Budget Preparation

Presented by

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THE BUDGET CYCLE IN MISSOURI

Issuance of budget instructions (July or early August)

Departmental budget development (requests due in Division of Budget and Planning Oct.1)

Compilation and review of departmental budget requests by Div of Budget and Planning (Oct - Nov)

Governor's review and appeal hearings; preparation of budget document (Nov - Dec)

Submission of budget and formal appropriations bills to legislature (Early January)

Legislative consideration of budget and enactment of appropriation bills(participants: house and senate appropriations committees; full house and senate; conference committee (Jan-May)

Governor's signature plus any vetoes (Late June)

Allotment of funds to agencies; budget execution: pre-audit

Post Audit (by State Auditor)

Budget Submission

Section 33.220

On or before October first in each year preceding the annual session of the general assembly, each department shall submit to the budget director estimates of its requirements for appropriations for the year commencing on the first day of July next. Such estimates shall be on forms prescribed by the budget director. Such forms shall provide, as nearly as practicable, for a uniform presentation and classification of estimates. Blank copies of forms on which estimates shall be submitted shall be sent by the budget director to each department on or before September first of each such year. Estimates shall be submitted for each sub-department, division or bureau of each department down to the smallest organization unit and for the department as a whole. Separate estimates shall be submitted for each fiscal year. Separate estimates shall also be submitted for each fund from which requested appropriations are to be made, and on another form such estimates shall be consolidated to show total estimates from all funds.

Section 33.220 (continued)

All such estimates shall be so subdivided and classified as to show all estimated expenditures for all purposes in such detail as may be required by the budget director. All estimates for federal funds shall include the amount of federal funds required, the federal program number of each federally funded program the department plans to administer, the amount, if any, of state funds required for each program, a description adequate to give the members of the legislature knowledge of the objectives of each program and such other information as may be required by the budget director. Estimates shall show separately the requirements for ordinary expenditures for operation and maintenance, extraordinary expenditures for operation and maintenance, and capital expenditures. Each estimate for extraordinary expenditure and for capital expenditure shall be explained in detail. The estimates shall be accompanied by such reports, data or other explanatory matter as the department may care to submit.

Budget Guidance/Processes

- Section 33.220 RSMo
- Office of Administration-Division of Budget and Planning
- Internal department processes
  - Timetable
  - Meet with program staff
  - Interact with OA-Budget and Planning
  - Department director decisions
  - BRASS system
  - Assembling the budget book

Supplemental Appropriations

Article IV, Section 25

Until it acts on all the appropriations recommended in the budget, neither house of the general assembly shall pass any appropriation other than emergency appropriations recommended by the governor.

Reasons for Supplementals

- For items that could not be foreseen
  - Heating assistance for an exceedingly cold winter
  - Taking advantage of a new federal grant
  - Implementing legislation
- Note: Legislature cannot add items

Keys to Supplementals

- Supplementals are not to be requested to:
  - Replace core cuts; or
  - Fund budget requests that were not funded in the regular budget
- Usually pass in March or April
- Valid from signature by the Governor until June 30
- Normally only three months funding
- One-time funding
- Importance of early identification

Budgeting begins with the Core

Core

Truly Agreed and Finally Passed less vetoes from previous Fiscal Year

- one-times
+/- reallocations
- reductions
+/- transfers

New Decision Items

- Pay plan
- Inflationary increase
- Cost-to-continue a supplemental
- Implementing legislation
- Expansion/enhancement

Estimating New Decision Item costs

- Use prior year data, experiences of other states, localities, etc
- Fiscal Notes

Budget requests - what works/does not work

- Be brief but informative
- Be on message—no extraneous detail
- Avoid technospeak
- Answer who/when/why/how much questions
- Explain what will/will NOT happen

Performance Measures

- Hot topic over the past 10-15 years
- Often disappointing results
- Misconceptions:
  - Government is just like a private sector business
  - Performance measures would make budgeting easy

Performance Measures (continued)

Government is fundamentally different from the private sector

- Provides products/services that the market does not provide
- The state cannot simply drop an unproductive line
- Demand for services is counter-cyclical

Performance Measures Difficulties

- Inability to measure everything we would like
- Affordability
- Determining impacts
- Measures headed south might actually be progress
- True believers

“Not everything that counts can be counted, and not everything that can be counted counts.” -- Albert Einstein

Governor's Budget Deadline

Article IV, Section 24

The governor shall, within thirty days after it convenes in each regular session, **submit to the general assembly a budget for the ensuing appropriation period**, containing the estimated available revenues of the state and a complete and itemized plan of proposed expenditures of the state and all its agencies, together with his recommendations of any laws necessary to provide revenues sufficient to meet the expenditures.

Crafting the Governor's Budget – Important Tools

- Supreme executive power (Article IV, Section 1)
- OA-Division of Budget and Planning

Developing the Governor's Budget Recommendations

- Governor has roughly 3 ½ months
- Budget and Planning staff review and research the department requests
- Meet with departments and/or confer with staff
- Core reduction exercise
- Evaluate new decision items
- Analyze fund sources

Consensus Revenue Estimate

- Constitutional/statutory basis?
- Origin
- Parties to the estimate
- When it is done/revised

Form of the Budget

Section 33.270 RSMo

The budget shall be submitted to the general assembly in printed form. **Such budget shall be in two parts**:

(1) **A budget message outlining the fiscal policy of the state for the biennium and describing the important features of the budget plan**; giving a summary of the budget setting forth aggregate figures of proposed revenues and expenditures and the balanced relations between the proposed revenues and expenditures and the total expected income and other means of financing the budget compared with the corresponding figures for the preceding biennium; including explanatory schedules classifying proposed expenditures by organization units, objects and funds; giving estimated statements of assets and liabilities as of the close of the preceding biennium and of the budget biennium; explaining any proposed major increases in revenue from any existing source or any new source of revenue proposed, and giving any further information or making any suggestions;

Form of the Budget (continued)

(2) **The detailed budget estimates of revenues and expenditures** for each fund as provided for in this act showing the recommendations of the governor on each, compared with the figures for each of the fiscal years of the preceding biennium, including all outcome measures used for each program and fund as compared with the attainment of the established goals and objectives of each program and fund for the past three fiscal years and projected outcome measures for each program and fund for the current fiscal year and the next two fiscal years, the most recent reports done by the state auditor's office and any evaluations done by the oversight division of the committee on legislative research for each fund and program and giving an explanation of each major change in the recommendations from the revenues and expenditures in the previous biennium.

DECISION ITEM SUMMARY

Budget Unit Decision Item Budget Object Summary Fund	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	********** SECURED COLUMN	********** SECURED COLUMN
DIVISION OF ADMINISTRATION								
CORE								
PERSONAL SERVICES								
GENERAL REVENUE	320,502	8.05	330,902	11.45	330,902	11.45	0	0.00
DEPARTMENT OF HEALTH	2,260,341	59.42	2,374,849	60.44	2,374,849	60.44	0	0.00
MO PUBLIC HEALTH SERVICES	101,858	2.73	129,417	1.84	129,417	1.84	0	0.00
TOTAL - PS	2,682,701	70.20	2,835,168	73.73	2,835,168	73.73	0	0.00
EXPENSE & EQUIPMENT								
GENERAL REVENUE	193,993	0.00	200,079	0.00	198,827	0.00	0	0.00
DEPARTMENT OF HEALTH	1,722,904	0.00	2,529,779	0.00	2,529,779	0.00	0	0.00
NURSING FAC QUALITY OF CARE	400,001	0.00	150,000	0.00	150,000	0.00	0	0.00
HEALTH ACCESS INCENTIVE	15,000	0.00	25,000	0.00	25,000	0.00	0	0.00
MAMMOGRAPHY	13,497	0.00	25,000	0.00	25,000	0.00	0	0.00
MO PUBLIC HEALTH SERVICES	0	0.00	292,491	0.00	292,491	0.00	0	0.00
PROF & PRACT NURSING LOANS	10,260	0.00	15,000	0.00	15,000	0.00	0	0.00
DEPT HEALTH & SR SV DOCUMENT	37,795	0.00	106,496	0.00	106,496	0.00	0	0.00
PUTATIVE FATHER REGISTRY	18,612	0.00	18,750	0.00	18,750	0.00	0	0.00
ORGAN DONOR PROGRAM	19,242	0.00	13,125	0.00	13,125	0.00	0	0.00
CHILDHOOD LEAD TESTING	0	0.00	2,370	0.00	2,370	0.00	0	0.00
TOTAL - EE	2,431,304	0.00	3,378,090	0.00	3,376,838	0.00	0	0.00
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	2,000	0.00	0	0.00	0	0.00
DEPARTMENT OF HEALTH	56,178	0.00	60,000	0.00	60,000	0.00	0	0.00
TOTAL - PD	56,178	0.00	62,000	0.00	60,000	0.00	0	0.00
TOTAL	**5,170,183**	**70.20**	**6,275,258**	**73.73**	**6,272,006**	**73.73**	**0**	**0.00**
GRAND TOTAL	**$5,170,183**	**70.20**	**$6,275,258**	**73.73**	**$6,272,006**	**73.73**	**$0**	**0.00**

CORE DECISION ITEM

Health and Senior Services
Administration
Core - Administration

Budget Unit 58025C

1. CORE FINANCIAL SUMMARY

	FY 2012 Budget Request			
	GR	Federal	Other	Total
PS	330,902	2,374,849	129,417	2,835,168
EE	198,827	2,529,779	648,232	3,376,838
PSD	0	60,000	0	60,000
TRF	0	0	0	0
Total	529,729	4,964,628	777,649	6,272,006
FTE	11.45	60.44	1.84	73.73
Est. Fringe	*184,147*	*1,321,603*	*72,021*	*1,577,771*

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Nursing Facility Quality of Care (0271), Health Access Incentive (0276), Mammography (0293), Missouri Public Health Services (0298), Professional and Practical Nursing Student Loan and Nurse Loan Repayment (0565), Department of Health and Senior Services Document Services (0646), Putative Father Registry (0780), Organ Donor Program (0824), and Childhood Lead Testing (0899).

	FY 2012 Governor's Recommendation			
	GR	Fed	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	0	0	0	0
TRF	0	0	0	0
Total	0	0	0	0
FTE	0.00	0.00	0.00	0.00
Est. Fringe	*0*	*0*	*0*	*0*

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

2. CORE DESCRIPTION

The Division of Administration provides administrative and financial support services for the Department of Health and Senior Services (DHSS). The division assists the efforts of the programmatic divisions to provide services to Missourians in a cost-effective manner that assures fiscal accountability for taxpayer dollars. The division provides training, consultation, and oversight for program managers throughout the department to help them efficiently and effectively manage an annual departmental budget of $920.9 million. The Division of Administration processes all grant applications, initiates federal draws related to grants, and prepares required federal and state financial reports. In addition, the division reviews and processes all contracts and procurements to ensure that services and commodities are economically obtained; processes all payments to vendors; assesses program performance and compliance with state and federal requirements; maintains an inventory of physical assets to ensure the fiscal integrity of state property; operates warehouse, delivery, and mailroom services for the department; and works with the Office of Administration to manage building leases and related issues that arise with a workforce that operates out of state office buildings and leased facilities spread across the state. The division also prepares the departmental budget submission and responds to budget-related inquiries and fiscal note requests from the Office of Administration and the legislature.

CORE DECISION ITEM

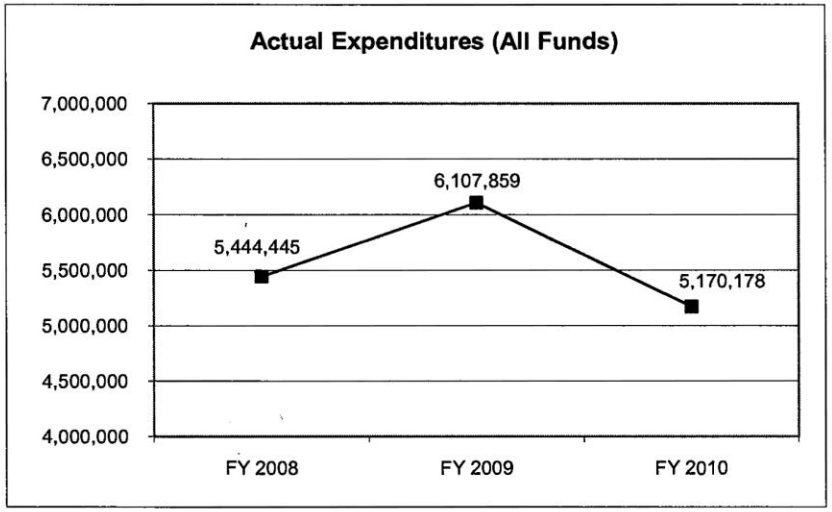
Health and Senior Services — **Budget Unit** 58025C
Administration
Core - Administration

3. PROGRAM LISTING (list programs included in this core funding)

Administration

4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	6,561,040	6,634,499	6,373,648	6,275,258
Less Reverted (All Funds)	(23,753)	(139,989)	(117,364)	N/A
Budget Authority (All Funds)	6,537,287	6,494,510	6,256,284	N/A
Actual Expenditures (All Funds)	5,444,445	6,107,859	5,170,178	N/A
Unexpended (All Funds)	1,092,842	386,651	1,086,106	N/A
Unexpended, by Fund:				
General Revenue	25,766	409	263	N/A
Federal	460,468	121,458	668,333	N/A
Other	606,608	264,784	417,510	N/A



Reverted includes Governor's standard three percent reserve (when applicable) and any extraordinary withholdings.

NOTES:

CORE RECONCILIATION DETAIL

DEPARTMENT OF HEALTH & SENIOR SERVI
DIVISION OF ADMINISTRATION

5. CORE RECONCILIATION DETAIL

			Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES									
			PS	73.73	330,902	2,374,849	129,417	2,835,168	
			EE	0.00	200,079	2,529,779	648,232	3,378,090	
			PD	0.00	2,000	60,000	0	62,000	
			Total	**73.73**	**532,981**	**4,964,628**	**777,649**	**6,275,258**	
DEPARTMENT CORE ADJUSTMENTS									
Core Reduction	126	7694	EE	0.00	(109)	0	0	(109)	Mileage reimbursement rate reduced to $0.37 per mile.
Core Reduction	126	6805	EE	0.00	(8)	0	0	(8)	Mileage reimbursement rate reduced to $0.37 per mile.
Core Reduction	127	6805	EE	0.00	(364)	0	0	(364)	Professional Services reduced by 5.5%.
Core Reduction	127	7694	EE	0.00	(2,771)	0	0	(2,771)	Professional Services reduced by 5.5%.
Core Reallocation	224	1799	PS	(0.00)	0	0	0	(0)	Internal reallocations based on planned expenditures.
Core Reallocation	224	7693	PS	(0.00)	0	0	0	(0)	Internal reallocations based on planned expenditures.
Core Reallocation	224	7695	PS	(0.00)	0	0	0	0	Internal reallocations based on planned expenditures.
Core Reallocation	224	7694	EE	0.00	2,000	0	0	2,000	Internal reallocations based on planned expenditures.
Core Reallocation	224	7694	PD	0.00	(2,000)	0	0	(2,000)	Internal reallocations based on planned expenditures.
NET DEPARTMENT CHANGES				**(0.00)**	**(3,252)**	**0**	**0**	**(3,252)**	
DEPARTMENT CORE REQUEST									
			PS	73.73	330,902	2,374,849	129,417	2,835,168	

CORE RECONCILIATION DETAIL

DEPARTMENT OF HEALTH & SENIOR SERVI
DIVISION OF ADMINISTRATION

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
DEPARTMENT CORE REQUEST							
	EE	0.00	198,827	2,529,779	648,232	3,376,838	
	PD	0.00	0	60,000	0	60,000	
	Total	**73.73**	**529,729**	**4,964,628**	**777,649**	**6,272,006**	
GOVERNOR'S RECOMMENDED CORE							
	PS	73.73	330,902	2,374,849	129,417	2,835,168	
	EE	0.00	198,827	2,529,779	648,232	3,376,838	
	PD	0.00	0	60,000	0	60,000	
	Total	**73.73**	**529,729**	**4,964,628**	**777,649**	**6,272,006**	

Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	********** SECURED COLUMN	********** SECURED COLUMN
DIVISION OF ADMINISTRATION								
CORE								
OFFICE SUPPORT ASST (CLERICAL)	37,887	1.77	37,407	1.75	47,409	2.00	0	0.00
ADMIN OFFICE SUPPORT ASSISTANT	171,475	5.89	174,816	6.00	184,815	6.00	0	0.00
OFFICE SUPPORT ASST (KEYBRD)	126,729	5.55	136,114	5.58	138,116	5.73	0	0.00
SR OFC SUPPORT ASST (KEYBRD)	26,640	1.00	26,640	1.00	26,640	1.00	0	0.00
OFFICE SERVICES ASST	36,612	1.00	36,612	1.00	36,612	1.00	0	0.00
STOREKEEPER I	49,536	2.00	53,536	2.00	54,536	2.00	0	0.00
STOREKEEPER II	53,989	2.01	57,987	2.00	58,989	2.00	0	0.00
SUPPLY MANAGER I	31,176	1.00	32,826	1.00	31,176	1.00	0	0.00
PROCUREMENT OFCR I	170,703	4.46	198,776	5.45	210,775	5.00	0	0.00
ACCOUNT CLERK I	43,934	2.06	47,744	2.00	42,744	2.00	0	0.00
ACCOUNT CLERK II	191,645	7.80	205,048	8.50	206,608	9.00	0	0.00
AUDITOR II	0	0.00	0	0.00	45,297	1.00	0	0.00
SENIOR AUDITOR	56,688	1.00	56,688	1.00	56,688	1.00	0	0.00
ACCOUNTANT I	149,086	4.89	162,207	5.50	158,932	6.00	0	0.00
ACCOUNTANT III	45,983	1.00	48,983	1.00	45,984	1.00	0	0.00
ACCOUNTING SPECIALIST I	40,088	1.16	34,644	1.00	79,288	2.00	0	0.00
ACCOUNTING SPECIALIST II	38,699	1.00	46,700	1.00	43,700	1.00	0	0.00
ACCOUNTING ANAL II	69,442	1.76	86,935	2.00	44,468	1.00	0	0.00
ACCOUNTING ANAL III	152,544	3.01	156,544	3.00	162,544	3.00	0	0.00
BUDGET ANAL II	35,952	1.00	45,952	1.00	35,952	1.00	0	0.00
BUDGET ANAL III	52,201	1.00	52,200	1.00	52,200	1.00	0	0.00
EXECUTIVE I	58,589	1.71	72,172	2.00	76,172	2.00	0	0.00
EXECUTIVE II	47,229	1.14	43,344	1.00	39,797	1.00	0	0.00
MANAGEMENT ANALYSIS SPEC II	45,984	1.00	45,983	1.00	48,484	1.00	0	0.00
MAINTENANCE WORKER II	27,660	1.00	27,660	1.00	27,660	1.00	0	0.00
MAINTENANCE SPV I	31,176	1.00	31,176	1.00	31,176	1.00	0	0.00
MOTOR VEHICLE DRIVER	22,680	1.00	24,680	1.00	25,680	1.00	0	0.00
FACILITIES OPERATIONS MGR B1	50,021	1.00	50,022	1.00	55,022	1.00	0	0.00
FACILITIES OPERATIONS MGR B2	73,072	1.00	73,073	1.00	73,072	1.00	0	0.00
FISCAL & ADMINISTRATIVE MGR B1	179,590	3.01	189,590	3.46	189,357	3.00	0	0.00
FISCAL & ADMINISTRATIVE MGR B2	247,635	3.61	278,605	4.00	213,652	3.00	0	0.00
FISCAL & ADMINISTRATIVE MGR B3	78,858	1.00	78,858	1.00	78,859	1.00	0	0.00

Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	********** SECURED COLUMN	********** SECURED COLUMN
DIVISION OF ADMINISTRATION								
CORE								
DIVISION DIRECTOR	88,284	1.00	88,285	1.00	88,285	1.00	0	0.00
DEPUTY DIVISION DIRECTOR	83,513	1.00	83,513	1.00	83,513	1.00	0	0.00
DESIGNATED PRINCIPAL ASST DIV	52,941	1.11	40,964	1.00	40,966	1.00	0	0.00
TYPIST	1,881	0.09	8,884	0.49	0	(0.00)	0	0.00
SPECIAL ASST PROFESSIONAL	1,621	0.02	0	0.00	0	0.00	0	0.00
REGIONAL OFFICE DIRECTOR	5,723	0.06	0	0.00	0	0.00	0	0.00
DIRECTOR OF PERFORMANCE REVWS	3,484	0.05	0	0.00	0	0.00	0	0.00
SENIOR ADVISOR REC & REINV	501	0.00	0	0.00	0	0.00	0	0.00
OPERATIONS ASSISTANT	1,250	0.04	0	0.00	0	0.00	0	0.00
TOTAL - PS	**2,682,701**	**70.20**	**2,835,168**	**73.73**	**2,835,168**	**73.73**	**0**	**0.00**
TRAVEL, IN-STATE	4,417	0.00	4,368	0.00	6,114	0.00	0	0.00
TRAVEL, OUT-OF-STATE	0	0.00	1,362	0.00	0	0.00	0	0.00
FUEL & UTILITIES	276	0.00	0	0.00	0	0.00	0	0.00
SUPPLIES	987,913	0.00	1,145,555	0.00	1,090,347	0.00	0	0.00
PROFESSIONAL DEVELOPMENT	29,358	0.00	109,350	0.00	48,300	0.00	0	0.00
COMMUNICATION SERV & SUPP	850,411	0.00	744,153	0.00	1,048,339	0.00	0	0.00
PROFESSIONAL SERVICES	179,121	0.00	338,471	0.00	266,882	0.00	0	0.00
HOUSEKEEPING & JANITORIAL SERV	162	0.00	1,199	0.00	257	0.00	0	0.00
M&R SERVICES	349,794	0.00	588,100	0.00	451,138	0.00	0	0.00
MOTORIZED EQUIPMENT	0	0.00	378,002	0.00	400,002	0.00	0	0.00
OFFICE EQUIPMENT	3,568	0.00	15,000	0.00	21,550	0.00	0	0.00
OTHER EQUIPMENT	1,530	0.00	13,500	0.00	7,500	0.00	0	0.00
PROPERTY & IMPROVEMENTS	1,258	0.00	11,026	0.00	2,076	0.00	0	0.00
BUILDING LEASE PAYMENTS	6,694	0.00	2,000	0.00	8,000	0.00	0	0.00
EQUIPMENT RENTALS & LEASES	13,207	0.00	16,200	0.00	16,604	0.00	0	0.00
MISCELLANEOUS EXPENSES	3,595	0.00	9,793	0.00	9,729	0.00	0	0.00
REBILLABLE EXPENSES	0	0.00	11	0.00	0	0.00	0	0.00
TOTAL - EE	**2,431,304**	**0.00**	**3,378,090**	**0.00**	**3,376,838**	**0.00**	**0**	**0.00**

Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	********** SECURED COLUMN	********** SECURED COLUMN
DIVISION OF ADMINISTRATION								
CORE								
DEBT SERVICE	56,178	0.00	62,000	0.00	60,000	0.00	0	0.00
TOTAL - PD	**56,178**	**0.00**	**62,000**	**0.00**	**60,000**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$5,170,183**	**70.20**	**$6,275,258**	**73.73**	**$6,272,006**	**73.73**	**$0**	**0.00**
GENERAL REVENUE	**$514,495**	**8.05**	**$532,981**	**11.45**	**$529,729**	**11.45**		**0.00**
FEDERAL FUNDS	**$4,039,423**	**59.42**	**$4,964,628**	**60.44**	**$4,964,628**	**60.44**		**0.00**
OTHER FUNDS	**$616,265**	**2.73**	**$777,649**	**1.84**	**$777,649**	**1.84**		**0.00**