

AUTOMATED BUDGET SYSTEM

Agency Instructions

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Budget and Financial Management Division
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FY 2015 – 17 Biennium

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1.0 Introduction

This document provides instructions for submitting the FY 2015-17 biennial budget request for your agency. This year's software has been significantly revised from versions used in prior years, particularly with regard to the development of the current services operating budget request: see section three for a detailed overview of the revamped current services logic used in this year's software.

As always, **any question regarding the development of your agency's biennial budget request should be directed to your assigned budget analyst.** Questions regarding the software may also be directed to Scott McWilliams at 860-418-6249.

2.0 Budget Process Overview and Timeline

The Office of Policy and Management develops and provides, typically on or about August 1st of each year, guidance in the form of a Secretary's Policy Letter, as well as software, to be used by state agencies in submitting their budget requests. Agencies prepare their biennial budget requests, including a current services budget plan and a separate list of programmatic options if changes in expenditures or revenues are requested. The changes represent anything above or below the present level (current services), as well as any reallocation of resources. The current services level includes necessary inflation, caseload changes, annualization of partial year funding, and other changes based on current law. Agencies must submit their current services biennial budget requests on or before September 1st of each odd-numbered fiscal year, with program options due by October 1st.

In odd-numbered fiscal years, the package presented by the Governor to the General Assembly must contain a separate budget for each of the two fiscal years and a report outlining estimated revenues and expenditures for the three years following the biennium.

When there is no change in Governor by way of election or succession, the Governor transmits the budget document for the next biennium to the legislature by the first session day following February 3rd. If the Governor has been elected or succeeded to the Office of Governor since the submission of the last budget document, the transmission of the budget and associated documents occurs by the first session day following February 14th.

In each even-numbered fiscal year, adjustments and revisions to the second year of the biennium are to be submitted if necessary. Transmittal of the Governor's recommended midterm adjustments to the General Assembly occurs on the Wednesday after the first Monday in February which is the day that the General Assembly convenes.

2.1 Budget Submission Requirements

The Governor's recommended budget document is required, by statute, to contain four elements:

1. The Governor's budget message;
2. Recommendations for appropriations for every agency for each fiscal year of the biennium (the recommendations would include the operating budgets for the biennium and bonding requirements for capital projects);
3. A draft or drafts of the proposed legislation to implement the Governor's budget including appropriations, bonding and revenue bills; and
4. Recommendations concerning the effect of the state's budget on the economy.

In order to develop recommendations for each agency, agency heads are required to submit estimates of expenditure requirements by September 1st of each year. In order to evaluate these submissions, the Office of Policy and Management specifies planning factors and assumptions to be used and determines the form and format of such submissions.

Biennial budget requests must include expenditure and appropriation data for the most recently completed and current fiscal years as well as each year of the biennium succeeding the current fiscal year. Such data must be detailed by program as well as being detailed by account code.

In addition, each program must be supported by its statutory authorization, description, and performance measures. For each program, the number of permanent full-time positions authorized, together with the number filled and vacant as of the most recently completed fiscal year must also be provided. Finally, budget data on federal and other grants supporting each program must also be provided.

2.2 Evaluation of Budget Requests

All requests are evaluated based on the efficiency and effectiveness of existing programs or the public need for new and expanded programs as well as for alignment with the Governor's policy objectives and the availability of revenue. Specifically, OPM evaluates current services requests and budget adjustment proposals based on the following factors:

- Technical correctness (do the numbers add up?)
- Conformance with law (state and federal)
- Conformance with gubernatorial policy
- Clearly demonstrated the need for the activity
- Budget program efficiency (resource utilization)
- Budget program effectiveness (objectives met)
- Capital request impact on operating budget; operating request impact on capital budget

For Legislative Branch agencies, Judicial Branch agencies, and the Elections Enforcement Commission, Office of State Ethics, and Freedom of Information Commission accounts within the Office of Governmental Accountability, the Governor is required to present the estimated expenditure requirements and revisions that those agencies provide. Nevertheless, all agencies are required to submit budget requests in the format prescribed by the Secretary of OPM.

3.0 Current Services Requests - Developing a Baseline

The starting point for the current services budget consists of the appropriated programs and funding levels that are in place in the current fiscal year. In order to convert current-year appropriations into the amounts that will be required in the upcoming biennium, a number of adjustments must be applied. Current Services adjustments to funding levels should follow the guidelines detailed in the Secretary's policy memo. In addition, each proposed adjustment must be categorized based on the specific type of adjustment being proposed; see section 3 for a list of specific adjustment codes.

In accordance with the Secretary's policy letter, adjustments will generally be needed to account for differences between the current year and each year of the upcoming biennium for the following reasons:

3.1 Current Services Adjustments

Proposed adjustments to the current level of appropriations fall into the following categories:

3.1.1 Annualization

An adjustment may be needed to reflect the difference between part-year costs in the current fiscal year and full-year costs in upcoming biennium for any policy changes (either expansions or contractions) that occur during the fiscal year in progress. Annualization adjustments are only made for those items where funding was specifically appropriated by the Legislature for only a portion of the current fiscal year.

- Annualization of part-year funding for positions that were either added or cancelled during the current fiscal year – code 101
- Annualization of any private provider COLA that was partially funded during the current fiscal year – code 102
- Annualization – Other – code 199

3.1.2 Statutory Changes

If current statute requires that a new program begin or end after the conclusion of the current fiscal year, or if statute requires a different funding level for a certain program after the current fiscal year, an adjustment may be required.

- Changes in funding that would be necessary due to statutory funding levels for formula-based grants – code 201
- Changes in funding that would be necessary to support rate increases that are statutorily required for programs that are funded on a fee for service basis – code 202
- Changes in federal law that impact state funding requirements – code 203
- All other funding changes required as a result of CT statutory changes that take place after the current fiscal year – code 299

3.1.3 Wage Costs

Adjustments will be needed to account for changes in state employee salary costs resulting from collective bargaining agreements. The Secretary’s policy letter will provide the factors to be used for calculating these costs. The personnel module in the automated budget system will assist in allocating increases to the appropriate categories.

- Cost of Current Year COLA – code 301
- Cost of Current Year Annual Increment / PARS – code 302
- Cost of Year 1 COLA – code 311
- Cost of Year 1 Annual Increment / PARS – code 312
- Cost of Year 2 COLA – code 321
- Cost of Year 2 Annual Increment / PARS – code 322
- Cost of Turnover – code 306

3.1.4 Non-Wage Inflation

Changes in any other cost as a result of price inflation are generally not allowed, except where specifically noted in the Secretary’s policy letter. In such cases, the Secretary’s letter will identify what inflation factors to use for which types of expenditure and the inflation module in the automated budget system will assist in generating adjustments based on standard inflation assumptions.

- Inflation of fee for service rates. Applies to fee for service reimbursement rates paid by human services agencies. Use only when such adjustments are specifically requested in the Secretary’s policy letter – code 401
- Other inflationary increases. Use only for those categories of expenditure that are identified in the Secretary’s policy letter – code 499

3.1.5 Caseload Changes

- Changes resulting from increased/decreased caseload during the biennium, such as in fee-for-service or enrollment-based programs, or from increases/decreases in number or frequency of services. Use for: 1) fee for service programs in DSS, DCF, and DMHAS; 2) bus, rail or ADA transit subsidies due to ridership changes; 3) enrollment changes in

SDE charter schools, OPEN Choice and magnet schools programs; 4) population changes in DPH's local and district departments of health subsidy; and 5) OPM property tax and elderly renters accounts – code 501

3.1.6 New Facilities

- Changes in the operating costs of facilities that are newly opened or closed – code 602

3.1.7 Miscellaneous / Other

- Annualization of any current-year deficiency to the extent that the deficiency is not one-time in nature – code 701 (only for non-personnel costs) or code 711 (for personnel costs)
- Annualization of any current-year surplus / lapse to the extent that the lapse is not one-time in nature – code 702 (only for non-personnel costs) or code 712 (for personnel costs)
- Annualization of any current-year FAC transfers to the extent that such transfers are not one-time in nature – code 703 (only for non-personnel costs) or code 713 (for personnel costs)
- Leap year costs for services where costs are reflected on a per diem basis – code 704
- Changes in pension costs based on an actuarial analysis – code 705
- All other changes – code 999

4.0 Budget Options

Once the current services funding level is established, policy proposals which would result in a budgetary change may be considered. Prior to the due date for submitting such proposals, the Secretary will issue a second policy letter concerning budget options. This letter will generally identify areas on which the Governor wishes to focus during the upcoming budget period. Agencies are urged to consult their assigned OPM budget analyst regarding how potential budget options might fit with the Governor's policy direction. Budget options are categorized as follows.

4.1 Reduction Options

Agencies are typically asked to propose changes in how their business is conducted that would result in a decrease in State resource requirements. Even in times where resources are robust it is incumbent on agencies to maximize the efficiency of their operations and eliminate ineffective programming. In evaluating potential reduction options, agencies should consider the impact on all parties that may be affected by the change, including other agencies.

4.2 Expansion Options

If permitted by the Secretary's policy letter, agencies may consider programmatic expansions that would result in a clear benefit to the public that outweighs an increased need for resources. As with reduction proposals, agencies should consider the impact of option proposals on all agencies that may be affected; for example, proposals to increase staffing must consider the impact on fringe benefits costs.

The Governor's ability to consider expansion proposals will be driven by the merits of the particular proposal in light of the availability of funding. The Secretary's policy letter on options will provide guidance on the extent to which expansion options will be considered. Frequently, the Secretary will ask that agencies provide OPM with expansion option concepts that can be reviewed so that agencies do not undertake the process of fully developing and submitting expansion proposals which have little likelihood of being funded.

4.3 Reallocation options

Reallocation options allow an agency to propose a reallocation of resources between appropriations in order to fund an increase in funding in one area by reducing funding in a different area. In addition to proposing reallocation options within their own agency, agencies may propose reallocation options that cross agencies by contacting their assigned OPM budget analyst.

4.4 Revenue Options

Agencies may propose options that would result in an increase in state revenue that more than offsets any increase in costs that are required to implement the revenue increase. Agencies should note, however, that the constitutional spending cap limits the growth in state appropriations and may limit the ability to support even those costs that are more than offset by revenue gains.

5.0 Automated Budget System

The Automated Budget System can be downloaded at the following internet address:
<http://159.247.5.226/BudgetSystem>

Follow instructions on the screen to download and install the budget system. Once the system is installed, a shortcut to the system, titled "abs2015Agency", will be added to your computer's start menu. Each time the software is opened, it will check to ensure you have the latest version of the software installed on your PC. If a newer version is available, the system will prompt you to update your software.

5.1 System Navigation

The menu bar at the top of the screen allows users to log in, select an agency to work on (for users that have access to more than one agency), enter the current services system or enter the options system. Note that the options system is not available until the Secretary provides guidance on budget options. Also note that once current services has been submitted, additional changes to current services can no longer be made – contact your assigned budget analyst if you discover that a correction is necessary after your submission has been made.

Most screens contain a save button that will allow you to save data that you have changed. Any data which has been entered or changed but not yet saved will generally be shaded blue. You must press the save button prior to leaving any screen in order to save your updates.

Because your current services request is equal to the sum of your existing FY 2015 appropriations plus any adjustments to those appropriations, **you are strongly advised to complete the “baseline” allocation of your FY 2015 appropriations by program and account code before calculating or entering adjustments for the biennium.**

5.2 System Security

Users are assigned an ID and password. Agency users only have access to assigned agencies. If you need to assign additional users, or if you need to reset your password, please contact your assigned budget analyst.

5.3 System Modules

The following modules are available under Current Services:

- Baseline: Allows users to verify or correct prior year expenditures and to allocate current year appropriations by program and by account code.
- Inflation: Automates the process of requesting inflation adjustments based on the inflation assumption contained in the Secretary’s current services policy letter.
- Roster: Displays a roster of the positions and is used to calculate personnel cost inflation based on assumptions contained in Schedule A of the Secretary’s current services policy letter.
- Adjustments: Allows users to request any additional adjustments to current-year appropriations which are consistent with the Secretary’s current services policy letter.
- Additional Funds: Allows for the entry of data on federal and private funds that are available to the agency.
- Reports: Allows the user to print budget reports.

Under Budget Options, the following additional modules are available:

- Options: Allows the user to enter budget options (reduction, revenue, reallocation, or expansion)
- Option reports: Allows the user to print budget reports.

5.3.1 Baseline

The baseline for calculating the necessary amount of current services funding for the upcoming biennium is the current year appropriation. Because current statute requires budget requests to be detailed by program and by account code, you must allocate your FY 2015 appropriation by program and by account code within each program.

As noted above, you are strongly advised to complete the “baseline” allocation of your FY 2015 appropriations by program and account code before calculating or entering any other adjustments for the biennium.

The Baseline screen shows, for each combination of SID and program, actual FY 2014 expenditures, and a place to enter estimated FY 2015 expenditures. At the bottom of the screen, totals are provided for the current SID.

Before entering estimated expenditures for FY 2015, you should verify that expenditures for FY 2014 are properly coded. Where expenditures for FY 2014 were coded to a program outside of the range of programs in your agency budget structure, those expenditures will be reported under the program “unknown”. You must allocate any expenditures with an unknown program code to a valid program within your agency; you may not submit your current services request with any unknown program values.

You may enter the anticipated expenditure level by program and account code by entering values in the “current year estimated” column directly or you may elect to pre-populate the current year column using the “Prorate Me” button at the bottom of the screen. This button prorates the FY 2015 appropriation using the FY 2014 distribution of expenditures for that SID. Note that you may manually adjust estimated values after pressing the “Prorate Me” button, but pressing the button again will override any previous data entry. Also note that the “Prorate Me” button prorates all expenditures for the current SID (only one SID at a time, but all programs within the selected SID). Note also that the “Prorate Me” button cannot be used to prorate FY 2015 appropriations where there were not expenditures in FY 2014.

At the right side of the bottom of the screen is a link to add any additional account codes for which you anticipate FY 2015 expenditures where there were none for FY 2014. If there are no anticipated expenditures for an account code that had FY 2014 expenditures, simply enter 0 in the FY 2015 column.

The Baseline process is not complete until the total current year estimated amount for each SID is equal to the FY 2015 appropriation for each SID.

5.3.2 Roster

The roster page includes 2 tabs. The 1st tab shows a listing of all current positions; those positions that are filled also show data based on the incumbent employee. In the upper frame, a listing of all agency positions is included; the bottom frame shows, for the selected position, the financial distribution of that position by SID, program, and SID. Agencies can make corrections to all Roster data. Cells that are not shaded may be edited by typing in them directly; the fields that display the position classification may be edited by double-clicking on the class code and selecting a new code from the pop-up listing.

The roster requires that the permanent fulltime position count of the edited roster data matches the budgeted position count.

The summary tab includes the calculations for wage cost adjustments, based on the roster and on a table of scheduled collective bargaining increases (Schedule A), that are necessary for the following adjustments:

- Cost of Current Year COLA – code 301
- Cost of Current Year Annual Increment / PARS – code 302
- Cost of Year 1 COLA – code 311
- Cost of Year 1 Annual Increment / PARS – code 312
- Cost of Year 2 COLA – code 321
- Cost of Year 2 Annual Increment / PARS – code 322

Based on those calculations, the system will automatically generate 8 current services adjustments (there will be separate FY 2016 and FY 2017 adjustments for codes 311 and 312). There is a button at the bottom of this tab to generate these adjustments.

5.3.3 Inflation

The inflation tab allows users to automatically generate an inflation adjustment for Other Expenses accounts based on the inflation parameters included in the Secretary's current services policy letter. Agencies may elect to inflate individual account codes by clicking the "Inflate" button to the left of each row or inflate all account codes by clicking the "Inflate Table" button at the bottom of the screen.

The save button saves the table and generates an adjustment for inflation. Agencies that believe other inflationary increases are appropriate may use the "Adjustments" tab to request any type of necessary adjustment, including inflation, that they believe is necessary and that is consistent with the guidance provided by the Secretary's policy letter.

5.3.4 Current Services Adjustments

Current Services adjustments are similar to budget options in that they represent changes to the base (current year) level of funding. Expenditure information for all current services adjustments (and budget options) must be at the appropriation, program, and account code level of detail; however there are generic codes that may be used during budget development if a particular program or account code isn't known, but the system will not allow final submission until valid codes are entered for all adjustments.

All Current Services adjustments must be accompanied by a category code – see section 3.1.

5.3.5 Additional Funds

The system displays a listing, by program, fund, SID, and Catalog of Federal Domestic Assistance (CFDA) number (if federal) of actual expenditures and filled and vacant position counts for other funds for the most recently completed fiscal year. Agencies should make corrections to the actual expenditure and position information and add the estimated expenditure and number of funded positions for all federal and other funds for the current year and each year of the upcoming biennium. Agencies can also add additional funds that are anticipated in the future.

5.3.6 Supplemental Budget Information

Although the following information is not directly tied to requested appropriation amounts, all of the following supplemental information submissions must be completed in order to complete the current services submission. Additional instructions regarding download and submission requirements for supplemental data will be provided under separate cover.

5.3.6.1 Agency Purpose / Program Narratives

Agencies must download Microsoft Word documents which describe the purpose of their agency and a description of each budgeted program. After updating these documents, agencies should upload the updated documents. Copies of the description and purpose documents used during the FY 2013-2015 biennium will be available for download. Instructions are forthcoming and will be provided under separate cover.

5.3.6.2 Consultant Contracts

Your current services request must be accompanied by a spreadsheet listing of all current and proposed consultant contracts. A copy of the consultant contract spreadsheet template which will include the following data fields will be available for download. Instructions are forthcoming and will be provided under separate cover:

- Name of vendor
- Description of service

- Start and end date of contract
- Total contract amount
- Amount in current year and each year of the biennium
- SID, Program, Account code
- Notes

5.3.6.3 *Spending Plans*

Spending plans are required for grant accounts in POS agencies. A copy of the spending plan spreadsheet template which will include the following data fields will be available for download. Instructions are forthcoming and will be provided under separate cover:

- Vendor name (or “TBD” if not yet contracted)
- Service Category or Type
- Payment arrangement: POS, PSA, FFS, Other
- Estimated payment amount
- Price

5.3.7 *Leases*

Pursuant to CGS Sec. 4-67g, OPM’s Bureau of Assets Management will provide directions, under separate cover, for completing your agency’s state facilities plan. Completion of all required plan documents is required in order to allow for the review of requested lease costs.

5.3.8 *Current Services Printing and Submission*

Current Services submissions are due to OPM by Monday, September 1, 2014. Current services submissions are not considered complete until all of the following are completed:

- Automated Budget System data must be transmitted electronically using the “Submit” button on the current services tab. Note that the system will ensure both of the following are true when the submit button is pressed:
 - FY 2015 values for each Fund-SID combination must be to equal the FY 2015 appropriation – see 5.3.1 - Baseline.
 - Any default Program or Account Codes that were used temporarily in the development of any adjustment has been converted to a valid Program or Account Code – see 5.3.4 -Current Services Adjustments.
- Agencies must forward, to their assigned budget analyst, all required supplemental budget information noted above in section 5.3.6. Supplemental information must be provided electronically in the proper format.
- Agencies must submit, to their assigned budget analyst, a printed copy of form BR-1, signed by the agency head.

5.3.9 Budget Options

Additional information regarding the Budget Option functionality of the Automated Budget System will be available under separate cover.

Appendix: Relevant Statutes

Sec. 4-69. Definitions. Wherever used in this chapter, unless the context otherwise requires:

(1) “Accrual basis” means the basis upon which, in transactions thereon, revenues are accounted for when earned or due, even though not collected, and expenditures are accounted for as soon as liabilities are incurred, whether paid or not;

(2) “Agency fund” means a fund consisting of resources received or held by the state as an agent for certain individuals or governmental units;

(3) “Allotment” means a portion of an appropriation or special fund set aside to cover expenditures and encumbrances for a certain period or purpose;

(4) “Appropriation” means an authorization by the General Assembly to make expenditures and incur liabilities for specific purposes;

(5) “Assets” means the entire property of all kinds of the state, including both current assets and fixed assets;

(6) “Audit” means, in the absence of any expression defining the extent to which it has been limited, an examination of the subject matter of the accounting in all its financial aspects, including, so far as the several classifications of accounts may be involved, the verification of assets, liabilities, receipts, disbursements, revenues, expenditures, reserves and surplus in such detail as may be necessary to permit certification of the statements rendered and of the accountability of the fiduciary parties;

(7) “Auditors’ certificate” means a statement signed by the auditors stating that they have examined the accounting records and expressing their opinion, based on such examination, regarding the financial condition of the state or any of its enterprises, the results from operations and any facts which the auditors in their professional capacity have investigated;

(8) “Balance sheet” means a statement showing the financial condition of a fund or government at a specified date;

(9) “Budget” means an estimate of proposed expenditures for a given period or purpose and the means of financing them, determined for the fiscal year ending June 30, 2014, and each fiscal year thereafter on the basis of generally accepted accounting principles, as administered by the Governmental Accounting Standards Board, as expressed in appropriation and revenue acts;

(10) “Budget document” means the instrument used by the Governor to present a comprehensive financial program to the General Assembly;

(11) “Budgeted agency” means (A) every department, board, council, commission, institution or other agency of the Executive Department of the state government, provided each board, council, commission, institution or other agency included by law within any given department shall be deemed a division of that department; (B) every court, council, division and other agency of the judicial branch of the state government financed in whole or in part by the state, including those agencies, officers, employees and services for which, or for the payment of whose salaries, appropriations are made to be expended on the

direction, taxation or approval of any state court or judge thereof; and all of said courts, councils, divisions, agencies, officers, employees and services shall be one or more budgeted agency or agencies as the Secretary of the Office of Policy and Management may prescribe; (C) every full-time permanent department or agency of the legislative branch of the state government; and (D) every public and private institution, organization, association or other agency receiving financial aid from the state;

(12) "Capital budget" means that portion of the budget which deals with the estimates of proposed expenditures for land, nonstructural improvements to land, structural replacements and major improvements and the means of financing them;

(13) "Capital outlay" means expenditures which result in the acquisition of additions to fixed assets;

(14) "Cash basis" means the basis upon which, in transactions thereon, revenues are accounted for when received in cash and expenditures are accounted for when paid;

(15) "Current assets" means those assets owned by the state which are available to meet the cost of operations or to pay current liabilities of the state;

(16) "Current liabilities" means liabilities which are payable immediately or in the near future out of current resources, as distinguished from long-term liabilities to be met out of future resources;

(17) "Deficit" means the excess of the liabilities and reserves of a fund over its assets, or the excess of the obligations, reserves and unencumbered appropriations of a fund over its resources;

(18) "Disbursements" means payments in cash regardless of the purpose;

(19) "Encumbrances" means obligations in the form of purchase orders or contracts which are to be met from an appropriation and for which a part of the appropriation is reserved;

(20) "Expenditures" means amounts paid or liabilities incurred for all purposes, including expenses, provisions for retirement of debt and capital outlay;

(21) "Expenses" means expenditures for operation, maintenance, interest and other current expenditures for which no permanent or subsequently convertible value is received;

(22) "Fiscal period" means any period at the end of which the state closes its books in order to determine its financial condition and the results of its operations;

(23) "Fixed assets" means assets of a permanent character having a continuing value, such as land, buildings, machinery and furniture and other equipment;

(24) "General Fund" means the fund that is unrestricted as to use and available for general purposes;

(25) "Liabilities" means debts or other legal obligations arising out of transactions in the past which are to be liquidated or renewed or refunded upon some future date;

(26) "Modified accrual" means a basis of accounting where revenues are recognized when earned only so long as they are collectible within the period or soon enough afterward to be used to pay liabilities of

that period and expenditures are recognized in the period in which they were incurred and would normally be liquidated;

(27) "Overdraft" means (A) the amount by which checks, drafts or other demands for payment on the Treasury or on a bank exceed the amount of the credit against which they are drawn or (B) the amount by which requisitions or audited vouchers exceed the appropriations or other credit to which they are chargeable;

(28) "Petty cash" means a sum of money, either in the form of currency or a special bank deposit, set aside for the purpose of making change or immediate payments of comparatively small amounts for which it is subsequently reimbursed from the cash of a fund;

(29) "Receipts" means sums actually received in cash from all sources unless otherwise described;

(30) "Refund" means an amount paid back or credit allowed on account of an overcollection;

(31) "Reimbursements" means cash or other assets received as a repayment of the cost of work or services performed, or of other expenditures made for or on behalf of another governmental unit, fund or department;

(32) "Revenue" means additions to cash or other current assets which neither increase any liability or reserve nor represent the recovery of an expenditure;

(33) "Special fund" means any fund which is to be used only in accordance with specific regulations or restrictions, including any fund created by a law authorizing and requiring the receipts of specific taxes or other revenues to be used to finance particular activities;

(34) "Trust fund" means any fund consisting of resources received and held by the state as trustee to be expended or invested in accordance with the conditions of the trust;

(35) "Unencumbered balance" means that portion of an appropriation or allotment not expended or encumbered;

(36) "Unexpended balance" means that portion of an appropriation or allotment which has not been expended;

(37) "Unliquidated encumbrances" means encumbrances which have not yet been paid or approved for payment;

(38) "Voucher" means a document certifying a certain transaction, especially a written form attesting the propriety of the payment of money;

(39) "Warrant" means a draft upon the treasurer for the payment of money.

Sec. 4-71. Transmission to General Assembly of budget document in odd-numbered year and status report in even-numbered year. Report re three fiscal years immediately following biennium. Not later than the first session day following the third day of February in each odd-numbered year, the Governor shall transmit to the General Assembly a budget document setting forth his financial program for the ensuing biennium with a separate budget for each of the two fiscal years and having the character and

scope hereinafter set forth, and a report which sets forth estimated revenues and expenditures for the three fiscal years next ensuing the biennium to which the budget document relates. If the Governor has been elected or succeeded to the office of Governor since the submission of the last-preceding budget document, he shall transmit such document and report to the General Assembly not later than the first session day following the fourteenth day of February. In the even-numbered years, on the day on which the General Assembly first convenes, the Governor shall transmit a report on the status of the budget enacted in the previous year with any recommendations for adjustments and revisions, and a report, with revisions, if any, which sets forth estimated revenues and expenditures for the three fiscal years next ensuing the biennium in progress. The budget document shall consist of four parts, the nature and contents of which are set forth in sections 4-72, 4-73, 4-74 and 4-74a and shall be accompanied by the statement of grants to towns compiled pursuant to the provisions of section 4-71a and by the computation of the cost of an indexed increase in assistance payments made pursuant to section 4-71c. The report which sets forth estimated revenues and expenditures for the three fiscal years next ensuing the biennium shall contain, for each such year, estimated revenues, itemized by major source, and estimated expenditures for each budgeted agency for personal services, other expenses, other current expenses, equipment, payments to local governments, and other than payments to local governments. Such report transmitted in the even-numbered years shall contain the assumptions on which the estimated revenues and expenditures for the fiscal year next ensuing are based and shall set forth estimated revenues and expenditures in the same detail contained in the budget document.

Sec. 4-71a. Estimates of recommended state grants-in-aid to towns under the budget document. The Secretary of the Office of Policy and Management shall compile, for each state grant-in-aid program which is determined by statutory formula, the estimated amount of funds each town in the state would receive under each such program from the appropriations recommended by the Governor in the budget document.

Sec. 4-71b. Estimates of state grants-in-aid under state budget act. Not later than August fifteenth or sixty days after the adjournment of the regular session of the General Assembly, whichever is later, the Secretary of the Office of Policy and Management shall compile, for each state grant-in-aid program which is determined by statutory formula, the estimated amount of funds each town in the state can expect to receive for each fiscal year of the biennium under each such program from funds appropriated for each such fiscal year.

Sec. 4-71c. Computation of the cost of an indexed increase in assistance payments. The Secretary of the Office of Policy and Management shall annually compute the cost of an increase in assistance payments under the state-administered general assistance program, state supplement program, medical assistance program, temporary family assistance program and supplemental nutrition assistance program based on the percentage increase, if any, in the most recent calendar year average in the consumer price index for urban consumers provided if the increase in such index exceeds five per cent, the computation shall be based on a five per cent increase.

Sec. 4-72. Governor's budget message. The budget document shall consist of the Governor's budget message in which he or she shall set forth as follows: (1) The Governor's program for meeting all the expenditure needs of the government for each fiscal year of the biennium to which the budget relates, indicating the classes of funds, general or special, from which such appropriations are to be made and the means through which such expenditure shall be financed; and (2) financial statements giving in summary form: (A) The financial position of all major state operating funds including revolving funds at the end of the last-completed fiscal year in a form consistent with accepted accounting practice. The Governor shall

also set forth in similar form the estimated position of each such fund at the end of the year in progress and the estimated position of each such fund at the end of each fiscal year of the biennium to which the budget relates if the Governor's proposals are put into effect; (B) a statement showing as of the close of the last-completed fiscal year, a year by year summary of all outstanding general obligation and special tax obligation debt of the state and a statement showing the yearly interest requirements on such outstanding debt; (C) a summary of appropriations recommended for each fiscal year of the biennium to which the budget relates for each budgeted agency and for the state as a whole in comparison with actual expenditures of the last-completed fiscal year and appropriations and estimated expenditures for the year in progress; (D) for the biennium commencing July 1, 1999, and each biennium thereafter, a summary of estimated expenditures for certain fringe benefits for each fiscal year of the biennium to which the budget relates for each budgeted agency; (E) a summary of permanent full-time positions setting forth the number filled and the number vacant as of the end of the last-completed fiscal year, the total number intended to be funded by appropriations without reduction for turnover for the fiscal year in progress, the total number requested and the total number recommended for each fiscal year of the biennium to which the budget relates; (F) a statement of expenditures for the last-completed and current fiscal years, the agency request and the Governor's recommendation for each fiscal year of the ensuing biennium and, for any new or expanded program, estimated expenditure requirements for the fiscal year next succeeding the biennium to which the budget relates; (G) an explanation of any significant program changes requested by the agency or recommended by the Governor; (H) a summary of the revenue estimated to be received by the state during each fiscal year of the biennium to which the budget relates classified according to sources in comparison with the actual revenue received by the state during the last-completed fiscal year and estimated revenue during the year in progress; and (I) such other financial statements, data and comments as in the Governor's opinion are necessary or desirable in order to make known in all practicable detail the financial condition and operations of the government and the effect that the budget as proposed by the Governor will have on such condition and operations. If the estimated revenue of the state for the ensuing biennium as set forth in the budget on the basis of existing statutes is less than the sum of net appropriations recommended for the ensuing biennium as contained in the budget, plus, for the fiscal year ending June 30, 2014, and each fiscal year thereafter, the projected amount necessary to extinguish any unreserved negative balance in such fund as reported in the most recently audited comprehensive annual financial report issued by the Comptroller prior to the start of the biennium, the Governor shall make recommendations to the General Assembly in respect to the manner in which such deficit shall be met, whether by an increase in the indebtedness of the state, by the imposition of new taxes, by increased rates on existing taxes or otherwise. If the aggregate of such estimated revenue is greater than the sum of such recommended appropriations for the ensuing biennium plus, for the fiscal year ending June 30, 2014, and each fiscal year thereafter, the projected amount necessary to extinguish any unreserved negative balance in such fund as reported in the most recently audited comprehensive annual financial report issued by the Comptroller prior to the start of the biennium, the Governor shall make such recommendations for the use of such surplus for the reduction of indebtedness, for the reduction in taxation or for other purposes as in the Governor's opinion are in the best interest of the public welfare.

Sec. 4-73. Recommended appropriations. (a) The budget document shall present in detail for each fiscal year of the ensuing biennium the Governor's recommendation for appropriations to meet the expenditure needs of the state from the General Fund and from all special and agency funds classified by budgeted agencies and showing for each budgeted agency and its subdivisions: (1) A narrative summary describing the agency, the Governor's recommendations for appropriations for the agency, and a list of agency programs, the actual expenditure for the last-completed fiscal year, the estimated expenditure for the current fiscal year, the amount requested by the agency and the Governor's recommendations for

appropriations for each fiscal year of the ensuing biennium; (2) a summary of permanent full-time positions by fund, setting forth the number filled and the number vacant as of the end of the last-completed fiscal year, the total number intended to be funded by appropriations without reduction for turnover for the fiscal year in progress, the total number requested and the total number recommended for each fiscal year of the biennium to which the budget relates.

(b) In addition, programs shall be supported by: (1) The statutory authorization for the program; (2) a statement of program objectives; (3) a description of the program, including a statement of need, eligibility requirements and any intergovernmental participation in the program; (4) a statement of performance measures by which the accomplishments toward the program objectives can be assessed, which shall include, but not be limited to, an analysis of the workload, quality or level of service and effectiveness of the program; (5) program budget data broken down by major object of expenditure, showing additional federal and private funds; (6) a summary of permanent full-time positions by fund, setting forth the number filled and the number vacant as of the end of the last-completed fiscal year, the total number intended to be funded by appropriations without reduction for turnover for the fiscal year in progress, the total number requested and the total number recommended for each fiscal year of the biennium to which the budget relates; (7) a statement of expenditures for the last-completed and current fiscal years, the agency request and the Governor's recommendation for each fiscal year of the ensuing biennium and, for any new or expanded program, estimated expenditure requirements for the fiscal year next succeeding the biennium to which the budget relates; and (8) an explanation of any significant program changes requested by the agency or recommended by the Governor.

(c) There shall be a supporting schedule of total agency expenditures including a line-item, minor object breakdown of personal services, energy costs, contractual services and commodities and a total of state aid grants and equipment, showing the actual expenditures for the last-completed fiscal year, estimated expenditures for the current fiscal year and requested and recommended appropriations for each fiscal year of the ensuing biennium, classified by objects according to a standard plan of classification.

(d) All federal funds expended or anticipated for any purpose shall be accounted for in the budget. The document shall set forth a listing of federal programs, showing the actual expenditures for the last-completed fiscal year, estimated expenditures for the current fiscal year and anticipated funds available for expenditure for each fiscal year of the ensuing biennium. Such federal funds shall be classified by each budgeted agency but shall not include research grants made to educational institutions.

(e) The budget document shall also set forth the budget recommendations for the capital program, to be supported by statements listing the agency's requests and the Governor's recommendations with the statements required by section 4-78.

(f) The appropriations recommended for the legislative branch of the state government shall be the estimates of expenditure requirements transmitted to the Secretary of the Office of Policy and Management by the Joint Committee on Legislative Management pursuant to section 4-77 and the recommended adjustments and revisions of such estimates shall be the recommended adjustments and revisions, if any, transmitted by said committee pursuant to said section 4-77.

(g) (1) The appropriations recommended for the Judicial Department shall be the estimates of expenditure requirements transmitted to the Secretary of the Office of Policy and Management by the Chief Court Administrator pursuant to section 4-77 plus the estimates of expenditure requirements for the biennium transmitted by said administrator pursuant to section 51-47c, and the recommended

adjustments and revisions of such estimates shall be the recommended adjustments and revisions, if any, transmitted by said administrator pursuant to section 4-77.

(2) The appropriations recommended for the Division of Public Defender Services shall be the estimates of expenditure requirements transmitted to the Secretary of the Office of Policy and Management by the Chief Public Defender pursuant to section 4-77 and the recommended adjustments and revisions of such estimates shall be the recommended adjustments and revisions, if any, transmitted by said administrator

Sec. 4-73a. Determination of actual rate of fringe benefits for funds of the constituent units of the state system of higher education. For the fiscal year ending June 30, 1994, and each fiscal year thereafter, the Comptroller shall determine the actual rate for fringe benefits for the funds of the constituent units of the state system of higher education, established pursuant to subsection (b) of section 10a-77, section 10a-98a, subsection (b) of section 10a-99, subsections (b) and (c) of section 10a-105, section 10a-110a and section 10a-130, and shall report such information to the Office of Policy and Management by September 1, 1992, and annually by said date thereafter.

Sec. 4-74. Appropriation and revenue bills. The budget document shall be based upon the consensus revenue estimate or revised consensus revenue estimate issued pursuant to section 2-36c, and shall include a draft or drafts of appropriation and revenue bills to carry out the recommendations of the Governor. Such appropriation bills shall indicate the funds, general or special, from which such appropriations shall be paid, but such appropriations need not be in greater detail than to indicate the total appropriation to be made to each budgeted agency and each independently organized division thereof for each major function or program, equipment, land and buildings and improvements.

Sec. 4-74a. Recommendations concerning the economy. The budget document shall include the recommendations of the Governor concerning the economy and shall include an analysis of the impact of both proposed spending and proposed revenue programs on the employment, production and purchasing power of the people and industries within the state.

Sec. 4-75. Publication of the budget document. The Secretary of the Office of Policy and Management, shall compile the requested appropriations, the appropriations as recommended by the Governor, the Governor's budget message and other data as presented in the budget document and shall have such compiled document published and distributed in the same manner as public documents.

Sec. 4-76. Governor to explain budget document and reports to legislative committees. The Governor or his authorized representative or agent shall appear before the appropriate committees of the General Assembly to explain the details of the budget document and report transmitted by the Governor in the odd-numbered years and the reports transmitted by the Governor in the even-numbered years pursuant to section 4-71, to answer questions and to give information as to the items included therein.

Sec. 4-77. Submission of estimates of expenditures by budgeted agencies. Guidelines for standard economic and planning factors and for unit costs for utilities. Statement of revenue and estimated revenue. Financial, personnel and nonappropriated moneys status reports. (a) The administrative head of each budgeted agency shall transmit, on or before September first of each even-numbered year, to the Secretary of the Office of Policy and Management, on blanks to be furnished by him not later than the preceding August first, and to the joint standing committee of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies, through the Office of Fiscal Analysis, and the standing committee having cognizance of matters relating to such budgeted agency, estimates of expenditure requirements for each fiscal year of the next biennium. On or before September

first of each odd-numbered year, said agency head shall transmit recommended adjustments and revisions, if any, of such estimates. The secretary shall set guidelines for standard economic and planning factors and for unit costs, based on source of supply, for fuel oil, electricity, gas and water usage by state agencies, which shall be used by all agencies in the preparation of their estimates of expenditure requirements. The expenditure requirements shall be classified to show expenditures estimated for each major function and activity, project or program of the budgeted agency and its subdivisions, grants or aids to governmental units and capital outlay, and shall include details setting forth the estimated expenditures classified by objects according to a standard plan of classification, with citations of the statutes, if any, relating thereto. Each expenditure requirement for any purpose other than capital outlay involving an increase in or addition to any appropriation of the current fiscal year shall be accompanied by an explanation of the increase or addition. Each expenditure requirement involving a capital outlay shall be accompanied by such supporting schedules of data and explanations as may be required by the secretary.

(b) The administrative head of each budgeted agency shall transmit, on or before September first of each year, to the secretary, in the form required by him, and, on or before November fifteenth of each year, to the joint committee of the General Assembly having cognizance of matters relating to state finance, revenue and bonding, through the Office of Fiscal Analysis, a statement showing in detail the revenue and estimated revenue of the agency for the current fiscal year, an estimate of the revenue from the same or any additional sources for the next fiscal year and, in the even-numbered year, for the next biennium. Said agency head shall include in such statement recommendations as to any changes in the management, practices, regulations or laws governing his budgeted agency affecting the amount of revenue from operations, fees, taxes or other sources or the collection thereof, and any other information required by the secretary.

(c) The administrative head of each budgeted agency shall transmit, to the Office of Fiscal Analysis, copies of the agency's monthly (1) financial status report, (2) personnel status report, and (3) nonappropriated moneys status report which shall be an accounting of moneys received or held by the agency that are authorized or received by any manner other than as an appropriation. Such accounting of nonappropriated moneys shall include, at a minimum, an assessment of the status of any agency fund or account of such agency receiving or holding such moneys. Such assessments of such funds and accounts shall, at a minimum, account for all expenditures, encumbrances, liabilities, reimbursements and revenues.

(d) If any budgeted agency fails to submit estimates required pursuant to this section within the time specified, the Secretary of the Office of Policy and Management shall cause such estimates to be prepared for the budgeted agency.

Sec. 4-77a. Submission of estimates of expenditures for payment of workers' compensation claims.

The estimates of expenditure requirements transmitted by the administrative head of each budgeted agency to the Secretary of the Office of Policy and Management, pursuant to section 4-77, shall include an estimate of the amount required by such agency for the payment of the workers' compensation claims of the employees of each such agency. Appropriations which are recommended in the budget document transmitted by the Governor in the odd-numbered years or the status report transmitted by the Governor in the even-numbered years to the General Assembly pursuant to section 4-71 or contained in the state budget act or any deficiency bill, as provided in section 2-36, for the payment of such claims shall be made as follows: (1) For the Departments of Developmental Services, Mental Health and Addiction Services, Correction, Transportation, Emergency Services and Public Protection and Children and Families, directly

to said agencies; (2) for all other budgeted state agencies, to the Department of Administrative Services which shall maintain an account for payment of workers' compensation claims.

Sec. 4-77b. Estimate of expenditure requirement by Department of Administrative Services to include leasing and maintenance costs. The estimates of expenditure requirements transmitted by the Commissioner of Administrative Services to the Secretary of the Office of Policy and Management pursuant to section 4-77 and the appropriations recommended in the budget document transmitted by the Governor to the General Assembly pursuant to section 4-71 shall include an estimate of the amount required by the Department of Administrative Services for the leasing of additional facilities and an estimate of the amount required for the maintenance, including preventive maintenance, of facilities under the supervision, care and control of the department.

Sec. 4-78. Information contained in budget recommendations. The budget recommendations for the capital program to be paid from appropriated funds, proceeds of authorized bond issues or any federal or other funds available for capital projects shall be supported by statements indicating recommended priorities for projects and setting forth for each project: (a) The total estimated cost at completion; (b) appropriations, bond authorizations and federal or other funds received to date; (c) additional appropriations or bond authorizations required for completion; (d) the amount available for expenditure from bond authorizations, appropriations or federal or other funds of prior years; (e) the bond authorization or appropriation recommended for each fiscal year of the ensuing biennium; (f) the amount available for each fiscal year of the ensuing biennium if the budget recommendation is approved; (g) bond authorizations or appropriations estimated to be required for subsequent fiscal years for completion; and (h) the estimated addition to the operating budget when completed. All capital projects authorized, begun or completed in prior years shall be reviewed annually in terms of requirement for continuation of appropriations made to date and, where appropriation balances remain at completion or no imminent forwarding of the project is contemplated or where the project has been abandoned, recommendation shall be made for the reduction of such authorized bond issues or the lapsing of such appropriation balances.

Current Services FAQ:

I have positions that must be added in the 1st year of the upcoming biennium, how do I account for the cost?

If the positions had been added during the current fiscal year (prior to the start of the upcoming biennium), an annualization adjustment would be made (code 101) to add to each year of the upcoming biennium, the amount that is needed for the positions that exceeds the amount that was budgeted for the positions in the current fiscal year. However, for positions that were not funded during the current fiscal year, the correct code would depend on the reason that additional positions are needed: if they are needed as a result of a new facility that is coming on line in the upcoming biennium, the cost of the positions in each year of the biennium would be attributed to code 602, if the positions need to be added as a result of a federal requirement, the code would be 203, and if the positions were needed as a result of an existing CT statute, the costs should be coded to 299. In the case of codes 602, 203, and 299, even if the need is for only partial-year funding in the first year of the biennium, all of the necessary cost in the second year of the biennium would be charged to 602, 203, or 299, rather than to an annualization code.