



Department of
**Finance &
Administration**

Office of Evidence
and Impact

DEVELOPING THE FY26 BUDGET REQUEST

For Fiscal Officers

August 2024

Agenda

- Evidence-Based Budgeting in Tennessee
- Completing the Forms
- Sample Responses
- Questions and Resources

Objectives

- Understand the purpose of evidence-based budgeting in Tennessee
- Identify programmatic and operational budget requests & reductions
- For requests related to programs, determine whether a program is in the inventory and how much information is needed for the budget process
- Be able to effectively complete and submit the cost increase request and reduction forms for FY26

Evidence-Based Budgeting (EBB) in Tennessee

Fiscal Policy Objectives

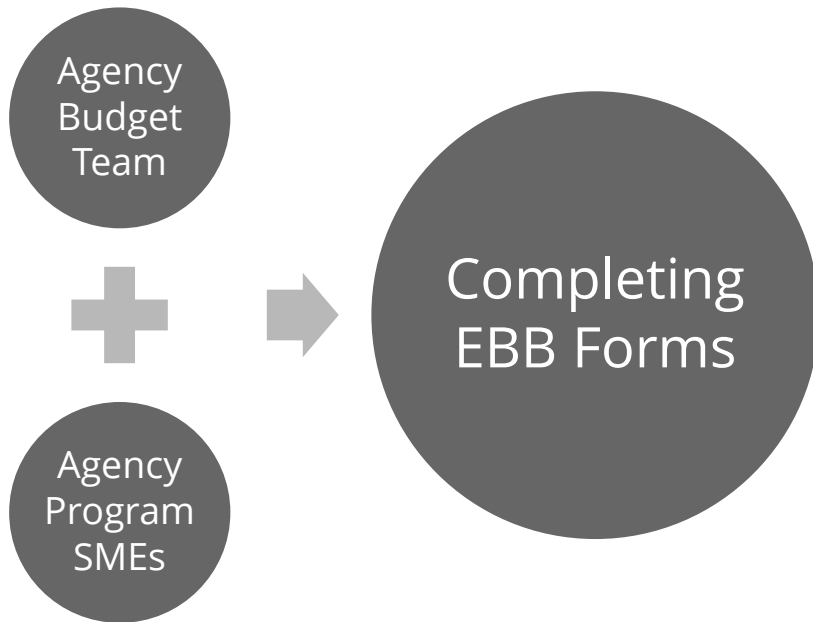
- Ensure a clear link between the **administration's priorities** and **agency strategic plans** and any new spending requests.
- Invest in programs and initiatives **supported by evidence and research** to improve outcomes and return on investment.
- Identify and evaluate opportunities within the base budget to **reallocate dollars** to the areas of greatest need.

What is evidence-based budgeting?

Evidence-based budgeting (EBB) is a targeted focus to facilitate the **use of research and evidence** to inform programmatic funding decisions in a way that improves outcomes for Tennesseans.

- Identify and prioritize the most effective, evidence-based programs to inform decision making
- Increase transparency during the budgeting process with enterprise-wide language and process

What is the budget staff's role?



- Develop budget requests & reductions.
- Identify whether a submission is operational or programmatic.
- If programmatic:
 - Determine whether a program is in the program inventory.
 - Identify program staff/program inventory point of contact to support, specifically questions 2a and 2b (for requests).
- **Ensure full completion and timely submission of all EBB forms.**

FY26 Budget Steps & Timeline

**Aug. 16,
2024**

FY26 instructions,
EBB forms, &
support materials
available

Aug. 14 & 20, 2024
FY26 EBB training
sessions from OEI

**Sept. 16,
2024**

Operating & Capital
Outlay Budget
Requests Due

Completing the Forms

Cost Increase Form: When to Use

- Complete for each cost increase request that is **not mandated by law**.
- Forms should correspond to budget system adjustments on a 1:1 basis.

Reduction Form: When to Use

- Complete for **all proposed reductions**.
- Include vacancies/position reductions directly tied to any program or service reduction.
- Forms should correspond to budget system adjustments on a 1:1 basis.

EBB Form Updates Related to Program Inventory

- Program inventories for all cabinet-level agencies are complete as of Summer 2024.
- OEI will have finished the annual data collection for existing programs in the inventory by early September.

FY26 EBB Form Changes

- Moved question about operational/programmatic to top section of both forms (cost increase and reduction)
- 2b: additional information for new programs only: if/then and evidence
- Took out evidence/impact sections at the end of the form

Is this a programmatic request?

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- No:** *this request is for rate increases, internal department operations (HR, administration, legal, etc.), facilities, equipment, IT improvement, or an advisory board or committee.*
- Yes:** *this request is for, or directly supports (e.g., expands, staffs), a discrete program, intervention, or service; any systematic activity that engages participants to achieve desired outcomes. **If Yes, is it listed in the program inventory?** (Check the dashboard [here](#).)*
 - No**
 - Yes** → **Inventory Program Name: Program Name**

Is this a programmatic request?

NO=Operational

- Regulatory functions (e.g., licensure, permits, audit activities, oversight)
- Most internal operations (e.g., communications, procurement, media services, legal, non-programmatic positions, security)
- IT functions/projects
- Advisory committees
- Facility or building establishment or maintenance
- Provider rate increases

YES=Programmatic

- Program, service, intervention, or support
- Disbursed grant, fund, or scholarship
- Direct benefit to individual or family who meet qualifications at a set frequency (e.g., SNAP, WIC)
- Education, communication, or marketing campaign overseen by the agency (e.g., training, class, awareness campaign)
- **Requests for positions that manage or are directly tied to a program**

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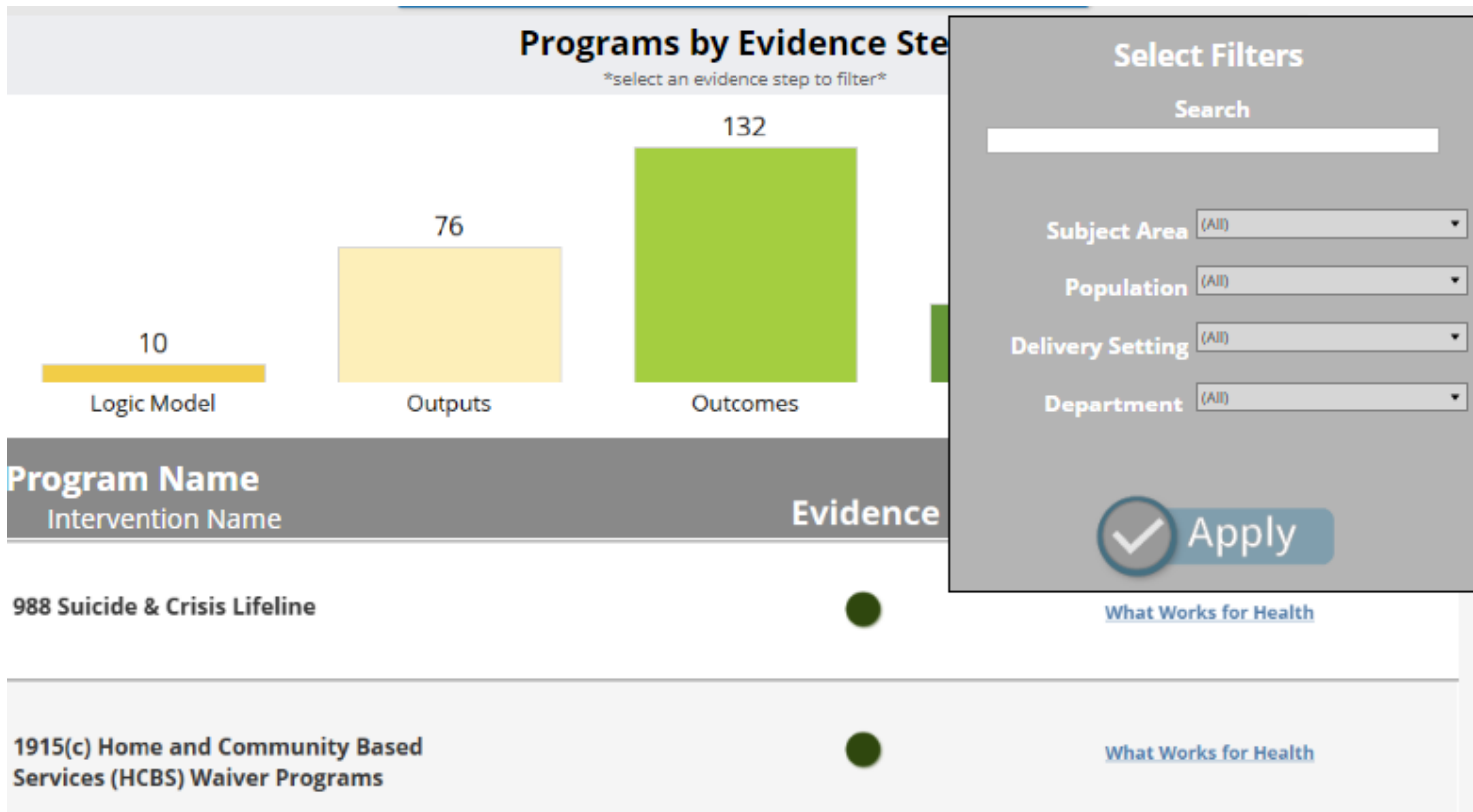
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No

Yes → Inventory Program Name: Program Name

Check the Inventory

- <https://www.tn.gov/finance/oei/program-inventory.html>
- Use the search bar or filters to find existing programs



What is not in the inventory?

Not in the Inventory:

1. A program run by commissions, boards, and other **non-cabinet** state organizations
2. An existing, Tennessean-facing program that is **not in the inventory**

Action Step:

- Discuss with program leader and answer questions 2a and 2b; if OEI needs additional information, OEI will reach out

What is not in the inventory?

Not in the Inventory:

3. A new program that does not exist yet; the FY26 request is for a budget to begin a **brand-new program or pilot**

Action Step:

- Be sure program staff are involved with developing the request, especially questions 2a and 2b
 - Include **if/then statement**
 - Include any existing **evidence**
- For guidance on if/then and evidence, please share this [12-minute video](#) with program leads/subject matter experts.

Question 2b.

2b. Anticipated Impact: How does the department plan to track success—even if it's a new effort?

- *How will this adjustment “move the needle”? What changes or benefits do you expect to see as a result of this adjustment? If applicable, list any new outputs, outcomes, or KPIs that you plan to measure in the future, but do not currently measure now. Be sure this response directly connects to the demonstrated problem.*
- **FOR NEW PROGRAMS:** *what is the proposed logic model (If we do X, Y, Z, then we expect to see A, B, C)? Is there any existing research regarding program effectiveness of this model in other states? If so, please describe and provide a link here.*

Click or tap here to enter or paste text.

Submitting the Forms

- Name the form with these conventions:
 - Cost increase request
 - Priority#_AdjustmentName
 - E.g., 3_Additional Analyst Positions
 - Reduction form
 - R_Priority#_AdjustmentName
 - E.g., R_3_Analyst Positions
- Upload into the new budget system
- Email a final copy to your budget office analyst, who will review each request and return entries that do not provide sufficient detail

Information Sharing

- The forms you complete are for the most part intended to be internal documents.
- If an external individual/entity requests them, we may have to provide them.
- We have provided them to the legislature at their request in the past and will continue to do so.

Questions and Resources

Resources & Contact Information

- Feedback
 - https://stateofennessee.formstack.com/forms/oei_ebb_training
- Helpful Links
 - Budget: www.tn.gov/finance/fa/fa-budget-information.html
 - [Budget Instructions and Forms](#)
 - [Budget Analyst Agency Assignments](#)
 - OEI: www.tn.gov/finance/oei/evidence-based-budgeting.html
- OEI Team
 - **Contact us any time with questions or a request to meet:**
 - Amanda.K.Armstrong@tn.gov
 - Victoria.Cooper@tn.gov
 - OEI.Questions@tn.gov