FISCAL YEAR 2016-2017

Budget Instructions

Base Budget Reductions

Department of Finance and Administration
Budget Division

August 2015

2016-2017 Base Reductions
System Instructions

Introduction

These instructions detail the steps necessary to provide a reduction proposal for your agency. You will need to provide a complete plan to achieve the reduction target required for your agency. Refer to the Fiscal Year 2016-2017 Budget Instructions memorandum from Commissioner Martin for further details on developing your reduction plan. The deadline for reduction plan submittal is Thursday, October 1, 2015.

This plan is comprised of the following reductions classifications:

1. Base Reduction – Recurring base reductions required to meet your reduction target. The total base reduction requested is 3.5 percent of your discretionary base appropriation (defined below). The Budget Division will provide you a schedule of the base reduction amount requested for your agency.

   You will also need to identify those base reductions that are part of your Customer Focused Government efforts. Refer to the section "Enter Budget Reduction Items" below for instructions on identifying these items.

2. Cost Increase Offset - Base reductions to offset cost increase requests submitted at the agencies' discretion.

Discretionary Base Appropriation

The base budget reduction requirement is calculated from a discretionary base comprised of the recurring current-year general fund appropriation. The discretionary base excludes appropriations from dedicated sources. In addition, the following programs are held harmless in the calculation of the discretionary base:

- K-12 BEP, pre-kindergarten, and career ladder salary supplement appropriations;
- student assistance awards, academic scholars, and loan/scholarship programs administered by the Tennessee Student Assistance Corporation (TSAC), but not TSAC administration;
- constitutional and statutory salaries and benefits of judges, legislators, the 31 district attorney general positions, and the 31 public defender positions;
- three indigence programs in the Court System (Guardian ad Litem, Indigent Defendants Counsel, and Verbatim Transcripts) and the post-conviction defender program;
- statutory requirements of the police and firefighters pay supplements,
- the tax relief program in the Comptroller's Office;
- three of the Strategic Health-Care programs (CoverKids, CoverRx, and AccessTN);

- state maintenance of effort requirements in the federal temporary assistance to needy families and child care and development block programs;
- targeted case management for Tennessee Early Intervention Services;
- the Sentencing Act of 1985 in the Department of Correction;
- the statutory requirements for the hazardous waste remedial action fund and state aid to agricultural fairs;
- and appropriations made to Miscellaneous Appropriations, Emergency and Contingency, and the State Building Commission.

Internal Service Funds

For internal service fund programs, administering agencies need to submit 3.5 percent base reduction plans, excluding only amounts determined by line-agency service requests. These reductions are in addition to the base reduction amounts specified for general fund programs. For each internal service program reduction, the administering agency should submit a schedule specifying the rate reduction and the allocation of the reduction by program in the affected line agencies.

Downloading the System

The Base Budget Reduction System requires Microsoft Access (version 2003 or later). If you do not have Microsoft Access already installed, you will need to do so before using the system.

To download the installation files, go to:

http://tn.gov/finance/article/fa-budget-instructions

Follow the instructions on this site to download the reduction system and instructions. If you do not have internet access and you want the installation files either by email or CD, contact your budget analyst.

Due to internet policy, we are not able to distribute the reduction system as a self-extracting zip file (".exe" extension). You will need to download the zip file and use either your own copy of WinZip or the unzip feature available in Windows to unzip the files.

Installing the Base Budget Reduction System on a PC

1. Download the "RED2017.ZIP" file to your desktop or to your desired folder. Double click the "RED2017.ZIP" file to begin the unzip process. Depending on how your PC is set up, you can use either WinZip or the Compressed Folders Extraction Wizard. Refer to Appendix A – Unzipping Tools for more detailed instructions on this operation. If you need assistance, check with your PC support staff as they should be familiar with how this process works.

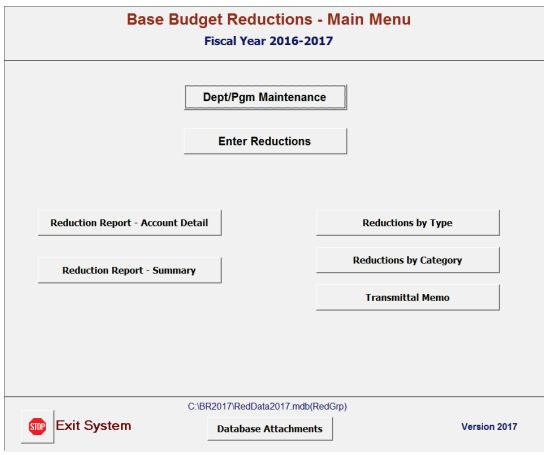
   The default system path is the "C:\BR2017" folder, so if you install the system anywhere else you will need to change the "Attachments" the first time you use the system (refer to page 9).

2. After unzipping the files, you can set up a shortcut to the system. You can create a shortcut by going to your desktop and clicking your right mouse button. Select "New"; "Shortcut". In the command line on the Create Shortcut dialog box, enter "C:\BR2017\Red**Code**2017.mdb" and click "Next." **Be sure to select the correct file here, as the two system files are similarly named**. In the box to select a name, enter "2017 Base Reductions" and click "Finish". Test your shortcut to be sure it brings up the "Main Menu" screen. Contact your PC support group if you need assistance setting up a shortcut.

   Once you've set up the system and done any necessary attachments changes, you are ready to enter your plan.

Main Menu

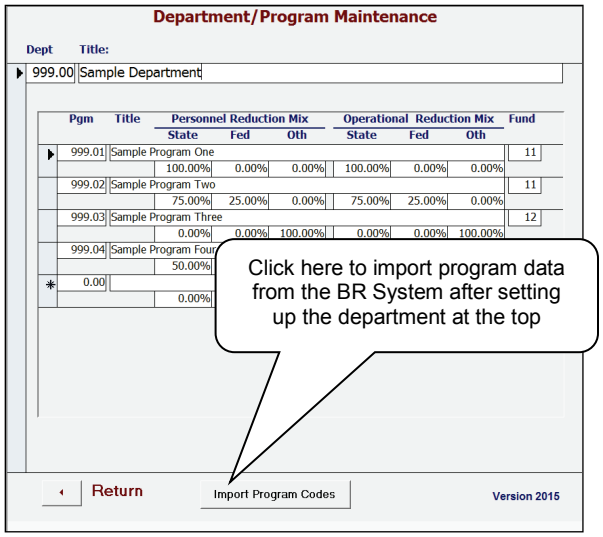
The Main Menu screen is used to navigate the functions of the Base Budget Reduction System. From the Main Menu, click on the "Dept/Pgm Maintenance" button to go to the Department / Program Maintenance screen.



Set up Department, Programs, and Reduction Funding Ratios

Enter your five-digit department code and the official department name (title) where indicated. After entering your department, you can import program information from your Budget Request System (if it is installed on this PC), or you can simply key in the program codes, titles, funds, and reduction funding mixes as needed.

If you choose to import your programs, click on the "Import Program Codes" button. You will be prompted for the location (folder) where the BR system is installed on your PC. Be sure this is the same system you use to submit your budget request. The import will load your cost increase funding mixes as your reduction funding mixes. You can change these, as needed, after the import



Reduction funding ratios are a companion to the cost increase funding ratios we collect in the Budget Request System. For years we have collected cost increase funding ratios to use in funding various state-wide "global" work program adjustments each year (such as salary policy, TCRS rate adjustments, group health insurance rate adjustments, etc.). When applied to true cost increases (increases in funds), these funding ratios have proven to be very effective. When used as the basis for reductions (decreases in funds), we have experienced mixed results over the years.

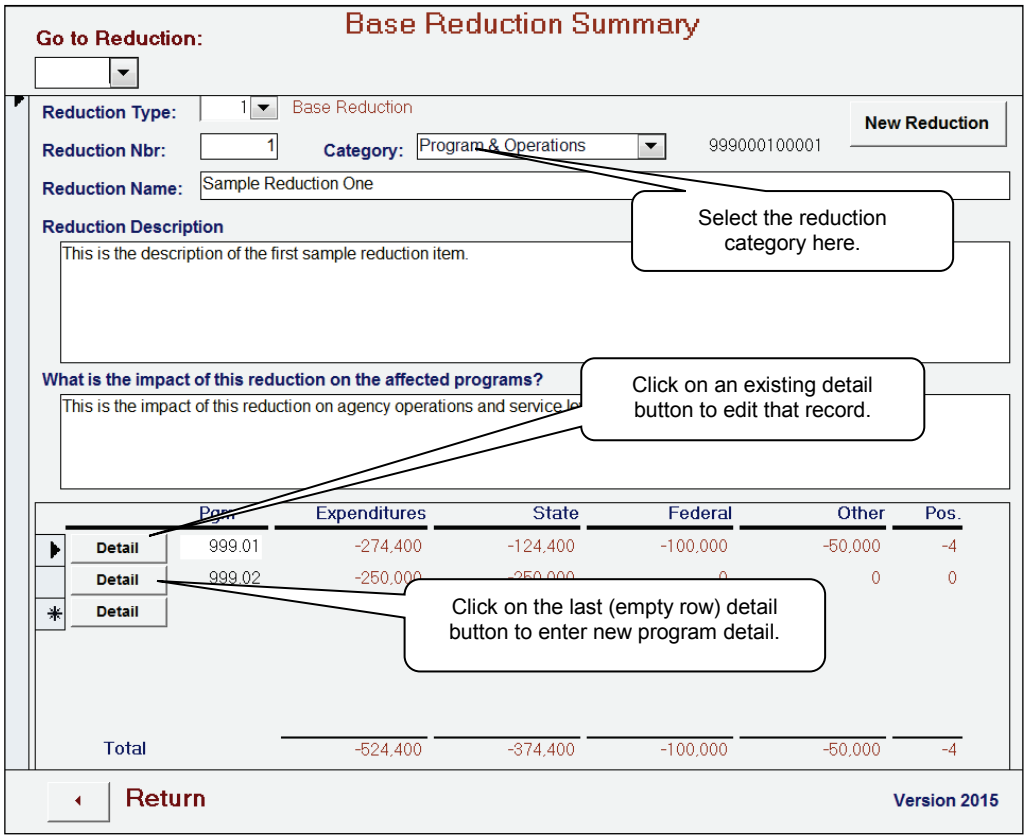
For some agencies, these reduction funding ratios may be the same as their cost increase ratios, and the "Import Program Codes" button will import these ratios directly from the Budget Request system (e.g. you won't have to key them twice).

For those agencies that need to express a different funding ratio for global program reductions, you will need to indicate here what funding ratios to use. All agencies should prepare and submit these reduction ratios as a component of their official budget submittal.

After you set up your department and program information, you are ready to enter reduction information. Click the "Return" button to return to the Main Menu screen.

Enter Budget Reduction Items

From the Main Menu screen, click the "Enter Reductions" button to go to the Base Reduction Summary screen. This is where you will enter information about the proposed reductions. For each reduction item you will select a reduction type from the provided list and enter a reduction number, a reduction category, a descriptive reduction name, a brief description of the reduction, and an assessment of the impact of the reduction on the program service levels of your agency.



Reduction Type - Select a reduction type from the list provided. The default is "Base Reduction".

Reduction Number – Enter an integer value that is unique within a given reduction type. It allows you to number the items in each of the reduction types sequentially within that type. You can reshuffle these numbers as needed to make such a change.

Category – Select a reduction category from the list provided. These categories will be used to link reduction plans to specific administration initiatives. Reductions from general program efficiencies and program eliminations should be coded as "Programs And Operations".

Reduction Name - Your reduction name should define the nature of the reduction. Enter a short but meaningful caption.

Reduction Description and Impact - When entering your reduction descriptions and impact statements please be concise. We want a thorough description of the reductions and their impact, but keep them direct and to the point. In your impact statements, be sure to express any legal implications of the proposed reductions. Specify what statutes, if any, should be reviewed in consideration of the proposed reductions.

You can copy/paste narrative text from other sources as needed, but be careful not to include special characters or imbedded objects, as MS Access cannot store these very well. You will also lose any formatting such as italics, bolding, underlining, etc. If you need to start a new paragraph within the description or impact fields, press [Ctrl] + [Enter].

Once you have entered your first reduction item, you can add others by clicking the "New Reduction" button in the upper right portion of the screen. If you need to delete a reduction item, click on the thin, vertical bar (record selector bar) on the extreme left side of the screen to select the record you wish to delete. Press the [Delete] key. You will be prompted to verify your action. Note: There is not an "Undo" function when you delete a record.

Enter Reduction Detail

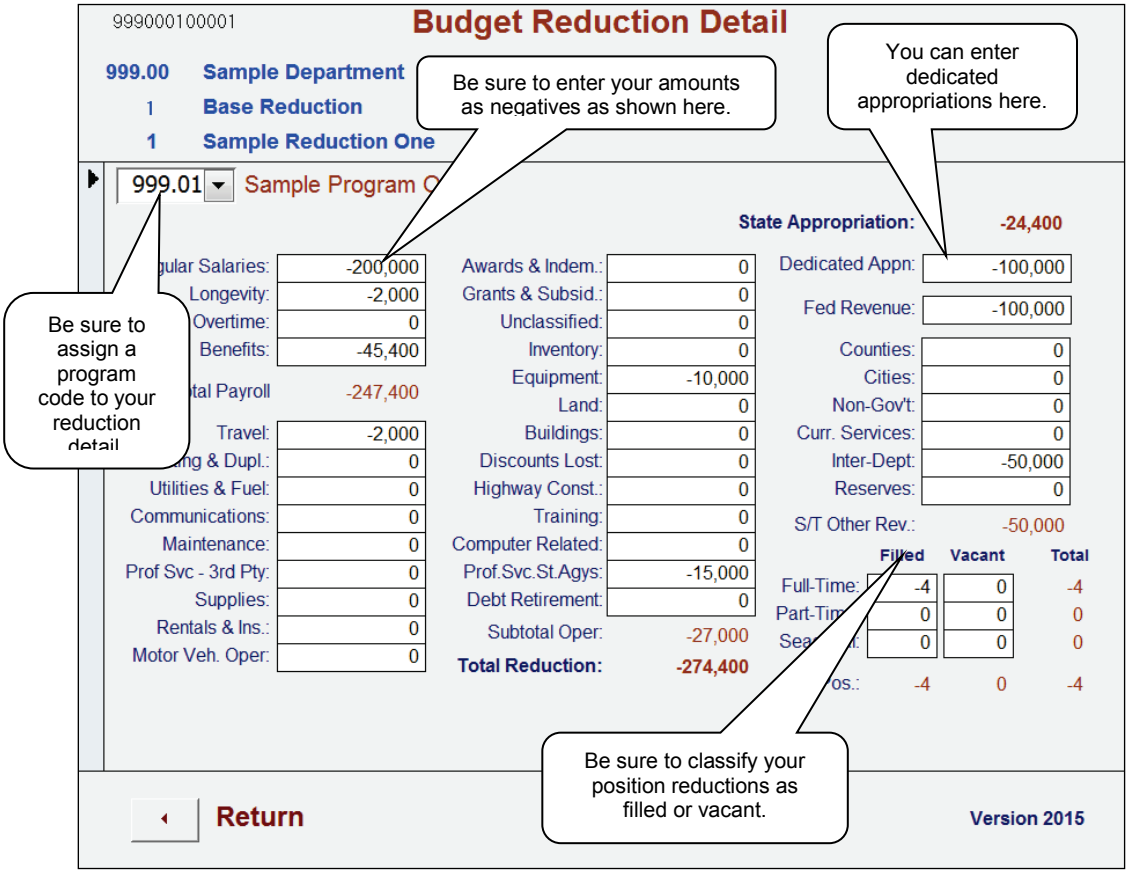
A reduction item must specify at least one program. A reduction item can have as many program detail records as you need, but you can only assign a given program to a given reduction item once.

To enter reduction detail information, click on the "Detail" button in the lower section of the Base Reduction Summary screen. This will take you to the Reduction Detail screen. Click on the last "Detail" button to enter new reduction detail for a program not yet in the list. Click the "Detail" button next to a program number to go to the detail for that program.

On the Budget Reduction Detail screen, you will enter the specific dollar and position reductions proposed for a program for the reduction item. This screen is a

little different than the normal budget request screen. It allows you to specify any dedicated appropriations and it requires position counts classified as filled or vacant.

Please enter your reduction figures as <u>negatives</u>.



You should classify position reductions as filled or vacant based on the positions' projected status at June 30, 2016. Reporting position counts as filled or vacant should be based on *anticipated* job loss to employees. If a position is currently vacant or you anticipate it will be vacated before the end of the current fiscal year, you should report it as vacant. If a position is filled and this reduction item will result in a layoff, you should report it as filled. If a position is filled, but the employee plans to transfer to another position within the department or elsewhere in state government, then the position should be classified as vacant, as the reduction does not result in the loss of employment.

The totals from the data you enter here will appear on the Base Reduction Summary screen. After entering the reduction details, click the "Return" button to return to the Base Reduction Summary screen.

Reporting

The reduction system includes the following reports:

Reduction Report – Account Detail
A detailed listing of program reductions by expenditure and revenue account and position classification. It is sorted by reduction type, reduction number, and program code.

Reduction Report – Summary
A summary of the reduction items sorted by reduction type, reduction number, and program code. It shows the general fund and dedicated appropriation reductions, federal revenue reductions, other departmental revenue reductions, total reductions, and filled and vacant position reductions.

Reductions by Type
A summary of reductions by type. It shows the general fund and dedicated appropriation reductions, federal and departmental revenue reductions, total reductions, and position reductions.

Reductions by Category
A summary of reductions by category. It shows the general fund and dedicated appropriation reductions, federal and departmental revenue reductions, total reductions, and position reductions for each of the administration initiatives.

Transmittal Memo
A summary of reductions by type, but in memo form. It shows the general fund and dedicated appropriation reductions, federal and departmental revenue reductions, total reductions, and position reductions. Use this letter to transmit your formal plan to Finance and Administration.

The reports are accessible via buttons on the Main Menu screen. Simply click a button to preview the associated report. Please carefully review your reduction proposals before transmitting them to F&A. Be sure all reduction items have program detail assigned to them and that the program codes are not “0.00”. Refer to the “Transmitting Data to F&A” section later in these instructions for information on properly submitting your proposals.

Deleting Records

To delete a reduction item (either a reduction summary or reduction detail), click on the thin, vertical bar on the extreme left side of the screen (it has a small arrowhead at the top). When you click this bar, it should turn dark gray to indicate that you have selected that record. Press the “Delete” key on your keyboard to delete that record. You will get a confirmation message to verify that you are deleting a record. Click “Yes” to proceed with the deletion. You can repeat this process for every reduction item you wish to delete. Remember, there is not an “Undo” function, so be careful in using this feature.

Attachments

The Base Budget Reduction system uses a "front-end" file (RedCode2017.mdb) with all the programs and screens and reports, and a "back-end" file (RedData2017.mdb) that contains the data you enter. The system assumes that both files reside in the C:\BR2017 directory. As long as this is the case, you will not need to use the attachments function.

As installed, the default location is "C:\BR2017". If you install to a different location or you are using the system in a distributed environment, click on the "Database Attachments" button on the Main Menu screen. Enter the new path where your data is stored into the "Default Location" field, and click the "Attach Default" button to detach the current data file and re-attach to the new path specified in the default location. Be sure to put a copy of the RedData2017.mdb database in this new location for the front-end to find. The new attachments should be displayed. Click the close button to return to the Main Menu.

Transmitting Data to F&A

When you have finished entering and reviewing your reduction proposal, copy the "back-end" data file – ***RedData2017.mdb*** – to CD to send to the F&A Budget Office by Tuesday, September 30, 2015. Ideally, you should include this file on the four (4) CD's you use to submit your operating budget request. If this is not practical, you can send four (4) separate and clearly labeled CD's.

Please include a transmittal memorandum summarizing the proposed reductions included in your plan. You may either use the standard memorandum included in the reduction system, or you may draft your own and use the "Reductions by Type" report as an attachment. Either way, we need to receive a printed copy of the summary of base reductions by category as displayed in either of these documents.

Need Help?

If you have any questions or problems using the system, contact:

Zach Barnett	(615) 741-7774	zachary.barnett@tn.gov
Rick Newton	(615) 532-8364	rick.newton@tn.gov

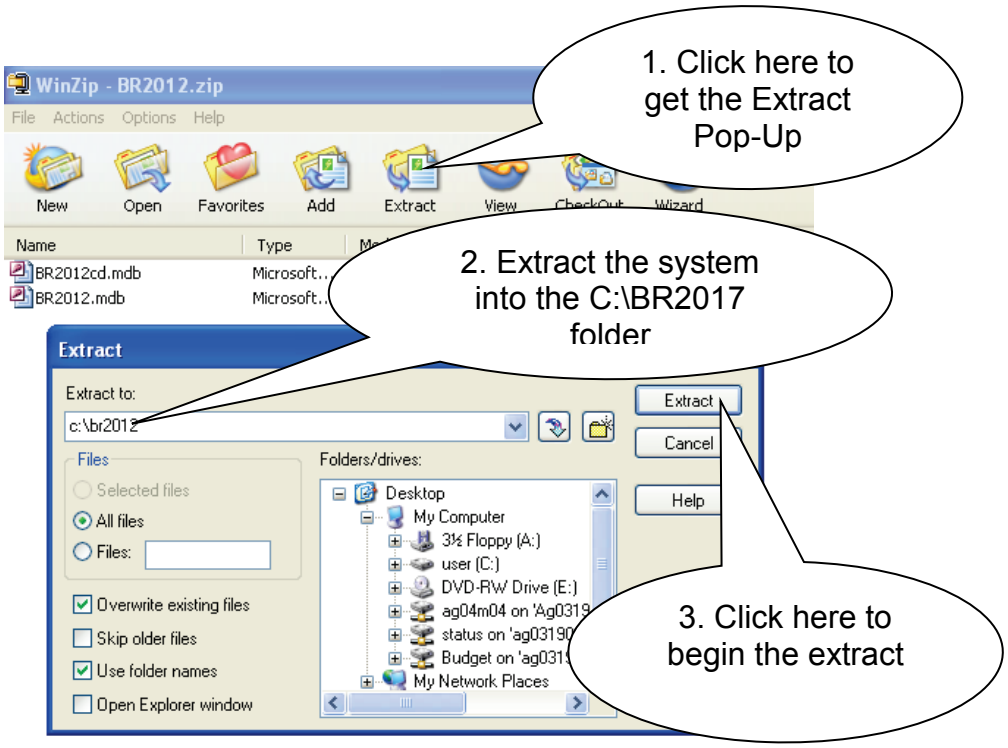
Appendix A– Unzipping Tools

To unzip a file, you can use either WinZip or the Compressed Folders Extraction Wizard in XP. These instructions guide you through both options. If you're not sure what option you have available, simply double click the zip file and let your PC decide. If presented with options, you may see a choice between "WinZip Executable" or "Compressed (zipped) Folders". You can select either of these as they end up with the same result.

After successfully unzipping the files, it is highly recommended that you delete the "RED2017.zip" file you downloaded. If you accidentally run this zip file later, it can overwrite your already installed system and erase any data you have entered. If you need to re-install your system, you can always download the zip file again.

WinZip

When you use WinZip, you will get a screen that looks like the one below. Click the



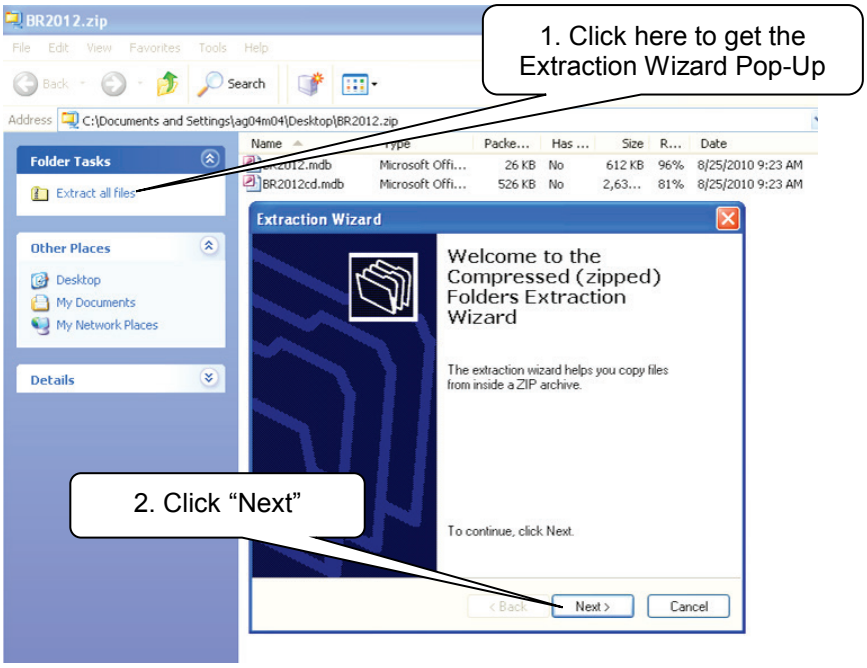
"Extract" button to bring up the "Extract" pop-up box.

You will need to specify the folder where you want to extract the file. If you do not extract to the system default ("C:\BR2017"), please be sure to modify your system attachments later (see p. 9).

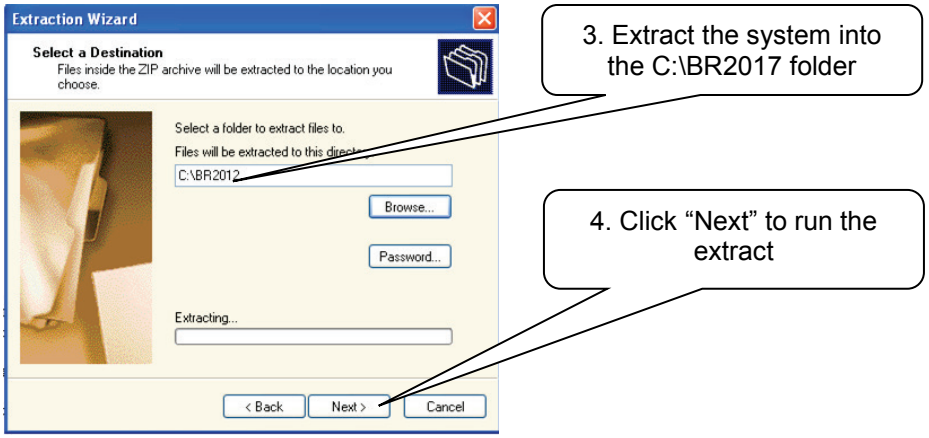
Click "Extract" on the pop-up box to run the extract. After you unzip the files you can close WinZip

Compressed Folders Extraction Wizard

When you use the Compressed Folders Extraction Wizard, you will get a screen that looks like the one below. Click the "Extract all files" under the Folder Tasks to bring up the "Extraction Wizard" pop-up box.



Use the "Browse" button to locate the folder where you want to extract the file. If you do not extract to the system default ("C:\BR2017"), please be sure to modify your system attachments later (see p. 9).



Click "Next" on the pop-up box to run the extract. When done, click "Finish" to exit the wizard.