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To: ALL DEPARTMENT AND AGENCY HEADS

From: Carole E. Stone *CS*

Subject: Fiscal Guidelines and Agency Spending Plans for State Fiscal Year 2000-2001

This Bulletin supersedes Bulletin B-1159 and provides general guidelines for implementing the State's 2000-2001 budget, as well as guidance for preparing agency fiscal and personnel plans for State fiscal year 2000-2001. Agency-specific cash disbursement limits/estimates and 2000-2001 and 2001-2002 Average Fill Levels will be communicated to you directly by your Division of the Budget (DOB) examination unit.

Fiscal and personnel plans should be submitted to your DOB examination unit as soon as possible, but **no later than June 27, 2000**. Your agency's approved spending plan will be used to monitor implementation of the enacted Budget, and to guide the allocation of funds on certificate for the remainder of 2000-2001.

Fiscal projections should be developed for State Purposes, Local Assistance, and Capital Projects spending from the General Fund and selected other funds, and accompanied by personnel plans for annual-salaried personnel paid from all fund types.

General guidelines for implementing the 2000-2001 budget are as follows:

1. Agencies should restrain spending wherever possible by increasing productivity and reducing expenditures in lower priority programs and services.
2. The hiring freeze established by Executive Order No. 1 and the current procedures for obtaining exemptions from the freeze remain in effect for 2000-2001.
3. Subject to statutory limits, agencies may propose permanent or temporary interchanges of appropriations between PS and NPS or between programs to meet essential agency operating requirements. Permanent realignments approved as part of the agency fiscal plan are to be used as the basis for the 2001-2002 budget in the agency budget request.

4. Under no circumstances should agency spending plans anticipate paying prior year expenses in fiscal year 2001-2002 (other than normal carry-in) nor expect that increased appropriations will be available to pay for them.
5. Agency spending plans should not presume that deficiency appropriations will be recommended or enacted for 2000-2001.
6. The spending plan submission should not attempt to reflect additional 2000-2001 costs of implementing collective bargaining agreements and similar provisions for Management/Confidential employees. For planning purposes, agencies should assume that their appropriation authority and projected cash disbursements will be adjusted at a later time to reflect the amount of additional spending authorized by any "pay bills" that may be enacted. Agency plans should be amended at that time to reflect the additional spending.

There is no mandatory format for fiscal and personnel plans, or for monthly reporting of actuals vs. projections. Agency fiscal officers should contact their budget examiners to determine format, level of detail and content of the fiscal and personnel plan and monthly reports. Reports are generally required on a monthly basis (on the fifteenth day of the following month) unless a different schedule or less frequent reporting has been agreed to by your budget examiner. Sample formats are attached and may be discussed with your budget examiner as to their applicability for your agency plans. For Capital Projects, for example, agencies and examination units may determine that the disbursement reports routinely provided by the Comptroller's Office are sufficient for this purpose.

Upon receipt of your agency's fiscal and personnel plans, your DOB examination unit will either approve the plans or request specific modifications. Once DOB approval has been secured, you will be authorized to proceed, for the remainder of the fiscal year, with the allocation of appropriations consistent with your approved cash ceiling.

Questions concerning this Bulletin or the attachments should be directed to your budget examiner.

Attachments

ATTACHMENT I - GENERAL GUIDELINES/DEFINITIONS**A. Cash Disbursement Limits/Estimates**

Cash disbursement limits or estimates will be established to cover the following:

1. State Purposes Account -- Cash Disbursement Limit

The State Purposes Account cash disbursement limit is the maximum amount of cash which can be disbursed from the State Purposes Account by your agency during the period beginning April 1, 2000 through March 31, 2001 as reflected on the accounts of the State Comptroller from all appropriations and reappropriations. This includes transfers/suballocations which have already taken place from other agencies and from miscellaneous appropriations, as well as disbursements from prior-year carry-in. As future transfers/suballocations from other agencies or miscellaneous appropriations are made, the cash disbursement limit will be changed to reflect such actions.

2. Local Assistance Account -- Cash Disbursement Estimate

The cash disbursement estimate for the Local Assistance Account reflects projected disbursements from all available appropriations including current-year appropriations, reappropriations and carry-in appropriations. The estimate represents the amount projected to be disbursed by your agency during the period April 1, 2000 through March 31, 2001 as reflected on the accounts of the State Comptroller.

3. Capital Projects Fund -- Cash Disbursement Limit

The Capital Projects limit is the ceiling on tax-financed cash disbursements from all appropriations and reappropriations from the Capital Projects Fund. This is the maximum amount of cash which can be disbursed for covered Capital Projects of the agency during the period from April 1, 2000 through March 31, 2001 as reflected on the accounts of the State Comptroller. This limit excludes disbursements from Miscellaneous All-State appropriations.

4. Other Funds -- Cash Disbursement Limits/Estimates

Limits/Estimates as described in 1, 2, and 3 above may also be established for Other Funds as required. You will be informed of this requirement, if applicable, by your examination unit.

B. Agency Fiscal and Personnel Plans

Your agency fiscal plan should reflect your program priorities for 2000-2001 within the constraints of legislative and executive action on the budget and these guidelines. Personnel fill levels projected in your personnel plan should relate to the program priorities as presented in your spending plan and be consistent with your Personal Service cash disbursement projections and the continuation of the hiring freeze.

The plan should specify the steps that you will take to maintain agency operations within the identified disbursement limits. No deficiency appropriations should be anticipated in the agency fiscal plan. While the agency-specific cash disbursement limits/estimates for 2000-2001 are not intended to constrain the expenditure of enacted appropriations, your plan should be developed in a way that will provide flexibility to accommodate unanticipated expenditures. Such action will ensure that deficiency appropriations will not be required and will minimize the potential for increased spending demands in the 2001-2002 budget. The fiscal plan submitted should be prepared for reporting as of June 30, 2000 and monthly thereafter.

The fiscal plan must be prepared on a cash disbursement basis for the State Purposes Account, the Local Assistance Account, the Capital Projects Fund and Other Funds, if required. The disbursement basis will encompass all cash disbursements from the current year's appropriations and any available reappropriations and prior-year balances (carry-in) and transfers, if any. The agency disbursement plan for State Purposes (and State Operations for Other Funds, if required) must include separate projections for personal service and nonpersonal service for 2000-2001 appropriations as of June 30, 2000 and monthly thereafter.

If, after the fiscal plan has been approved by DOB, unanticipated demands materialize, these needs should be met within presently-authorized appropriations and cash limits. If such needs surface, your budget examiner should be notified and provided with updated projections that reflect the manner in which they will be accommodated.

After approval of the fiscal plan, reports reflecting actual disbursements (sample Cash Disbursement Reports attached) as of June 30, 2000 and monthly thereafter will be required to enable DOB to monitor agency disbursements. **The exact form and content of these reports need not follow the attached sample.** Your agency fiscal officer should formulate the report in conjunction with your budget examiner. The reports must also fully explain any major differences (5 percent plus or minus) between projected and actual disbursements. Two copies of each report must be forwarded to your examination unit. One copy should be marked "Attention: Expenditure/Debt Unit."

The initial agency personnel plan (sample attached) must include actual filled, annual-salaried FTE positions for those even-numbered pay periods that have occurred since April 1, and projections of filled, annual-salaried FTE position counts for the even-numbered payrolls remaining to be paid during 2000-2001. This projection must be made for all positions regardless of funding source and include positions funded from maintenance undistributed appropriations, as well as approved suballocated or transferred appropriations. All annual-salaried 55-b and 55-c positions should be included in agency-projected fill levels.

In addition, the personnel plan must be accompanied by a brief narrative description of the components (e.g., attrition, transfers, retirement incentives, new fills) of the difference between the most recent actual position count and the projected end-of-year position count.

C. Other Funds

The Division of the Budget will maintain controls on expenditures/disbursements for agencies funded from funds other than the General Fund. Most other funds will be controlled by the Budget certificate process, i.e., allocations will be made only when the notification of a grant award is received or specific assurances exist on the pending availability of funds. However, some non-General Fund accounts will require fiscal plans and regular reporting. You will be notified by your budget examiner if this requirement applies to any accounts within your agency.

Whenever activity in non-General Fund accounts/funds has an impact upon the General Fund, this impact must be accounted for in the agency fiscal plan.

ATTACHMENT II - SAMPLE FISCAL PLAN SUMMARY OF STATE OPERATIONS APPROPRIATIONS, CASH DISBURSEMENTS AND AVERAGE FILL LEVELS

The initial step in preparing your 2000-2001 fiscal and personnel plan is to complete a "2000-2001 Fiscal Plan Summary of State Operations Appropriations, Cash Disbursements and Average Fill Levels" form (sample attached). The purposes of this form are to identify the available appropriations that are covered by the cash disbursement limit, to propose any realignment of new 2000-2001 appropriations necessary to address essential agency operational needs (on either a "permanent" or "2000-2001" basis only) and to identify anticipated but not yet approved increases or decreases to available appropriations and Average Fill Levels resulting from suballocations or transfers. **The level of detail at which the form should be completed is to be discussed with your budget examiner.**

Instructions for Completing Sample Form

1. **Available Appropriations:**

Enter, for the categories identified, the available appropriations to which projected disbursements relate. Maintenance Undistributed items must be allocated to Personal Service or Nonpersonal Service. Approved suballocations or transfers should be shown separately as indicated. Anticipated but not yet approved suballocations or transfers from other appropriations should not be included in this section (see 3. below).

Under "Proposed Interchanges," reflect any proposal to interchange enacted 2000-2001 new appropriations to meet agency requirements. Any proposed interchanges must be consistent with section 51 of the State Finance Law, and should be fully detailed in your fiscal plan narrative. Amounts entered on this line should be pluses and minuses to the "As Enacted" line and should not result in any total net increase or decrease. Interchanges identified as "permanent" will, upon approval, alter the basis for agency preparation of 2001-2002 Budgets. Interchanges identified as "2000-2001 only" will have no effect on 2001-2002 Budget preparation.

2. **Projected Disbursements:**

Enter the estimated 2000-2001 disbursements against available appropriations identified in (1.) above. The Personal Service and Nonpersonal Service portions of carry-in and reappropriation disbursements must be computed and entered. The total estimated disbursement cannot exceed your cash disbursement limit.

3. **Anticipated Suballocations/Transfers:**

Identify, at the indicated level of detail, all suballocations/ transfers anticipated to be received from or made to other appropriations or agencies.

**2000-2001 FISCAL PLAN SUMMARY OF STATE OPERATIONS
APPROPRIATIONS, CASH DISBURSEMENTS AND AVERAGE FILL LEVELS**

AGENCY: _____

FUND: _____

| | <u>TOTAL</u> | <u>AFL</u> | <u>PS</u> | <u>NPS</u> |
|--|--------------|------------|-----------|------------|
| 1. <u>Available Appropriations:</u> | | | | |
| - 1999-00 Carry-In | | XXX | | |
| - 2000-01 Reappropriations | | XXX | | |
| - 2000-01 New Appropriations | | | | |
| - As Enacted | | | | |
| - Proposed Interchanges (permanent) | | | | |
| - Proposed Interchanges (2000-01 only) | | | | |
| - 2000-01 Approved Suballoca- tions/Transfers (specify) | | | | |
| | ----- | ----- | ----- | ----- |
| TOTAL | | | | |
| | ===== | ===== | ===== | ===== |
| 2. <u>Projected Disbursements:</u> | | | | |
| - 1999-00 Carry-In | | | | |
| - 2000-01 Reappropriations | | | | |
| - 2000-01 New (including approved suballocations/ transfers) | | | | |
| | ----- | | ----- | ----- |
| TOTAL | | | | |
| | ===== | | ===== | ===== |
| 3. <u>Anticipated Suballocations/ Transfers</u> | | | | |
| - Suballocations/Transfers From (Itemize): | | | | |
| | ----- | ----- | ----- | ----- |
| TOTAL | | | | |
| | ===== | ===== | ===== | ===== |
| - Suballocations/Transfers To (Itemize): | | | | |
| | ----- | ----- | ----- | ----- |
| TOTAL | | | | |
| | ===== | ===== | ===== | ===== |

ATTACHMENT III - PERSONNEL PLAN

Once the "Fiscal Plan Summary of State Operations Appropriations, Cash Disbursements and Average Fill Levels" form is completed, you should complete a "2000-2001 Personnel Plan" form. The purpose of the plan is to project the number of positions that will be filled during 2000-2001 in order to achieve the Average Fill Level (AFL) figure identified in Attachment II.

There is no mandatory format that is required for the initial projection of positions. In some instances, projections will be required by program. Agency fiscal officers should contact their budget examiners to determine format and content of the projection data. The instructions shown below and the attached sample format are provided only as a guide.

Instructions for Completing Sample Form

Projections

For all fund types, i.e., General Fund, Special Revenue-Federal, Special Revenue-Other, Enterprise, Internal Service, Fiduciary, and Capital Projects; projections of filled, annual-salaried position counts must be provided on the attached form for each even-numbered pay period for which actual FTE counts are not available.

Arithmetically, the AFL equals the sum of the FTE numbers across all pay periods (even though only even numbered pay periods are required to be displayed on the plan) divided by the number of pay periods. Enter actual fill levels for even-numbered pay periods for which such information is available and projections for the remainder of the fiscal year.

The AFL resulting from this projection may not exceed the AFL from the "2000-2001 Fiscal Plan Summary of State Operations Appropriations, Cash Disbursements and Average Fill Levels." To the extent that these AFLs differ from those provided to you by your examination unit, such changes must be fully documented and justified.

Actuals

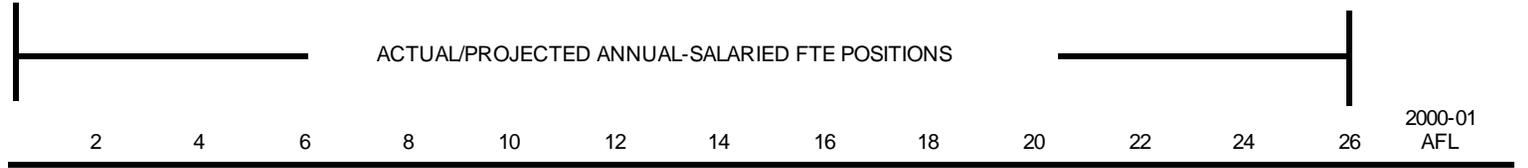
As part of your monthly fiscal plan reports, you should update the 2000-2001 personnel plan to reflect actual FTE fills and revise your projections, as necessary. Additionally, you should discuss any significant variation between the personnel plan and actuals (5 percent plus or minus) and the agency's plan for managing such changes within current fiscal year personal service appropriations, as well as potential out-year impacts.

Positions to be Included

All annual-salaried filled positions paid from all fund types must be included in both the projections and actuals, regardless of whether the incumbent is permanent, temporary, provisional, etc. including 55-b and 55-c positions. Nonannual-salaried positions are not to be included.

2000-2001 PERSONNEL PLAN

DEPARTMENT/AGENCY: _____ PROGRAM: _____



GENERAL FUND

SPECIAL REVENUE - FEDERAL

SPECIAL REVENUE-OTHER

ENTERPRISE FUNDS

INTERNAL SERVICES FUNDS

FIDUCIARY FUNDS

CAPITAL PROJECTS

GRAND TOTAL

ATTACHMENT IV - CASH DISBURSEMENT REPORTS

After completion of the "2000-2001 Personnel Plan" you should prepare the projection portion of the "Cash Disbursement Report."

There is no uniform format that is required for reporting of fiscal data. Reports are generally required on a monthly basis (on the fifteenth day of the following month) unless a different schedule or less frequent reporting has been agreed to by your budget examiner. **These instructions and the attached formats are samples only and may or may not be required by your budget examiner. Agency fiscal officers should contact their budget examiners to determine format, level of detail and content of the monthly reports. For Capital Projects, for instance, agencies and examination units may determine that the disbursement reports routinely provided by the Comptroller's Office are sufficient for this purpose.**

Instructions for Completing Sample Form

1. Three separate sample formats are provided, i.e., State Operations, Local Assistance and Capital Projects. All reports should be completed in thousands of dollars.
2. The State Operations form can be used for the State Purposes account and for any other account or fund in State Operations for which a limit is imposed.
3. The portion of each form which relates to "Projections" should be completed as a component of the Agency Fiscal Plan. At a minimum, one form will be completed for each disbursement limit/estimate. In some instances reports will also be required at the program level (at the discretion of the budget examiner).
4. After submission of the Agency Fiscal Plan to DOB, the agency will be required to report actual disbursements as of June 30, 2000 and monthly thereafter, by the fifteenth day of the following month. For ease of comparison, actual disbursements will be recorded on the same form that was used for the projections. Actual cash disbursements will be those as recorded on the accounts of the State Comptroller.
5. For the State Purposes Account, the cash disbursement limit encompasses disbursements from all available appropriations including approved suballocations or transfers from another State agency or from Miscellaneous appropriations. Consequently, the report must include all cash disbursements regardless of appropriation source. If an additional suballocation or transfer of appropriations is approved after the initial cash disbursement limit is set, an adjustment to the State Purposes Account limit should be requested by the agency.

**2000 - 2001 CASH DISBURSEMENT REPORT - STATE OPERATIONS
(\$000s)**

State Agency

Name of Account or Fund

Cash Disbursement Limit

Date

Copy To

| | PROJECTIONS CASH DISBURSEMENT FROM: | | | | | ACTUALS CASH DISBURSEMENTS FROM: | | | | |
|-----------|--|--------------------------|-----|----------------------------------|---------------------------------------|-------------------------------------|--------------------------|----|----------------------------------|---------------------------------------|
| | 1999-00 Carry-in Approps | 2000-2001 Appropriations | | Monthly Disbursement Total | Year-to-date Disbursement Total | 1999-00 Carryover Approps | 2000-2001 Appropriations | | Monthly Disbursement Total | Year-to-date Disbursement Total |
| | | PS | NPS | | | | Reappropriations | PS | | |
| APRIL | | | | | | | | | | |
| MAY | | | | | | | | | | |
| JUNE | | | | | | | | | | |
| JULY | XXX | | | | | XXX | | | | |
| AUGUST | XXX | | | | | XXX | | | | |
| SEPTEMBER | XXX | | | | | XXX | | | | |
| OCTOBER | XXX | | | | | XXX | | | | |
| NOVEMBER | XXX | | | | | XXX | | | | |
| DECEMBER | XXX | | | | | XXX | | | | |
| JANUARY | XXX | | | | | XXX | | | | |
| FEBRUARY | XXX | | | | | XXX | | | | |
| MARCH | XXX | | | | | XXX | | | | |
| TOTALS | | | | | | | | | | |

**2000 - 2001 CASH DISBURSEMENT REPORT - LOCAL ASSISTANCE
(\$000s)**

State Agency

Name of Account or Fund

Cash Disbursement Limit

Date

Copy To

| | PROJECTIONS CASH DISBURSEMENT FROM: | | | | ACTUALS CASH DISBURSEMENTS FROM: | | | | | |
|-----------|--|--------------------------|------------------|----------------------------------|---------------------------------------|---------------------------------|--------------------------|------------------|----------------------------------|---------------------------------------|
| | 1999-00 Carry-in Approps | 2000-2001 Appropriations | Reappropriations | Monthly Disbursement Total | Year-to-date Disbursement Total | 1999-00 Carryover Approps | 2000-2001 Appropriations | Reappropriations | Monthly Disbursement Total | Year-to-date Disbursement Total |
| APRIL | | | | | | | | | | |
| MAY | | | | | | | | | | |
| JUNE | | | | | | | | | | |
| JULY | | | | | | | | | | |
| AUGUST | | | | | | | | | | |
| SEPTEMBER | | | | | | | | | | |
| OCTOBER | XXX | | | | | XXX | | | | |
| NOVEMBER | XXX | | | | | XXX | | | | |
| DECEMBER | XXX | | | | | XXX | | | | |
| JANUARY | XXX | | | | | XXX | | | | |
| FEBRUARY | XXX | | | | | XXX | | | | |
| MARCH | XXX | | | | | XXX | | | | |
| TOTALS | | | | | | | | | | |

**2000 - 2001 CASH DISBURSEMENT REPORT - CAPITAL PROJECTS
(\$000s)**

State Agency

Name of Account or Fund

Cash Disbursement Limit

Date

Copy To

| | PROJECTIONS CASH DISBURSEMENT FROM: | | | | | ACTUALS CASH DISBURSEMENTS FROM: | | | | |
|-----------|--|--------------------------|-----|----------------------------------|---------------------------------------|-------------------------------------|--------------------------|----|----------------------------------|---------------------------------------|
| | 1999-00 Carry-in Approps | 2000-2001 Appropriations | | Monthly Disbursement Total | Year-to-date Disbursement Total | 1999-00 Carryover Approps | 2000-2001 Appropriations | | Monthly Disbursement Total | Year-to-date Disbursement Total |
| | | PS | NPS | | | | Reappropriations | PS | | |
| APRIL | | | | | | | | | | |
| MAY | | | | | | | | | | |
| JUNE | | | | | | | | | | |
| JULY | | | | | | | | | | |
| AUGUST | | | | | | | | | | |
| SEPTEMBER | | | | | | | | | | |
| OCTOBER | | | | | | | | | | |
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| FEBRUARY | | | | | | | | | | |
| MARCH | | | | | | | | | | |
| TOTALS | | | | | | | | | | |