

I N V E S T I N G I N

Ohio's FUTURE



BUDGET OF THE STATE OF OHIO

FISCAL YEARS 2022-2023

Dear Colleagues,

Thank you for your work throughout fiscal year 2020. OBM is especially appreciative of the way our directors and fiscal leaders across state government came together during the final quarter of fiscal year 2020 to address the budget challenges created by COVID-19, to ensure that our agency, board, and commission staff and our state and local partners have the resources to directly respond to the pandemic, while simultaneously moving all fiscal operations to a remote work environment. The world changed in mid-March, but you rose to the occasion and we balanced the budget.

As we look forward to the upcoming fiscal years 2022-23 biennium, it will be critical that we both focus on continuing the high-priority progress that we made in the 2020-2021 biennium – while continuing to fight the COVID-19 pandemic. This budget will be challenging because we expect revenues to be essentially flat as the economy recovers from the impact of the pandemic, and needs will be great. We must balance these challenges in Governor DeWine's Executive Budget recommendations to the General Assembly. Times like these call for us all to identify ways to become more efficient and pioneering. This budget provides great opportunity to revolutionize service delivery and focus on our most effective programs. I look forward to working with each of you to develop a budget that will continue our progress, ensuring that that Ohio is the most innovative state in the Midwest and the best place in the world to live, work, and raise a family.

As we drafted this budget guidance, the OBM team has worked to streamline the budget development process, deleting unnecessary steps and gathering only the information that we need. Those of you who are familiar with previous budget guidance will note these changes:

- This guidance includes a new Executive Summary section that includes the information that leaders need to know, such as the important deadlines and the major changes to submission requirements.
- We are also requiring a complete Budget Request in PDF format, so budget requests will be easier to search, and easier to use while teleworking.
- This budget guidance document has been reorganized to make the process more user-friendly, and we include links throughout the document to relevant appendices.
- We have streamlined the budget scenarios required to collect two independent budget scenarios – Operating A (Reduction Scenario Request) and Operating B (Continuing Priorities Request) instead of complicated requests that need to be added together.
- Looking forward to the Executive Budget document that we will ultimately produce at the conclusion of this planning process, the Blue Book questions have been updated so we

can streamline Blue Book entries and provide a budget document that is succinct and informative to the general public, including:

- A Notable Statistics section for each agency and a correlated Goals and Objectives section, which will display to the general public a full landscape of information about the agency's approach to its mission,
- A high-level Table of Organization for each agency, and
- Professional Licensing Boards and Commissions will appear as a single, organized section of the Blue Book, instead of disbursed throughout the document in alphabetical order. This will provide succinct, overarching information in an easy-to-find way, with specific information about each board and commission.

Thank you again and please do not hesitate to contact any one of us here at OBM should you need any support in your work. The Budget Analysts' email addresses and phone numbers are included on page [45](#).

Very respectfully yours,



*Director Kimberly Murnieks
Office of Budget and Management*

**STATE OF OHIO
OFFICE OF BUDGET & MANAGEMENT**

OPERATING BUDGET GUIDANCE FOR FISCAL YEARS 2022 – 2023

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EXECUTIVE SUMMARY

Every two years, the Office of Budget and Management (OBM) releases the operating budget guidance for agencies. This year, the budget guidance includes an executive summary focused on two aspects of the overall guidance: (1) important dates throughout the budget process and (2) major changes to the budget request submission requirements.

First, to aid agencies in creating internal deadlines, the timeline below lists important dates during the fiscal years 2022-2023 budget process. The dates highlighted in bold are the budget request due dates. To confirm which group your agency is in, please see [Appendix D](#).

Projected Fiscal Years 2022-2023 Budget Process Timeline

July 20, 2020	Operating Budget Guidance released
August 5, 2020	Agency training available (online budgeting system, reporting, Budget Center)
September 15, 2020	Group 1 requests due – Boards and commissions, non-cabinet agencies
October 14, 2020	Group 2 requests due – Cabinet agencies and all other executive agencies
November 1, 2020	Group 3 requests due – Legislative, judicial, and statewide elected agencies
November – February 1	OBM reviews agency requests and works with the Governor’s Office to develop budget recommendations
February 1, 2021	Executive Budget (Blue Book) published
February 9, 2021*	Main Operating Budget Bill introduced
February – June 2021*	Main Operating Budget Bill moves through legislative process
July 1, 2021*	New main operating budget appropriations become effective

*Dates are subject to change

Changes to Fiscal Years 2022-2023 Budget Requests

OBM has updated the fiscal years 2022-2023 operating budget request submission process from past years. Highlights of the improvements include:

Budget Request Limitations: Agencies will be subject to request limits for fiscal years 2022 and 2023, but the limits will be notably different this biennium because of significant changes in the

definitions of the two budget request scenarios. These limits will apply at the fund level. Agencies are encouraged to propose shifting resources between programs and line items in support of Administration priorities and to streamline operations and improve efficiencies. The new budget request limitations are as follows:

- *Reduction Request (Operating A)* – Agencies will submit a scenario reflecting a funding level for GRF at 10% below current funding.
- *Continuing Priorities Request (Operating B)* – Agencies will request the amount of appropriation needed to maintain services provided during the current fiscal year (i.e., accounting for inflationary costs to payroll and other expenses). Agencies are encouraged to rethink operations, organizational structure, and outcomes to become more efficient and effective.

Please see the [Budget Request Limitations section](#) for additional information.

Budget Request Questions – Program, Fund, and ALI: OBM has made significant changes to the number and types of questions at the program, appropriation line item (ALI), and fund levels. This re-focuses questions at the ALI level, allowing agencies to better address the functions within each ALI and helping analysts to better understand each agency budget. Agencies will respond to budget submission questions at the program level and complete an ALI Activity worksheet for most ALIs.

In addition, the Fund Activity worksheet now includes a grant table to be completed when applicable.

For more information about changes to budget request questions, please see the [Components of a Budget Request section](#) and [Appendices E, F, G](#) to see the new questions for programs, ALIs, and funds.

Blue Book Questions: Agency Executive Budget (“Blue Book”) entries must be succinct and informative to the public. In addition, OBM has added a Notable Statistics section and has combined the Goals and Objectives sections. For more information about Blue Book question changes, please see the [Blue Book Questions](#) section.

Table of Organization: Along with other changes in the Blue Book, a high-level Table of Organization for each agency will be displayed in the agency section of the Blue Book. For clarity and consistency, OBM will require all agencies to use the same basic template. For more information about Table of Organization requirements, please see the [Table of Organization](#) section.

Strategic IT Budget: As in the fiscal years 2020-2021 budget process, agencies will complete a Strategic IT Budget Workbook and related documents. To clarify some of the definitions and instructions related to these workbooks, OBM has streamlined the Strategic IT section, including moving the instructions from an appendix into the main guidance. Please see the [Strategic IT Budget section](#) for more information.

Complete Budget Request PDF: This year, OBM is requiring agencies to submit a complete budget request electronically as a PDF into the Budget Portal. This submission should not include the Executive Budget (Blue Book) questions.

While this Executive Summary provides a high-level overview, the remaining guidance provides specific and detailed information about the budget process, general guidelines, and budget components. Please always feel free to contact your OBM Budget Analyst with questions.

OPERATING BUDGET GUIDANCE STRUCTURE

This document is divided into four sections. Section I provides an overview of the budget preparation process, cites pertinent Ohio Revised Code sections, and outlines the budget process timeline. [Section II](#) provides an overview of the systems involved in preparation of the budget request and payroll and service charge cost assumptions. [Section III](#) provides budget request limitation information, submission instructions, and detailed information for assembling the various documents that comprise an agency's budget request. [Section IV](#) provides an overview of the Strategic IT Budget process and specific instructions for completing the Strategic IT Budget Workbook.

Instructions regarding budget-related language sought by agencies in the budget bill are provided separately in the [Budget Language Guidance](#).

SECTION I. OVERVIEW OF THE BUDGET PROCESS

Every two years, or biennium, Ohio is required by law to prepare and adopt a budget to allocate state financial resources, a cycle known as the "budget process." To guide this process, the Office of Budget and Management (OBM) releases operating budget guidance for agencies using the requirements outlined in Ohio Revised Code Sections 107.03 (Governor) and 126.02 (OBM and agencies) as a base for the required contents of the agency budget request submission.

Following the OBM budget guidance, state agencies develop individual agency budget requests, which are composed of summaries showing funding data and narrative descriptions of the services provided with those dollars. Agencies then submit these requests to OBM, and OBM evaluates the requests, coordinates with the Governor's policy team, and makes recommendations to the Governor. The Governor's budget recommendations become a part of the Governor's Executive Budget (also known as the "Blue Book"), which is ultimately published on OBM's web site (<http://obm.ohio.gov>).

The Blue Book includes all budget recommendations in a single document; however, when presented to the General Assembly in bill form, four bills are generally introduced. OBM expects separate bills for the main operating budget, the transportation budget, the Bureau of Workers' Compensation budget, and the Industrial Commission budget.

Budget bills are typically introduced in the House of Representatives, considered and passed with changes, and then undergo the same process in the Senate. The version of the bill voted

41200 - Commercial Activity Tax
 41250 - Public Utility Excise Tax
 41300 - Kilowatt Hours Excise Tax

42100 - Business Licenses & Fees
 42600 - Wildlife Water License Fee Permit

PERMISSIVE TAXES:	OTHER SOURCES OF FINANCING:
--------------------------	------------------------------------

49000 - Permissive Taxes
 49100 - Permissive Taxes Nec
 49200 - Municipal Income Tax

46000 - Bond Proceeds
 46100 - Sales of Assets
 46200 - Loans Repayments

SALES TAXES:	EARNINGS ON INVESTMENTS:
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41000 - Non-Auto Sales and Use
 41050 - Auto Sales and Use

45600 - Investment Income
 45670 - Undistributed Investment Income

PAYROLL EMPLOYEE SHARE:	OTHER INCOME - SALES:
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48000 - PR Deductions

43000 - Sales and Service

OTHER GRANTS AND CONTRIBUTIONS:
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44300 - Participation - Local Government

OAKS BUDGET ACCOUNT CHARTFIELDS EXPENSE ACCOUNTS

500 - PERSONAL SERVICE-PAYROLL	510 - PURCHASES PERSONAL SERVICES AND OTHER
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5010 - Basic Wages for Work Performed

5100 - Purchased Personal Services
 5120 - Awards, Prizes, Bonus, and Other
 5177 - ISTV - Training

520 - SUPPLIES AND MAINTENANCE	530 - EQUIPMENT
---------------------------------------	------------------------

5200 - Edible Products & Food Handling
 5210 - Supplies, Materials, & Minor Expenditures
 5220 - Motor Vehicles, Air & Watercraft
 5230 - Travel

 5240 - Information Technology and Shipping

 5250 - Fuels & Utilities

5300 - Food Handling Equipment
 5311 - Office Equipment

 5321 - Motor Vehicles
 5331 - Construction, Agricultural, and Groundskeeping Equipment
 5351 - Medical, Laboratory, or Therapeutic Equipment
 5361 - Laundry, Cleaning, Educational, and Recreational Equipment

Appendix C: Payroll Checkoff Charges

The payroll charges and assumptions below are offered to assist in the development of agency operating budgets for fiscal years 2022 and 2023. Assumptions for rates that support agency operations or are not subject to collective bargaining agreements are subject to future review and approval by OBM. Agencies should not consider them to be final. The Department of Administrative Services publishes these finalized rates under Payroll/Time and Labor in the Resources section of the HCM home page.

<u>Payroll Checkoff Charges</u>	<u>Expense Acct</u>	<u>FY 2021 Actual</u>	<u>FY 2022</u>	<u>FY 2023</u>
<i>Retirement</i>				
PERS	503501	14.00% of gross pay	Continue	Continue
STRS	503502	14.00% of gross pay	Continue	Continue
HPRS	503503	26.50% of gross pay	Continue	Continue
LEERS	503516	18.10% of gross pay	Continue	Continue
Social Security	503506	6.20% of gross pay	Continue	Continue
Medicare	503512	1.45% of gross pay	Continue	Continue
<i>Insurance</i>				
Health insurance	503505	Varies by enrollment	7% increase	7% increase
Benefits communication & education	503517	\$0.50 per month	Continue	Continue
Union Benefits Trust	503522	\$83 per month	Continue	Continue
Exempt dental insurance	503508	\$34.23 per month single / \$99.19 per month family	Continue	Continue
Exempt vision insurance	503509	\$10.04 per month single / \$27.61 per month family	Continue	Continue
Exempt life insurance	503507	\$0.130 per \$1,000 of gross pay	Continue	Continue
Workers' compensation	503504	Varies by agency	Continue	Continue
Liability insurance – OSTA	503513	\$7.00 per month	Continue	Continue
Liability insurance – FOP	503513	\$4.00 per month	Continue	Continue

Appendix D: Agency Due Dates and OBM Budget Analyst Assignments

This table shows when the budget request submission for each group of agencies is due. Agencies are listed by OAKS FIN code and agency name and the agency's assigned OBM budget analyst is included for reference. OBM budget analyst contact information is listed below.

Group 1 – Budget request is due on September 15, 2020

ACC	Accountancy Board of Ohio	Tara Clayton
AIR	Air Quality Development Authority	Kevin Schrock
ARC	Ohio Architects Board and Ohio Landscape Architects Board	Travis Shaul
ART	Arts Council	Tara Clayton
ATH	Athletic Commission	Sharon Hanrahan
BDP	Deposit, Board of	Teresa Goodridge
CDP	Chemical Dependency Professionals Board	Paul DiNapoli
CEB	Controlling Board	Ben Boettcher
CHR	Chiropractic Board	Paul DiNapoli
CIV	Civil Rights Commission	Kevin Schrock
COS	Cosmetology and Barber Board	Jasmine Winston
CRB	Motor Vehicle Repair Board	Kevin Schrock
CSF	Sinking Fund, Commissioners of the	Teresa Goodridge
CSV	Service and Volunteerism, Commission on	Tara Clayton
CSW	Counselor, Social Worker, and Marriage and Family Therapist Board	Paul DiNapoli
DEN	Dental Board	Nick Strahan
DVM	Veterinary Medical Licensing Board	Luis da Cruz
EBR	Environmental Review Appeals Commission	Kevin Schrock
ENG	Engineers and Surveyors, Board of	Teresa Goodridge
ETC	Broadcast Educational Media Commission	Melissa Snider
ETH	Ethics Commission	Taylor Pair
FUN	Embalmers and Funeral Directors, Board of	Ben Boettcher
IGO	Inspector General, Office of	Sári Klepacz
INS	Insurance, Department of	Jasmine Winston
LCO	Liquor Control Commission	Taylor Pair
LEC	Lake Erie Commission	Steve Peishel
LIB	Library Board	Travis Shaul
MED	Medical Board	Florel Fraser
NUR	Nursing, Board of	Luis da Cruz
OCC	Consumers' Counsel, Office of the	Taylor Pair
PEN	Pension Subsidies	Teresa Goodridge
PRX	Pharmacy, Board of	Paul DiNapoli
PSY	Psychology, Board of	Nick Strahan
PYT	Occupational Therapy, Physical Therapy, and Athletic Trainers Board	Luis da Cruz

Appendix G: Fund Activity Questions

Agency Code - Activity for Fund ##### – Fund Name

Question	Answer
Fund Number	
Fund Name	
<u>Fund Summary</u>	
1. Was this fund active in OAKS during the FY 2020-21 biennium?	
2. Explain the legal authority of this fund, including the Ohio Revised Code chapter, the section of temporary (uncodified) law, and/or the Controlling Board action number and approval date.	
3. List all ALIs that are within this fund (ALI number, ALI name).	
<u>Revenue</u>	
4. Explain all major sources of revenue deposited into this fund. If any of these sources are grants, please fill out the Grant Table.	
5. What factors (e.g., fee increase, population changes, etc.) have influenced revenues into this fund? What specific assumptions were used in developing revenue estimates for this budget?	
6. Identify and explain patterns in revenue flow in this fund (e.g., all revenue received in May and June due to seasonal nature of renewals; revenues received evenly throughout the fiscal year, etc.).	
7. Compare your agency's FY 2020 revenue estimates for this fund to actual revenues collected in that year. Provide the amount of the variance, the percent difference, and a brief explanation of the variance.	
<u>Fund Balance</u>	
8. Identify the target ending cash balance to adequately support programs for this fund, as either a percentage of revenue	

	<i>Headcount Total</i>	0	0	0	0	0	0
<i>Notes: Actual FY2018</i>							

<i>Notes: Budget/Estimate FY2019</i>							
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<i>Notes: Request FY2020/FY2021</i>							
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Instructions:

General

1) Replace the example OBM programs above with your agency's B-level programs. Add or remove rows as necessary, and make sure to adjust the FTE Summary formulas to account for any added or deleted rows.

Filled FTE

2) The Actual FY 2020 column should be populated using SOPPS figures (BI Cognos Report PAY-0007, Column K) from the pay period end date 06/20/2020 report, which was the last paycheck processed against FY 2020 appropriations. If for some reason this report does not accurately portray your agency's filled FTE count (for example, if your agency's maximum number of non-permanent employees is not in early June), please populate using your own amounts and explain your method in the Notes: Actual FY 2020 section.

3) The Budget FY 2021 column should be filled in with each program's maximum filled FTE count that its FY 2021 appropriations could sustain. Please indicate in the Notes: Budget/Estimate FY 2021 section whether this includes an assumed level of turnover or vacancies.

4) The Estimate FY 2021 column should be filled in with an estimate of each program's filled FTE count at the end of the fiscal year or at some other, more representative time of year (see above).

5) The FY 2022 and FY 2023 columns (both the Reduction Request and the Current Priorities Request) should reflect anticipated staffing levels for a fully funded request at each level. This may or may not incorporate an assumed level of turnover or vacancies depending on how your agency budgets payroll.

Vacant FTE

- 6) All vacant FTEs throughout all of your agency's programs should be added together and entered under the program 99999 - Total Vacant FTEs.
- 7) The Actual FY2020 column should be the difference between your budgeted FTEs and the PPE 06/20/2020 SOPPS report of filled FTEs.
- 8) The Budget FY 2021, FY 2022, and FY 2023 columns should be zero unless your agency budgets payroll assuming a certain level of turnover or vacancies. Please indicate in the Notes: Budget/Estimate FY 2021 and/or Notes: Request FY 2022/FY 2023 sections if this is the case.
- 9) The Estimate FY 2021 column should be populated using a vacancy rate your agency has experienced through the course of the current fiscal year.

Agency-Wide Headcount

- 10) Board members who are employees (appointment type A or B) should be included in the All Other row.
- 11) FY 2020 Headcount information should be retrieved from DAS's monthly state employee trend reports. A link to these reports is provided below. Please use the June 2020 report for the Actual FY 2020 column. The Budget FY 2021 column should be filled in with the maximum number of employees that your agency's FY 2021 appropriations could support. The Estimate FY 2021 column should be filled in with an estimate of the agency's headcount at the end of the fiscal year (or at some other, more representative time of year [see above]), allowing for a level of vacancies your agency has experienced through the course of the current fiscal year. The FY 2022 and FY 2023 columns (both Reduction Request and Current Priorities Requests) should reflect anticipated staffing levels for a fully funded request at each level; this should incorporate no vacancies unless your agency budgets payroll assuming a certain level of turnover or vacancies. Please indicate in the Notes: Request FY 2022/FY 2023 section if this is the case.

Notes

- 12) Actual FY 2020, Budget/Estimate FY 2021, and Request FY 2022/FY 2023 notes should highlight any notable assumptions that affect your agency's presentation here, unusual staffing circumstances for one or more years reported in the table, anything that makes year-end pay periods unrepresentative for your agency's staffing recorded above, what different time of year you used to be more representative, and anything else that that warrants explanation.

**DAS
Monthly
State
Employee
Trends**

<http://das.ohio.gov/Divisions/HumanResources/HRDOCBPolicy/StateEmployeeData/StateEmployeeTrendReports.aspx>

Appendix J: Agency Fee Changes

For use by agencies with proposed fee changes, including renewal of a fee which would otherwise sunset.

Agency:

Fee Name/ Desc.	FY 2021 Fee Amount	Statutory Authority	Frequency of Collection	FY 2021 Total Fee Revenue	Fund(s) Receiving Revenue	Line Item(s) Supported	Program(s) Supported	FY22-23 Proposed Fee Amount	Proposed Change (\$,% from FY 2021	Est. FY 2022 Revenue	Est. FY 2023 Revenue	Date of Last Increase	Est. FY22-23 Total Revenue (Including from Proposed Fee Change)	Notes
Add rows as necessary														

Appendix K: Agency Compliance with Customer Service Questionnaire

**Agency Full Name
(Agency Code)**

1) Has your agency developed and adopted customer service standards? Please write "Yes" or "No."

2) If the response to question 1 is "Yes," please:

- a. Identify the standards below or attach a list.
- b. State when these standards were adopted.
- c. Describe how success of implementation of the standards is monitored.

3) If the response to question 1 is "No," please use the space below to detail why no standards have been adopted and any plans that the agency may have with respect to developing standards in the future.