

## 2012-2014 Budget Requests Briefing Information

### FY 2012 Budget Presentation in Budget Request

- The FY 2012 Revised Budget should represent the revised appropriations by fund, including approved 2<sup>nd</sup> quarter Restricted and Federal fund appropriation increases.
- EXCEPTION: The FY 2012 General Fund and Tobacco Fund debt service shall be excluded in the display of FY 2012, with just three exceptions (SFCC, Public Service Commission and Teachers' Retirement System). This debt service will be displayed in the Finance and Administration Cabinet's budget.

<b>General Fund:</b>	<b>FY 2012</b>	<b>KBUD Code</b>
<u>Regular Appropriation</u> - as loaded at beginning of FY 2012 less Debt Service	20,000,000	REGAPP
<u>Special Appropriation</u> - appropriations from 2011 Regular & Special Sessions	1,700,000	SPEAPP
<u>Continuing Appropriation</u> - continued balanced from end of FY 2011	50,000	CONGEN
<u>Reorganization Adjustment</u> – those that were posted after July 1, 2011	(2,500,000)	REORG
<u>Mandated Allotments</u> – Necessary governmental expense appropriations	1,000,000	MANDATE
<u>Salary and Compensation Allocations</u>	500,000	SALCOMP
<u>Mandated Expenditure Reductions</u> – required lapses	(650,000)	MANDEXP
<b>TOTAL GENERAL FUND RESOURCES</b>	<b>20,100,000</b>	

Another possible adjustment for Restricted or Federal funds is if an agency knows that its recurring amounts of Restricted or Federal funds will be less than the FY 2012 revised appropriation amounts.

### Baseline Budget Requests for FY 2013 and FY 2014

The 2012-14 Budget Instructions impose a maximum amount by Fund that can be requested for FY 2013 and FY 2014 in a Baseline Budget Request. That maximum amount is applicable only at the appropriation unit level. It does not have to be applied for every program or subprogram.

### Baseline General Fund/Road Fund/Tobacco Fund Maximum Amounts

The maximum amount is the same as the amounts in the FY 2012 General Fund grid above, except:

Exclude Continuing Appropriation amounts

Exclude Mandated Allotments (Necessary Governmental Expenses)

### Other Baseline Budget Request Limitations

No vacant positions as of August 1, 2011 may be included in a Baseline budget request

Exclude any one-time grant allocations or discontinued programs

The FY 2013 increased costs for Defined Calculations above FY 2012 may not be included in Baseline requests

No expenditures that are required to be requested as an Additional Budget Request

### Restricted and Federal Fund Baseline Budget Requests

The enacted budget as revised and loaded into eMARS

Plus any 1<sup>st</sup> and 2<sup>nd</sup> quarter appropriation increases

No vacant positions as of August 1, 2011 may be included in a Baseline budget request

Exclude any one-time grant allocations or discontinued programs

## **Deferring the posting of the final FY 12 Payroll**

The General Assembly enacted a FY 12 budget that was partly balanced by deferring the posting of the final FY 12 payroll expenses. They will instead be posted against FY 13 expenses.

## **How to Treat this in your FY 12 Budget Request Display**

**General Fund** – once you have been assigned your General Fund amounts, those expenditures will be reduced from your total General Fund expenditures for FY 12. There will be no entry for the General Fund “Source of Funds” on the A2, A3, A4 Form as presented on the A1/A2 Report. There will be a difference between your total General Fund resources and your total General Fund expenditures. **This will ensure that your General Fund base amount is not affected by this feature.**

**Restricted Funds** – once you have been assigned your Restricted Fund amounts, those expenditures will be reduced from total Restricted Funds expenditures for FY 12. The amount of Restricted Funds assigned will be entered as a Fund Transfer on the A2, A3, A4 Form as presented on the A1/A2 Report. This amount will not be reduced from the FY 13 and FY 14 Baseline calculation for Restricted Funds.

**Federal Funds** – once you have been assigned your Federal Fund amounts, those expenditures will be reduced from total Federal Funds expenditures for FY 12 and not reflected in your FY 12 Current Receipts (as the amount of federal grant drawdowns is normally based on expenditures). This amount will not be reduced from the FY 13 and FY 14 Baseline calculation for Restricted Funds.

## **History**

**Changes to any Historical data** should be done as soon as possible. Most changes are necessary due to unavoidable splitting of converted chart of accounts or splitting of allotments due to budget request program structure changes. Request history changes through your Policy and Budget Analyst.

**Historical average of filled positions information** – used in the A-5 forms and the FY 2010 and FY 2011 information will be provided to you. This is only available at the appropriation unit level. Agencies will have to allocate those headcounts throughout the programs and subprograms.

For the two historical years, any salary and fringe benefit costs that were posted to an object code outside of the E111-E124 object codes due to cost allocation processes must be displayed using the E111-E124 object codes.

## **Personnel Runs/Usage in the 2010-12 Budget Request Process**

### **The August 1, 2011 Snapshot of Filled Personnel Positions –**

Since most personnel actions effective August 1 are not entered into the personnel system until after August 1, the personnel data used is taken around mid-August. This has been the methodology for six biennial budgets. For most agencies, the number of filled positions resulting from this methodology is greater than the data in the personnel position on August 1.

### **Personnel Runs – due to FY 12 Deferred Final Payroll (11.5, 12.5, 12 months for FY 12, 13 and 14)**

Due to the enacted budget’s requirement to defer the posting of payroll expenses in the second half of June, 2012, the Personnel Runs for FY 12 will include 11.5 months of expenses, as should your FY 12 salary and fringe benefit expenditures. FY 13 will include 12.5 months of expenses. FY 14 will include 12 months of expenses.

**Impact on FY 13 Baseline** - FY 13 budget requests will need to accommodate 12.5 months of salary and fringe benefit expenses. That will push more of your Baseline operating, grants, and capital outlay expenses into the “B-Growth” forms in FY 13, since salary and fringe benefit expenses must take precedence in the Baseline forms.

**Baseline Personnel Runs –**

The salary and fringe benefit costs of filled positions as of August 1, 2011 for FY 2012, 2013 and 2014 that includes the FY 2012 salary and fringe benefit assumptions (no increases assumed for FY 2013 and 2014). This information is used to assist in displaying FY 2012’s revised budget and to provide the maximum amounts for salary and fringe benefits in a baseline budget request for FY 2013 and FY 2014. This information must match the salary and fringe benefit costs for FY 2013 and 2014 on the A-5 baseline budget request report.

**Defined Calculations Runs –**

The additional salary and fringe benefit costs above the Baseline Personnel Runs for filled positions as of August 1, 2011 for FY 2013 and 2014 that include the salary and fringe benefit increased cost assumptions mandated by the Budget Instructions.

**The A-5 Personnel Positions Record**

For FY 2013 and 2014, the A-5 dollar amounts should match the Baseline Personnel Run totals. The exception to that rule is how each agency budgets for part-time and interim positions. The Baseline Personnel Run includes a general assumption of 50% of full-time hours for part-time positions and 75% of full-time hours for interim positions. Agencies may adjust those components of the baseline Personnel Run amounts. The FY 2012 display of salary and fringe benefits on the A-5 may differ from the Baseline Personnel Runs since a portion of the fiscal year has already passed.

**Personnel Target (Personnel Cap)**

Personnel Caps are in the process of being revised. The only application that a Personnel Target has in the budget request process is whether you can label an additional budget request as a Growth request instead of a New or Expansion request.

**Defined Calculations**

Defined Calculations requests are considered the first priority in your budget request, and if the Baseline budget request plus the Defined Calculations requests exhaust your Restricted and Federal funds, then you may request any remaining requests to be funded from the General Fund. **Do not manufacture additional Restricted and Federal fund receipts to accommodate the impact of the high Defined Calculations costs.**

**ARRA Grant Awards**

- Submit a separate G form for the ARRA grant awards
- There is a separate line or KBUD object for ARRA funds

**Capital Planning System**

The Capital Planning System is closed. Any capital project requests that differ from the Six-Year Capital Plan no longer can be changed in the Capital Planning System

**Capital Leases**

Don’t forget to add all capital leases to your capital budget requests as they are not in the Six-Year Capital Plan data. A capital lease is a lease with an annual cost of \$200,000 or more. It must be in the capital budget.