

Office of Planning and Budget
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

MEMORANDUM

TO: Department Heads, Undersecretaries, and Fiscal Officers

FROM: Ternisa Hutchinson, Director

DATE: September 20, 2023

SUBJECT: PREPARATION OF FISCAL YEAR 2024-2025 BUDGET DOCUMENTS

For FY 2024-2025, the budget forms must be completed online in the LaGov Budget system. The reporting of Continuation adjustments, New or Expanded services requests, and Technical/Other adjustments, as well as, the addenda forms, - IT Request, Sunset, and Children's Budget, will be submitted online via the submission process included in the LaGov Budget system. The LaGov Budget Forms will be accessible through the [LaGov ERP Portal](#). The Louisiana Workforce Commission form (Addendum #4) is to be completed in Excel and pdf and submitted as an attachment with your Budget Request Submission. The Non-discretionary Adjusted Standstill Budget form (Addendum #5) is to be submitted in Excel format at the date stated below.

This will be the first year the Operational Plan forms are to be completed online in the LaGov Budget system, and will be included in the Total Budget Request submission. Here is the link to the [OP Guidelines](#) memo to provide guidance and information to agencies preparing their performance goals, objectives and indicators.

Instructional workshops will be conducted by the LaGov team to train agency personnel with their entries in the performance forms. The LaGov team will notify agencies of an upcoming workshop via Zoom or Microsoft Teams specifically for Performance training. Also, there will be LaGov Budget workshops in the Claiborne building scheduled for October 3rd, 5th, 10th and 12th. The LaGov Budget team will send email notifications of workshops.

The OPB Forms, Guidelines and Memos webpage contains a link to this memo entitled [FY 2024-2025 Budget Preparation Memorandum](#). It also contains a link to a zipped folder

containing the Workforce Commission forms, and the Non-discretionary Standstill Budget forms.

This memo contains general guidance and information for the budget development process. The LaGov Budget forms include a HELP button on the right side of the form giving detailed information on each field in the forms. Should there be any technical issues, you will submit them to the Help Desk Ticket system within the [LaGov Portal](#). Reference the issue under the “Ticket Information” section in the “System” drop down field to LaGov ERP/Budget Development.

The LaGov team will produce a preliminary book upon request. Once the agency has completed a final review, the official submittal can be completed. The deadline to request a preliminary book from the LaGov team is October 26, 2023. The deadline for final budget request submission is November 1st. Agencies can submit their official budget request anytime before the deadline.

NOTE: The required Organizational Charts of the agency’s operational plan must be saved as a PDF file and submitted as an attachment within the Operational Plan in LaGov Budget.

Higher Education non-formula entities will continue to complete the regular budget request forms, including the operational plan, located on the OPB website [here](#). Hard copies of these forms will be submitted to OPB on or before November 1st. The Total Budget Request and addenda should include an original and (2) copies provided to OPB, and (1) copy each to: the Legislative Fiscal Office, the Senate Finance Committee and the House Appropriations Committee. In addition, a hard copy of addendum #5 must be provided no later than November 21, 2023.

Important Dates

Agency EOB Date	October 2, 2023
Budget Request Submission Deadline	November 1, 2023
Addendum #5 Submission Deadline	November 21, 2023
FY 2024-2025 Executive Budget Presentation	February 9, 2024 (Tentative)
2024 Regular Legislative Session	March 11, 2024 – June 3, 2024

NOTE: Any request for new performance objectives or indicators should be sent via email to the agency’s OPB analyst for consideration. The deadline for this request is **October 13, 2023**.

Reminders

Act 419 of the 2013 Regular Legislative Session requires additional revenues from other Means of Finance – Statutory Dedications, Fees and Self-generated Revenues, and Dedicated Fund Accounts - be recognized by the Revenue Estimating Conference (REC). For the FY 2024-2025 Budget Request, please be as detailed and accurate as possible when reporting

and forecasting revenues. OPB will provide assistance on updating information for any REC meetings that occur after the Budget Request submission date.

Total Budget Request

Title 39 mandates that budget development be on the basis of appropriation levels rather than continuation levels. However, the continuation level is a required interim step in the budget development process. Agencies will prepare their budget requests using the current year Existing Operating Budget as the budget request base and then make adjustments. The sum of the Existing Operating Budget and the adjustments is the Total Budget Request. The “Total Budget Request” must be submitted on or before **Wednesday, November 1, 2023**. The components of the “Total Budget Request” include: the Operational Plan, the Existing Operating Budget, the Source of Funding, the Revenue Collection/Income, the Continuation Budget, the Technical/Other Adjustment Package, and New or Expanded services request.

1. Operational Plan

The Operational Plan (OP) is the principal narrative portion of the budget request. It is the annual work plan of an agency and its component programs, and based on the agency’s FY 2023-2024 – FY 2027-2028 strategic plan. As such, it must include an updated description of agency and program missions, goals, activities, performance objectives, and performance indicators. Please carefully read and follow the “Operational Plan Guidelines and Instructions” and use the online OP forms on the LaGov Portal.

Any request for new performance objectives or indicators should be sent via email to the agency’s OPB analyst for consideration. The deadline for this request is **October 13, 2023**.

2. Existing Operating Budget (EOB)

The Existing Operating Budget is the current year appropriation level adjusted for all ECC Supplements, Returns, and Transfers approved as of **October 2, 2023**.

The expenditure budget shall be allocated in the ECC system down to the lower level commitment items (objects) within each higher-level commitment item (expenditure category) to the greatest extent possible before the date above. Failure to do so, especially as it relates to personal services, may result in insufficient allocation of funding in the budget development process.

An existing performance standard is the initial performance standard (from the performance PDFs contained in the Appropriation Letter Packages) and any adjustments to performance standards as a result of BA-7s approved as of the EOB date.

3. Source of Funding Form

The Source of Funding form details the specific sources of funding supporting each Means of Finance other than State General Fund (Direct). Sources of funding may include fees charged for services, penalties assessed for violations and late payments, income generated from leased facilities or equipment, proceeds from the sale of goods, transfers from state agencies for interagency transfer (IAT) agreements, or any other source of funds supporting the means of financing. Agencies should delineate every source of funding supporting each Means of Finance with specificity. Each source of funding should have a different form instance and be broken down by expenditure commitment item and contain a detailed explanation of what the source of funding is, where it comes from, and how it can be expended. Each form entry should include the agency number first in the “Description” field in the form header. (i.e. 100 – Explanation..., 109 – Explanation...).

All funding including, but not limited to, Hurricane Disaster Recovery, the COVID-19 pandemic, and the Infrastructure Investment and Jobs Act (IIJA), should clearly describe the source of funding, and include information for any applicable required match from state sources.

4. Revenue Collection/Income Form

The Revenue Collection form provides an estimate of revenue collected or generated for each Means of Finance, other than State General Fund (Direct), by revenue source. For each source of revenue, agencies should provide an estimate or forecast of the anticipated revenue collections. This form is different from the Source of Funding form and the anticipated revenue collection estimates may not match the amounts listed in the Source of Funding form (e.g. revenue collections may exceed the source of funding requirements). Each Means of Finance, including Federal Funds, should have a different form instance detailing the source of funding by revenue commitment items.

All revenue including, but not limited to, Hurricane Disaster Recovery, the COVID-19 pandemic, and the Infrastructure Investment and Jobs Act (IIJA), should clearly describe the source of funding

5. Continuation Budget (Base Adjustment Form)

The development of the Continuation Budget allows for the identification of the financial resources necessary to carry out all existing programs and functions of the budget unit at their current level of service in the ensuing fiscal year. This budget includes any adjustments necessary to account for the increased cost of services or materials due to inflation, and estimated increases in workload requirements resulting from demographic or other changes. Detailed justification should be included in the explanation section to demonstrate the need for the adjustment being requested. Performance indicators must justify workload adjustments in the Continuation Budget. Any additional information to provide further justification can be uploaded on the “Attachments” tab of the form.

6. Technical/Other Adjustment Package (T/OAP) (Base Adjustment Form)

Technical/Other adjustments reflect adjustments from the continuation level that allow for technical changes and transfers of a program or function from one agency or department to another agency or department. Any changes reflected by these forms must have a zero statewide impact. Technical/Other adjustments also contain a Narrative tab, which must be completed with detailed justification to support the request and explain how the items of this form will affect performance. Please identify this type of adjustment in the header Description of the form with (T/OAP). Any additional information to provide justification can be uploaded on the Attachments tab of the form.

7. New or Expanded Services Requests (NE) (New/Expanded Request Form)

New or expanded services requests provide information relative to the cost of new and/or expanded services, defined as (1) increases caused by a change in laws, regulations, or procedures which are/were controllable by the agency, and (2) additional services not previously provided nor defined under the workload criteria. New or expanded request must be completed with detailed justification to support the request. Performance sections must explain how objectives and performance indicators are affected by the NE request. Any additional information to provide further justification can be uploaded on the Attachments tab of the form.

8. Total Budget Request

When preparing the “Total Budget Request,” use the following guidelines:

1. Justifications: Full justifications of requests and data, including performance indicators, are imperative. **Attach** supporting documentation if needed.
2. Personal Services: The SAP payroll system enables the generation of more accurate, detailed reports, including the **Payroll Projection report (PEP)**. The PEP report is used to calculate the salary and related benefits required by each agency. Download (convert) to an Excel format, and use Excel spreadsheet as the foundation for the salary and related benefits base-level calculations.

All budget requests that are different from the base-level PEP report per the HR system **MUST** be fully documented/justified. All budget requests **MUST** start with the base-level report as of **September 17, 2023**.

If insufficient documentation/justification for the requested changes is provided, the base-level PEP report will be utilized for the agency's salary and related benefits budget.

CURRENT VACANCIES MUST BE IDENTIFIED IN THE SAP-HUMAN RESOURCES SYSTEM. Please ensure the date the position became vacant is included and that the number of filled authorized positions and the number of vacant authorized positions

total the agency's existing appropriated number. If it does not total the number of authorized positions, please provide sufficient documentation as to why there is a difference.

OPB suggests running the report early to identify any problems, so corrections are made accordingly in the HR system's database in order to ensure the PEP report is pulling correct information for the base-level report.

3. Related Benefits: **Computations in Related Benefits for the following adjustments are incorporated automatically into the PEP data for agencies. No entries are required by agencies.**

A. Retirement - Please be apprised of information regarding percentage rates:

UAL + NORMAL + ADMIN EXPENSE = TOTAL

(1) State Employees Retirement Rate (LASERS) $37.92\% + 3.1\% + 0.89\% = 41.9\%^*$

(2) Teachers State Retirement Rate (TRSL) $20.16\% + 3.44\% + 0.37\% = 24.0\%^{**}$

(3) State Police Retirement Rate (LSPRS) $44.48\% + 21.09\% + 1.76\% = 67.34\%^{***}$

The retirement system rates listed above are the current rates for **FY 2023-2024**. OPB will make appropriate retirement rate adjustments based on any new rates.

B. FICA Taxes:

(1) FICA-OASDI*: Social Security 6.2% in **2024** up to a maximum salary of **\$167,700****

* FICA stands for Federal Insurance Contributions Act, OASDI stands for Old-Age, Survivors and Disability Insurance.

** The wage base is adjusted annually to changes in the national average wage.

(2) FICA-HI (Hospital Insurance): Medicare 1.45%, no maximum salary

C. Group Insurance – Premiums for group insurance will be at the current year appropriated level. OPB will make appropriate Group Insurance premium rate adjustments once new rates have been approved.

4. Operating Expenses and Professional Services: The standard inflation factors for FY 2024-2025 are:

1) **2.25%** general inflation

2) **3.81%** medical inflation

The calculation of the general inflation amounts to various expenditure objects will be automatically generated by the LaGov system. No entry is needed by the agency. DO NOT REVERSE THESE ADJUSTMENTS THAT HAVE BEEN AUTOMATICALLY GENERATED. If there is insufficient revenue to support the automatically generated amount, submit a Means of Finance substitution request. Maximize other Means of Finance before the use of State General Fund (Direct).

Medical inflation adjustments will need to be manually entered by the respective agencies.

5. Acquisitions/Major Repairs: These must be fully detailed and justified on the appropriate form. New and replacement equipment must be identified. If requesting vehicles, please specify if it is a replacement vehicle or new vehicle that increases the fleet. For replacement vehicles, please provide the age and mileage of the vehicle being replaced.
6. Interagency Transfers (IAT): All agencies with IAT revenues or expenses must coordinate and ensure that both (the sending agency and the receiving agency) agencies agree on the amount of the IAT (justify each increase/decrease in IAT revenue). Signed IAT agreements must be submitted as attachments with the full budget request.

There are certain mandated statewide IAT expenditures for which agreements cannot be executed by the budget request submission date due to the computation of these numbers/costs not being finalized prior to near completion of the Executive Budget process. Although this is not a complete listing, some examples are Civil Service, Division of Administrative Law, Office of Technology Services (OTS), Office of State Procurement, State Treasurer, and Legislative Auditor. Expenditures for these services should be requested at the current year appropriated level.

7. Insurance premiums through the Office of Risk Management should be requested at the current year appropriated level.
8. Payments made to the Louisiana Office Facilities Corporation (LOFC), and/or State Buildings and Grounds for operations and maintenance and/or rental charges should be requested at the current year appropriated level.
9. New or Expanded Service Requests: No restriction will be placed on an agency request; however, requests should be fully justified. The forms must be identified by program.
10. Unless OPB provides written authority for program modification, the agency's programs must be as reflected in the Existing Operating Budget. Any program modifications should be requested in the T/OAPs.

Addenda

There are five (5) addenda to the Total Budget Request packet: 1. Sunset Review, 2. Information Technology, 3. Children's Budget, 4. Louisiana Workforce Commission, and 5. Nondiscretionary Adjusted Standstill Budget. Numbers 1-3 addenda forms are available online in the LaGov Budget system. Numbers 4 and 5 addenda forms will be available on the OPB website in the zipped folder.

1. Sunset Review (*LaGov*)

- The Sunset Review addendum identifies legislatively authorized activities for which implementation funding has not been provided. **This addendum will be submitted online as an attachment to the Total Request submission.**

2. Information Technology (*LaGov*)

- For "in scope" customer agencies for the Office of Technology Services (OTS), as defined in Act 712 of the 2014 Regular Legislative Session, the Information Technology (IT) addendum requests are **NOT** required for submittal. The CB-8T continuation form was established to make **technology** related adjustments to the base budget for IT related functions. Completion of the **online IT Form** (Formerly the CB-8T) is necessary to request for any increase or decrease in funding intended for costs associated with IT acquisition and operation of IT services/activities for FY 2024-2025. The form should be completed and submitted with the Total Budget Request. All requested technology continuation budget adjustments should only impact the IAT commitment items and related means of financing.
- For "out of scope" customer agencies for the Office of Technology Services, as defined in Act 712 of the 2014 Regular Legislative Session, the OTS IT addendum requires completion of online IT Form to be submitted with your total budget request to OPB, and an electronic copy in Excel format submitted via e-mail to itbudget@la.gov.

3. Children's Budget (*LaGov*)

- The Children's Budget, as mandated by R.S. 46:2603 and 2604, is a subset of information provided elsewhere in the budget request and designed to provide information relative to the cost of children's services. Children's Budget forms include Child Forms DS, DC, AS, AC, Child-1 and Child-2. All agencies should carefully analyze their programs and review the Children's Budget Instructions before making a determination about whether or not they are subject to the provisions of the statute. The completed Children's Budget addendum must be submitted to OPB with the budget request; a copy must also be submitted to Dr. Melanie Washington, Director, Children's Cabinet, Office of the Governor at (225) 219-4999.

4. Louisiana Workforce Commission (Excel)

- Budget units subject to the provisions of Act 1 of the 1997 Regular Legislative Session, which created the Louisiana Workforce Investment Council (WIC), must comply with additional budget request requirements per R.S. 39:33.A(2) (except as limited, restricted, or otherwise prohibited by the Constitution of Louisiana). Questions regarding the WIC addendum are directed to (225) 342-3110. The completed WIC addendum must be submitted to the Louisiana Workforce Investment Council and accompany all copies of the Total Budget Request submitted to OPB. See Appendix A of the WIC Budget Request Instructions and Guidelines for FY 2024-2025 for a listing of Agencies Required to Submit a Workforce Development Budget Request.

5. Nondiscretionary Adjusted Standstill Budget (Excel)

- The nondiscretionary adjusted standstill budget, defined in Act 402 of the 2017 Regular Legislative Session, requires each budget unit to submit a nondiscretionary adjusted standstill budget estimate for the current years Existing Operating Budget as of December 1st. The nondiscretionary adjusted standstill budget (DN) addendum requests are submitted separately from the budget request forms. The form should be delivered on or before **November 21, 2023** allowing time for any adjustments made at the **November 2023 JLCB meeting**.
- NOTE: R.S. 39:2(26)(e) states: Adjustments for the elimination of nonrecurring expenditures. In the event mid-year reductions occur after December 1st, an addendum to the nondiscretionary adjusted standstill budget shall be submitted with the governor's executive budget. The nondiscretionary adjusted standstill budget shall incorporate growth for nondiscretionary expenditures required by law or administrative rule in the current fiscal year. Further instructions will be forthcoming should this event occur.

Submission of "Total Budget Request" and Addenda #1-4 are due no later than November 1, 2023.

Submission of Addendum #5 is due no later than November 21, 2023.

Agencies must submit the respective Addenda to the Louisiana Workforce Commission, Children's Cabinet, and Office of Technology Services (OTS) as outlined in this memo. Also, via LaGov, an electronic copy of the Budget Request and Addenda #1-4 is provided to OPB, Legislative Fiscal Office, Senate Finance Committee and House Appropriations Committee.

<u>To Recipient Agency</u>	<u>Number of Copies</u>
Office of Planning and Budget 1201 North Third Street Claiborne Building, Suite 7-150 Baton Rouge, LA 70802	Total Budget Request and Addenda Items 1 thru 4 - Electronically via LaGov System. Item 5 - Email the addendum to both: opb.doa@la.gov and your OPB analyst
Legislative Fiscal Office 18th Floor, State Capitol Building 900 North Third Street P.O. Box 44097 Baton Rouge, LA 70804	Total Budget Request and Addenda Items 1 thru 4 - Electronically via LaGov System. Item 5 - One (1) copy of the addendum
Senate Finance Committee 1st Floor, State Capitol Building	Total Budget Request and Addenda Items 1 thru 4 - Electronically via LaGov System. Item 5 - One (1) copy of the addendum
House Appropriations Committee 11th Floor, State Capitol Building	Total Budget Request and Addenda Items 1 thru 4 - Electronically via LaGov System. Item 5 - One (1) copy of the addendum
Louisiana Workforce Commission 1001 N. 23 rd Street Baton Rouge, LA 70802	Agencies subject to the provisions of Act 1 of the 1997 RLS must submit one (1) copy of the Louisiana Workforce Commission addendum
Office of the Governor Children's Cabinet Attn: Dr. Melanie Washington 1051 N. Third Street Ste. 1-136 Baton Rouge, LA 70804	Agencies subject to the provisions of the Children's Cabinet must submit one (1) copy of the Children's Budget addendum
Office of Technology Services Attn: DeKaya Guillory Email: itbudget@la.gov	An electronic copy of all IT Detail Form(s)

It is the responsibility of the submitting agency to ensure that all addenda are delivered to the appropriate recipient agencies, as stated above.

Please make sure all electronic submissions of addendum #5 are in Excel format, not PDF. The electronic copy should be delivered no later than **2:00 PM on November 21, 2023.**

TH:RPF