

# **FY 2023**

# **Annual Budget**

# **Instructions**



State of Rhode Island  
Office of Management and Budget  
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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 describing 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.

This year's budget instructions request each agency to make a three-part budget request:

- A current services level base budget request;
- A constrained budget equal to a 5 percent reduction for FY 2023; and,
- An unconstrained budget request proposing potential expansionary proposals. Unconstrained requests should be limited to no more than a 5 percent target increase.

## **New in FY 2022 Revised and FY 2023 Budget**

This section summarizes changes, discussed in further detail below, included in the FY 2022 Revised and FY 2023 Budget Instructions.

- This year, agencies will be asked to submit a Program Operational Review, which should be a thorough operational review of programs to make sure agencies have sufficient resources for efficient operations. This review should focus on customer facing programs. Please see the detailed description later in these instructions.
- As in past years, agencies will be asked to submit any statutory changes necessary for budget or policy proposals in their budget submission documents. This year, agencies will be asked to submit any statutory changes fully formatted for review, as well as brief explanations of both the technical changes as well as the budget or policy implications of that change.
- The decision package form will now include revenue naturals, allowing agencies to create Decision Packages with revenue impact, which could be stand-alone revenue generating proposals or comprehensive proposals that include both revenue and expenditure components.
- In addition to the agency base budget form, agencies will be able to submit base budget changes

utilizing the Decision Package form in BFM. Alongside “Constrained” and “Unconstrained”, agencies will now be able to select “Base Budget” in the dropdown menu on BFM Decision Package form. The base budget change Decision Package is provided as a convenience to agencies that wish to group changes together or provide additional detail in the item description field about a given change. Agencies will not be required to submit Program Impact Statements (Report 120).

- Agencies will be asked to input five-year forecasts for constrained and unconstrained Decision Packages in the BFM budget form. This change will allow for better tracking of initiative costs across years.
- The federal awards catalogue will not be required in FY 2023. Federal account estimates will continue to be required, as detailed below.

## **Budget System**

The FY 2023 Budget will be the fifth 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](http://www.omb.ri.gov). OMB will update these instructions as necessary as new features are added and system changes are made.

## **FY 2023 Budget Targets**

The first phase of the FY 2023 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 2023 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 2022 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. If an agency has evaluated all opportunities for expenditure cuts, then the constrained budget request may include revenue initiatives relating to revenue types which are administered by the agency. 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, evidence-driven approaches to meet the needs of Rhode Islanders and may be offset by decreases elsewhere in the agency budget.

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 filled out using an editable Microsoft Word form. 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, which are new this year (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 2022 Revised Budget

*Forms for preparing the FY 2022 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 2022 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 2021 is operative, or language within Article 1 of the FY 2021 Revised Appropriations Act explicitly reappropriates certain funding to FY 2022. 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 2022 Decision Package.

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. 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 2022 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 2023 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. This year, the early stages of the budget process will again include trainings delivered by The Policy Lab at Brown on utilizing data and evidence in policy making, and integrating quantitative and qualitative performance data into your budget submission, which agencies are encouraged to attend. Furthermore, the Budget Office will again conduct BFM trainings and hold general purpose office hours. These will take place in August and September. Please see Appendix 1 for a more detailed agency budget submission process timeline.

Pursuant to RI General Laws § 35-3-4, all agencies are required to submit budget requests no later than Thursday, October 1, 2020. **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, responsiveness to the economic and public health crisis engendered by the coronavirus, 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 20, 2022.

## 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\*
- Program Operational Review\*\*
- Department/Agency Budget Tracking Sheets (Reports 150 and 160)
- Revenue Estimates (Report 170N)
- Program Information – FY 2023 Budget
  - Program Narrative (Report 402)
  - Program Summary Financial Data (Report 123)
  - Decision Packages (Report 105)\*\*\*



- Purchased Services and Contract Employee Data (Report 106)
- 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)

\*\*created outside of BFM in a memorandum format to be determined by agency (Add as attachment using Form 5400. Optionally, if these reviews are conducted at the program level the agency may choose to attach utilizing form 5410.)

\*\*\*be sure to include Microsoft Word template attachment to BFM Decision Package Form

Each of these sections and the specific items that should be provided within each section are described in more detail below.

## **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.

## **Program Operational Review**

Properly resourcing government operations can have a dramatic and immediate effect on the people the state serves. This year, agency budget submissions should include a thorough operational review of programs to make sure they have sufficient resources for efficient operations. In particular, this review should focus on customer facing programs.

The Program Operational Review should take the form of a memorandum from the Agency Director to the Governor along with any supporting analysis deemed appropriate by the agency. A single agency-wide memorandum which includes a review of all major programs is acceptable. However, if the agency prefers to submit individual documents for each program that is also acceptable. The review should cover the major programs administered by the agency and address questions such as:

- Are there notable pain points with public because of current resources?
- Is the program better off with contract support or state employees?
- Will adding state employees significantly improve program efficiency in a measurable way?
- Do opportunities exist to reallocate existing resources in a more cost-effective manner?
- Can the program hire properly skilled individuals for the program with current job classifications and pay rates?
- Should program resources be reduced because of changes in program volume or business process streamlining?
- Does the program need an investment in information technology?
- The pandemic forced agencies to make timely and wide-ranging adaptations to their business processes ranging from remote work arrangements and technology implementations. Reflecting upon changes in agency operations as a result of the pandemic, are there changes in agency operations, personnel, or organizational structure that should be implemented on a more permanent basis?

How to develop the proposals:

- Conduct a LEAN review of the program – The state has developed a number of Lean certified employees through training over the last few years. In addition, we have standing procurement vehicles that bring outside Lean facilitators to optimizing program operations.

- Compare the costs to the public to those of the state – The wait time the public endures because of under resourced programs is a real and significant loss in income and productivity. This loss can be compared to the additional cost of state resources and how they would improve program performance.
- Meet with Department of Administration divisions of Information Technology, Purchases or Human Resources – These divisions can help give guidance on the need for additional system investments, how to transition between contractors and FTE, and what could be done to recruit properly skilled employees.

If the review concludes in the submission of a Decision Package for a program then this should be referenced in the Program Operational Review memorandum. If the review concludes that particular programs need no resource changes this should be stated directly for each program.

Please reach out to your assigned budget analyst if you have any questions about this review.

## **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 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 2022 revised submission and the FY 2023 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.

## **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 Report 106
- 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**

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 likely be included in a constrained or unconstrained Decision Package. The more important quality that agencies should use to determine whether a proposed change belongs in the base budget versus a constrained or unconstrained Decision Package is the level of complexity - 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 constrained or unconstrained 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 Development 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.

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 Decision Package form will be submitted through a Microsoft Word document in order to give agency staff more control over the narrative submission 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. 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. The Microsoft Word document must be submitted as an attachment with every Constrained and Unconstrained Decision Package (the Microsoft Word document 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)

In addition to attaching the Microsoft Word document to the BFM Decision Package financial information form, agencies should include a concise summary and justification of their proposal in the item identification field in BFM. Including Decision Package summary and justification information in BFM will allow agencies and the Budget Office to more easily review proposals alongside the financial information in BFM.

This year, agencies will 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. 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 Office analyst.

In addition, this year 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. 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.

The new Decision Package form is split into five sections: Initiative Financing Details, Proposal Background, Evidence Base, Evaluation & Performance Management, and Additional Proposal Information. 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 detailed instruction will be available through large-group webinars, video trainings, and one-on-one coaching sessions. 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.

## **1. Initiative Financing Details**

1.1. Initiative Financing Details: This section of the Decision Package summarizes the financial impact of your proposal. This year, this section includes revenue impact details, where you can input any changes to revenues or departmental receipts that accompany this initiative. The revenue change included in this section should be reflected in the new, corresponding field in BFM. Finally, under Net Budget Impact, you should show the full impact of the proposal on the State, which includes any savings, increased expenditures, and revenue changes.

## **2. Proposal Background**

2.1. Proposal Overview: The Overview section of your proposal should be a brief description of the decision package, like an “elevator pitch,” totaling no more than five sentences and preferably only two to three. This narrative should offer a very concise description of the proposal that would give a high-level decision-maker a good idea of the contours of the request. More details can and should be included in the subsequent Opportunity Statement and Proposed Intervention & Theory of Change sections.

2.2. Opportunity Statement: In the Opportunity Statement section, you should provide an overview of the problem to which your proposal is responsive and the opportunity which your request presents 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) the gap that exists between the current state and ideal future state, and the reason for that gap. They also quantify

key variables wherever possible. You should use the following guiding questions to structure your response for unconstrained proposals:

- Describe where we are today in the absence of your proposed initiative. Can you quantify what isn't working as well as desired (consider things such as workload, operational efficiency, service delivery effectiveness, etc.)?
- 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?

The above guiding questions can also be useful for helping to guide narratives for strategic constrained submissions that redirect funding away from programs/services that are not evidence-based or not aligned with agency mission. This category of strategic reductions can also include constrained requests that combine reductions 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**

- 3.1. Proposal Details: You should use this section to provide a detailed description of the initiative that you are proposing to respond to the above-described problem/capitalize on the above-described opportunity. Your narrative in this section should clearly explain how your proposed initiative will close the gap between the current state and desired future state. 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. 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. 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

Your Proposal Details 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. FTE Details & Requirements**

4.1. FTE Details & Requirements: You should use this section to provide all relevant details about the

impact that this initiative is expected to have on FTEs. For initiatives proposing expansion or contraction of current programs, provide details 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.

## **5. Timeline for Implementation**

5.1. 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, make sure you explain how you have adjusted the budget estimates to reflect the requisite ramp-up period for the initiative.

## **6. Future Expected Costs**

6.1. Future Expected Costs: This section asks about future expected costs of the initiative in outyears. The Microsoft Word template includes a table that you should fill in with your five-year cost forecast for the initiative. Your narrative here should also include a brief overview of how initiative costs are expected to increase or decrease in future 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.

## **7. Evidence Base**

7.1. Evidence Base: In the first section, you will be required to identify the level of evidence supporting your proposal based on an evidence scale that has been developed for use across all sectors of Rhode Island government. Although definitions of “evidence-based program” vary from jurisdiction to jurisdiction, the concept is generally accepted to mean an intervention or activity that evaluations have shown to be effective at achieving a particular outcome. In Rhode Island, we view evidentiary support on a continuum, from programs that are virtually proven effective by multiple rigorous studies to programs that are based on strong theories and expert opinions. Evidence of program effectiveness is a critical data point that is used when making budget and policy decisions, as programs with greater evidentiary support are generally more

likely to deliver a high return on investment of public funds. The goal of considering evidence base when making budgetary decisions is to build a government that works more effectively for all Rhode Islanders.

In this section of the Decision Package, you will be asked to rank the proposed program's current level of evidentiary support on a scale from 0-5, based on the RI Evidence Scale (shown below), with zero being Evidence of Insufficient Impact or Unintended Effects and five being Proven Effective. You can use tools like the [Pew Results First Clearinghouse](#) and the [Social Programs That Work](#) database to determine whether the program you are proposing has been rigorously evaluated in other jurisdictions.

The Office of Management and Budget understands that the majority of agency requests will likely not be in the top evidence tiers at the point of submittal, and you should certainly feel free to submit requests that are “theory-based” rather than evidence based. Please note that “theory-based” submissions should include a robust and compelling measurement and evaluation plan in the Performance Measurement section. Among those requests which lack an existing body of supporting research, they will be viewed most favorably if they include an evaluation plan.

## The Rhode Island Evidence Scale

<b>Proven Effective</b>	5	<p><b>5: Proven Effective</b>            A program or service that is “proven effective” has a high level of research on effectiveness for at least one outcome of interest, determined through multiple rigorous evaluations. Qualifying evaluations include studies such as randomized controlled trials and evaluations that incorporate strong comparison group designs. These programs have been tried and tested by many jurisdictions, and typically have specified procedures that allow them to be successfully replicated. We expect that very few budget requests will be “proven effective”—this is the highest evidence-based standard, and most programs have not yet been studied rigorously enough to achieve it.</p>
<b>Promising</b>	4 3	<p><b>3: Promising</b>            A “promising” program or service has some research demonstrating effectiveness, but not as much as would be required for a “proven effective” designation. This could include, for example, a single randomized controlled trial or evaluation with a comparison group design that is not contradicted by other studies, but not confirmed by multiple such evaluations. It could also include the existence of a robust body of outcome data that your agency, or another agency that delivers a similar program, has collected and analyzed about the program over time. We expect that some, but not many, budget requests will be “promising.”</p>
<b>Theory-based</b>	2 1	<p><b>1: Theory-based</b>            A “theory-based” program or service has no qualifying evaluations on effectiveness or conclusive randomized controlled studies. Typically, theory-based programs have been tested using less rigorous research designs that do not meet the standards outlined above but have a well-constructed logic model or theory of change. Often, theory-based requests are based on anecdotal evidence or expert opinions. We expect that most expansionary budget requests will be in the “theory-based” category. The best and most compelling of these requests will include a plan for study that would theoretically allow the intervention to move up the evidence scale within a designated time period.</p>
<b>Evidence of Insufficient Impact or Unintended Effects</b>	0	<p><b>0: Evidence of Insufficient Impact or Unintended Effects</b>            A program has “evidence of insufficient impact” if quality evaluations have measured no meaningful difference in outcomes between program participants and those in a comparison group. A program that regularly fails to reach its outcomes targets also falls into this category. A program has “evidence of unintended effects” if quality evidence suggests that it has a negative impact on outcomes for program participants. We expect that many constrained proposals will involve programs that fall into this category.</p>

7.2. Description of Evidence Base: To support the level of evidence that you select on the scale, you will be required to submit backup information in this section. Depending on the level of evidence base that you ultimately select, your Evidence Base Description narrative can include sources such as academic research, government studies, policy/advocacy organization studies, guidelines, etc., including both primary and secondary research and experimental and non-experimental studies. The strongest responses to this question should reference independent, verifiable sources of rigorous evidence and/or reputable sources of best practices. They can include studies of your own program if this is a request for expansion of an existing program, or research about programs similar to the one you are requesting to implement. Responses can also include information about similar programs that exist in other states (particularly nearby New England and similarly sized Delaware), even if those programs have not been robustly tested, if you feel that it is relevant to your proposal. If a constrained request is being proposed because you believe the

program/activity/service is not evidence-based, you should cite the sources that have led you to this conclusion here. If applicable, feel free to provide relevant links/attachments to support the evidence tier that you have selected.

## **8. Evaluation & Performance Measurement**

8.1. Existing Performance Data: In the Existing Performance Data section, you should aim to provide a robust explanation of how your agency currently measures the performance/outcomes of an existing program and how you intend to undertake performance measurement for a new program. For strategic reduction requests based on poor performance, you should use this section to cite the data or evaluation studies on which your agency has based your decision to curtail the program/service.

For unconstrained requests for program expansions, the best responses will make the case for why this is a program/service that deserves additional resources by telling a compelling story about the program's past performance using evaluations that show evidence of program effectiveness as well as qualitative and quantitative data. The best responses will also use concrete details about your agency's approach to evaluation and go beyond describing compliance activities to speak to performance management (e.g. understanding performance and impact, regularly reviewing data and using it to improve performance).

For requests for new programs, the best responses will make the case for funding by detailing a robust plan for evaluation, including a timeline and budget, and will, as above, go beyond describing compliance activities to speak to performance management. They will identify quantifiable metrics and, wherever possible, propose ways to measure program outcomes (e.g. reduction in child mortality rate) as well as outputs (e.g. number of people served by a program). Where relevant, they will cite rigorous evaluations or data from other programs that speak to your agency's commitment to performance measurement and data-driven decision-making.

8.2. Forward-Looking Evaluation Opportunities: In this section, you should 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.

If the proposal is a constrained request to eliminate a program, future performance measurement and program evaluation will not be required.

8.3. Timeline for Outcomes: In this section, describe when, following implementation, you expect to see meaningful change resulting from the initiative. For example, the completion of a proposed training initiative, return on capital investment, or attainment of program targets. 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.

## **9. Additional Proposal Information**

9.1. Additional Proposal Information: The final section of the Decision Package form contains questions which agencies can use to provide more information about proposals as applicable.

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.

Other questions are related to the following:

- Impact on other agencies
- Impact on federal funds
- Impact on information technology needs

In addition to the narrative that will be filled in via the Microsoft Word document, agencies will continue to submit financial information for each package in BFM. In BFM, Decision Packages continue to be entered under the Budget Formulation tab (Form 9230 or 9430). Section 13 of the BFM Agency User Guide explains how to enter data into the Decision Package form, which now includes financial personnel and item description fields. You should attach your completed Decision Package narrative to the BFM Decision Package that you create. To print out this information, agencies can run Report 105 for budget year decision packages or Report 105R for current year revised decision packages in BFM reporting. In



addition to attaching the narrative components to each individual Decision Package in BFM, agency staff should email one Microsoft Word document file that includes all Decision Package narratives to their assigned analyst when they submit their final budget.

As previously noted, in addition to the detailed information that should be included when applicable in the Microsoft Word Decision Package form, each Decision Package must include a concise summary entered into the BFM Decision Package form. The Item Description field must be filled out and include concise description of the proposal for each decision package, even if a Microsoft Word Decision Package with additional details is attached.

### **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 2023 budget process, the Office of Management and Budget is continuing the use of performance measures and data in budget development, by continuing to integrate questions about performance measurement directly into Decision Package submission documents, as was the case for the FY 2022 budget process (see Decision Package section above for more details). 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.

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 and the transparency portal. 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. Ideally, metrics should be provided for each budget program. 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).

During the leadup to the FY 2023 budget submission, the Budget Office and the Governor’s Office will work with each agency to refine their strategic priorities and set appropriate measures and assign targets. Any 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 2021, or partial-year actual performance data for CY 2021 or FFY 2021, with a note in the measure description indicating the data is current through; and the annual target for 2023. Do not submit partial-year actual performance data for FY 2022. Do not revise an existing 2022 target unless there has been a significant change in the program; note any revisions to 2022 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 2022 and 2023 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 2023 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 (Table 1). 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 2022 and an initial estimate for FY 2023. 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; **notably, as was the case during the FY 2022 budget development process, a portion of the construction of Decision Package narratives has been moved out of BFM, but agencies will still utilize the existing BFM forms to provide financial data and concise proposal summaries.** 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
	Base Budget Form - Agency (9200)	Use the Base form to make any adjustments to your base budget that <b>do not impact services</b> . 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

Budget Formulation	Decision Package Program (9430)	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.
	Budget Review	This form displays all of the 2023 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 <b>BOTH</b> 2022 Revised and 2023 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 1: Timetable

- **August 5:** FY 2023 Budget Process kickoff
- **August 24:** Policy Lab at Brown University data and evidence trainings
- **August – September:** BFM trainings and Budget Office “office hours”
- **September:** Follow up data and evidence trainings with the Policy Lab at Brown University
- **September:** Budget Office office hours
- **September 24:** Small agency budget submissions due
- **October 1:** Large agency budget submissions due (statutory budget submission deadline)

# Appendix 2: Quick Reference Sheet – Base Budget Request vs. Unconstrained/Constrained Requests

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

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>○ Minor adjustment of contract value due to change in scope of work</li></ul> |  |
|---|--|

# Appendix 3: 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"> <li>• Any request for an <i>increase</i> to the current services level budget in a particular program/line item, <i>even if</i> that change is offset by <i>unrelated</i> decreases to other programs/line items</li> <li>• Any request for a <i>new program/service</i> that is not offset by the <i>related elimination</i> of an existing program/service</li> <li>• Any hybrid or divest/invest proposal that includes <i>related</i> increase/decrease requests and will lead to a <i>net increase</i> to the bottom-line current services level budget for the agency</li> </ul>	<ul style="list-style-type: none"> <li>• Any request for a <i>decrease</i> to the current services level budget for a particular program/line item, <i>even if</i> that changes is offset by <i>unrelated</i> increases to other programs/line items</li> <li>• Any request for the <i>elimination</i> of a program/service that is not offset by a <i>related new program/service</i></li> <li>• Any hybrid or divest/invest proposal that includes <i>related</i> increase/decrease requests and will lead to a <i>net decrease</i> to the bottom-line current services level budget for the agency</li> </ul>

# Appendix 4: Quick Reference Sheet – Decision Package Guiding Questions

## Proposal Background

- **Proposal Overview:**
  - How would you describe this proposal to the Governor in a couple of sentences if you ended up in an elevator with him?
  - What are the most important pieces of information to know about this proposal, beyond just the total cost or savings?
- **Opportunity Statement:**
  - Describe where we are today in the absence of your proposed initiative. Can you quantify what isn't working as well as desired (consider things such as workload, operational efficiency, service delivery effectiveness, etc.)?
  - 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?
  - Constrained Submissions Only: Why have you put forward this particular proposal to meet your target cut?
- **Proposal Details**
  - 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?
  - Constrained Submissions Only: 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?

- Constrained Submissions Only: 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?
- Constrained Submissions Only: Who will be affected by this reduction - what are the anticipated outcomes from the proposal?
- Constrained Submissions Only: Do you expect to see any adverse outcomes from this proposal? If so, describe those.

### **Evidence Base**

- **Evidence Description:**
  - How did you determine the level of evidence that you selected for this initiative?
  - Where did you find the data that led you to select the appropriate evidence tier? What did that data say?
  - If your proposal is theory-based, whose theory is it based on? What is the logic model that led you to select theory-based?
  - Do similar initiatives exist in other states? Have these been evaluated?
  - If you're requesting to eliminate a program because it's not evidence-based, what data/sources led you to that conclusion?
  - Was your selection of evidence tier based on data that your agency has collected? Can you reference that data here?

### **Evaluation & Performance Measurement**

- What does agency data show about the past successes and failures of this program?
- How does your agency approach performance management, both in this particular program and as a general rule?
- Unconstrained Submissions Only: How do you plan to evaluate this initiative in the future? When will evaluation data be available for review? How much of the program budget will you allocate to evaluation?
- Unconstrained Submissions Only: What output metrics will you track? What outcome metrics will you track? Will you attempt to measure program impact?
- Do you expect this initiative to lead to future savings/return on investment? If so, when do you expect that you will begin to see ROI?

# Appendix 5: Rhode Island Evidence Scale

Although definitions of “evidence-based programming” vary from jurisdiction to jurisdiction, the concept is generally accepted to mean an intervention or activity that evaluations have shown to be effective at achieving a particular outcome. In Rhode Island, we view evidentiary support on a continuum, from programs that are virtually proven effective by multiple rigorous studies to programs that are based on strong theories and expert opinions. Evidence of program effectiveness is a critical data point that is used when making budget and policy decisions, as programs with greater evidentiary support are generally more likely to deliver a high return on investment of public funds. The goal of considering evidence base when making budgetary decisions is to build a government that works more effectively for all Rhode Islanders. The evidence scale that will be utilized in the budget development process is as follows:

**Proven Effective:** A program or service that is “proven effective” has a high level of research on effectiveness for at least one outcome of interest, determined through multiple rigorous evaluations. Qualifying evaluations include studies such as randomized controlled trials and evaluations that incorporate strong comparison group designs. These programs have been tried and tested by many jurisdictions, and typically have specified procedures that allow them to be successfully replicated. We expect that very few budget requests will be “proven effective”—this is the highest evidence-based standard, and most programs have not yet been studied rigorously enough to achieve it.

**Promising:** A “promising” program or service has some research demonstrating effectiveness, but not as much as would be required for a “proven effective” designation. This could include, for example, a single randomized controlled trial or evaluation with a comparison group design that is not contradicted by other studies, but not confirmed by multiple such evaluations. It could also include the existence of a robust body of outcome data that your agency, or another agency that delivers a similar program, has collected and analyzed about the program over time. We expect that some, but not many, budget requests will be “promising.”

**Theory-Based:** A “theory-based” program or service has no qualifying evaluations on effectiveness or conclusive randomized controlled studies. Typically, theory-based programs have been tested using less rigorous research designs that do not meet the standards outlined above but have a well-constructed logic model or theory of change. Often, theory-based requests are based on anecdotal evidence or expert opinions. We expect that most expansionary budget requests will

be in the “theory-based” category. The best and most compelling of these requests will include a plan for study that would theoretically allow the intervention to move up the evidence scale within a designated time period.

**Evidence of Insufficient Impact or Unintended Effects:** A program has “evidence of insufficient impact” if quality evaluations have measured no meaningful difference in outcomes between program participants and those in a comparison group. A program that regularly fails to reach its outcomes targets also falls into this category. A program has “evidence of unintended effects” if quality evidence suggests that it has a negative impact on outcomes for program participants. We expect that many constrained proposals will involve programs that fall into this category.

The Office of Management and Budget understands that the majority of agency requests will likely not be in the top evidence tiers at the point of submittal, and you should certainly feel free to submit requests that are “theory-based” rather than evidence based. Please note that “theory-based” submissions should include a robust and compelling measurement and evaluation plan in the Performance Measurement section.