

HIGHLIGHTS

A thorough review of this manual will be necessary to become familiar with all the items that are expected in a complete budget request. Some of the more significant changes to this manual are:

New For FY 2013

- **Adjustments to the B-6:** Adjustments have been made to the B-6 to assist in removing benefit cost increases for unfunded positions. **DFM and LSO recommend agencies delete vacant and unfunded PCNs prior to July 15 to avoid having to list them on the B-6.**
- **Health Insurance Restoration:** The restoration of the FY 2012 health insurance premium holiday is reflected on the Wage and Salary Report.
- **Adjustments:** The Department of Administration is currently revising its rent structure. For the FY 2013 budget submission, please use the rates on page 14. Any necessary change will be made when SWCAP adjustments are entered.
- **Updates to Program Descriptions:** Agencies should provide updated program descriptions (if necessary) using the new form included in Appendix G. Current program descriptions can be found in the previous year Legislative Budget Book.
- **Salary Multiplier:** Note the salary multiplier has been adjusted to 1% for FY 2013. This multiplier is for calculation purposes only and not indicative of a planned CEC increase.
- **Financial Outlook:** Please refer to DFM's recently released "Idaho Road to Recovery" document for insights regarding probable economic and policy factors which will impact Executive Branch budget decisions.

Reminders For FY 2013

- **B-4, Operating, Medical and Contract Inflation Calculation:** Agencies are only required to complete the B-4 form if requesting inflationary increases for FY 2013.
- **Zero-Base Budgeting:** The Governor has directed all Executive Branch agencies to undertake zero-base budgeting over the course of six years. Please see the schedule on the Division of Financial Management (DFM) website (<http://dfm.idaho.gov/>) of when your agency is expected to participate in this rotation. Separate guidance with forms for zero-base budgeting will be issued and training provided by DFM.
- **Requests for Ongoing Capital Outlay:** Any requests for ongoing Capital Outlay must be requested in the DU 12.00 series rather than as a maintenance item.
- **Personnel Adjustments:** Any anticipated agency furlough days in FY 2013 must be accounted for in the Adjustments to the Wage and Salary portion of the B-6.
- **Replacement Items:** Requests for replacement items shall be prioritized in the order of importance by the agency on the B-7 form.
- **Performance Reports:** Idaho Code requires agencies to submit both Part A and Part B of agency performance reports to DFM and LSO by September 1, 2011. Both the agency profile and other measures should be submitted separately from the budget request. Instructions for submitting agency performance data was provided in a separate document in May. Analysts may contact agency staff for specific caseload data, if necessary, to complete their analysis of the submitted budget request.
- **Line Item Report:** Paper copy submissions should include a line item report that is generated from the budget development system.
- **On-Line Budget Development System:** The on-line Budget Development System is located at <http://apps.dfm.idaho.gov/bds/>. If you need access to the system please contact Anita Hamann at

anita.hamann@dfm.idaho.gov. Please login to the system as soon as possible to make sure the program is able to download the necessary tools to perform.

- **Federal Stimulus Funding:** Treat all allocated FY 2012 federal stimulus (American Recovery and Reinvestment Act – ARRA) funds as one-time budget resources. Therefore, remove all 0346-00 dedicated dollars in your individual requests when determining FY 2013 base levels. If substitutions of ARRA financial support with FY 2013 General Fund resources are deemed necessary, document such proposals in the DU 12.00 line item series.
- **Salary Savings Reporting:** The salary savings reports have been updated in IBIS. Please see page 26 for the updated list of reports for preparation of the budget development process.
- **Encumbrances:** Remember that all agency encumbrances **must be accounted for on the B-12 form**. Encumbrances may be shown as liquidated in the current fiscal year or carried forward in the next budget year provided they are taken into account in the free-fund balance. Agencies must do this in order to keep enough cash in reserve to liquidate the encumbrances.
- **Bonding Payment Project Requests:** Remember that all requests for bonding payment project requests must be submitted in the Department of Administration’s budget request and will not be accepted by individual agencies.

PREFACE

Purpose of Manual

Instructions in this manual are presented to assist agencies in preparing their FY 2013 operating budget requests. The examples used in this manual are for illustrative purposes only and do not accurately reflect the actual budget of DFM.

The budget submittal procedures are designed to facilitate general consistency in the presentation and review of the requests while affording agencies the flexibility to clearly describe programs, objectives, and needs.

When developing the Governor's recommendations for the allocation of all state resources, DFM reviews all state agency operating budget requests for compliance with basic budget policies and statutory requirements. This review results in the Governor's annual budget recommendation to the Legislature, and culminates with the final budget decisions made by the Legislature.

Idaho State Budget Process

