

Office of Planning and Budget

State of Louisiana

Division of Administration

JEFF LANDRY
GOVERNOR



TAYLOR F. BARRAS
COMMISSIONER OF ADMINISTRATION

MEMORANDUM

TO: Department Heads, Undersecretaries, and Fiscal Officers

FROM: Ternisa Hutchinson, Director

DATE: September 20, 2024

SUBJECT: Fiscal Year 2025-2026 Total Budget Request Instructions

The FY 2025-2026 LaGov Budget Forms are accessible through the [LaGov ERP Portal](#). The Continuation, New or Expanded Services, Technical/Other adjustment requests, and the Operational Plan, as well as certain addenda forms (IT Request, Sunset, and Children's Budget), must be completed and submitted in the portal. The Louisiana Workforce Commission form (Addendum #4) and **JML 24-11 Actions to Mitigate the State's Impending Fiscal Cliff (Addendum #6)** must be completed in Excel and submitted as a PDF attachment with your Total Budget Request submission. The Non-discretionary Adjusted Standstill Budget form (Addendum #5) must be submitted in Excel format on the date stated below.

LaGov Budget will be hosting a Budget Prep Kick-off Workshop as an overview of LaGov Budget via a Teams Meeting. Also, there will be LaGov Budget workshops in the Claiborne building for assistance with Budget Prep, including performance forms, during the month of October. The LaGov Budget team will send details for these workshops via the Budget ListServ.

The Forms, Guidelines and Memos webpage on the Office of Planning and Budget (OPB) website contains a link to the memo [FY 2025-2026 Budget Preparation Memorandum](#) and a link to a zipped folder containing the Workforce Commission forms, and the Non-discretionary Standstill Budget forms. This memo provides general guidance and information for the budget development process. The LaGov Budget forms include a HELP button on the right side of the form giving detailed information on each field in the forms. Any technical issues should be submitted using the Help Desk Ticket system within the [LaGov Portal](#). Reference the issue under the "Ticket Information" section in the "System" drop down field to LaGov ERP/Budget Development.

The LaGov team will produce a preliminary book upon request. Once the agency has completed a final review, the official submittal can be completed. The deadline to request a preliminary book from the LaGov team is **October 25, 2024**. The deadline for final budget request submission is November 1, 2024. Agencies can submit their official budget request before the deadline.

NOTE: The required Organizational Charts of the agency's operational plan must be saved as a PDF file and submitted as an attachment within the Operational Plan in LaGov Budget.

Higher Education non-formula entities must continue to complete the legacy budget request forms located on the [OPB website](#) for submission to OPB by **November 1, 2024**. The Total Budget Request and addenda should include an original and (2) copies provided to OPB, and (1) copy each to: the Legislative Fiscal Office, the Senate Finance Committee and the House Appropriations Committee. In addition, an electronic copy of addendum #5 must be provided no later than **November 22, 2024**. **Furthermore, new for FY 2025-2026, Higher Education entities must submit their Operational Plans through the LaGov Budget System.**

Important Dates

Agency EOB Date	September 30, 2024
Budget Request Submission Deadline	November 1, 2024
Addendum #5 Submission Deadline	November 22, 2024
FY 2025-2026 Executive Budget Presentation	February 28, 2025 (Tentative)
2025 Regular Legislative Session	April 14, 2025 – June 12, 2025

Reminder: Act 419 of 2013

Act 419 of the 2013 Regular Legislative Session requires revenues from other Means of Finance – Statutory Dedications, Fees and Self-generated Revenues, and Dedicated Fund Accounts - be recognized by the Revenue Estimating Conference (REC). For the FY 2025-2026 Budget Request, please be as detailed and accurate as possible when reporting and forecasting revenues. OPB will provide assistance on updating information for any REC meetings that occur after the Budget Request submission date.

Total Budget Request

Title 39 mandates that budget development be on the basis of appropriation levels rather than continuation levels. However, the continuation level is a required interim step in the budget development process. Agencies will prepare their budget requests using the current year Existing Operating Budget as the budget request base and then make adjustments. The sum of the Existing Operating Budget and the adjustments is the Total Budget Request. The Total Budget Request must be submitted on or before **November 1, 2024**. The components of the Total Budget Request include: the Operational Plan, the Existing Operating Budget, the

Source of Funding, the Revenue Collection/Income, the Continuation Budget, the Technical/Other Adjustment Package, and New or Expanded Services request.

1. Operational Plan

The Operational Plan (OP) is the principal narrative portion of the budget request. It is the annual work plan of an agency and its component programs, and based on the agency's FY 2023-2024 – FY 2027-2028 strategic plan. As such, it must include an updated description of agency and program missions, goals, activities, performance objectives, and performance indicators. Please carefully read and follow the [Operational Plan Guidelines and Instructions](#) and use the online OP forms in the LaGov Portal.

Any request for new performance objectives or indicators should be sent via email to the agency's OPB analyst for consideration. The deadline for this request is **October 11, 2024**.

2. Existing Operating Budget (EOB)

The Existing Operating Budget is the current year appropriation level adjusted for all ECC Supplements, Returns, and Transfers approved as of **September 30, 2024**.

Appropriations should be allocated to the proper Fund Center (Organization Unit) and Commitment Item (Object Code). Specifically, the Personal Services expenditure categories – Salaries (511000), Other Compensation (5120000), Related Benefits (5130000), and Personal Services expenditures within Other Charges (5600000) – should be spread to the lower commitment item level to the greatest extent possible before the date above. Failure to do so, especially as it relates to personal services, may result in insufficient allocation of funding in the budget development process.

3. Source of Funding Form

The Source of Funding form details the specific sources of funding supporting each Means of Finance other than State General Fund (Direct). Sources of funding may include fees charged for services, penalties assessed for violations and late payments, income generated from leased facilities or equipment, proceeds from the sale of goods, transfers from state agencies for interagency transfer (IAT) agreements, or any other source of funds supporting the means of financing. Agencies should delineate every source of funding supporting each Means of Finance with specificity. Each source of funding should have a different form instance that is broken down by expenditure commitment item and contain a detailed explanation of what the source of funding is, where it comes from, and how it can be expended. Each form entry should include the agency number first in the "Description" field in the form header. (i.e. 100 – Explanation..., 109 – Explanation...).

4. Revenue Collection/Income Form

The Revenue Collection form provides an estimate of revenue collected or generated for each Means of Finance, other than State General Fund (Direct), by revenue source. For each source of revenue, agencies should provide an estimate or forecast of the anticipated revenue collections.

Note: This form is different from the Source of Funding form and the anticipated revenue collection estimates may not match the amounts listed in the Source of Funding form (e.g. revenue collections may exceed the source of funding requirements). Each Means of Finance, including Federal Funds, should have a different form instance detailing the source of funding by revenue commitment items.

5. Continuation Budget (Base Adjustment Form)

The development of the Continuation Budget allows for the identification of the financial resources necessary to carry out all existing programs and functions of the budget unit at their current level of service in the ensuing fiscal year. This budget includes any adjustments necessary to account for the increased cost of services or materials due to inflation, and estimated increases in workload requirements resulting from demographic or other changes. Detailed justification should be included in the explanation section to demonstrate the need for the adjustment. Performance indicators must justify workload adjustments in the Continuation Budget. Any additional information to provide further justification can be uploaded on the "Attachments" tab of the form.

6. Technical/Other Adjustment Package (T/OAP) (Base Adjustment Form)

Technical/Other adjustments allow for technical changes and transfers of a program or function from one agency or department to another agency or department. Any changes reflected by these forms must have a zero statewide impact. Technical/Other Adjustment forms also contain a "Narrative" tab, which must be completed with detailed justification to support the request and explain how the items of this form will affect performance. Please identify this type of adjustment in the header "Description" of the form with "T/OAP". Any additional information to provide justification can be uploaded on the "Attachments" tab of the form.

7. New or Expanded Services Requests (NE) (New/Expanded Request Form)

New or Expanded services requests provide information relative to the cost of new and/or expanded services, defined as (1) increases caused by a change in laws, regulations, or procedures controlled by the agency, and (2) additional services not previously provided nor defined under the workload criteria. A New or Expanded request must be completed with detailed justification to support the request. Performance sections must explain how

objectives and performance indicators are affected. Any additional information to provide further justification can be uploaded on the "Attachments" tab of the form.

8. Total Budget Request

When preparing the Total Budget Request, use the following guidelines:

- 1) Justifications: Full justifications of requests and data, including performance indicators, are imperative. Attach supporting documentation if needed.
- 2) Personal Services: The SAP payroll system enables the generation of more accurate, detailed reports, including the **Payroll Projection report (PEP)**. The PEP report is used to calculate the salary and related benefits required by each agency. Download as an Excel file to be used as the foundation for the salary and related benefits base-level calculations.
- 3) All budget requests that are different from the base-level PEP report per the HR system **MUST** be fully documented/justified. All budget requests **MUST** start with the base-level report as of **September 15, 2024**.
- 4) Note: If insufficient documentation/justification for the requested changes is provided, the base-level PEP report will be utilized for the agency's salary and related benefits budget.
- 5) CURRENT VACANCIES MUST BE IDENTIFIED IN THE LAGOV-HCM SYSTEM. Please ensure the date the position became vacant is included and that the number of filled and vacant authorized positions total to the agency's existing appropriated number. If it does not total to the number of authorized positions, please provide sufficient documentation as to why there is a difference.
- 6) OPB suggests running the report early to identify any problems, so corrections are made accordingly in the HCM system in order to ensure the PEP report is pulling correct information for the base-level report.
- 7) Related Benefits: Computations for the following adjustments incorporate automatically into the PEP data for agencies. **No entries are required by agencies.**

a) Retirement Rates (current rates for FY 2024-2025):

Louisiana State Employees Retirement System (LASERS):

- | | |
|------------------------------------|--------------------------------|
| • Rank and File, 34.7% | • Corrections Secondary, 37.9% |
| • Judges and Court Officers, 40.2% | • Wildlife, 46.4% |
| • Legislators, 30.7% | • Peace Officers, 35.6% |
| • Corrections Primary, 32.4% | • Alcohol and Tobacco, 35.8% |

- Bridge Police, 33.7%
- Judges (Act 992 of 2010), 38.3%
- Hazardous Duty (Act 992 of 2010), 40.4%

Teachers Retirement System of Louisiana (TRSL):

- Regular Teachers, 21.5%
- Higher Education, 20.9%
- Lunch Plan A, 21.5%
- Lunch Plan B, 21.5%

Louisiana State Police Retirement System (LSPRS):

- Regular, 71.5%

b) FICA Taxes:

- (1) FICA-OASDI*: Social Security 6.2% in 2024 up to a maximum salary of \$175,500**
 - (a) FICA stands for Federal Insurance Contributions Act, OASDI stands for Old-Age, Survivors and Disability Insurance.
 - (b) The wage base is adjusted annually to changes in the national average wage.
- (2) FICA-HI (Hospital Insurance): Medicare 1.45%, no maximum salary

c) Group Insurance – Premiums for group insurance will be at the current year appropriated level. OPB will make appropriate Group Insurance premium rate adjustments once new rates are approved.

8) Operating Expenses and Professional Services: The standard inflation factors for FY 2025-2026 are:

- **2.24% General Inflation** - The calculation of the general inflation amounts to various expenditure objects will be automatically generated by the LaGov system. No entry is needed by the agency. DO NOT REVERSE THESE ADJUSTMENTS THAT HAVE BEEN AUTOMATICALLY GENERATED. If there is insufficient revenue to support the automatically generated amount, submit a Means of Finance substitution request. Maximize other Means of Finance before the use of State General Fund (Direct).
- **3.42% Medical Inflation** - Medical inflation adjustments must be manually entered by the respective agencies.

9) Acquisitions/Major Repairs: These requests must be fully detailed and justified, including identifying new and replacement equipment. If requesting vehicles, please specify if it is a replacement or new vehicle that increases the fleet. For replacement vehicles, please provide the age and mileage of the current vehicle.

10) Interagency Transfers (IAT): All agencies with IAT revenues or expenses must coordinate and ensure that the sending and receiving agencies agree on the amount of the IAT (justify each increase/decrease in IAT revenue). Signed IAT agreements must be submitted as attachments with the budget request.

NOTE: There are certain mandated statewide IAT expenditures for which agreements cannot be executed by the budget request submission date due to the computation of these costs not being finalized prior to near completion of the Executive Budget process. Although this is not a complete listing, some examples are Office of Risk Management, Civil Service, Division of Administrative Law, Office of Technology Services (OTS), Office of State Procurement, State Treasurer, and Legislative Auditor. Expenditures for these services should be requested at the current year appropriated level.

- 11) Payments made to the Louisiana Office Facilities Corporation (LOFC), and/or State Buildings and Grounds for operations and maintenance and/or rental charges should be requested at the current year appropriated level.
- 12) New or Expanded Service Requests: No restriction will be placed on an agency request; however, requests should be fully justified. The forms must be identified by program.
- 13) The agency's programs must be reflected in the Existing Operating Budget as appropriated. Any program modifications should be requested in the T/OAPs.

9. Addenda

There are **six (6)** addenda to the Total Budget Request packet: 1. Sunset Review, 2. Information Technology, 3. Children's Budget, 4. Louisiana Workforce Commission, 5. Nondiscretionary Adjusted Standstill Budget, and 6. **JML 24-11 Actions to Mitigate the State's Impending Fiscal Cliff**. Forms for addenda items 1-3 are available in the LaGov Budget system. Forms for addenda items 4-6 are available on the OPB website in the zipped folder.

1) Sunset Review (*LaGov*)

- The Sunset Review addendum identifies legislatively authorized activities for which implementation funding has not been provided. **This addendum will be submitted online as an attachment to the Total Request submission.**

2) Information Technology (*LaGov*)

- For "in scope" customer agencies for the Office of Technology Services (OTS), as defined in Act 712 of the 2014 Regular Legislative Session, the Information Technology (IT) addendum requests are **NOT** required for submittal. The CB-8T continuation form was established to make **technology** related adjustments to the base budget for IT related functions. Completion of the **online IT Form** (formerly the CB-8T) is necessary to request for any increase or decrease in funding intended for costs associated with IT acquisition and operation of IT services/activities for FY 2025-2026. The form should be completed and submitted with the Total Budget

Request. All requested technology continuation budget adjustments should only impact the IAT commitment items and related means of financing.

- For “out of scope” customer agencies for the Office of Technology Services, as defined in Act 712 of the 2014 Regular Legislative Session, the OTS IT addendum requires completion of online IT Form to be submitted with your total budget request to OPB, and an electronic copy in Excel format submitted via e-mail to itbudget@la.gov.

3) Children’s Budget (LaGov)

- The Children’s Budget, as mandated by R.S. 46:2603 and 2604, is a subset of information provided elsewhere in the budget request and designed to provide information relative to the cost of children’s services. All agencies should analyze their programs and review the Children’s Budget Instructions before making a determination about whether or not they are subject to the provisions of the statute. The completed Children’s Budget addendum must be submitted to OPB with the Total Budget Request. A copy must also be submitted to Jolie Williamson, Director, Children’s Cabinet, Office of the Governor at (225) 219-4999.

4) Louisiana Workforce Commission (Excel)

- Budget units subject to the provisions of Act 1 of the 1997 Regular Legislative Session, which created the Louisiana Workforce Investment Council (WIC), must comply with additional budget request requirements per R.S. 39:33.A(2) (except as limited, restricted, or otherwise prohibited by the Constitution of Louisiana). Questions regarding the WIC addendum are directed to (225) 342-3471. The completed WIC addendum must be submitted to the Louisiana Workforce Investment Council and accompany all copies of the Total Budget Request submitted to OPB. See Appendix A of the WIC Budget Request Instructions and Guidelines for FY 2025-2026 for a listing of [Agencies Required to Submit a Workforce Development Budget Request](#).

5) Nondiscretionary Adjusted Standstill Budget (Excel)

- The nondiscretionary adjusted standstill budget, defined in Act 402 of the 2017 Regular Legislative Session, requires each budget unit to submit a nondiscretionary adjusted standstill budget estimate for the current years Existing Operating Budget as of December 1. The nondiscretionary adjusted standstill budget (DN) addendum requests should be submitted separately from the budget request forms on or before **November 22, 2024** allowing time for any adjustments made at the **November 2024** JLCB meeting.

6) JML 24-11 Actions to Mitigate the State's Impending Fiscal Cliff (Excel)

- In order to mitigate the state's impending fiscal cliff in Fiscal Year 2025-2026, [Executive Order JML 24-11](#) directs every department to conduct an evaluation of expenditures, contracts, staffing, large acquisitions, programs, activities, discretionary State General Fund spending, and to identify other efficiencies that could be implemented to save State General Fund dollars. The savings and efficiencies identified in the completed JML 24-11 addendum must be submitted to OPB with the Total Budget Request.
- **NOTE: Potential savings are not limited to State General Fund. All state funding must be evaluated for potential savings and efficiencies.**

Submission of Total Budget Request and Addenda #1-4 and #6 are due no later than November 1, 2024. Submission of Addendum #5 is due no later than November 22, 2024.

It is the responsibility of the submitting agency to ensure that all documents are submitted to the appropriate recipients, as stated below.

<u>To Recipient Agency</u>	<u>Number of Copies</u>
Office of Planning and Budget 1201 North Third Street Claiborne Building, Suite 7-150 Baton Rouge, LA 70802	Total Budget Request and Addenda Items 1 thru 4 and 6 - Electronically via LaGov System. Item 5 - Email the addendum to both: opb.doa@la.gov and your OPB analyst
Legislative Fiscal Office 18th Floor, State Capitol Building 900 North Third Street P.O. Box 44097 Baton Rouge, LA 70804	Total Budget Request and Addenda Items 1 thru 4 and 6 - Electronically via LaGov System. Item 5 - One (1) copy of the addendum
Senate Finance Committee 1st Floor, State Capitol Building	Total Budget Request and Addenda Items 1 thru 4 and 6 - Electronically via LaGov System. Item 5 - One (1) copy of the addendum
House Appropriations Committee 11th Floor, State Capitol Building	Total Budget Request and Addenda Items 1 thru 4 and 6 - Electronically via LaGov System. Item 5 - One (1) copy of the addendum

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Louisiana Workforce Investment Council
1001 N. 23rd Street
Baton Rouge, LA 70802

Agencies subject to the provisions of Act 1 of the 1997 RLS must submit one (1) copy of the Louisiana Workforce Commission addendum

Office of the Governor
Children's Cabinet
Attn: Jolie Williamson
1051 N. Third Street Ste. 1-136
Baton Rouge, LA 70804

Agencies subject to the provisions of the Children's Cabinet must submit one (1) copy of the Children's Budget addendum

Office of Technology Services
Attn: DeKaya Guillory
Email: itbudget@la.gov

An electronic copy of all IT Detail Form(s)

TH:CGH