



Fiscal Year 2020-21 Guidelines for Agency Budget Plans

July 31, 2019

INTRODUCTION

The budget instructions and templates for FY 2020-21 have changed from last year, so please review them closely. The following conventions should be observed when completing budget request submissions:

- Form F will require your agency to identify ways that it is attempting to reduce costs and burdens to businesses and citizens. Instructions for completing this new form can be found later in these guidelines.
- Funding requests related to information technology should coincide with the priorities established in the Agency's information technology and security plans submitted to the Department of Administration pursuant to proviso 117.110, due August 1, 2019.
- Capital Funding requests should coincide with agency Comprehensive Permanent Improvement Plans submitted to the Executive Budget Office (EBO) on June 14, 2019. Agencies that did not submit a CPIP to the EBO should note this on each Form C.
- Agencies requesting significant funding annualizations resulting from the exhaustion of cash fund balances, expiration of federal or private grants, or the use of non-recurring appropriations in FY 2019-20 to fund recurring expenditures, or any other reason should present the annualizations as one or a series of independent budget requests.
- Agency budget requests should include any changes to funding levels from the prior year. Agency allocations and realignments requests do not need a request form.
- Each operating request should be linked on the Form B1 or B2 to a Statewide Enterprise Strategic Objective as outlined in the instructions. This should also coincide with your agency's Accountability Report.

TIMELINE

Initial Agency Planning

- (July 31) Budget instructions released
- (Sept. 13) Agency Accountability Reports due
- (Sept. 20) Agency Budget Plans due

Central Review and Coordination

- (Oct. 1-Nov. 1) Agency Budget Meetings
- (Nov. 8) BEA certifies preliminary FY 2020-21 revenue estimate

Final Development and Publication

- (Early January) Release of FY 2020-21 Executive Budget
- (Jan. 14) First day of 2020 legislative session

METHOD OF SUBMISSION

DEADLINE

Printed and electronic copies of agencies' budget plans must be filed by **Friday, September 20, 2019**. All Forms must be submitted along with the proper signatures.

COMPONENTS

Each agency must submit printed and electronic versions of the following:

- Form A: Summary (MS Word)

Agencies must also submit electronic versions of any of the following that apply:

- Form B1: Recurring Operating Request (MS Word)
- Form B2: Non-Recurring Operating Request (MS Word)
- Form C: Capital Request (MS Word)
- Form D: Proviso Revision Request (MS Word)
- Form E: Agency Cost Savings and General Fund Reduction Contingency Plan (MS Word)
- Form F: Reducing Cost and Burden to Businesses and Citizens (MS Word)
- Executive Summary (MS Excel)

PRINTED SUBMISSIONS

A printed and signed copy of Form A should be delivered to the following address:

Attn: Keisha Allen
Executive Budget Office
1205 Pendleton Street, Suite 529
Columbia, SC 29201

ELECTRONIC SUBMISSIONS

Agencies must also electronically file their budget plans by emailing the required documents to Keisha.Allen@admin.sc.gov. These documents should be in the same format as the original templates, except for Form A, which may be submitted in PDF format to reflect the department head's signature. **Otherwise, do NOT submit documents in PDF format.**

DISTRIBUTION

The Executive Budget Office will publish the submitted plans online for the use of the Governor's Office, the House Ways and Means Committee, the Senate Finance Committee, Revenue and Fiscal Affairs, and members of the public.

REVISIONS

Agencies may submit revisions to their plans until a date to be determined by the Executive Budget Office. The most recent version of an agency's plan will be published online alongside the agency's initial submission.

QUESTIONS

Please direct questions to your EBO budget analyst.

COMPLETING THE FORMS

The header of each form contains fields into which agencies should enter their names, codes, and section numbers. Once entered on the first page of a form, this information will be replicated throughout the document. It must be entered once for each form submitted.

AGENCY NAME:		SECTION:
AGENCY CODE:		



**Fiscal Year 2020-21
Agency Budget Plan**

Agencies should submit a single file for each individual request. For instance, an agency that wishes to modify 15 provisos would submit 15 files, one for each proviso.

The sizes of the fields on each form are not intended to limit or constrain an agency's response. Please provide as much depth and context as executive and legislative decision-makers will require in order to make informed decisions about next year's spending priorities. Also, the forms have been designed so that fields will automatically expand to accommodate lengthier submissions. Agencies should not be concerned with how this may affect pagination of the submitted forms.

GENERAL GUIDANCE AND KEY ASSUMPTIONS

Agencies should adhere to the following guidelines and assumptions when developing their budget plans:

DOLLAR AMOUNTS	Dollar amounts should be reported in whole dollar increments. Do not use cents.
EMPLOYEE SALARIES	Assume there will be no general, statewide compensation changes in FY 2020-21.
EMPLOYEE BENEFITS	Calculate fringe benefits using the Executive Budget Office's "Employer Contributions Rate Table."

CAPITAL BUDGETING

A Permanent Improvement Project (PIP) must be established if the work being done is construction, renovation, maintenance or acquisition of property, including any architectural and engineering design work that is expected to result in a PIP. Master plans and feasibility studies are not considered PIPs.

DEFINITION

Permanent improvement projects are defined as (1) any acquisition of land, regardless of cost; (2) any acquisition (as opposed to the construction) of buildings or other structures, regardless of cost; (3) construction of additional facilities and any work on existing facilities including their renovation, repair, maintenance, alteration or demolition the total cost of which exceeds certain thresholds; (4) architectural and engineering and other types of planning and design work, regardless of cost, which is intended to result in a permanent improvement project; (5) capital lease purchase of any facility acquisition or construction; and (6) equipment that either becomes a permanent fixture of a facility or is included in the construction contract.

COORDINATION WITH CPIP SUBMISSION

PIPs included in the budget plan should be clearly described and closely aligned with Year 2 (FY2020-21) of the agency's 2019 CPIP submission. PIPs that were not included in the agency's 2019 CPIP submission must include an explanation for the omission.

FUNDING REQUESTS

Capital requests involving funding from appropriations that must be authorized by the General Assembly should be reasonable. Agencies should identify consequences and alternative sources in the event that appropriations are not made available by the legislature for such requests.

ACCOUNTABILITY OF FUNDS

Associating Operating Budget Requests with Statewide Enterprise Strategic Objectives

South Carolina's statewide enterprise strategic objectives remain the same this year. Agencies are required to integrate these enterprise strategic objectives in their annual budget requests and link each operating budget request (recurring and non-recurring) that is primarily associated with at least one of the statewide enterprise strategic objectives. The selection of a statewide enterprise strategic objective would indicate the requested funds will primarily be used to support programs and services targeted to accomplish the selected objective. The figure below lists statewide enterprise strategic objectives for the State of South Carolina.

Statewide Enterprise Strategic Objectives

Education, Training and Human Development

- **Improve educational infrastructure to elevate the levels of educational preparedness of every South Carolinian to lead a healthy and productive life, including success in a job or career and in the community.**

Healthy and Safe Families

- **Enhance public well-being by delivering efficient and cost-effective public health and support services.**

Maintaining Safety, Integrity and Security

- **Protect the safety, integrity and security of statewide public resources, data, infrastructure and citizens including timely response to emergencies, disasters and emerging threats.**

Public Infrastructure and Economic Development

- **Build a world-class and safe public infrastructure to enhance the quality of life of our citizens and to promote the state in global competitiveness as a location for business, investment, talent, innovation and visitors.**

Government and Citizens

- **Deliver a government that serves the needs of South Carolinians and achieves inter-agency collaboration to deliver highly effective, efficient and innovative programs.**

Accountability of Funds

Agencies are required to identify agency-level goals, as outlined in the FY 2019-20 Strategic Planning and Performance Management template of agency's most recent accountability report, that are primarily associated with each operating budget request. In this section, agencies should clearly describe how the requested funds would help accomplish identified goals and explain how the agency would evaluate the outcome of these funds aimed to accomplish those goals. Agencies may include associated key performance measures that would allow decision makers to evaluate identified goals and use of allocated funds.

AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

Agencies are required to prepare a General Fund Reduction Contingency Plan whereby you identify areas in your budget that you would reduce or eliminate if you received a 3% General Fund budget reduction from your FY 2019-20 budget. One-time expenditures from the FY 2019-20 budget will not be considered savings for the purpose of this analysis. The Executive Budget Office will provide agencies with their 3% General Fund reduction amount. Agencies are also asked to identify cost savings measures that they plan to implement in the upcoming fiscal year. This part of the form will give agencies the opportunity to emphasize their efforts to reduce costs to taxpayers and show how the funds are being reinvested within the agency to better serve the citizens of South Carolina. Only cost savings measures with an estimated impact of over \$50,000 should be included on this form.

REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

Agencies will now be required to outline the agencies' plans to reduce costs and burden to South Carolina businesses and citizens in accordance with Governor McMaster's directive in Executive Order 2017-09. Form F should be used as an opportunity for agencies to highlight their work to reduce fees and fines and amend or eliminate regulations.

EXECUTIVE SUMMARY (EXCEL FILE)

The Executive Summary is an Excel template that should be completed for each operating and capital request (Forms B1, B2, and C). Provisos, Agency Cost Savings, and Reducing Cost and Burden (Forms D, E, and F) should not be on the Executive Summary. Please list each request in priority order on the template and note the request type in the drop-down box (B1-Recurring, B2-Non-Recurring, or C-Capital). The title of the request should be brief and should match the title on the narrative form. Dollars should be entered as whole numbers, and FTEs should be entered with two decimal places. The template is designed for no more than 30 requests. If you need additional lines, please contact your EBO budget analyst.

QUESTIONS

General questions about the FY 2020-21 budget process should be directed to your EBO budget analyst.