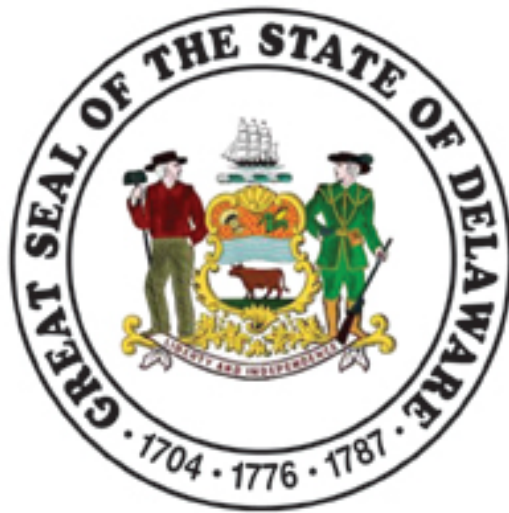


State of Delaware
Office of Management and Budget



Fiscal Year 2024
Operating and Capital
Budget Preparation Guidelines

Fiscal Year 2024

Budget Process Key Dates

- ❖ **Door Opener Requests**
Submission to Fiscal and Policy Analyst *August 26, 2022*
- ❖ **Organization Structure Change Requests**
Submission to Fiscal and Policy Analyst *August 26, 2022*
- ❖ **Budget Request Target Meetings**
Scheduling will be completed in mid-August *September 2022*
- ❖ **Solver Budget System Access**
Open for agency entry *September 7, 2022*
- ❖ **New Solver Appropriations, Account Codes**
Submission to Fiscal and Policy Analyst *September 30, 2022*
- ❖ **Solver Data Entry Completion**
Inform Fiscal and Policy Analyst when complete *October 5, 2022*
- ❖ **Operating and Capital Budget Requests**
Due to Office of Management and Budget *October 14, 2022*
- ❖ **Operating and Capital Epilogue and Continuing List Changes**
Due to Office of Management and Budget *October 14, 2022*
- ❖ **Agency Budget Hearings**
Hearing schedule will be published in September *November 2022*
- ❖ **Governor Submits Recommended Budgets**
Operating and Capital Budgets *January 2023*
- ❖ **Legislative Budget Hearings**
Operating and Capital Budgets *February - May 2023*

Fiscal Year 2024
Operating and Capital Budget Preparation Guidelines

Table of Contents

Operating Budget Guidelines

General

Door Opener Requests3

Budget Request Target.....3

Organization Structure Changes4

Reallocations.....4

Pass Through Programs Reporting Requirements ..4

Service Levels5

Appropriated Special Funds.....6

Non-Appropriated Special Funds7

Appropriation Line Instructions.....7

Information Technology Requests.....10

Budget Request Entry in Solver11

Narratives12

Submission Checklist.....14

Capital Budget Guidelines

General16

State Land Use Policies16

Historic Preservation.....17

Minor vs. Major Capital Improvements17

Submission Checklist.....19

Budget Narrative Guidelines

General	21
Operating Budget	
<i>Budget Narrative Shell</i>	21
<i>Content and Order of Appearance</i>	21
Capital Budget	22
<i>Budget Request Template</i>	22
<i>Required Information</i>	22
Electronic Submissions	22

Exhibits and Forms

Exhibits	
<i>Exhibit A - Department Operating Narrative</i>	24
<i>Exhibit B - Solver Position List</i>	26
<i>Exhibit C - Capital Request</i>	27
Forms	
<i>Organization Structure Change Form</i>	31
<i>Operating Budget Request Form</i>	32

Operating Budget Guidelines

General

Door Opener Requests

Door opener requests from agencies are due August 26, 2022. Generally, the Office of Management and Budget will consider the following items to be door openers:

- 1) Annualizations
 - Remaining portion of positions, programs and facility operations that were partially funded in the Fiscal Year 2023 Budget.
- 2) Operating and Personnel Costs of new facilities or new information technology systems coming online in Fiscal Year 2024
 - New facilities funded via the capital budget that are completed mid-fiscal year and require operating funding for energy, maintenance, contractual services, etc.
 - New information technology systems that have recently been completed and require operating funding for maintenance, licensing, etc.
- 3) Growth in entitlements
 - Medicaid service demands; enrollment growth in public schools.

Please complete the Budget Request Form included in the Exhibits and Forms section of these guidelines to justify agency door opener requests. Door openers will be discussed and agreed upon at the Target meetings in September. Any change in the estimated cost of door openers after Target meetings must be discussed with your Fiscal and Policy Analyst **prior** to submitting your budget request.

Budget Request Target

The Office of Management and Budget will meet with agencies during September to discuss door openers and funding issues for the upcoming fiscal year and develop a mutually agreed upon budget request target. This value represents the maximum level of funding an agency may request. This process applies to Cabinet agencies only; however, meetings are held with most agencies. Please be prepared to discuss projected capital requests during target meetings as well.

The budget request target is discretionary and dependent upon projected revenues, as well as essential door openers.

The agency target can be calculated using the following equation:

$\text{Fiscal Year 2023 Base Budget} + \text{Fiscal Year 2023 Salary/OEC contingency within the Office of Management and Budget} + \text{Door Openers} + \text{Target Growth Percentage (1\%)} = \text{Fiscal Year 2024 Budget Request Target}$

Organization Structure Changes

Requests to change an agency's organization structure from the way it is reflected in Section 1 of the budget bill must be discussed at Target meetings and receive the approval of the Office of Management and Budget prior to agency budget submission. Organization structure changes include additions, deletions and name changes to APUs and IPU's. These permanent changes will only be considered if they are required to meet the operational needs of the agency and a detailed justification is provided with the submission.

A form to provide details of the proposed organization structure changes is included in the Exhibits and Forms section of these guidelines.

All requests for organization structure changes must be submitted to your Fiscal and Policy Analyst by August 26, 2022. This includes agencies with no changes. Simply return the signed form noting no changes requested.

Reallocations

All budgetary reallocations should be identified and discussed with your Fiscal and Policy Analyst prior to submitting your budget request. Agencies should consider the following items:

- For data entry purposes, reallocations take place in Service Level 3, Structural Changes.
- All reallocations must net to zero within their fund type.
- General Fund Personnel can only be reallocated to other General Fund Personnel Costs appropriations. Please refer to the Personnel Costs section of this document for additional guidance regarding the reallocation of personnel funds.
- General Fund Energy cannot be reallocated without written approval from the Office of Management and Budget. Please refer to the Energy section of this document for additional guidance regarding the reallocation of energy funds.
- Reallocations involving multiple agencies must be communicated with the impacted agencies, as well as the appropriate Fiscal and Policy Analysts, prior to submission. All impacted agencies shall include any mutually agreed upon reallocations as part of their budget requests.
- Reallocations should take place during the Governor's Recommended phase of the budget process.

Pass Through Programs Reporting Requirements

Agencies with entities deemed as pass throughs must incorporate into their budget request a report detailing pass through organization funding, performance and service delivery options. The agency must also submit a recommendation regarding the continuation of funding for the pass through.

Service Levels

Fiscal Year 2024 budget requests are categorized within the five service levels listed below.

Position requests included in any service level **must** be entered into the Solver Budget System and include position titles (as reflected in PHRST), position numbers, appropriations and pay sections. See Exhibit B for specific instructions regarding position entry.

Base Adjustments (Service Level 1)

Service Level 1 (Base Adjustments) reflects 100 percent of the Fiscal Year 2023 budget adjusted for the Salary/OEC contingency within the Office of Management and Budget and other items listed below.

- Annualizations of positions, programs, and facilities;
- Delaware State Clearinghouse Committee approved position changes or switch funds during the fiscal year;
- Positions reallocated to meet critical workforce needs (Section 11 Memo) during the fiscal year;
- Non-Appropriated Special Fund (NSF) changes;
- All prepared reductions not deemed reallocations or structural changes; and
- Appropriated Special Fund (ASF) revenue adjustments.

Please complete the Budget Request Form included in the Exhibits and Forms section of these guidelines to justify your agency's request.

Inflation/Volume Adjustments (Service Level 2)

Service Level 2 is used to request cost and quantity increases.

Budget requests at this service level should be considered critical to the continued operation of the agency. The methodology supporting the requests must be explained (i.e. projected caseload increases, embedded contract inflator, etc.). Growth in entitlements would typically be included in this level.

New positions, expansion of existing programs or establishment of new programs should not be requested at this service level.

Please complete the Budget Request Form included in the Exhibits and Forms section of these guidelines to justify your agency's request.

Structural Changes (Service Level 3)

Service Level 3 is used to reallocate funding and/or positions within or between appropriations, budget units and/or agencies.

Position requests included in this service level **must** be entered into the Solver Budget System and include position titles (as reflected in PHRST), position numbers, appropriations and pay sections. Structural changes involving multiple agencies must

be communicated with the impacted agencies, as well as the appropriate Fiscal and Policy Analysts, prior to submission. All impacted agencies shall include any mutually agreed upon reallocations as part of their Fiscal Year 2024 budget requests. **All structural changes must net to zero by fund type.**

Switch funds of positions or appropriations are not structural changes; any requests to switch fund positions, not previously approved by the Delaware State Clearinghouse Committee, and has an increase in any funding source should be done in Service Level 4.

Enhancements (Service Level 4)

Service Level 4 is to request expansions of current programs and activities or to establish new programs and activities.

Enhancements must fall within the budget request target figure. New positions, expansion of existing programs or establishment of new programs should be requested at this level.

Position and program requests at this level should reflect actual dollars to be used in Fiscal Year 2024. **New position requests are funded for a maximum of nine months in the first year.**

Requests for General Funds to supplant federal budget reductions are to be prioritized within the agency's request for enhancements. These requests are to be identified as previously federally funded.

Requests for General Funds to support positions that were previously federally funded must include position titles, position numbers, appropriations and pay sections.

If a request results from a federal or state mandate, this should be noted and prioritized accordingly. Please work with your assigned Fiscal and Policy Analyst to identify potential changes to federally funded programs within your agency.

Please complete the Budget Request Form included in the Exhibits and Forms section of these guidelines to justify your agency's request.

One-Time Items (Service Level 5)

Service Level 5 is used to request non-recurring expenditure items.

One-Time Items must be requested within the budget request target figure. These items must be clearly defined, and any relation to other program requests in previous service levels should be identified. Approved One-Time Items will be reflected in either, the Office of Management and Budget's Contingencies and One-Time Items or in the agency's approved budget as determined by OMB based on funding source.

Please complete the Budget Request Form included in the Exhibits and Forms section of these guidelines to justify your agency's requests.

Appropriated Special Funds (ASF)

All ASF requests must include the same level of detail and documentation as General Fund requests.

ASF budget requests must be based on estimated collections from existing fees and/or projected carryover balances. If ASF requests exceed estimated collections and/or carryover balances, documentation explaining the funding mechanism must be provided.

All revenue adjustments must be made in Service Level 1 (Base Adjustments), other adjustments should be reflected in the Service Level that most appropriately reflects the adjustment.

Any requests associated with fee increases and/or the implementation of new fees that require legislative approval may not be included without approval of the Office of Management and Budget prior to budget submission.

Any ASF requests for One-Time Items must be requested in Service Level 5. These items must be clearly defined, and any relation to other program request in previous service levels should be identified.

Non-Appropriated Special Funds

For Fiscal Year 2024, agencies are expected to update NSF revenue and expenditures in the Solver Budget System. **All NSF changes should be made as Service Level 1 (Base Adjustments).**

Appropriation Line Instructions

Agencies have the ability to budget appropriations using account level detail in the Solver Budget System and are strongly encouraged to take advantage of this capability. This allows agencies to more accurately budget to reflect projected expenditures.

Personnel Costs

Base adjustment figures should include Fiscal Year 2023 Personnel Costs Contingency Spread as provided by OMB. Base adjustment figures should **not** include a salary increase for Fiscal Year 2024. Salary policy for Fiscal Year 2024 will be determined during the recommended budget and mark-up phases. Cabinet agencies are directed to address required complement growth by reallocating existing resources.

The following items should be considered when estimating personnel costs:

- **Casual/Seasonal Employees**

29 Del. C. § 5903(17) defines the acceptable categories of casual/seasonal employment. Any use of casual/seasonal employment that falls outside one of these defined categories must be approved by the Director of the Office of Management and Budget and the Controller General. Casual/seasonal employment must be restricted to less than 30 hours per week unless approved by the Director of the Office of Management and Budget, Secretary of the Department of Human Resources and the Controller General.

- **Position Control Spreadsheets**

Position Control Spreadsheets have been incorporated into the Solver Budget System. In order to facilitate the configuration of PHRST for Fiscal Year 2024, the following information is required when requesting new positions, position reallocations, position reductions and/or switch funding of positions:

- Department ID (Dept/APU/IPU)
- Funding Source
- Position Title and Number (if applicable)
- Appropriation
- Pay Section

Exhibit B in the Exhibits and Forms section of the guidelines provides examples of how to utilize Solver. **Please complete this as part of your Solver Budget Entry on or before October 5, 2022.**

Please refer any questions to your Fiscal and Policy Analyst.

Other Employment Costs

When developing department budgets, the following rates should be applied:

- **Federal Insurance Contributions Act (FICA) - Employer's Share**

The maximum withholding for the period of July 1, 2022 through December 31, 2022 is calculated on \$147,000 earnings at a rate of 6.20 percent (0.0620).

FICA data should be entered into Solver Budget System account 52006.

Note: Uniformed State Police, Senate and House members are exempt from Social Security contributions.

- **Medicare Tax - Employer's Share**

Employees subject to the FICA tax above, State Police, House and Senate members and agricultural extension agents hired or elected after March 31, 1986, are subject to the Medicare tax of 1.45 percent (0.0145).

Medicare tax data should be entered into Solver Budget System account 52016.

- **Workers' Compensation**

The Workers' Compensation rate is 1.55 percent (0.0155). This rate should be applied to all salaries, including casual/seasonal salaries.

Workers' Compensation should be entered into Solver Budget System account 52005.

- **Unemployment Insurance**

The Unemployment Insurance rate is 0.11 percent (0.0011). This rate should be applied to all salaries, including casual/seasonal salaries.

Unemployment Insurance data should be entered into Solver Budget System account code 52009.

- **Pensions**

The pension cost calculation is 22.62 percent (0.2262) of salary. Pension data should be entered into Solver Budget System account code 52001. This rate will be applied to all salaries, except for those listed below:

- **Casual/Seasonal**
- **Substitute Teachers**
- **House and Senate Attachés**
- **Board Members** (*unless employed under Pension Rules and Regulations*)
- **Uniformed State Police** - 25-year-plan member's rate is 32.39 percent (0.3239)
- **Judges** - The pension cost calculation for judges is 15.77 percent (0.1577)

- **Health Insurance**

The average Health Insurance cost for Fiscal Year 2024 is projected to be \$16,343 per Full-Time Equivalent (FTE).

Health Insurance data should be entered into Solver Budget System account code 52002.

Energy

For purposes of preparing the agency's budget request, assume the same dollar appropriation for Energy as contained in the Fiscal Year 2023 budget. Adjustments may be made during the recommended budget phase; however, funds may not be reallocated without approval from the Office of Management and Budget. All requested adjustments to Energy must be accompanied by appropriate documentation, and the need for such an adjustment communicated to the appropriate Fiscal and Policy Analyst prior to budget submission.

Supplies and Materials/Capital Outlay

Supplies and Materials will include items costing \$5,000 or less and those with a useful life of one year or less, regardless of cost. Capital Outlay will only include items costing in excess of \$5,000 with a useful life of more than one year.

In instances where specific accounts may not exist in Supplies and Materials (56000 series), please use Account 56000.

When requesting items, indicate either "initial purchase" or "replacement."

For clarification purposes, Capital Outlay, as used in the budget process, should not be confused with "fixed assets." The term "fixed asset" is used for reporting purposes and is not directly related to the budget process.

Please note that computers, library books and movable furniture should be included under Supplies and Materials, Capital Outlay or One-Time Items and **NOT** in the capital budget request.

Minor capital improvements (MCI) and equipment appropriations are currently funded in the capital budget. For Fiscal Year 2024, requests for MCI funding should be

structured in accordance with the capital budget instructions contained in this document.

Special Appropriations

Special appropriations are those appropriations that fall outside the seven major operating appropriations (Personnel Costs, Travel, Contractual Services, Supplies and Materials, Energy, Capital Outlay and Debt Service). In the First State Financials (FSF) system, the term for these appropriations is “programmatic.”

Agencies have the ability to budget special appropriations using account level detail in the Solver Budget System. Agencies are **strongly** encouraged to take advantage of this capability, particularly for those special appropriations which are expended, in part, for Personnel Costs. Please contact your Fiscal and Policy Analyst for assistance when requesting the addition of new special appropriations in Solver or if there are questions about this capability. Requests for new appropriations or account codes are due by September 30, 2022.

Revenue

Agencies are to budget revenue in the Solver Budget System, showing forecasts for Fiscal Year 2024 collections. Revenue data must be entered for all funds.

Any adjustment must be made as a Service Level 1 (Base Adjustments). **ASF and NSF revenue must not be less than anticipated expenditures** unless there are extenuating circumstances that have been communicated to your Fiscal and Policy Analyst prior to budget submission.

Information Technology Requests

The Department of Technology and Information (DTI) utilizes a business case methodology to provide agencies the opportunity to describe and justify each request. Per 29 Del. C. § 9006C, an agency must submit a business case to DTI for an information technology (IT) initiative prior to starting work. An IT Business Case submission must be completed for each project requested within the operating budget request target figure or the capital budget request using the Project Portfolio System (PPS). A printed copy of the Business Case’s draft financial plan and work detail must be included in the operating or capital budget request. Agencies who have questions related to the submission of the Business Case should contact their DTI Customer Engagement Specialist at <https://dti.delaware.gov/state-agencies-portal/it-business-cases/>.

DTI conducts Business Case reviews, Security reviews and Architecture Review Board (ARB) reviews with specific consideration given to the proposed project's feasibility, risk and suitability, as well as its overall compliance with technical standards and guidelines. Specifically, DTI is interested in leveraging existing IT investments through collaborative solutions. Additionally, DTI endeavors to optimize efficiency in the statewide IT model by coordinating technology requests amongst agencies to eliminate duplication. The Office of Management and Budget will support and work cooperatively with DTI in their assessments of agency requests.

In order to be considered for funding, technology requests must be included in an agency's Fiscal Year 2024 budget request. Technology budget requests must be within the budget request target growth figure and be prioritized in relation to all other budget requests. The Office of Management and Budget will use the list of DTI approved business cases as a starting point for determining which projects to include in the Governor's Recommended Budget for Fiscal Year 2024.

If you have any additional questions about the process, please refer them to your agency's Information Resource Manager.

Budget Request Entry in the Solver Budget System

The Solver Budget System interfaces with FSF. Data will be entered into Solver using the chart field values created for First State Financials (FSF). Training will be available for all new personnel who are entering budget data in Solver or those who need a refresher. The Office of Management and Budget will schedule training sessions in late August and early September and other dates as needed and will notify agencies of training dates. Visit and bookmark the website for the Solver Budget System Log In, Manual and training information at: <https://budget.delaware.gov/solver/>.

The Solver Budget System will be available for agency use for Fiscal Year 2024 in early September 2022.

Fiscal Year 2022 actual expenditures reflected in Solver include:

- General Fund (Type 01, 02, 03, 04);
- Appropriated Special Fund (Type 30); and
- Non-Appropriated Special Fund (Type 20, 40).

This data has been downloaded from FSF. Please review the expenditure information prior to data entry and notify your Fiscal and Policy Analyst of any significant discrepancies.

Please note: Non-Appropriated Special Fund Types 20 and 40 are added together and rolled up by account code.

During data entry in Solver, if additional appropriations and/or account codes are required, including developing the structure for proposed organization changes, please coordinate with your Fiscal and Policy Analyst. For the request and recommended phases, Solver will use pseudo "Z" appropriations in place of these new appropriations. Only new appropriations voted into the final budget will be created in FSF.

Please contact your Fiscal and Policy Analyst by September 30, 2022, to request new appropriations in Solver.

After completion of data entry, please contact your Fiscal and Policy Analyst immediately to review the entry. Solver data entry should be completed no later than October 5, 2022.

Your Fiscal and Policy Analyst will perform the following checks:

- ✓ *Check Fiscal Year 2022 expenditures to year-end Daily Validity Report;*
- ✓ *Check Fiscal Year 2023 budget and positions to Budget Act;*
- ✓ *Ensure that funding for Energy has not been reallocated;*
- ✓ *Ensure that the request total does not exceed the budget request target (if issued);*
- ✓ *Verify with the department that appropriate base items have been included in Service Level 1;*
- ✓ *Ensure that negative values do not exist in Fiscal Year 2024 service levels;*
- ✓ *Verify that GF and ASF One-Time items have been requested in Service Level 5;*
- ✓ *Ensure that all structural changes net to zero within the fund type;*
- ✓ *Ensure that approved organization changes have been completed correctly; and*
- ✓ *Ensure that special fund program revenue is sufficient to support the special fund budget of an IPU.*

Once your analyst has reviewed and approved the data entry, you may proceed to print the necessary Solver Reports at your site for inclusion in your budget request. **Please do not print reports until your Fiscal and Policy Analyst has notified you that entry has been approved.**

The required Solver Reports are structured in the following categories and subcategories and are labeled in Solver as submission reports:

TITLE (Name of Solver Report):	REPORT PROVIDES:
Department Summary by APU/Fund (REQORG)	Department budget by Appropriation Unit
APU Summary by IPU/Fund (REQORG2)	Appropriation Unit budget by Internal Program Unit
IPU Report by APPR/Fund (REQPRD3)	Internal Program Unit budget by appropriation

Should you require additional assistance with Solver Reports, please contact your Fiscal and Policy Analyst.

Narratives

The narrative of your budget request should capture the background and mission, as well as provide highlights of your agency. **The narrative is not intended to be more**

than two pages. Formatting should remain consistent with the Budget Narrative Guidelines.

The narrative portion consists of the following components:

A. Organization Chart

B. At a Glance

- High level highlights of your agency.
- No more than five bullets.

C. Overview

- Brief overview of your agency's background and mission.

D. On the Web

- Website address for more information about your agency.

E. Performance Measures

- Minimum of one performance measure per IPU.
- Maximum of five performance measures per IPU.

FISCAL YEAR 2024 OPERATING BUDGET

Submission Checklist

- ◆ Organization Structure Changes (to Fiscal and Policy Analyst) by August 26, 2022
- ◆ Door Openers with Budget Request Forms (to Fiscal and Policy Analyst) by August 26, 2022

The Operating Budget Request is due October 14, 2022, and should include:

- ◆ Transmittal cover letter signed by Agency Head
- ◆ Complete department-wide ranking of all funding requests in excess of the base budget
- ◆ Budget Reductions List – Not required with agency submission. However, should projected revenues change, OMB will reach out to agencies with specific instruction.
- ◆ Solver Reports
- ◆ Budget Request Forms
- ◆ Information Technology Business Case Summary
- ◆ Department Narrative
- ◆ Electronic Submission
- ◆ Pass Through Recommendations

Operating Budget Request Distribution

Please do not distribute until Solver entry has been approved and a technical review of the submission has been completed.

Cerron Cade Office of Management and Budget Haslet Armory, Third Floor D570E Dover, DE 19901	1 original bound hard copy with cover transmittal letter signed by Agency Head 3 hard copies (bound) 1 electronic copy of full submission and 1 electronic copy of narrative in MS Word format (e-mail attachments) sent to OMB.BDPA.ADMIN@delaware.gov
Jason Clarke Department of Technology and Information	1 electronic copy sent to DTI_PartnerServices@delaware.gov
Ruth Ann Jones Office of the Controller General	1 electronic copy sent to CGO.Admin@delaware.gov

Agency/Department must deliver/send copies to the proper locations listed above. The Office of Management and Budget will not be responsible for delivery of the budget requests.

Capital Budget Guidelines

General

The Bond and Capital Improvements Act provides funding for a program of state public works, major capital improvement projects, economic development initiatives and various minor capital improvements and equipment purchases. As such, state agencies, public school districts and higher education institutions may request funding for projects such as:

1. Studying the need of, or planning for, new facilities or major renovations to existing facilities;
2. New construction or significant renovations to existing facilities;
3. Land acquisition;
4. Building infrastructure improvements to include heating, ventilation and air conditioning systems; electrical systems; and water/wastewater handling systems;
5. Minor capital improvements and equipment;
6. Transportation improvement projects; and
7. Technology projects.

When developing your agency's capital program request, **ensure the submissions contain all critical information including previous years' funding and verify all amounts for current and future-years funding needs.** Please keep in mind that a significant portion of expected resources available for capital projects will be dedicated to the completion of on-going projects and to mandated areas such as school construction. **Please be prepared to discuss projected capital requests during target meetings.**

In addition, please keep the following factors at the forefront of developing your capital program request:

Coordination with State Land Use Policies

An emphasis will be placed on using the *Strategies for State Policies and Spending* (see <http://stateplanning.delaware.gov/strategies/>) when reviewing capital program requests. In order to promote efficient development patterns, protect agriculture and open space and make cost-effective infrastructure investments, for schools, roads and public safety, the four investment level map designations identified in the *Strategies* will be used as a tool in helping guide recommendations on capital investments.

Agencies and school districts that receive funds through the Bond and Capital Improvements Act for land acquisition or new construction must review their projects in advance with the Office of State Planning Coordination (OSPC). The OSPC website contains a page that provides guidance for agencies making requests, as well as a required land use questionnaire that must accompany your request (See <https://stateplanning.delaware.gov/lup/budget.shtml>).

Projects associated with capital budget requests are required to go through the Preliminary Land Use Service (PLUS) process (See <https://plus.stateplanning.delaware.gov/>).

A greater level of detail regarding the investment levels, the *Strategies for State Policies and Spending* and the PLUS process can be found at <http://stateplanning.delaware.gov> or by contacting the Office of State Planning Coordination at 302-739-3090.

Historic Preservation

An agency that is seeking, or has received, federal funds for construction should contact the Department of State, Division of Historical and Cultural Affairs, State Historic Preservation Office (SHPO) to help determine whether a project review is required per Section 106 of the National Preservation Act. Prior to construction, these reviews may require an archeological or historic building survey and include consultation on findings and effects. Contacting SHPO before any engineering or architectural design work has started will help minimize impacts on the proposed construction timeline and/or budget.

Similarly, agencies should also contact the SHPO if a federal license or permit is required for construction, such as constructing a communications tower or if the proposed project potentially impacts wetlands, dams, reservoirs or other waterways. Section 106 of the National Preservation Act reviews apply to these actions as well.

Minor Capital Improvements vs. Major Capital Improvements

Minor Capital Improvements (MCI) include reconstruction, renovations, or equipment purchases. These projects have estimated costs of up to \$1,000,000 and the underlying assets should carry a life expectancy of 10 years or more. In addition for budgeting purposes, roof, window and door replacements, paving projects, generator replacements, floor replacements, HVAC replacements, and plumbing replacements may be considered minor capital improvements. MCI projects should focus on keeping state-owned facilities in their original condition and maintaining building efficiencies. MCI should be prioritized in relation to other projects in the capital budget request. More specifically, each project within the MCI request should be prioritized. A brief description of proposed MCI projects and estimates for a completion date and total project costs shall be included in your request. **Agencies should also recognize the amount of MCI remaining from previous years and how that may be used to cover expected projects in the coming fiscal year when formulating their annual requests.**

The following items will not be considered for funding through MCI:

1. New or replacement computer hardware/software, phone systems and accessories or expendable supplies;
2. Purchase of fleet or non-fleet special vehicles;
3. New construction of free-standing facilities;
4. Personnel Cost expenditures; or
5. Travel expenses.

Major Capital Improvements include new facilities, major renovations, and economic development efforts. These projects have estimated costs in excess of \$1,000,000 and the underlying assets carry a life expectancy of 20 years or more. Furniture and equipment associated with new construction or major reconstruction must have a life expectancy of 10 years or more. Purchase of fleet or non-fleet special vehicles for administrative or service delivery will **NOT** be considered.

You may contact Facilities Management within the Office of Management and Budget for assistance in estimating the cost and square footage requirements of major construction and reconstruction projects.

FISCAL YEAR 2024 CAPITAL BUDGET

Submission Checklist

The Capital Budget Request is due by October 14, 2022, and should include:

- ◆ Transmittal cover letter signed by Agency Head
- ◆ Project Summary Chart of projects in rank order
- ◆ Project description for each requested project
- ◆ Project Funding Schedule
- ◆ Project Facility data (where appropriate)
- ◆ Electronic submission

Capital Budget Request Distribution

Cerron Cade Office of Management and Budget Haslet Armory, Third Floor D570E Dover, DE 19901	1	original bound hard copy with cover transmittal letter signed by Agency Head
	3	hard copies (bound)
	1	electronic copy (narratives only in MS Word format, e-mail attachment) sent to OMB.BDPA.ADMIN@delaware.gov
Jason Clarke Department of Technology and Information	1	electronic copy sent to DTI_PartnerServices@delaware.gov
Ruth Ann Jones Office of the Controller General	1	electronic copy sent to CGO.Admin@delaware.gov
Agency/Department must send/deliver copies to the locations listed above. The Office of Management and Budget will not be responsible for delivery of the budget requests.		

Budget Narrative Guidelines



Budget Narrative Guidelines

Instructions and formats to create the narrative portion of the operating and capital budgets for Fiscal Year 2024 are detailed in this section.

General

One of the goals of the Office of Management and Budget is to achieve a level of uniformity in the appearance of all budget requests. Recognizing that each department is unique, and that total uniformity may not always be attained, departments should nonetheless follow the guidelines presented in this section when preparing budget documents.

The Office of Management and Budget will use MS Word to produce the Governor's Recommended Budgets - both the operating and capital volumes for the Fiscal Year 2024 process. Files will be provided electronically to each agency to assist in their budget request preparation. Use these files to electronically submit the agency's narrative budget request.

Agencies/departments using word processing software other than MS Word who encounter difficulties or have any questions regarding the submission should send an email to OMB.BDPA.ADMIN@delaware.gov.

Operating Budget

Budget Narrative Shell

Each agency will be provided an electronic shell that contains the correct format. The information contained in the shell will be the previous year's Governor's Recommended Budget narrative. For consistency, agencies **must** use the current shell provided.

Content and Order of Appearance

The narrative portion of the agency's request **must** follow the content and order of appearance as indicated on page 12 and as shown in Exhibit A. Please note that organization charts, 5-year appropriation charts and the Funding/Position charts displayed have been completed by the Office of Management and Budget. Organization chart changes must be submitted and approved as organization structure changes.

Capital Budget

Budget Request Template

Agencies/departments will be provided an MS Excel file to complete their capital budget requests. This will include the project summary chart, project descriptions, project funding schedules and facility data presented in one MS Excel file. If your agency submitted a capital request last year, please use the file provided this year and update as needed. **Again, ensure the submissions contain all critical information including previous years' funding and verify all amounts for current and future-years funding needs.**

If the agency has new projects, use the copy/paste feature to add as many blank project requests as necessary.

Please delete any project for which funding is not being requested for Fiscal Year 2024, 2025 or 2026.

Required Information

Project Type	Project Summary	Project Description	Project Schedule	Facility Data
MCI/M&R/Study	Y	Y	Y	N
Renovations	Y	Y	Y	Y
New Construction	Y	Y	Y	Y
Transportation	Y	Y	Y	N
Equipment	Y	Y	Y	Y
Technology	Y	Y	Y	Y

Electronic Submissions

E-mail is the required method to submit the electronic budget requests using the MS Word/MS Excel templates to the Office of Management and Budget. All operating and capital budget request e-mail submissions are due October 14, 2022 and should be addressed directly to:

OMB.BDPA.ADMIN@delaware.gov

When electronically submitting the department's budget request, please indicate in the subject line of the e-mail whether the attachment is operating or capital and include the department name. If attaching both budgets to the same e-mail, please indicate operating and capital in the document or file name.

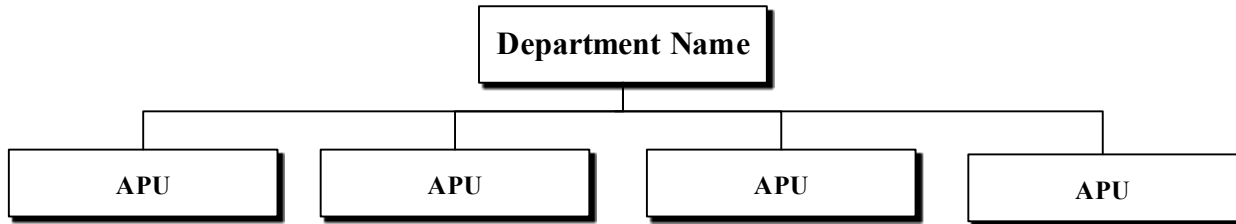
Exhibits and Forms

All Forms are available to download from the Internet at
<http://budget.delaware.gov/>



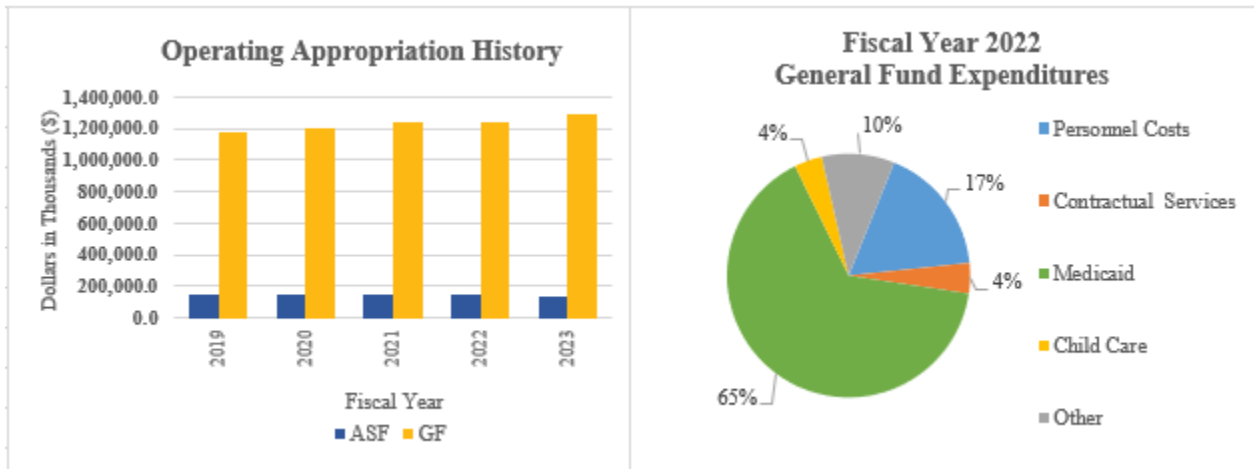
EXHIBIT A
DEPARTMENT OPERATING NARRATIVE

Department Name



At a Glance

- XXXXX
- XXXXX
- XXXXX
- XXXXX
- XXXXX



Overview

XXXXXXXXXXXXXX

On the Web

For more information about <Agency Name>, visit their website at: <Agency website>.

EXHIBIT A
DEPARTMENT OPERATING NARRATIVE

Department Name



Performance Measures

IPU	Performance Measure Name	Fiscal Year 2022 Actual	Fiscal Year 2023 Budget	Fiscal Year 2024 Governor's Recommend
<i>XX-XX-XX</i>	<i>IPU Name</i>			
	Performance measure			
	Performance measure			
<i>XX-XX-XX</i>	<i>IPU Name</i>			
	Performance measure			
	Performance measure			
	Performance measure			
<i>IPU Name</i>	<i>IPU Name</i>			
	Performance measure			
	Performance measure			

EXHIBIT B SOLVER POSITION LIST

Budgeting > 1 Requested Positions Budget

Notifications Feedback Help

Data Warehouse

Report parameters

CHOOSE DEPARTMENT
100210

Appropriation	Position #	Position Description	Hundredths	Tenths	Service Level	Pay Sect	Action	Comments	Alternate Appropriation
Department Requested FTE Budget									
Department:		100210							
For Budget Year:		2022							
General Fund									
				2021 Positions					
				18.5					
00137-Personnel									
				18.5					
Total Personnel									
				0.0					
Total General Fund									
				18.5					
Appropriated Special Fund									
				2021 Positions					
				7.5					
09102-Personnel									
				7.5					
Total Personnel									
				0.0					
Total Appropriated Special Fund									
				7.5					

Position Data Entry Fields

Line number - keeps the position entries in order; line numbers cannot be repeated within an IPU.

- Budget position number - identifies the position with requested changes. For new position requests, TBD should be entered in the budget position number field. Please use formal **eight-digit** BP# (e.g. 00001234). For NSF positions, please reference the appropriation number in the Comments field.
- Hundredths and tenths - indicate percentage of position. FTEs paid from one funding source should be entered as 1.00 and 1.0; casual/seasonal positions should have a 0.00/0.0 entry; and split funded positions should be referenced as paid in each appropriation (e.g. 0.50 and 0.5 ASF, 0.50 NSF). Round as necessary for tenths field. Entries in the tenths field must be rounded and should not be entered out to the hundredths.
- Service level - references the service level of the position modification, such as Structural Changes or Enhancement.
- Pay section - identifies the PHRST pay section from which the position will be paid. Pay sections can be found in PHRST.
- Action - indicates the action of the position change, such as new, switch fund or deletion.
- Comments - must be entered to explain request (e.g. Reallocate to IPU and Reallocate from IPU, IPU should be referenced as XX-XX-XX; Switch fund to GF and Switch fund from ASF).

EXHIBIT C
CAPITAL REQUEST - TAB 1

<h2 style="margin: 0;">Department Name</h2>	
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Project Summary Chart

State Capital Funds

		FY 2023	FY 2024 Request	FY 2024 Recommended	FY 2025 Request	FY 2026 Request
1.						
2.						
3.						
4.						
5.						
6.						
7.						
NA						
NA						
Total		\$ -	\$ -	\$ -	\$ -	\$ -

- 1) List all requested projects in a prioritized ranking order, based on a department-wide assessment.

For each listed project, please indicate the amount of state funding appropriated in the Fiscal Year 2023 Bond and Capital Improvements Acts only (not the amount expended). If previously appropriated in the Operating Budget or authorized to Facilities Management for construction management, please asterisk the amount with a brief explanation at the bottom of the chart such as “Funds are authorized to the Office of Management and Budget.”

- 2) Indicate the amount requested for Fiscal Year 2023, and, if applicable, Fiscal Years 2024, 2025 and 2026. Requests should be rounded to the nearest hundred dollars.

Total all columns at the bottom of the chart. Please make sure that all columns total correctly, and the project dollars match the dollar amounts on the individual project funding schedule.

- 3) Each project dollar amount is to be rounded to the nearest hundredth.

Department Name



Project Description

1 Project Name

Project description

2 Project Name

Project description

- 1) Complete a project description for each requested project. This also includes requests for the second or subsequent years of an on-going project. If this is the second or subsequent year of a project, please use the existing Project Name.
- 2) Provide a brief and informative paragraph describing the need for the project, including background data, key objectives and strategies that justify the project.
- 3) Project justification **MUST** include comments pertaining to land use goals.
- 4) Please begin each request with the phrase "Funding is requested for..."

Department Name



Projected Funding Scheduled

1 Project Title

Funding Schedule			
	State	Federal	Other
FY 2023			\$ -
FY 2024			\$ -
FY 2025			\$ -
FY 2026			\$ -
Total	\$ -	\$ -	\$ -

2 Project Title

Funding Schedule			
	State	Federal	Other
FY 2023			\$ -
FY 2024			\$ -
FY 2025			\$ -
FY 2026			\$ -
Total	\$ -	\$ -	\$ -

- 1) This information is required for all project types.
- 2) ***State Funds Authorized and Requested*** should show all previous fiscal year(s) in which funds were authorized in a Bond and Capital Improvements Act and the amounts as well as the funds necessary in future fiscal years to complete the project. In the case of on-going and annual appropriations such as MCI, Maintenance and Restoration and Beach Preservation, please include appropriated funding from Fiscal Year 2023, as well as requested funding for Fiscal Years 2024, 2025 and 2026. For finite projects, please include total appropriated amounts for all the fiscal years for which the project has received funding and all future fiscal years to complete the project.
- 3) ***Capital Funds from Federal and Other Sources*** should show all the previous fiscal year(s) in which funds were authorized and the amount as well as the funds necessary in future fiscal years to complete the project. If funds were received from sources listed in the “Other” column, please place an asterisk next to the word “Other” at the top of the column and an explanation under the chart. “Other” includes any funds from any source other than those in the Bond and Capital Improvements Act.

Department Name



Project Facility Data

1 Project Name

Facility Data

	Present	Proposed
Location		
Gross # of square feet		
Age of building		

2 Project Name

Facility Data

	Present	Proposed
Location		
Gross # of square feet		
Age of building		

- 1) Please complete both the present and proposed data charts for building renovation and replacement projects. Complete only the proposed chart for new construction where a current site or system does not exist. This information will provide an understanding of the scope and size of the project as well as an estimated completion date.

ORGANIZATION STRUCTURE CHANGE FORM

FISCAL YEAR 2024

ORGANIZATION STRUCTURE CHANGE FORM

Please use this form to provide detailed information on any planned Fiscal Year 2024 structural changes within your agency. Include justification for proposed changes, expected outcomes and budget impact (FTEs/Dollars). If applicable, please identify other organizations or agencies that will be impacted by the change.

Submit your completed form to your Fiscal and Policy Analyst by August 26, 2022. For major organization changes, additional information may be requested.

Department Name: _____

Name Changes:

APU 00-00	IPU 00-00-00	Current Name	Requested Name	Justification

Dept/APU/IPU Changes:

Current Dept/APU/IPU	Requested Dept/APU/IPU	Proposed Budget Impact		Structural Change
00-00-00	00-00-00	FTE(s)	Dollars (GF or ASF)	<i>(Use this section to provide justification for structural changes and program impacts)</i>
			\$	
			\$	
			\$	
			\$	
Total Budget Impact			\$	

If more space is needed, please attach additional pages to this form.

If no changes, please indicate here and sign below.

Prepared by _____

Title _____

Date _____

OPERATING BUDGET REQUEST FORM

FISCAL YEAR 2024 OPERATING BUDGET REQUEST FORM

Department/Division/IPU:	
Priority Number*:	
Request Title:	

*If there are multiple components within a priority, please clarify sub-priorities.

A. Detailed Summary and Background of Budget Request:

Provide a succinct paragraph which should include dollars/FTEs. This summary should include background information and justification for the request.

B. Consequences if Budget Request is Not Funded:

Provide specific potential impacts and outcomes (e.g. service volume impacts or potential waiting lists) if the budget request is not funded.

C. Appropriation History:

Please complete the table below. If expenditures are greater than the budget for any year, identify alternative appropriations used to cover the deficit.

	BUDGET				EXPENDITURES			
	GF	ASF	NSF	Total	GF	ASF	NSF	Total
FY 2021								
FY 2022								
FY 2023								

*If appropriations are continued into the next fiscal year, please only include the amount expended in the budgeted fiscal year.

D. Calculations for Budget Request:

Provide funding/FTEs for your budget request in the table below. If there are multiple components to the request, please complete a separate table for each component.

Appr. Number	Appr. Name	FY 2024				Out Years (General Fund Only)		
		GF	ASF	NSF	Total	FY 2025	FY 2026	FY 2027
	Total Dollars							
	FTEs							

*Out years should be annualizations (new funds) and should not include base funds from prior years.

OPERATING BUDGET REQUEST FORM

E. Assumptions for Calculations:

Provide exact calculations, formulas, and source of numbers used in calculations.

F. Implementation Schedule:

Provide a timeline for the request (i.e. when will program/project begin, when will FTEs be hired).

G. Performance Measures or other Pertinent Information:

Provide relevant performance measures to support this budget request.

H. Collaborations with Other Government Agencies/Non-Profit Organizations (if applicable):

Provide information on contributions of other organizations (i.e. in-kind services or other resources).

I. Impact on Other Government Agencies/Non-Profit Organizations (if applicable):

Provide positive and/or negative impacts of this budget request on other agencies/organizations.

J. Statutory and Federal Authority:

Provide relevant citations from state and federal laws/regulations which support this budget request.

K. Comparability to Surrounding States (if applicable):

Is this program/service provided in New Jersey, Pennsylvania and/or Maryland? Provide quantitative measures to describe the funding in Delaware comparative to the surrounding states.