Instructions for the Submission of 2018 Savings Decision Packages

2016-2018 Amended Budget

Department of Planning and Budget

October 2016

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Overview

About the Savings Decision Package Submission

This package provides guidance and instructions for the submission of savings decision packages to be considered as amendments to the 2016 Appropriation Act (Chapter 780, 2016 Acts of Assembly). You previously received guidance on the submission of Phase 1 of decision package submissions (due October 7) which involved spending and other non-savings requests. This package focuses on Phase 2 of submissions which includes the submission of savings strategies for fiscal year 2018. Your agency must submit plans that equal 7.5 percent of your FY 2018 Chapter 780 (2016 Session) general fund appropriation, less adjusted amounts.

A file containing your agency's savings target for this submission along with any applicable exempted amounts can be found on the DPB website. See Appendix A of these instructions for more information.

Unlike the 2017 savings submission which used an Excel template for the submission of savings strategies, the submission of 2018 savings strategies will be accomplished via the Decision Package module in the Performance Budgeting (PB) system. Each individual savings strategy should be submitted as a separate decision package and just as with any other decision package submission, you must array your FY 2018 savings strategies to the appropriate fund details, programs, service areas, and subobjects.

The sum total of the FY 2018 general fund reductions in your savings decision package submission should equal your 2018 savings target. See the "Reports" section of these instructions for information on how to check for this sum total.

The first thing you should include in your submission to meet your agency's 2018 savings target is the FY 2018 continuation of savings strategies approved as part of the Governor's October Reduction Plan for FY 2017. You should contact your DPB budget analyst for guidance and more information on these continuation savings. Any target amounts remaining, after the continuation of 2017 savings have been applied, will require the submission of new ongoing FY 2018 savings strategies.

The deadline for submission of your 2018 savings strategies as decision packages is **Monday, November 7, 2016.**

More details regarding this phase of decision package submissions are included later in these instructions.

Savings Decision Packages - Targets

About Savings Targets

Your agency will receive savings targets that equate to a 7.5 percent reduction in FY 2018. Prior to calculating this target, certain adjustments have been made. Adjustments to the general fund legislative appropriation for this purpose were made for various reasons such as the exemption of aid to localities and the exemption of mandated and/or formula driven programs. In addition, if you pledged amounts at the end of FY 2016, you received a credit against your FY 2017 savings target. Any of your pledged amount "leftover" after applying the FY 2017 credit have been applied to your FY 2018 target.

Please note that while any amounts exempted are not part of this across the board exercise, they remain subject to the Governor's discretion for additional reductions that may be included his amended budget bill.

Agency FY 2018 savings targets can be found by downloading the "Agency 2018 Savings Target" template on the DPB website at the following link:

http://dpb.virginia.gov/forms/forms.cfm?search=FY%202018%20Savings%20Decision%20Packages%20Submission

See Appendix A for instructions on downloading and using this template.

Savings Decision Packages –What to Include

Continuation of Approved 2017 Saving Strategies

You should include decision packages for each of your agency's approved 2017 savings strategies included in the Governor's October Reduction Plan that also had continuing impact in FY 2018. You should only include FY 2018 amounts in your savings decision package submission and not the FY 2017 impact. Contact your DPB budget analyst for more information on these strategies.

Important Note: You should categorize each of these previously approved savings strategies as "Savings Strategies – Approved" in the "Category" field on the "Overview" tab of the Decision Package module in the PB system. See the Decision Package Module Instructions section of this document for more information.

Include Additional Savings as Needed to Meet Your Target

It is not likely that any FY 2018 continuation of previously approved FY 2017 savings strategies will be adequate to cover your agency's entire FY 2018 savings target. As such you will need to submit new savings proposals. Each proposed savings strategy should be submitted as a separate decision package.

Important Note: You should categorize each of these newly proposed savings strategies as "Savings Strategies – Proposed" in the "Category" field on the "Overview" tab of the Decision Package module in the PB system. See the Decision Package Module Instructions section of this document for more information.

In developing these additional FY 2018 savings strategies for your agency, please take the following into account:

- **Exempted amounts.** Portions of your general fund budget may have been exempted from savings target calculations. You should not propose the inclusion of savings strategies that impact the exempted portion of your budget.

- **Previously denied strategies.** You should avoid re-submitting strategies that were denied as part of the recent 2017 savings plan submissions.

- **Pledged Balances.** Any remaining pledged amounts not already applied to your previously issued FY 2017 savings target have been applied to your agency's FY 2018 target. Because your target has been adjusted downward for any remaining pledged balances, you should <u>not</u> include the pledged balances as a strategy in your savings plan.

- **Strategies requiring legislation or regulation.** Some savings ideas may require the passage of legislation or a change in regulation in order to fully implement. If you have savings ideas that may require changes in legislation or regulation, you should notify your cabinet secretary's office as soon as possible.

- **Avoid one-time savings.** The emphasis is to take actions that would provide ongoing long-term reductions, rather than one-time savings. Any one-time savings you submit for FY 2018 will need to be replaced as part of 2018-2020 base adjustments next Summer.

- **Don't Propose Unrealistic Strategies in an Effort to Avoid Reductions.** Agencies should not propose the elimination or curtailment of core or mandated services or programs in an effort to avoid reductions. Plans that employ this tactic, will likely be deemed unacceptable and you will be required to replace such strategies with more realistic ideas.

- **Focus on overall savings to the state.** Agencies cannot count savings actions that will reduce payments to other state agencies or have a negative financial impact on other state programs. This does not result in overall savings to the Commonwealth. However, we are very interested in any ideas you may have that could reduce statewide costs, so please communicate these to your budget analyst and cabinet secretary.

- **Remember that layoffs generate costs.** Saving strategies requiring layoffs of personnel may generate costs due to the severance benefits required under the Workforce Transition Act of 1995 (WTA), and the payment of any leave balances for which employees may be eligible. However, please keep in mind that under the provisions of paragraph M of Item 475, Chapter 780 (2016 Session), the cost of enhanced retirement benefits under WTA may be factored into the employer contribution rates paid to the Virginia Retirement System and thus may not need to be taken into account. If your agency's plan includes layoffs, please review paragraph M of Item 475.

  For more information on state personnel policies with respect to layoffs and furloughs, see the Department of Human Resource Management (DHRM) website for the following policies:

- Policy 1.30 – Layoff

- Policy 1.57 - Severance Benefits

- Policy 1.65 - Temporary Workforce Reduction

  These policies and other information about layoffs can be found at the following web address: http://www.dhrm.virginia.gov/hrpolicies

  In addition, a WTA estimator can be found on the DPB website at the following link: http://dpb.virginia.gov/forms/forms.cfm?search=FY%202018%20Savings%20Decision%20Packages%20Submission

Reports

You may run a report of your savings decision package submissions by clicking on the "BD 1.17 -Agency Budget Requests" report within the Performance Budgeting system reports menu (PB system login and permissions are required). This report contains several options that allow you to run detailed reports on requested dollar amounts and authorized positions. In addition, there are options that allow the viewing of summarized information and the creation of a formatted report.

To ensure that the sum total of your savings decision packages add up to your savings target, you should use the "Agency Decision Package Category" to select just the "Savings Strategies – Approved" and "Savings Strategies – Proposed" categories. To select more than one category in this dropdown, hold your "Ctrl" key down as you click each item.

Click the following link to open the report pre-filtered for these two savings categories:

BD. 1.17 Report Pre-Filtered For Savings

 (This link is also available on the DPB website).

Decision Package Module Instructions - Performance Budgeting System

The decision package module is used for proposals to modify your agency's budget or to modify language in the Appropriation Act. This set of instructions is tailored specifically for FY 2018 savings decision packages.

Each decision package in this submission should address and one savings action only. The action proposed in each decision package should be a discrete unit that can be evaluated on its own merit, independent of any other proposals.

To access the decision package module, select "Decision Packages" within the "Decision Package sub-menu under the "Operating Budget" link on the Performance Budgeting System work tray / main screen. Detail instructions below will explain how to create a decision package work item in the PB system.

If you have any questions of a policy nature, please contact your DPB budget analyst. If you experience technical issues with the Performance Budgeting System, you can use the "Help Request" option on the top menu within the budgeting application to open a ticket or you can contact the PB Help Desk at PBHelpDesk@vita.virginia.gov or (804) 786-1097.

What's New

With the recent full implementation of the Cardinal financial system, the Commonwealth's Performance Budgeting system has adopted the five-digit fund details used in Cardinal as opposed to the four-digit fund details that were used in CARS.

All other chart of accounts fields used in the Performance Budgeting system remain unchanged to include three-digit agency codes, five-digit program/service area codes, and four-digit subobject codes.

Since this submission involves savings, there are certain sections and/or fields in the decision package module that you should skip or should make sure that you are completing according to these instructions. See the detailed Decision Package module instructions for more information.

Decision Package Module Quick Guides

AGENCY ANALYST QUICK GUIDE

1. Mouse over the Operating Budget functional area menu item and then mouse over Decision Packages. From the resulting dropdown menu, select Decision Packages and the Overview tab will appear.
2. Complete the Overview tab as described in the Overview tab instructions.
3. Complete the Narratives tab as described in the Narratives tab instructions.
4. Complete the NGF Revenue Source tab as described in the NGF Revenue Source tab instructions. This tab only needs to be completed if there is an NGF Revenue impact for the decision package.
5. Complete the Position Planning tab as described in the Position Planning tab instructions. This tab only needs to be completed if positions are requested or impacted by this request, including position reductions.
6. Complete the Budget Detail tab as described in the Budget Detail tab instructions.
7. Complete the Budget Summary tab as described in the Budget Summary tab instructions.
8. Click Submit and select the appropriate action from the available options.
   1. Continue Working - Saves the decision package and returns the work item to the Available Work Items tab on the Work Tray for users with similar credentials to claim.
   2. Submit for Agency Review - Submits the decision package to the next step in the workflow.
   3. Void Document - Voids the decision package.

AGENCY REVIEWER QUICK GUIDE

NOTE: Ensure that all decision packages have been prioritized in the Decision Package Prioritization module. All decision packages must be prioritized before they can be submitted to DPB.

1. Click on *Available to be Claimed* from the Work Tray.

2. Select the Document Type filter and select Decision Package to filter on the decision packages.

3. Click *Claim* next to a decision package that is ready for review. Once a decision package is claimed, the Overview tab will appear.

4. Review the Overview tab for completeness and accuracy.   Refer to the DPB transmittal for any policy guidance.

5. Click on the Budget Summary tab and review for completeness and accuracy. Refer to the DPB transmittal for any policy guidance.

6. Click on the Narratives tab and review for completeness and accuracy. Refer to the DPB transmittal for any policy guidance.

7. Click on the NGF Revenue Source tab and review for completeness and accuracy. Refer to the DPB transmittal for any policy guidance.

8. Click on the Budget Detail tab and review for completeness and accuracy. Refer to the DPB transmittal for any policy guidance.

9. Click on the Position Planning tab and review for completeness and accuracy.   Refer to the DPB transmittal for any policy guidance.

10. Click Submit and select the appropriate action from the available options.

a. Continue Review - Saves the decision package and returns the work item to the Available Work Items tab on the Work Tray for users with similar credentials to claim.

b. Ready for DPB Bulk Submit – Places the decision package in a batch to be submitted to DPB via the Decision Package Bulk Submit to DPB module.

c. Return for Further Data Entry - Returns the decision package to the data entry workflow step.

d. Void Document - Voids the decision package.

Overview Tab

Overview Tab Overview

The purpose of the **Overview** tab is to describe the decision package and select the level at which the budget details will be entered. Additionally, the ability to specify if new legislation or Appropriation Act language changes and attach a file related to those changes is provided.

Overview Tab Instructions

1. Click on the Overview tab.
2. Select the Agency to which the decision package will be applied (or enter your three-digit agency code).
3. Select the Biennium to which the decision package will be applied. (2016-2018 is the default and the appropriate selection.)
4. Make sure the correct budget round is selected ("amended" is the correct round from the available selections of initial budget, amended, or caboose).
5. Enter the Title for the decision package.

   > Insert a short descriptive title. Remember that your title should begin with a verb such as reduce, transfer, shift, supplant, etc.

6. Select the *Category* for the decision package.

   > There are several amendment choices in the decision package module under the "category" field. However, there are only two that should be used as part of this particular submission. The applicable choices for this submissions are as follows (you should not use any of the other choices for savings strategies). It is very important that you categorize these properly or otherwise any incorrectly categorized savings decision packages will not show properly in reports or may even be included in publicly viewable reports if the wrong or no category is selected.

   a. *Savings Strategies - Approved*. This category is for savings decision packages that reflect the FY 2018 continuation of savings strategies approved for inclusion in the Governor's October 2017 Reduction Plan

   b. *Savings Strategies - Proposed*. This category is for newly proposed savings strategies that were not part of an agency's approved FY 2017 savings amounts.

7. You may optionally link a decision package to one or more performance measures in your agency's strategic plan via the **Strategic Link** grid. If you opt to link to a measure or measures you will need to enter the percent from GF and NGF sources associated with the request and applied to each applicable measure. These percentages must add up to a 100 percent. Note: measures are from agency strategic plans in Virginia Performs.

8. Select the **Region** of the state that the decision package most impacts. If it impacts more than one region, select "Multiple Regions".

9. If applicable, select the statewide **Enterprise Strategy** that the decision package supports. It is not necessary to force a selection if the decision package does not clearly support any of the strategies listed.

10. Enter the Agency Description for the decision package.

    > Summarize the savings actions your agency proposes.

11. Check **Will new legislation be required as a result of this request?** if new legislation is required as a result of the decision package.

12. Check **Is Appropriation Act Language required as part of this request?** if Appropriation Act language is required for the decision package.

13. Upload any supporting documentation for the decision package by clicking Browse, selecting the file to be uploaded, and clicking the Upload button.

> Note: This will be required if either the check box about new legislation or new Appropriation Act Language is checked.

Narratives Tab

Narratives Tab Overview

The purpose of the **Narratives** tab is to capture the justification for the decision package. Remember, quality is important! Decision-makers may have only your narrative as a basis for evaluating your agency's savings proposal.

Narratives Tab Instructions

1. Click on the **Narratives** tab.

2. Enter the Consequences of not funding/justification.

> You should skip this field for the savings submission.

3. Enter the Alternatives considered.

   If applicable, indicate any other alternatives you considered for accomplishing the objectives of the request and why you selected the proposed action. Briefly list the pros and cons of each alternative.

4. Enter the Explanations and Methodologies.

   Explain how you calculated the amounts in your proposal and any assumptions used, the methodology used. Enter as much detail as necessary to fully explain the methodologies used.

5. Attach any Supporting Documentation to further explain the savings decision package.

Budget Summary Tab

Budget Summary Tab Overview

The purpose of the **Budget Summary** tab is to capture the high level general fund (GF) and nongeneral fund (NGF) six-year budget impact for the savings decision package. If the **Total Services** grid on the **Budget Detail** tab has already been entered, the "Summarize Budget" functionality can be used to populate the first two years of the **Summary of Costs and Positions** grid based upon the data entered in the **Total Services** grid.

Budget Summary Tab Instructions

1. Click on the **Budget Summary** tab.

2. If the data has already been entered in the **Total Services** grid on the **Budget Detail** tab, click Summarize Budget. This will populate the GF and NGF data for the first two years in the

Summary of Costs and Positions grid based upon the data entered in the **Total Services** grid on the **Budget Detail** tab.

3. Enter the out-year impact for the decision package in the **Summary of Costs and Positions** grid and, if entering Budget Summary first, enter data for the two years of the biennium for which work is currently being completed. Agencies must enter data for all six years, even if the amount is zero.

4. If the decision package results in a change in general fund resources/revenue, enter the amount in the applicable row at the bottom of the summary grid. "GF Transfer" is for nongeneral fund cash transfers to the general fund, "GF Revenue" is for changes in general fund revenue coming in to the Commonwealth, and "Additions to Balance" is for the reversion of general fund balances from agencies to the General Fund.

Budget Detail Tab

Budget Detail Tab Overview

The purpose of the **Budget Detail** tab is to capture the budget details, line by line, for the decision package. A user will be required to enter the program (including service area), fund, subobject, and FY 2018 dollars for each budget line associated with the decision package.

Budget Detail Tab Instructions

1. Click on the **Budget Detail** tab.

2. In the **Total Services** grid, enter the Program (program, service area and component), Fund, and Subobject for each nonpersonal services budget line.

3. Enter the FY 2018 Dollars for the budget line.

4. In the **Total Services** grid, if the budget line specified is one-time, then check the One-time Funding checkbox. If a budget line contains a mix of one-time and ongoing funding, create a separate line for the one-time amount and another for the ongoing funding requirements.

5. Add rows to the **Total Services** grid as needed to specify multiple budget lines.

Position Planning Tab

Position Planning Tab Overview

Typically, the purpose of the **Position Planning** tab is to capture authorized position changes associated with the decision package. On a normal basis, once the positions are entered, the personal services budget can be automatically calculated and the resulting budget data can be used to populate the personal services subobjects in the **Total Services** grid on the **Budget Detail** tab. However, for the purposes of submitting savings strategies, you should just the authorized position information by selecting the "Not Budgeting by Role or Position" option.

Enter Decision Package				Help	Print	Reload	Cancel	Save	Validate	Submit
Overview	Budget Summary	Narratives	NGF Revenue Source		Budget Detail	Position Planning	Rate Adjustment	Validation		

Agency: 122: Department of Planning and Budget   Biennium: 2016-2018   Budget Round: Amended Bill

Title: Reduce agency spending   Category: Savings Strategies - Proposed

Not Budgeting by Role or Position ☑

Position Planning							⊕ ⊖
		Program	Fund	Salary Subobject	FY 2017 Positions Req	FY 2018 Positions Req	One-time Funding
		▾	▾	▾			▾
1	🗋 🗑	🔍	🔍	🔍			☐
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⊞ Add ⊞ Import ⊞ Export ⊞ Clear ⊞ Refresh   ⊩ ⊲⊲ Page 1 of 1 ⊳⊳ ⊳⊩ 100 ▾   View 1 - 1 of 1

Position Planning Tab Instructions

Position Planning for Authorized Positions Only (USE THIS METHOD FOR THIS SUBMISION)

You should use this method for the 2018 savings decision package submission. This will require that you calculate the savings associated with position level changes "off system".

1. Click on the **Position Planning** tab.

2. Check the **Not Budgeting by Position or Role** checkbox.

3. In the **Position Planning** grid, enter the total number of positions for the Agency for both the first year and second years of the biennium in the **FY 2018 Positions** cells.

4. Add rows to the **Position Planning** grid, by clicking the **Add** button in the lower left corner of the grid as needed.

5. Authorized positions can also be uploaded from an .xls file.

Position Planning by Role or Position (DO NOT USE THESE METHODS FOR SAVINGS)

You should not use the "Budget by Position" or "Budget by Role" options on the Position Planning tab for the this savings decision package submission. Benefits that are calculated as a percentage
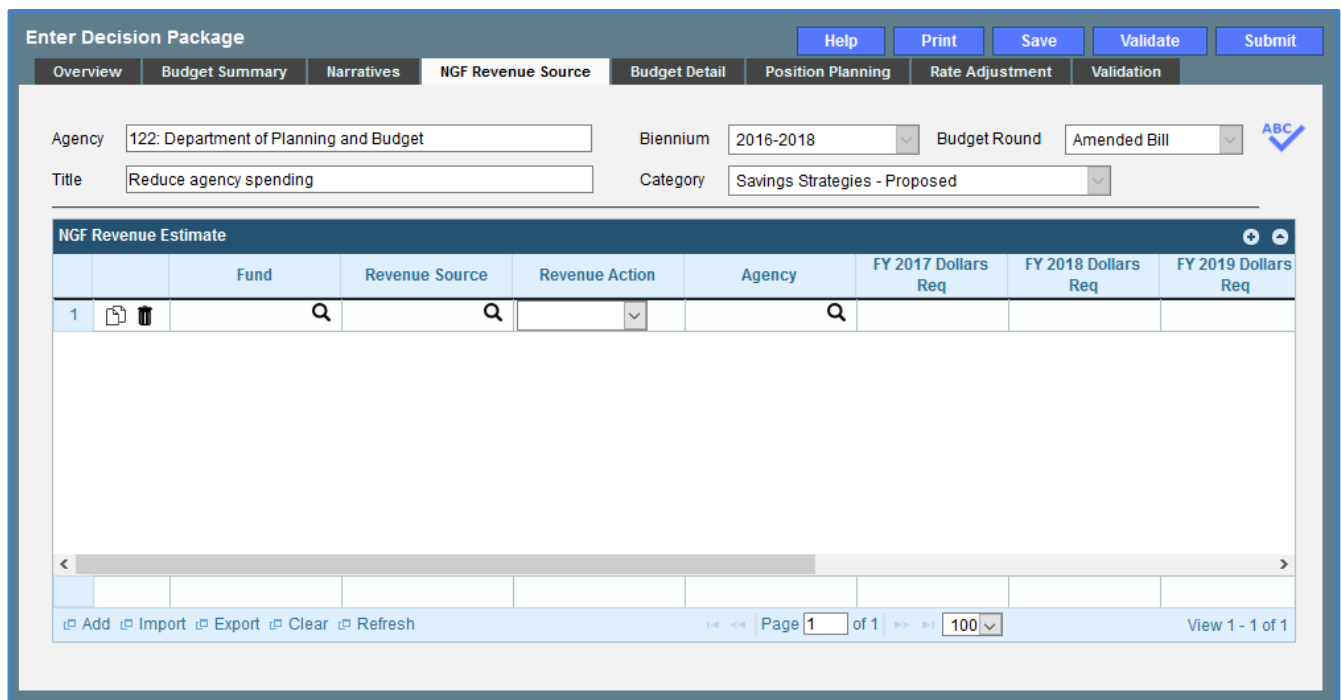
of salary will calculate properly, however, the calculations will use a positive amount for health insurance coverage which would not be correct for a savings strategy.

You should use the previously mentioned "Not Budgeting by Role or Position" option and calculate personnel related savings "off system".

NGF Revenue Source Tab

NGF Revenue Source Overview

The purpose of the **NGF Revenue Source** tab is to capture changes in agency six-year NGF revenue estimates that may result from the decision package. This tab should only be completed if there is a nongeneral fund request/impact. These amounts are over and above amounts in the six-year nongeneral revenue fund estimates module.

NGF Revenue Source Instructions

1. Click on the **NGF Revenue Source** tab

2. In the **NGF Revenue Estimate** grid, enter the fund and revenue source code associated with the nongeneral fund revenue.

3. In the **NGF Revenue Estimate** grid, select the Revenue Action (send to or receive from) and Agency (pass through or may be blank) associated with that action if applicable.

4. In the **NGF Revenue Estimate** grid, enter an nongeneral fund revenue estimate for six years in the columns labeled with the out-years, FY 20XX Dollars.

5. In the **NGF Revenue Estimate** grid, click on the Methodology cell for revenue source that is currently being estimated. In the popup window that appears, enter the methodology used to make the estimate.

6. Add rows to the **NGF Revenue Estimate** grid as needed to specify multiple nongeneral revenue sources for the decision package by using the button shown below.

Decision Package Bulk Submit Instructions Performance Budgeting System

Bulk Submit Overview

The purpose of the Decision Package Bulk Submit to DPB module is to allow an agency to submit all their decision packages to DPB at once.

Bulk Submit Instructions

1. To ensure that all requests are accounted for, look at the Document Title column to review the base budget adjustments.

2. Confirm that the Step Title and State fields are correct for each of the base budget adjustments.

3. To bulk manage the submit action, click the Set all to dropdown and select the submit action that the requests require: Submit to DPB, Continue Review, or Return to Previous Submitter. If submitting to DPB, all requests must be set to Submit to DPB. The submit actions correspond to the submit actions in the Decision Package module documentation.

4. Click the Submit button. A message will display in the text box below the submit button to alert you that the submission was successful. If you receive a message that one or more work items could not be submitted, you should navigate to the work tray and open the work items to determine if they are failing validation rules for some reason.

Appendix A: Agency Savings Targets Template

Step 1, Downloading the 2018 Targets Template and Enabling Macros:

Navigate to the following link:

http://dpb.virginia.gov/forms/forms.cfm?search=FY%202018%20Savings%20Decision%20Packages%20Submission

If you are using Internet Explorer as your Internet browser:

1. RIGHT-CLICK on the link for the Excel file; "Agency 2018 Savings Targets".

2. Select "Save Target As" and save the file to your local drive.

3. Once the file is saved, close Internet Explorer and open the file using Excel.

4. Please note that in order for the template to operate correctly, you must click on the "Enable Content" button within the Macros Security Warning message. Also, select "Yes" when asked if you want to make the file a trusted document.

5. If you are prompted with a Microsoft Visual Basic error, please see the instructions below on adjusting macro security levels.

If you are using Mozilla Firefox as your Internet browser:

1. Click on the link for the Excel file; "Agency 2018 Savings Targets".

2. After you click on the file name on the website, you will be prompted to open the file or save it to a drive. You should choose to save the file to your computer.

3. A box will appear warning you that the file contains macros. The box will prompt you to disable the macros or to enable the macros.

4. Please note that in order for the template to operate correctly, you must click on the "Enable Content" button within the Macros Security Warning message. Also, select "Yes" when asked if you want to make the file a trusted document.

5. If you are prompted with a Microsoft Visual Basic error, please see the instructions below on adjusting macro security levels.

If you are prompted with a Microsoft Visual Basic error alerting you to disabled macros:
For Excel 2007 and later version users, please use the following instructions:

Before opening the Excel template the following set-up needs to be done.

1. Open Excel 2007 or later version.

2. Select the "Office Button" in the upper left hand corner of the window.

3. At the bottom of the window, select the "Excel Options" button.

4. On the "Excel Options" window, select the "Trust Center" from the selections along the left of the page.

5. Then, select the "Trust Center Settings…" button near the center of the page.

6. On the "Trust Center" window, select "Macro Settings" along the left of the window.

7. Under the "Macro Settings" section select "Enable all macros".

8. Select "OK" to close the "Trust Center" window, then "OK" again to close the "Excel Options" window.

Step 2, Populating the Agency Savings Targets

Populating the agency savings targets requires that you enter your three-digit agency code at the top of the form. After entering your agency code, the target information will be populated in the template. In addition to your savings target, this information includes your agency's FY 2018 legislative appropriation per Chapter 780 by program and any amounts exempted for the purposes of calculating your savings target.

Your agency's 7.5 percent savings target can be found under the "FY 2018 Savings Target" column.

Save the file again to retain the information as populated.

If you have any questions, please contact your DPB budget analyst.