Estimates

Agencies responsible for collecting general revenue departmental receipts (e.g. license fees, fines and penalties, etc.) must provide estimates of these revenues for both the current fiscal year and the budget year. All estimates should be based on current law and should not include any proposed changes to fee structures that may have an impact on revenues. If an agency believes current fee structures require review for potential adjustments, a separate analysis should be prepared and submitted with the budget request as a Decision Package.

In order to meet constrained budgetary targets, agencies may, in addition to proposing program reductions, 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’s budget request, through Decision Packages. During the review process, the Budget Office may adjust the revenue estimates put forward based on requests from the Governor.

Report 170N should be used to provide revenue estimates for each existing receipt account for both the FY 2023 revised submission and the FY 2024 submission. Historical receipt data and the adopted estimates for the current fiscal year will be available to each agency in BFM. Again, it is critical that agencies’ revenue estimates are based upon current law and do not include any estimated revenue enhancements. This information will be used to prepare for the November Revenue Estimating Conference and thus must be submitted by the agency budget submission deadline.

BR-3B Contract Professional Services Form

Agencies must submit the BR-3B – Contract Professional Services form which identifies the number of contract employees and other contracted dollars budgeted in the FY 2023 enacted, FY 2023 revised and FY 2024 budgets. This form should list all purchased services for which funding is requested in the 630000 series of natural accounts. A brief description of the services provided by the vendor should also be provided. Some of these services may also fit the definition of a privatization service, as explained above, and thus will require the additional information outlined in RIGL 37-2.3-4(3).

Required Fields:

- Program Title
- Contract Purpose
- Source, Line Sequence Number & Description, Natural Account & Description
- Contract Name
- Description
- FY 2023 Enacted, FY 2023 Revised Request, FY 2024 Request

Program/Subprogram Information

The narrative components of the budget are intended to provide details about agency programs and backup information to support budget requests. The narrative section consists of both program plans and budget specific impacts, including the following principal narrative sections:

- Program Plans - Title, Descriptions, Mission, and Statutory History
 - Presented in Report 402 - Agency and Program Descriptions
- Program Summary Financial Data
 - Presented in Report 123 - Program Summary BR-4
- Agency Decision Packages
 - Presented in Report 105
- Purchased Services and Contract Employee Data
 - Presented in the BR-3B (Excel spreadsheet)
- Natural Account Backup Information
 - Presented in Report 151
- Federal/Restricted Receipt Account Estimates
 - Presented in Report 107
- Performance Measures
 - Presented in Report 401

Instructions for preparing each of these narrative sections in specific are set out below.

Program Plans

The Program Plan provides, in a narrative format, a general overview of each of an agency's programs, including their history, purpose, and performance data. The plan provides an explanation of why the program exists, what its public purpose is, and why funding for the program is and/or should be provided. In BFM, the Program Description report (402) identifies the Program Mission, Program Description, and the Statutory History of the program. Each agency should review existing information auto-populated into these narratives from prior-year budget cycles and make appropriate changes in BFM (refer to section 15 in the BFM instructions). Further information about this narrative component is available in the Program Planning section above.

Program Summary Financial Data

The Program Summary Financial Data report (123) aggregates the line item sequence and natural account data by major category of expenditure (personnel, operating, etc.) and funding source (general revenue, federal, etc.).

Base Budget Form

The agency and program level Base Budget Forms (9200 and 9210) provide the agency with the opportunity to request minor budget adjustments consistent with maintaining current services. The base budget request should reflect the Current Services Level budget target. The Base Budget Form is generally used to present small, less complex requests; base changes might include, for example, the movement of funds between programs or categories, the filling of a previously vacant position

that is included in the enacted FTE cap, or the adjustment of a contract value due to a change in scope of work.

For more complicated base budget changes, which generally would include changes to a line sequence that are more than either \$10,000 or 10% of the line sequence value, whichever is larger, agencies should include additional analysis and contextual information in BFM utilizing the “Justification” field available for each line sequence / natural account row. Note that small shifts may not require detailed narratives but would still benefit from explanation to Budget Office analysts.

In response to agency feedback, the Budget Office has added optional functionality allowing agencies to request base budget changes utilizing the Decision Package form (see next section). The option of using a Base Budget Decision Package as an alternative to the Base Budget Form is offered as an administrative convenience for budget presentation purposes – they are effectively equivalent.

Agency Decision Packages (Form 9230)

Constrained and unconstrained Decision Packages are mechanisms for agencies to describe major requested changes to their budgets. They are used to present large, complex initiatives and proposals that would have a significant impact on the agency/program budget and/or operations.

Constrained and unconstrained Decision Packages are the primary method of entering changes to the agency budget and are used to put forth items that the agency believes will require a Governor-level decision about whether or not to implement. While there is not a specific dollar amount threshold that triggers a constrained or unconstrained Decision Package in all cases, generally, any change request greater than \$200,000 should be included in a constrained or unconstrained Decision Package. Regardless of magnitude, proposals that are highly complex with many moving parts and political considerations, proposals that are intimately related to Governor and/or agency priorities, proposals that would fundamentally change the way an agency operates, and constrained proposals that would have a negative impact on agency operations should all, generally, be presented through a Decision Package. Some high-dollar-value change requests (such as, e.g. a \$1 million salary and benefits increase to annualize a COLA) are not complex enough to require the level of detail included in a constrained or unconstrained Decision Package; conversely, some low-dollar-value change requests (such as, e.g., a \$50,000 proposal to deliver a brand new program related to a Governor priority) would benefit from further expansion through a constrained or unconstrained Decision Package. Agencies should feel free to contact their assigned budget analyst with questions about whether a given change is most appropriate for inclusion within a constrained or unconstrained Decision Package. Together with base budget changes, constrained or unconstrained Decision Packages form the basis for not only the Budget Office’s review of the agency budget, but also that of the House and Senate Fiscal Staffs. As such, it is to the agency’s benefit to provide as thorough and detailed an explanation of each proposed change as possible.

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.

For the FY 2024 budget cycle, Decision Package narratives will be submitted directly into BFM. The Decision Package form within BFM has been redesigned for the FY 2024 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. This year, agencies will not be asked to submit Microsoft Word or PDF Decision Package forms as attachments to the Decision Package form in BFM, as has been the case in previous years. The narrative detail will now be directly inputted into the BFM Decision Package form, which, like the attachable forms from previous years, will continue to include fields requesting detailed information about each agency proposal. The goal of submitting directly into the BFM form is to eliminate the duplication of effort resulting from having Decision Package information provided both within BFM and in a Microsoft Word or PDF attachment. Furthermore, including Decision Package detailed summary and justification information in BFM will allow agencies and the Budget Office to more effectively review proposals alongside the financial and personnel information already submitted directly in the BFM Decision Package form.

Any other supporting documentation is encouraged to be submitted as an attachment to the BFM Decision Package form. For example, for complex initiatives agencies may attach Excel spreadsheets documenting how budget estimates have been calculated with clear assumptions and formula references. Your assigned budget analyst will be following up to review the documentation to assure that the proposal's financial estimates are fully documented and reasonable.

All Decision Packages narratives should focus on presenting supporting evidence and data, as well as anticipated outcomes. For example, a request for additional customer service representatives (CSRs) might include data about the current caseload of CSRs, customer wait times, or provide a comparison of current staffing level relative to peer entities. Additionally, such a request might include estimates of the impact of each additional CSR on caseloads, customer wait times, and peer comparisons. Quality data, evidence, as well as clear and concise analysis will greatly improve the chances that a Decision Package is ultimately included in the Governor's Recommended Budget.

Agencies will also utilize the Evidence Base tab of the form to include information related to any and all Evidence-Based Policy Interventions that would relate to the initiative being proposed .

Every Constrained and Unconstrained Decision Package should include financial information and detailed narrative information, as requested on the form. Note that the same level of detail is not mandatory for a Base Budget Change Decision Package, and the agency should use their discretion in determining what level of documentation is necessary.

This year, agencies will again be asked to input their outyear forecast 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. However, 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 on the Budget tab with supporting narrative information on the Narrative tab. For more information about including an outyear estimate in a Decision Package, please refer to the BFM Agency User Guide or contact your assigned budget analyst.

The Decision Package form in BFM will again 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. This change will also allow for a more efficient tracking of such proposals across agencies and throughout the budget development process. If you have questions about utilizing revenue natural account codes on the Decision Package form, please contact your assigned budget analyst. A separate tab entitled, "Revenue Notes" will allow agencies to input narrative information concerning revenue impacts.

The Decision Package form in BFM will include seven tabs: Header, Budget, Revenue Notes, Position, Narrative, Evidence/Evaluation, and Attachments.

Tab 1. Header; Tab 2. Budget; Tab 3. Position; Tab 4. Revenue Notes: Please utilize these customary tabs to enter specific budget information concerning budget estimates, any new FTE position related requirements for the proposal as well as impacts on revenues. For revenue proposals please utilize Decision Package form 9230 and also refer to the appendix list of BFM forms for further information.

Tab 5. Decision Package Narrative – This year, the Decision Package Narrative tab is split into thirteen different sections: Proposal Overview (Brief), Opportunity Statement, Proposal Details, Future Expected Costs, Relationship to Agency Mission, Timeline for Implementation, Timeline for Outcomes, FTE Details & Requirements, Federal/Other Funds Impact, Interagency Impact, Information Technology Implications, Statutory Implications, and State Comparisons. A short explanation of the questions/prompts included in each of these sections and how best to respond to them follows; please note that further, more information will be available through Budget Office trainings and one-on-one sessions with your budget analyst that will occur in the lead up to budget submission. The below information and guiding questions are intended to quickly introduce the new format to agency staff and serve as a reference when staff are crafting narrative submissions. Short descriptions can also be found within the BFM form itself adjacent to each section.

Decision Package Narrative Field Tab: Detailed Descriptions

- 1. Proposal Overview (Brief):** Please provide a 3-5 sentence brief statement about this initiative. Include the initiative name, the funding requested (by fund source), and the top three most important things to know about the initiative and the problem to which it is responsive. You can choose whether to format this as a list or a paragraph.
- 2. Opportunity Statement:** In this section, clearly explain the problem that exists today and the opportunity that your request aims to capitalize on. The best opportunity statements thoroughly explain, with as much detail as possible: (1) where we are today; (2) where we want to be in the future; and (3) why there is the gap between where we are and where we want to be. The best opportunity statements also quantify key variables wherever possible. For example, describe where the state is today in the absence of the proposed initiative, and if possible, quantify what isn't working as well as desired (consider things such as workload, operational efficiency, service delivery effectiveness, etc.).

Agencies are encouraged to submit strategic constrained submissions that redirect funding away from programs/services that are not evidence-based or not aligned with agency mission. Such strategic reductions can also be combined with expansions, increasing funding for an agency priority in order to allow for cost-cutting on layers of bureaucracy or lower-priority program areas.

For constrained proposals that are submitted to meet the target reduction amount but are not related to strategic prioritization, you should use this section to describe why you have put

forward this proposed reduction rather than any of the many other reductions that might have been available to your agency in order to meet your target budget.

- 3. Proposal Details:** You should use this section to provide a detailed description of the initiative that you are proposing to respond to a problem/issue (see #2 above for instructions for the opportunity statement for the problem/issue narrative component). Your narrative in this section should clearly explain how your proposed initiative will close the gap between the current state and desired future state. In this section, the agency should describe the expected result. The agency should describe and, to the extent possible, quantify, where you want to be in an improved future state. What specifically will work better in this future state? What outcome do you expect to achieve with full funding of this request? What other impacts might be relevant for the Budget Office to consider when analyzing this request and for the Governor when considering this request? It should be as thorough and detailed as possible, aiming to preemptively respond to all follow-up questions that you envision Governor's Office or legislative staff asking. It should not restate your narrative in the "Proposal Overview" section; rather, it should expand upon that narrative with additional details, quantifying key variables wherever possible.

If not readily apparent, please attach an excel file under the attachments tab showing how the budget for this initiative was calculated. Please clearly label the headings and display all assumptions and formulas so that calculations can be understood. Your assigned budget analyst will be reaching out to review the file following submission.

For unconstrained requests, the following questions can help to guide your narrative: What new initiative are you proposing? How will your proposed initiative address the above-described problem? Why do you believe that this is the best possible solution to the above-described problem? What outcomes do you anticipate seeing from implementation of this initiative? What solutions to the identified problem have already been attempted using existing resources? What were the results of those previous attempted solutions? For human services programs: What target population do you anticipate serving? How many people do you expect to serve?

Your narrative for constrained submissions will, necessarily, be different than the narrative that you would submit for unconstrained requests and should clearly explain why your agency has chosen to propose this cut over other potential reduction items and detail the expected impact of the reduction on agency mission, goals, and operations. For reductions that are intended to realign spending with your agency's strategic priorities or direct funding away from low-performing programs, use this section to identify specific activities/functions/programs that will be subject to reduction or elimination, how you identified these for reduction, and the outcome that you expect that this reduction will lead to at your agency. The following guiding questions can be instructive in helping you to shape this narrative: What specific activities, functions, or programs will the agency reduce, eliminate, or shift the funding source for? How were these activities identified for inclusion in the constrained submission? Do other existing programs in your agency or other state agencies address the program's goals/mission? Could these be redeployed or leveraged as partners to meet this need, in the absence of funding for this particular program/service? Who will be affected by this reduction - what are the anticipated outcomes from the proposal?

For constrained proposals that are submitted to meet the target reduction amount but are not

related to strategic prioritization, you should use this space to provide more details about the reduction as applicable and to describe the adverse impacts that you expect to result from the reduction. You should make sure that you clearly articulate the harm that you expect this reduction to cause for agency staff, agency mission, and/or citizens who receive agency services. You should also detail any available strategies that could mitigate the adverse effects that you expect to result from the reduction. You should explain how your agency and the relevant program/department will continue to meet goals and deliver services if this cut is approved services. You should also detail any available strategies that could mitigate the adverse effects that you expect to result from the reduction. You should explain how your agency and the relevant program/department will continue to meet goals and deliver services if this cut is approved

This narrative is your opportunity to advocate for your proposal. The more information that you include in your submission, the better equipped your analyst will be to accurately describe the problem that the agency is facing and your corresponding request.

4. **Future Expected Costs:** In this section, provide a brief overview of how initiative costs are expected to increase or decrease in future years consistent with how you will fill out the Budget tab detailing projected costs for the next five fiscal years. If costs are expected to change over time, be sure to explain why that is expected to occur. If the initiative is time-limited or has a defined sunset date, note that here and explain why.
5. **Relationship to Agency Mission:** Discuss how any expansion request relates to the agency's mission and goals and how it will influence key performance indicators. Identify connections to the agency's strategic plan as necessary. This section should also describe how the request relates to the Governor's agenda.
6. **Timeline for Implementation:** In this section, you should describe how long the initiative will take to implement and by what date it will be fully implemented. If the initiative will not be shovel-ready on July 1, explain how the agency budget has been adjusted to reflect the requisite ramp-up period for the initiative. Additionally, this section should describe when, following implementation, meaningful change resulting from the initiative is expected. For example, the completion of a proposed training initiative, return on capital investment, or attainment of program targets. If long-term savings are expected to result from this initiative, make a note of total savings that are expected on an annual basis and when you expect these to begin.
7. **Timeline for Outcomes:** Describe when, following implementation, you expect to see meaningful change resulting from the initiative (example: completion of a proposed training initiative, return on capital investment, attainment of program targets, etc.)? If you expect long-term savings to result from this initiative, make a note of total savings that you expect on an annual basis and when you expect these to begin.
8. **FTE Details & Requirements:** For initiatives proposing expansion or contraction of current programs, provide details here about how many FTEs currently work on the program and the total cost of salaries and benefits for those FTEs. For all initiative types, if the proposal would require the elimination of existing FTE positions or the hiring of new FTEs, provide a detailed overview of how the initiative would impact FTE levels. Be sure to include the titles or

anticipated titles and total salary and benefits costs for impacted staff or proposed new staff in your narrative here. If this proposal would not impact agency FTE levels and/or does not involve an existing program, simply include the following narrative: *This proposal would not have an impact on FTE levels.*

9. **Federal/Other Funds Impact:** Describe what impact this proposal would have on federal or any other fund sources including restricted receipts. For example, whether this initiative utilizes federal funds or if general revenue is required in order to access federal funds / avoid the loss of federal match. Other potential impacts could involve indirect restricted receipt funding increases stemming from an increase in federal grant funding. A separate tab on the Decision Package form is available for revenue source impacts.
10. **Interagency Impact:** Describe any anticipated impact the requested change in your agency budget may have on other agencies in state government. For example, if an agency proposes to close a residential center, the clients could spill over into another agencies' caseload. Note whether the other agency has been made aware of this proposal and whether the impact on the other agency will be included in their analysis. If the proposal is likely to have an impact on another agency but that impact is not quantifiable, you should also note that here. If this initiative will not have an interagency impact, simply include the following narrative: *This initiative will not impact any other agencies.*
11. **Information Technology Needs:** If the proposal requires an information technology component or change this section should provide an overview of that component or change including if and how you expect it to impact the DoIT ISF. Any estimates regarding cost components and timeframes should be provided. These include IT projects or projects where there is an IT component, regardless of funding source. IT is the application of computers and telecommunications equipment to store, retrieve, transmit and manipulate data. If this initiative will not impact information technology, simply include the following narrative: *This initiative will not impact information technology.*
12. **Statutory Implications:** For initiatives that will require a budget article item to be implemented, agencies should identify the impacted statute and include an attachment with fully formatted proposed new statutory language to accompany this Decision Package form, and a Statutory Impact Summary Memo, which describes the technical changes to the law as well as the budget and policy implications of those changes. If an article will not be required, simply include the following narrative: *This initiative will not require a budget article.*
13. **State Comparisons:** In this section, please describe how Rhode Island would compare to neighboring state or other relevant states/jurisdictions if this initiative were implemented. Please include specific details and note areas in which a direct state comparison is not fully possible or differences between Rhode Island and the other states being compared that must be known and considered in this evaluation. You could also include national rankings produced by third party sources if available.

Decision Package Performance Measurement and Evidence Base and Evaluation Field Tab: Detailed Descriptions

- 1. Anticipated Outcome/Impacts** – In this section, the agency should describe the expected result of the proposal and how it advances the agency’s mission. The agency should describe and, to the extent possible, quantify, how this proposal improves the efficiency or outcomes of a process or program. What specifically will work better in this future state? What outcome do you expect to achieve with full funding of this request? What other impacts might be relevant for the Budget Office to consider when analyzing this request and for the Governor when considering this request?

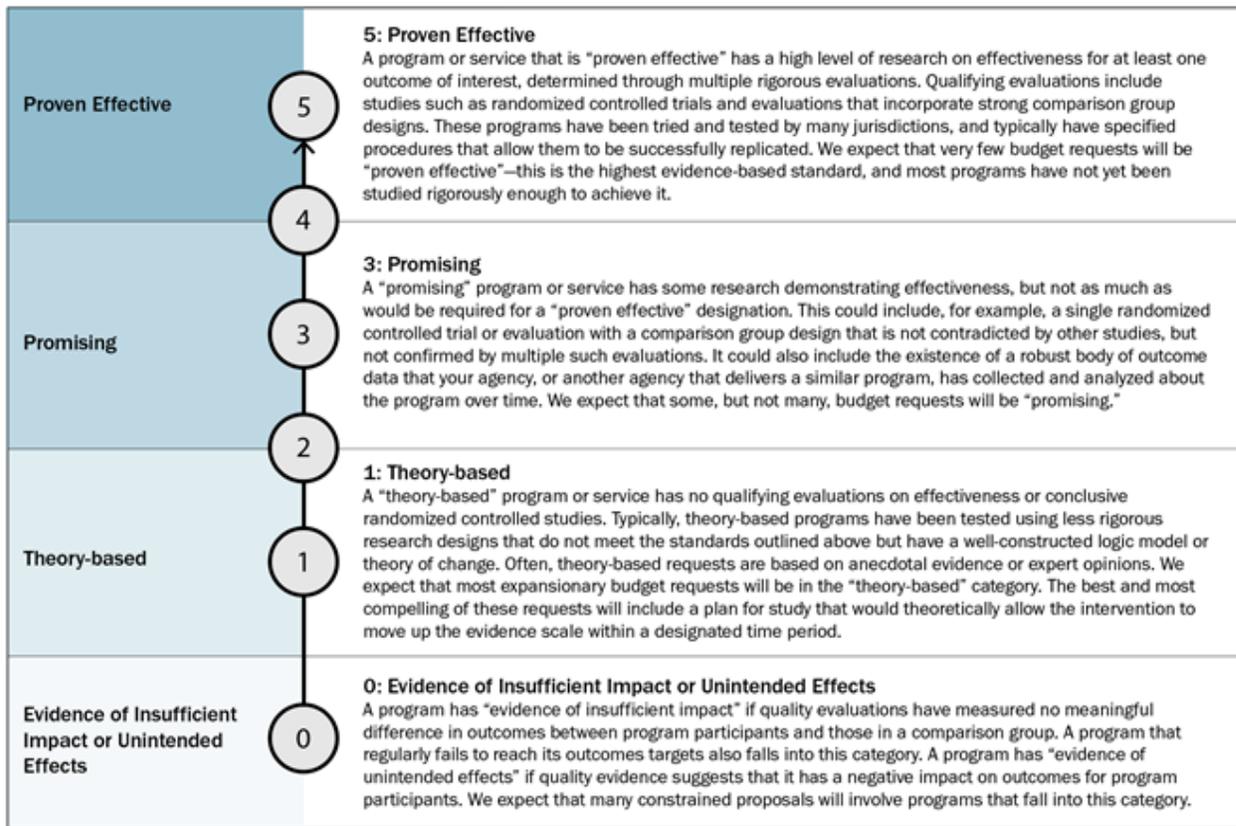
This section should also describe your agency’s plans to evaluate this initiative in the future if your request is approved. Your narrative should include the specific metrics that you plan to track, the methods you plan to use to evaluate the initiative, and the types of data that you will collect. You should explain why and how you’ve arrived at this evaluation plan. You should also quantify what success looks like for this initiative, based on the metrics that you plan to track.

- 2. Existing Performance Data:** For Unconstrained – Expansion, Constrained – Adjustment, and Constrained – Elimination Initiatives: Describe the data that currently exists for this initiative and your agency’s approach to performance measurement and evaluation of the initiative. If you don’t collect any performance data on this initiative, you should explain why data is not available. If you do collect performance data, your narrative should include details about the types of data collected and the sources of that data, note the specific metrics that are tracked for the initiative, and, wherever possible, report the metrics for the last three fiscal years. If you’ve used the data to make programmatic changes in the past, you should include details about that. Your narrative should make clear whether or not the available data indicates that this initiative has been successful in reaching its goals.

For Unconstrained – New Initiatives: Simply include the following narrative: This is a request for a new initiative about which the agency does not currently collect any data.

- 3. Evidence Ranking: [0]/[1]/[2]/[3]/[4]/[5]:** Please rank the proposed initiative’s current level of evidentiary support on a scale from 0-5, based on the RI Evidence Scale, with one being the least evidentiary support and five being the most evidentiary support. You can use tools like the Pew Results First Clearinghouse and the Social Programs That Work database to determine whether the type of initiative that you are proposing has been rigorously evaluated in other jurisdictions. The Office of Management & Budget understands that the majority of agency requests will likely not be in the top evidence tiers at the point of submission, and you should certainly feel free to submit requests that are “theory-based” on the scale rather than “promising” or “proven effective.” Please note that “theory-based” submissions should include a robust and compelling measurement and evaluation plan in the Performance Measurement section.

The Rhode Island Evidence Scale



4. **Description of Evidence Base:** Describe the justification for your evidence scale ranking. What evidence exists that makes you think that the proposed initiative will work? Where is there uncertainty of effectiveness? It is helpful to include citations, links, or attachments of the evidence source(s) that you draw on in making this assessment. The Results First Clearinghouse Database includes evidence evaluations of more than 3,000 programs and is available at <https://evidence2impact.psu.edu/evidence-to-impact-4-cores/research-translation-platform/results-first-resources/clearing-house-database/>
5. **Forward-Looking Evaluation Opportunities:** For Unconstrained – New, Unconstrained – Expansion, and Constrained – Adjustment Initiatives: Describe your agency’s plans to evaluate this initiative in the future if your request is approved. Your narrative should include the specific metrics that you plan to track, the methods you plan to use to evaluate the initiative, and the types of data that you will collect. You should explain why and how you’ve arrived at this evaluation plan. You should also quantify what success looks like for this initiative, based on the metrics that you plan to track. If this initiative is ranked as a 3 or lower on the Rhode Island Evidence Scale, your narrative here should explain how the data that you will collect will enable you to build the base of evidentiary support for this initiative.

For Constrained – Elimination Initiatives: Simply include the following narrative: This is a constrained request for elimination of a program; future performance measurement and program evaluation will not be required.

Natural Account Code Detail/Backup Information

Some natural account codes by their nature or by the level of funding requested often require additional explanation. These justifications will be entered in BFM as agency budgets are updated. It is important to note that agencies should not submit expenditure code detail pages for each account - this data is available to the Budget Office and Legislative Fiscal Office staffs in the budget database - but that all consultant/contracted professional services naturals (630000s) should have backup detail. Report 151 lists all justifications for changes made to any line sequence in the budget. If you have any additional questions about the proper way to complete the template, or the information required, please contact your assigned Budget Analyst. This template should be uploaded directly into BFM by agency fiscal staff.

As a general rule, if a natural account is increasing or decreasing by more than 20 percent from the enacted FY 2022 budget, or if a particular natural account has a significant amount of funding in comparison to others within the same account, some explanation will benefit the reader of the budget request. This information should be included in the natural account justification. Agencies should use their best judgment to determine if a natural account warrants further justification within BFM. One general guideline: you can never provide too much backup information. The more information that you provide, the more equipped your assigned analyst will be to thoughtfully present your budget request with all relevant context.

Federal/Restricted Account Estimates

Restricted receipt funds and federal funds are appropriated at the program level. This provides flexibility when there is more than one restricted and/or federal grant account per program. If needed, the budget ceiling (but not cash resources) from one account can be shifted to another account within the same program (line item) without the need to request an overall cap increase.

To avoid the need for multiple requests for cap increases to federal and/or restricted receipt accounts during the fiscal year, agencies are asked to provide a detailed explanation as to how funding estimates have been determined using the 9270 form referenced in section 14 of the BFM instructions.

Agencies should carefully develop realistic estimates of funding for all federal and restricted receipt accounts. Using historical data, plus known carry forward amounts, and estimated new grants or receipts, agencies should be able to develop relatively accurate estimates of resources for both the revised budget and the new year budget.

Performance Measures

As part of the FY 2024 budget process, the Office of Management and Budget is updating the use of performance measures and data in budget development. Performance measures provide greater transparency and accountability for government operations and allow Rhode Islanders to understand how their tax dollars are being used. They also help state government leaders allocate resources toward high-value, high-performing services.

OMB is undertaking three significant changes to performance measures in the FY 2024 development process:

1. Agencies are asked to review all measures for consistency with agency priorities and measures must provide insight into the efficiency and effectiveness of agency programs.
2. Agency program performance data will be collected as part of the agency quarterly financial statements. If agency performance measures are reported annually (e.g., graduation rate, health insurance coverage of residents, etc.), agencies should also develop other measures with more frequent data reporting that may serve as leading indicators for the annual measure.
3. Returning to past practice, select agency performance measures and historical data will be available on the state transparency portal.

During the leadup to the FY 2024 budget submission, each agency should review their strategic priorities and set appropriate measures and assign targets. The performance measures included in the budget are meant to be a summary of strategic plans and performance management measures. These are public-facing metrics that will be printed in the state budget books. They should be reflective of each agency's mission, vision, goals, and values, and on a larger scale, of the Governor's strategic priorities, matching the measures developed through strategic planning and internal performance management processes. **In FY 2024, agencies should strive to provide metrics for each budget program or significant agency priority that clearly align with the agency's mission and Governor's strategic priorities. All existing performance measures should be closely reviewed for relevance to both the agency mission and the Governor's strategic priorities. In the case of major agency initiatives or programs that do not have performance measures reported through budget documents, agencies should select relevant, new performance measures.**

The best metrics will track outcomes (the results that come from the program - e.g. the percent of people who become employed after enrolling in a job training program) and, to the extent possible, impact (the degree to which observed outcomes are attributable to the program), in addition to outputs (what the program does - e.g. the number of clients served by a job training program), providing information about program efficiency and effectiveness. They should also be within the agency's control to influence and easily understandable for a public audience. All prior performance measures are available for review in BFM (report 401).

As previously noted, agencies will be required to report performance data on a quarterly basis. If a performance measure has data available only annually, the agency should develop one or more related measures that will demonstrate whether progress is being made toward the annual target. OMB is prepared to work with agencies to review and refine their measures for FY 2024 budget development. Updates or new measures should be entered into BFM using the process referred to in section 15 in the BFM Agency User Guide using the Performance Measures – Agency Form 9260 or Performance Measures – Program Form 9460. The following information must be provided for each new or updated performance measure:

- Agency Code & Name
- Program Code & Name
- Measure Name – A short title for the performance measure

- Measure Description – A brief description of measure and its value to the public
- Frequency of Measure – How frequently data are collected (e.g., annually, semi-annually, quarterly, monthly)
- Reporting Period – The time period used to define goals and evaluate attainment (e.g., state fiscal year, federal fiscal year, calendar year)
- Performance Targets and Data – Actual performance data for FY 2022, or partial-year actual performance data for CY 2022 or FFY 2022, with a note in the measure description indicating the data is current through; and the annual target for 2024. Do not submit partial-year actual performance data for FY 2023. Do not revise an existing 2023 target unless there has been a significant change in the program; note any revisions to 2023 targets in the measure description. If data is not available, please leave fields blank and include a note in the measure description.

Performance data must be numeric and cannot contain text. Targets set for new and updated measures for fiscal years 2023 and 2024 should be ambitious but realistic and attainable.

Centralized Services

The FY 2019 Enacted Budget transferred funding from the Department of Administration to respective agency budgets as part of the reestablishment of internal service funds for certain centralized services, including information technology, human resources, and facilities management. The reason behind this move was to eliminate the use of “mirror accounts” in DOA that required agencies to monitor multiple accounts outside of its own agency to get a true picture of total spending. These funds were held harmless in the FY 2024 target development and as such, a reduction in total funding for these services should not be used to achieve your savings target. Agencies are encouraged to identify non-general revenue sources that can be used to support centralized services and can use such shifts towards the savings target, as long as total funding for these services across the agency remains at least at the enacted level.

Technical Instructions

Personnel Supplement Data - Salaries and Benefits

Personnel expenditures constitute a significant portion of program expenditures in most agencies. Sound budgeting practice dictates that personnel expenditures should receive additional attention. RIGL § 35-3-7(a) requires the Governor to submit “a personnel supplement detailing the number and titles of positions of each agency and the estimates of personnel costs for the next fiscal year.”

The mechanism used to forecast personnel costs in BFM is the Personnel Cost Forecasting (PCF) system, which uses the fringe benefit rates as shown in the FY 2023 Planning Values. Fringe and related benefits for any new positions or vacant positions not shown in the system will be computed using the rates built into PCF, including using the weighted average for health care benefits for vacant positions. Personnel projections will be run on an hourly basis throughout the budget process to update the salary and benefit costs and FTE counts.

The Budget Office has loaded employee records (including vacant positions identified by agencies), benefits, and payroll allocations from various HR and payroll files into BFM. The BFM Projection engine projects salary and benefits costs based on these valid employee records. The Funding Dates on the employee records determine when the employee's projection begins. The salary amount is determined by the Salary Table and Step/Grade entered for the employee or the Salary Override Amount. The Step Duration in conjunction with the Step Increase Date determines when the employee gets a step increase/pay raise. Benefit codes have been established with appropriate rates and calculation frequencies to determine benefit costs.

Each agency will be responsible for making the appropriate salary, benefit, and allocation updates, including to vacant position records, to ensure that employee records are accurate. A Turnover Expectancy record has also been loaded for each Line Sequence that has salary costs; agencies should update salary amounts in this record to project vacancy-related negative salary and benefits costs for each line sequence (refer to section 16.3 in the BFM instructions). When agencies enter a turnover expectancy amount, all related benefit calculations will be completed by PCF. There are two kinds of turnover expectancy—the first is the normal savings which occur from employees leaving state service and new employees being hired, usually after a modest delay and at a lower cost than the departing employee; the second is managed turnover where the department, by design, leaves positions vacant to achieve a certain level of savings. Increasing turnover savings to unrealistic levels is not an acceptable reduction to meet target funding levels. Specific personnel/program reductions must be proposed to achieve required levels of savings.

Agencies should adhere to the following guidelines regarding salaries and wages and FTE counts.

- Count each authorized full-time equivalent position as one position, notwithstanding the period within a fiscal year that the position is expected to be filled. For example, a full-time position filled for six months of a fiscal year should still be shown as 1.0 FTE, not 0.5 FTE. Salaries for such a position should be shown at the full annual cost, and any savings resulting from the vacancy period should be taken as turnover.
- Positions should be reflected under the program they are assigned to (i.e. the program where their parent payroll account resides), regardless of whether a portion of their costs are allocated to other programs. In rare circumstances, a position may be cost allocated to another agency. In these situations, you can allocate the position to the other agency and BFM will allocate the personnel costs. Please be certain that the agency receiving the costs is fully aware of the incoming charge.
- Savings and FTE reductions resulting from program reductions or eliminations should be included in a decision package. However, program reductions that were included in the enacted budget may not be shown in this way for the current fiscal year, since it is expected that any such reductions would be implemented or in process by this time, and therefore specific positions should already have been identified for elimination (where applicable). Where layoffs are proposed, unemployment costs should be budgeted in expenditure classification 626200 in accordance with the Rhode Island Department of Labor and Training Unemployment Insurance “Quick Reference” Table, [click here](#) to view these instructions.

Revenue Data

The Budget Office will upload data to BFM for the general revenue receipt accounts for which the agency is responsible. For each receipt account, the following information will be available:

- FY 2018 Actual Receipts
- FY 2019 Actual Receipts
- FY 2020 Actual Receipts
- FY 2021 Actual Receipts
- FY 2022 Enacted Revenue Estimates

The receipt information will be made available in BFM once final receipts and accruals for FY 2021 are recorded.

The agency will be responsible for providing a revised estimate of revenues for FY 2023 and an initial estimate for FY 2024. These estimates should be based upon current law and should not include any estimated revenue enhancements.

Form Explanations/Descriptions

Following are brief descriptions of each form used in the development of your budget submission. Most forms are now provided directly in BFM. If you have any additional questions about the proper way to complete a form, or the information required, please contact your assigned Budget Analyst.

Menu	Form Name	Description/Purpose
Budget Formulation	Base Budget Form - Agency (9200)	Use the Base form to make any adjustments to your base budget that do not impact services . This form will not include: Contracts and PCF (Salary and Benefit) Naturals.
	Base Budget Form - Program (9210)	
	Decision Package Agency (9230)	Use the Decision Packages form to enter a group of specific line sequences and naturals that together comprise a specific change to your current services. In many cases these may be reductions in order to meet targets but expansionary increase packages for new or expanded services may be requested. Now includes the ability to submit revenue generating items using revenue naturals. Use Decision Package form to group larger or more complex base budget changes by program.
	Decision Package Program (9430)	
	Budget Review	This form displays all of the 2024 Decision Packages and allows ranking and, in later stages, OMB recommendations.
	Strategic Planning	Use this form to request new performance measures, update existing performance measure descriptions, or update Agency/Program text that prints in Volumes 1-4 of the budget documents.
	Performance Measures Agency (9260)	Enter performance measurement measures data in this form, adjusting metrics to reflect agency and Governor priorities as appropriate.
	Performance Measures - Program (9460)	
	Estimated Departmental Revenues - Agency (9410)	Agencies responsible for collecting general revenue departmental receipts (e.g. license fees, fines and penalties, etc.) must use this form to provide updated estimates of these revenues for the 2023 budget year.
	Federal / Restricted Receipts - Agency BR-7 (9270)	Use this form to make updates to prior year balance forward and new revenues / grant awards. This form is used for BOTH 2023 Revised and 2024 Budget since the BR-7 report shows the relationship of the two years.
	Federal / Restricted Receipts - Program BR-7 (9470)	
	Agency Submission Attachments (5400)	This form is used to submit, as attachments, any supplemental documents to OMB. There is one form per agency.

List of Reports

Legislation passed in the 2013 session of the General Assembly requires the Office of Management and Budget to compile an inventory of all reports filed by executive branch agencies with the General Assembly. The inventory is to include the following information:

- Type of Report
- Title of Report
- Author(s)/Preparer(s) of Report
- Audience of Report
- Schedule of Report's Release (Publication Date/Time Period)

As part of this year's budget request submission, each agency is again requested to update the list of any reports provided with last year's budget submission. OMB will distribute the report most recently filed by your agency (if applicable) in Microsoft Excel format as a starting template for your current year submission.

OMB welcomes proposals from agencies to modify reporting requirements. The agency should balance the critical needs for public transparency and accountability alongside the administrative burden which reporting requirements place upon agencies. Additionally, the agency should closely scrutinize any obsolete, antiquated, overly complex, or duplicative reporting requirements. Requests for simple changes can be made within the Microsoft Excel response template. More complex reporting changes may be requested by an additional attachment or even as a Decision Package if appropriate. Such requested changes will be considered to be included in a budget article within the Governor's Recommended Budget.

Appendix A

Quick Reference Sheet

Base Budget Request vs. Unconstrained/Constrained Requests

Base Budget Request	Constrained/Unconstrained Request
<ul style="list-style-type: none"> ● May be submitted using the base budget form, or a base budget Decision Package (new) ● Base Budget Form is generally well-suited to lower level, less complex changes ● May include policy actions that are within existing agency authority which the agency director intends to pursue in either a constrained or unconstrained scenario ● Changes less than the larger of \$10,000 or 10% of the line item value may use the base budget form in BFM with brief justifications, or the base budget Decision Package form in BFM if the agency believes a change requires additional narrative explanation, for example, for complex changes ● More complex base budget changes requested via base budget decision package (new) ● Changes that are indirectly connected, or unconnected, to agency/Governor-level priorities ● Changes greater than +/- \$200,000 that are not complex (e.g. personnel funding changes that don't involve changes to the FTE cap) ● Types of change could include: <ul style="list-style-type: none"> ○ Movement of funds between programs or categories ○ Filling of a previously-vacant position already included in the enacted FTE cap ○ Minor adjustment of contract value due to change in scope of work 	<ul style="list-style-type: none"> ● May only be submitted through Decision Packages ● Highly complex changes ● May include changes of discretionary nature or requiring policy decision ● Changes that will involve multiple moving parts, political implications, and/or fundamental changes to agency operations ● Hybrid reduction/expansion (divest/invest) proposals ● Constrained proposals that will have an adverse impact on agency operations ● Changes that are directly connected to agency/Governor-level priorities ● Most changes greater than +/- \$200,000 ● Changes less than +/- \$200,000 that meet the complexity threshold ● Types of changes could include: <ul style="list-style-type: none"> ○ Proposals for new programs directly related to a Governor priority ○ Proposals for new FTEs to staff an existing program ○ Proposals for elimination of a low-performing or not evidence-based program

Appendix B

Quick Reference Sheet

Unconstrained vs. Constrained Decision Packages

The *unconstrained* budget that your agency submits in FY 2023 should reflect the current services level budget, plus any requested increases to all sources of funds included in Decision Packages. The *constrained* budget should reflect the target reduction that your agency is expected to attain from the current services level budget and should include only those Decision Packages that would result in net reductions. Below is a quick primer to help you determine whether a Decision Package proposal should be classified as constrained or unconstrained.

Unconstrained Decision Package	Constrained Decision Package
<ul style="list-style-type: none">• Any request for an increase to the current services level budget in a particular program/line item, even if that change is offset by unrelated decreases to other programs/line items• Any request for a new program/service that is not offset by the related elimination of an existing program/service• Any hybrid or divest/invest proposal that includes related increase/decrease requests and will lead to a net increase to the bottom-line current services level budget for the agency	<ul style="list-style-type: none">• Any request for a decrease to the current services level budget for a particular program/line item, even if that change is offset by unrelated increases to other programs/line items• Any request for the elimination of a program/service that is not offset by a related new program/service• Any hybrid or divest/invest proposal that includes related increase/decrease requests and will lead to a net decrease to the bottom-line current services level budget for the agency