

# 2011 – 2013 Budget Development and Process

State Budget Committee

November 29, 2010

Provided by the State Budget Agency and  
Office of Management and Budget

# Overview

- Budget Development Process
- BudSTARS Reports
- Performance Measurement
- Transparency Portal
  - [www.in.gov/itp](http://www.in.gov/itp)

# Budget Development Process

- Budgeting system (BudSTARS) updated in spring of 2010
- Budget instructions
  - Distributed in July 2010
  - Separate instructions for operating and capital requests
  - Budget requests due by September 24, 2010
- Budget Committee hearings
  - November 17<sup>th</sup> – December 14<sup>th</sup>
  - Hearings for over 50 agencies/institutions
  - Included all requests from the four caucuses

# Budget Development Process

- Each agency will have up to 5 different documents prepared for your review:
  - Agency transmittal letter
  - Operating budget request (910 or 207r)
  - Capital budget request (504cp)
  - Examples of agency and program performance metrics
  - Agency presentations / handouts

# BudSTARS Reports

- In addition to the agency transmittal letter, a BudSTARS report will be distributed for most agencies (either 910 or 207r) reflecting their operating budget requests
- Report includes the following information:
  - 2 years of history (FY09 and FY10)
  - A current year estimate (FY11)
  - A base calculation
  - 2 years of requests (FY12 and FY13)

# BudSTARS Reports - Example

Seq		Actual FY 08-09	Actual FY 09-10	Current Yr Est FY 10-11	Base	Requested FY 11-12	Requested FY 12-13
<b>1</b>	<b>30126-3010/110000 STATE POLICE MOTOR CARRIER INSPECTION</b>						
	General Fund	46,734,785	43,680,659	43,849,585	43,849,585	43,849,585	43,849,585
	Dedicated Funds	86,034,496	80,412,128	80,723,097	80,723,097	80,723,097	80,723,097
	Transferred Funds	0	0	3,358,031	3,358,031	3,358,031	3,358,031
	<b>TOTAL</b>	<b>132,769,281</b>	<b>124,092,787</b>	<b>127,930,713</b>	<b>127,930,713</b>	<b>127,930,713</b>	<b>127,930,713</b>
<b>2</b>	<b>30152-3010/102310 PENSION FUND</b>						
	General Fund	4,737,401	4,601,423	4,736,246	4,736,246	6,184,606	6,184,606
	<i>Change from Base</i>					1,448,360	1,448,360
	Dedicated Funds	4,737,401	4,601,422	4,736,247	4,736,247	6,184,608	6,184,608
	<i>Change from Base</i>					1,448,361	1,448,361
	<b>TOTAL</b>	<b>9,474,802</b>	<b>9,202,845</b>	<b>9,472,493</b>	<b>9,472,493</b>	<b>12,369,214</b>	<b>12,369,214</b>
<b>3</b>	<b>30132-3010/110600 FORENSIC &amp; HEALTH SCIENCES LAB</b>						
	General Fund	3,914,844	3,801,791	3,616,705	3,616,706	3,616,706	3,616,706
	Dedicated Funds	7,206,876	6,998,755	6,658,029	6,658,028	6,658,028	6,658,028
	<b>TOTAL</b>	<b>11,121,720</b>	<b>10,800,546</b>	<b>10,274,734</b>	<b>10,274,734</b>	<b>10,274,734</b>	<b>10,274,734</b>
<b>4</b>	<b>30150-3010/190300 SUPPLEMENTAL PENSION</b>						
	General Fund	1,978,232	1,940,195	1,900,753	1,900,753	2,171,723	2,171,723
	<i>Change from Base</i>					270,970	270,970
	Dedicated Funds	1,978,233	1,940,197	1,900,753	1,900,753	2,171,723	2,171,723
	<i>Change from Base</i>					270,970	270,970
	<b>TOTAL</b>	<b>3,956,465</b>	<b>3,880,392</b>	<b>3,801,506</b>	<b>3,801,506</b>	<b>4,343,446</b>	<b>4,343,446</b>
<b>5</b>	<b>30148-3010/190200 BENEFIT FUND</b>						
	General Fund	1,903,373	1,778,006	1,713,151	1,713,151	1,713,151	1,713,151
	Dedicated Funds	1,903,376	1,778,009	1,713,151	1,713,151	1,713,151	1,713,151
	<b>TOTAL</b>	<b>3,806,749</b>	<b>3,556,015</b>	<b>3,426,302</b>	<b>3,426,302</b>	<b>3,426,302</b>	<b>3,426,302</b>

# BudSTARS Reports

- Background Information:
  - State transitioned to new financial and accounting system in September 2009
    - Included a new uniform chart of accounts, enhanced internal controls, and new treatment of federal and capital funds
      - Each federal grant or capital project previously provided with a distinct fund/center (e.g., 6000/100000)
      - Now, federal grants and capital projects are included in one fund, but are identified by distinct project numbers

# BudSTARS Reports

- Background Information:
  - For consistency as well as increased transparency, the BudSTARS reports contain both fund and fund/center information
  - For federal funds, this required agencies to map a tremendous amount of information
    - From federal projects to old fund/centers
    - Focused upon FY10 data since transition to new accounting system occurred in the middle of the fiscal year
    - Federal funds appropriated by U.S. Congress
      - Only included in reports for informational purposes



# BudSTARS Reports - Example

## Seq

### 1 30126-3010/110000 STATE POLICE

General Fund

Dedicated Funds

Transferred Funds

### 2 30152-3010/102310 PENSION FUNI

General Fund

Dedicated Funds

### 3 30132-3010/110600 FORENSIC & H

General Fund

Dedicated Funds

### 4 30150-3010/190300 SUPPLEMENT/

General Fund

Dedicated Funds

### 5 30148-3010/190200 BENEFIT FUND

General Fund

Dedicated Funds

- Reports configured to show both fund (e.g., 30126) and fund/center (e.g., 3010/110000) information

# BudSTARS Reports

- Reports include all types of funding sources:
  - General Fund
  - Dedicated Funds
  - Federal Funds
    - American Recovery and Reinvestment Act
  - Transferred Funds

# BudSTARS Reports - Example

## **1 30126-3010/110000 STATE POLICE**

General Fund

Dedicated Funds

Transferred Funds

## **25 60800-6000/111800 CRIMES AGAINST CHILDREN PROGRAM**

Federal Funds

## **21 58011-8000/058011 ARRA Byrne JAG Sub-Grant**

Federal Funds

# BudSTARS Reports

- Change Packages:
  - Reflect requests above or below the base calculation
  - Associated with specific funds (and fund/centers)
  - Associated with general, dedicated or federal funds

# BudSTARS Reports - Example

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## 4 30150-3010/190300 SUPPLEMENTAL PENSION

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# BudSTARS Reports

- Capital Budget Requests:
  - Many requests will be redundant with FY10-11 budget requests since most projects have been postponed for fiscal reasons
  - Capital requests are detailed in the 504cp report from BudSTARS
    - PM, Repair and Rehabilitation, or Line Item
    - Funding Source (e.g., General Fund, Post War Construction Fund, State Police Building Fund, etc.)

# BudSTARS Reports - Example

Agency Priority	Statewide Priority	Functional Agency Priority	Project Title	Funding Source	B01 Amount
1		1 PM	Preventive Maintenance	STATE POLICE BUILDING COMMISSION	\$1,266,998
2		2 LineItem	Patrol Vehicles	STATE POLICE BUILDING COMMISSION	\$3,000,000
3		3 R&R	A/C Upgrades	STATE POLICE BUILDING COMMISSION	\$196,000
4		4 R&R	Roof Replacements	STATE POLICE BUILDING COMMISSION	\$250,000
5		5 R&R	MISC Maintenance Projects	STATE POLICE BUILDING COMMISSION	\$300,000
<b><u>Funding</u></b>					
STATE POLICE BUILDING COMMISSION					\$5,012,998
<b>Total Funding:</b>					<b>\$5,012,998</b>
<b><u>Funding by Class</u></b>					
PM					\$1,266,998
R&R					\$746,000
Line Items					\$3,000,000
<b>Total Funding:</b>					<b>\$5,012,998</b>

# Performance Measurement

- Creation of the Office of Management and Budget and its Division of Government Efficiency and Financial Planning
  - Executive Order 05-02
  - P.L. 246-2005
- *OMB shall establish metrics for measuring state government performance and efficiency*



# Performance Measurement

- Historically, budget development process has been focused upon inputs
  - e.g., dollars appropriated/spent, number of employees, etc.
- Governor Daniels directed that we focus upon outputs and outcomes
  - Goal is to drive improved outcomes for Hoosiers at lower costs while providing high levels of customer service

# Performance Measurement

- Continuous Improvement Process
  - P.R.O.B.E. (Program Results: an Outcome-Based Evaluation) program review
  - [www.results.in.gov](http://www.results.in.gov)
  - Budget Integration
  - Indiana Transparency Portal

# Transparency Portal

- Contains information on the following topics:
  - Budget Information
  - State Revenue
  - State Expenditures
  - State Employees
  - State Contracts
  - American Recovery and Reinvestment Act (ARRA)
  - Performance and Accountability
  - Local Government
  - Debt Overview

# Transparency Portal

- For the first time in the history of the state, budget development documents will be posted on the State Budget Agency website as well as the Indiana Transparency Portal:
  - Agency transmittal letter
  - Operating budget request (910 or 207r)
  - Capital budget request (504cp)
  - Examples of agency and program performance metrics
  - Agency presentations / handouts

Questions?