

Instructions for Preparation of the 2005-2007 Recommended State Budget



Office of State Budget and Management

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1. INTRODUCTION

The State of North Carolina appropriates operating and capital funds on a biennial cycle. The approved budget has annual amounts for each of the two years in the biennium, with the appropriation for the first year of the biennium effective July 1 of each odd-numbered year. Biennial budget preparation begins in even-numbered years. The operating and capital budgets for the second year of a biennium are adjusted in a "short" legislative session, which is traditionally in May-June of even-numbered years, as required for revenue collection fluctuations and items such as salary increases and emergency items.

The following budget instructions are to be used in the preparation of 2005-2007 biennial budget requests from departments and agencies for submission to the Governor as Director of the Budget.

Changes in the instructions from the previous biennium are highlighted in Section 2 of this document. A glossary for budget terms is included in Section 8.

Questions related to budget preparation should be referred to the appropriate budget analyst in the Office of State Budget and Management.

Upon submission of budget requests from departments and agencies, the Office of State Budget and Management (OSBM) will review the requests in preparation of the Governor's recommended budget. The Governor will present the recommended budget to the General Assembly on the date of his State of the State Address early in the legislative session.

The legislative session will convene in January 2005 for the upcoming biennial budget cycle. During this session, the General Assembly will consider the Governor's recommended budget as well as other changes presented for legislative review. Following legislative review, a two-year budget will be approved by the General Assembly and certified by the OSBM in the summer of 2005.

2. HIGHLIGHTS INCLUDING CHANGES FROM PREVIOUS BIENNIUM

This section provides a brief description of the changes in the instructions from the previous biennium.

- Agencies will access all preliminary copies of Worksheet I information through their desktops, which is made possible by software called X/TND and through the Budget Preparation System (BPS). Because of this direct access, agencies will not be mailed copies of Worksheet I information. You may contact your OSBM analyst for copies if any problems arise from using the software or go to the ITS website: <http://www.state.nc.us/sysware/>.
- Agencies will negotiate Worksheet I and continuation budget changes from August through October with their OSBM budget analysts. Final Worksheet I and continuation budget changes shall be completed by October 29, 2004. Agencies are required to submit 2 copies of the Worksheet I and attachment forms presented in the instructions as required in the past biennium. Agencies are also required to submit attachments 8-16 electronically in an Excel format.
- Inflationary rates approved by OSBM may be applied to the following items in the continuation budget: water and sewer, electricity, natural gas, food, drugs, medical supplies, subsistence, gasoline and fuel oil. Clothing, Telephone Service, Water and Sewer, Textbooks and Educational Supplies (K-12 schools) will be considered on a case-by-case basis, provided the agency can sufficiently document the increase.
- There are several new continuation budget attachments. Attachment A is a checklist for the 2005-2007 continuation budget request. Attachment 8 is a schedule for the explanation of requested increases and decreases. Attachment 14 is a schedule for inflationary increases for food, drugs, medical supplies, utilities, and subsistence. Attachment 15 is a schedule for gasoline and fuel oil. Attachment 16 is a schedule for K-12 textbooks and educational supplies.
- A *Reconciliation of Authorized Position Counts and Budgeted Salaries* will be generated by OSBM from the BPS database. OSBM will also generate a *Position Schedule* (PM 739) with an effective date of June 30, 2004 for agencies to access through X/TND. This schedule will not be a part of the submitted continuation budget package but is available for informational purposes. Salaries for the continuation budget will be based on the 2004-2005 authorized salary amount plus any necessary annualizations.
- The sum total of all general fund appropriation expansion requests may not exceed 5 percent of the agency's 2004-2005 certified budget, unless the agency receives prior written approval from OSBM. Account detail for each expansion request must be at the 4-digit level.
- Fund purpose and mission statements will be updated on the over the Internet via the World Wide Web at http://data.osbm.state.nc.us/budget_narratives/start.html.

- The budget attachment forms presented in these instructions except for those generated by BPS are available as Excel files. The files can be downloaded over the Internet via the World Wide Web at www.osbm.state.nc.us.

3. SCHEDULE FOR THE 2005-2007 BUDGET PREPARATION PROCESS

July, 2004	Detailed 2005-2007 budget instructions made available on the Office of State Budget and Management (OSBM) web site for departments to access.
July 31, 2004	All actions to reconcile and realign salary reserve must be completed by the end of July 2004.
August 2004	<p>2004 Legislative Session budgetary actions certified by OSBM and the Budget Preparation System (BPS) updated.</p> <p>2004-2005 budget revisions plus other changes submitted by departments are entered into BPS.</p> <p>BPS transferred to the North Carolina Accounting System, including 2004-2005 budget revisions and 2004 Legislative Session's actions.</p>
August 16, 2004	Preliminary <i>Worksheet I</i> for continuation budget created in BPS will be accessed by agencies using X/TND. Because of this direct access, agencies will not be mailed copies of preliminary <i>Worksheet I</i> . <i>Reconciliation of Position Counts and Budgeted Salaries</i> generated from BPS by OSBM will also be available to agencies for their review. Agencies will have direct access to this report using X/TND and therefore it will not be distributed by OSBM.
October 2004	<p>Agencies and OSBM analyst negotiate Worksheet I adjustments through the end of October.</p> <p>Reconciliation of Position Counts and Budgeted Salaries verified by departments and submitted to OSBM.</p>
October 29, 2004	2005-2007 expansion and capital requests due from departments to OSBM
December 2004	Governor finalizes the 2005-2007 budget recommendations.
January 2005	General Assembly convenes.

4. CONTINUATION BUDGET

The continuation budget provides operating funds for each year of the biennium to continue the existing, authorized level of services. Continuation budgets are based on the authorized budget for 2004-2005 and may be adjusted (increased or decreased from the authorized budget) through the continuation budget Worksheet I process to reflect (1) actual levels of expenditures, (2) approved increases, as well as (3) other increases in services required in certain programs.

4.1 Continuation Budget (Worksheet I)

The basic form for preparing the 2005-2007 continuation budget is the Worksheet I which will be computer generated from the Budget Preparation System (BPS). Through the X/TND report management software, agencies may view and print the initial set of continuation budget worksheets at their location on August 16, 2004. If a hard copy set of the initial worksheets is required, the agency should contact their OSBM analyst. The initial set of continuation budget worksheets is provided for each budget code that has been determined by OSBM to be a budgeted code, and includes:

- Summary by Purpose (Attachment 2)*
- Summary by Account (Object) (Attachment 3)*
- Detail Request - Worksheet I (Attachment 4)*
- Position Count (Attachment 5)*
- Reconciliation of Requirements, Receipts, and Appropriation (Attachment 6)*
- Reconciliation of Position Counts and Budgeted Salaries (Attachment 7)*

Samples of the worksheets with attachments are included at the end of this section. Subsequent versions of the worksheets that reflect adjustments to BPS can be requested through BPS function 16 and viewed or printed using X/TND.

Two copies of the requested 2005-2007 continuation budget are due to OSBM by October 29, 2004. The following attachments, when applicable, must also be submitted to OSBM electronically in an excel format:

- Explanation of increases and decreases (Attachment 8),
- Equipment purchase schedule (Attachment 9),
- Motor vehicle purchase schedule (Attachment 10),
- Other vehicle purchase schedule (Attachment 11),
- Building reserves (Attachment 12),
- Lease schedule (Attachment 13),
- Inflationary request (Attachment 14),
- Gasoline schedule (Attachment 15)
- Textbook and supply schedule (Attachment 16).

Submission of the continuation budget must consist of the following reports in the order that they are listed:

Checklist for 2005-2007 Continuation Budget Requests (Attachment A)
Summary of Total Continuation Budget Requests by Department (Attachment 1)
Summary by Purpose (Attachment 2)
Summary by Account (Object) (Attachment 3)
Detail Request - Worksheet I (Attachment 4)
Position Count (Attachment 5)
Reconciliation of Requirements, Receipts, and Appropriation (Attachment 6)
Reconciliation of Position Counts and Budgeted Salaries (Attachment 7)
Explanation of Increases/Decreases Schedule (Attachment 8) (If necessary)
Equipment Purchase Schedule (Attachment 9) (If necessary)
Motor Vehicle Purchase Schedule (Attachment 10) (If necessary)
Other Vehicle Purchase Schedule (Attachment 11) (If necessary)
Format for Building Reserve (Attachment 12) (If necessary)
Lease Schedule (Attachment 13) (If necessary)
Inflationary Schedule (Attachment 14) (If necessary)
Gasoline Schedule (Attachment 15) (If necessary)
Textbook/Supply Schedule (Attachment 16) (If necessary)

OSBM budget analysts will be available to assist departments/agencies in the steps to develop the Worksheet I from the initial stage to the agency continuation budget request.

There is a separate Worksheet I for each budgeted code that will be included in the Governor's Recommended Budget. Components of the Worksheet I Detail Request (Attachment 4) are listed below:

- Column 1 (**Account**) reflects the line item *account number*.
- Column 2 (**Title**) *account title* for expenditure and/or receipt items.
- Column 3 (**Actual**) reflects the 2003-2004 *actual* expenditures as of June 30, 2004 and is transferred by OSBM to BPS from the North Carolina Accounting System (NCAS) files in the Office of the State Controller.
- Column 4 (**Certified**) reflects the 2004-2005 *certified* budget, which includes actions of both the 2003 and the 2004 sessions of the General Assembly plus budget revisions which change the certified column (type 11 budget revisions of a continuing nature authorized by action of the General Assembly).
- Column 5 (**Authorized**) reflects the 2004-2005 *authorized* budget, which is comprised of the certified budget plus appropriate type 11, 12, and 14 revisions. The authorized budget becomes the continuation budget for the next two years of the biennium unless adjusted in Columns 6 and 8, respectively.

See Section 4.1b instructions on budget revisions to include in Column 5.

- Column 6 and Column 8 (**Incr/Decr**) reflect the *increase/decrease* adjustments to the authorized year allowed for the 2005-2006 and 2006-2007 continuation budgets respectively.
See Section 4.1b instructions on the Increase/Decrease columns.
- Column 7 and Column 9 (**Total**) are the *proposed* 2005-2007 biennial budget. These columns represent the total of the 2004-2005 authorized budget (Column 5) plus/minus the adjustments in Columns 6 and 8, respectively.

Procedures

4.1a Reconciliation of Requirements, Receipts, and Appropriation

OSBM will generate from BPS a *Reconciliation of Requirements, Receipts, and Appropriation* report (see Sample Attachment 6). This form provides the data to reconcile requirements, receipts, and appropriation in Column 4 (certified column) and Column 5 (authorized column) of Worksheet I.

The Reconciliation will be furnished to each department at the same time the Worksheet I is furnished.

4.1b Department Completion of Worksheet I

Adjustments to the *Worksheet I* (Attachment 4) are prepared as follows by appropriate department personnel and submitted to OSBM as the proposed continuation budget.

Column 1 (Account)

- Review to ensure that proper operating funds (centers) and account numbers are presented. Contact your OSBM budget analyst for any necessary corrections.

Column 2 (Titles)

- Review to ensure correct account titles are presented.

Column 3 (Actual)

- Review and verify that the transfer of actual expenditures and receipts was processed properly. This review can be accomplished by comparing the Worksheet I actual column to the BD701 for fiscal year ending June 2004.

Column 4 (Certified)

- Reconcile using the Reconciliation form (Attachment 6) to ensure that the certified requirements, receipts, and appropriation are correct.
- In July 2004 OSBM will make available through X/TND (on report RK314) a listing of all second year type 11 budget revisions. (Agencies may also review this list using function 12 in the Budget Revision System.) This list should be reviewed by agency personnel and the OSBM budget analyst to determine which budget revisions should be included in the Worksheet I. Appropriate second year (2004-2005) type 11 budget revisions are included in Column 4 and Column 5.
- At the conclusion of the review process, the agency must type an "O" for "OMIT" in the appropriate code field of each budget revision on the Budget Revision System that should *not* become a part of the agency's continuation budget. All other type 11 budget revisions will automatically be added to the Worksheet I certified column. This process must be completed by the end of July 2004.

Column 5 (Authorized)

- Reconcile using the Reconciliation form (Attachment 6) to ensure that authorized requirements, receipts, and appropriation are correct.
- Agencies are encouraged to realign non-personnel expenditure *account* lines 5322XX - 535XXX within an operating fund number to reflect more realistic levels of need for 2004-2005 with type 14 budget revisions that may be included in Worksheet I. Increases may not be requested for line items that have been realigned.
- In July, 2004 OSBM will make available through X/TND (on report 314) a listing of all second year type 12 and 14 budget revisions. (Agencies may also review this list using function 12 in the Budget Revision System.) This list should be reviewed by agency personnel and the OSBM budget analyst to determine which budget revisions should be included in the Worksheet I. Appropriate second year 2004-2005 budget revisions are included in Column 5.
- At the conclusion of the review process, the agency must type an "O" for "OMIT" in the code field of the appropriate budget revision on the Budget Revision System which should *not* become a part of the agency's continuation budget. All other type 12 and 14 budget revisions will automatically be added to the Worksheet I authorized budget column. This process must be completed by the end of July.
- Budget revisions which authorized a *carry-forward* from 2003-2004 to cover deferred obligations should not be included in the Worksheet I and must be removed.
- Type 11 budget revisions included in Column 4 also affect Column 5. Type 12 and 14 budget revisions included in Worksheet I affect only Column 5.
- Agencies must balance inter- and intra-departmental transfers.
- Programs designated as "experimental, model, or pilot" must be shown either as separate items in the continuation budget or as expansion budget requests until a succeeding General Assembly approves them. The definition includes "any new program funded in whole or in part through a special appropriations bill." Agencies with programs designated as experimental, model, or pilot must furnish a list with line item detail of these programs with continuation budget or expansion budget requests.

Columns 6 and 8 (Increase/Decrease from Column 5)

- In Column 6, enter allowable increases and decreases over the authorized (or "base") year which, when added to or subtracted from the authorized 2004-2005 amount, accurately reflect requirements for the 2005-2006 continuation budget.
- In Column 8, enter allowable increases and decreases over the authorized (or "base") year which, when added to or subtracted from the authorized 2004-2005 amount, accurately reflect requirements for the 2006-2007 continuation budget.

Explanation of Increases/Decreases Schedule for the Continuation Budget (Attachment 8)

- Increases or decreases requested in Columns 6 and 8 must be explained on an attached schedule (Attachment 8) that indicates the receipt or expenditure account to be adjusted and the reason for the change. Where more than one change is requested for one particular account, show the components of the change in the explanation. Complete a separate schedule for each fund that has changes. The total of the adjustments on the agency prepared schedule must equal the total of the increase/decrease columns of the Worksheet I.

4.1c Changes Allowed in Worksheet I Columns (6) and (8):

- (1) **Enrollment or Populations Served** - Increases to reflect changes in the enrollment or population currently served by public schools, prisons, and entitlement programs are allowed. In other programs such increases must be requested in the expansion budget. Decreases to reflect reductions in enrollment or populations served in *any* program area must be included in the continuation budget. With respect to the Medicaid program, policy changes are not allowed in the continuation budget and must be considered in the expansion budget process.
- (2) **Receipt-Supported Activities** - Cost increases for activities partially or fully supported from receipts must be limited to reasonable increases in receipts and calculated such that these activities bear the appropriate share of the increased cost.

If an adjustment to general agency receipts provides additional funds, those funds may be used only to support allowable continuation budget increases. Otherwise, these additional receipts are to reduce state appropriations. *All general agency receipts should be increased to anticipated levels in 2005-2007 and appropriations reduced when appropriate.*

Note: Changes in expenditure account supported by receipts require a corresponding change in the appropriate receipt account.

If an adjustment reflects a decrease in receipts, the budget of the program generating the receipts must be reduced. Replacement of reduced receipts must be an expansion budget request.

Note: Increases in receipts to continue the current level of services are allowed in the continuation budget for programs which are 100% receipt-supported. These adjustments must be made in the authorized year with a type 11 or 12 budget revision.

- (3) **Clothing, Telephone Service, Textbooks and Educational Supplies (K-12 schools, including schools in the Department of Health and Human Services and Department of Juvenile Justice & Delinquency Prevention and the N.C. School of Science and Mathematics)** - Increases in continuation requirements are allowed for these items, on a case-by-case basis, provided the agency can sufficiently document the increase. Prior years' actual expenditures and adjustments to 2004-2005 budgets made in the 2003 and 2004 legislative sessions must be taken into account in developing continuation requirements. In cases where a portion of the increase is supported by receipts, these receipts must be increased to ensure that the account bears the appropriate share of increased costs.

- (4) **Personnel-Related Items** - Funds required for longevity pay must be based on the amounts included in the June 30, 2004 PM739 *Position Schedule*. For UNC campuses, if the PM739 does not include all personnel, detailed documentation must be submitted to support the longevity request. Funds for premium pay, workers' compensation, unemployment compensation, and overtime must be based on the authorized budget. Additional funds may be considered for increases on an individual basis.
- (5) **Annualization** - Increases to annualize support in the 2005-2007 biennium for programs and new facilities which were funded for only a portion of 2004-2005 are allowed. Positions that continue and were funded for only a portion payable amount in the authorized year must be annualized for 2005-2007. Attach a detailed listing of the request to annualize programs. Attach a spreadsheet similar to Attachment 12 to annualize building reserves.
- (6) **Nonrecurring** - Nonrecurring or one-time items approved by the General Assembly must be *removed from the continuation budget in the increase/decrease columns*, including one-time equipment and vehicle purchases included in the 2004-2005 Authorized Budget. For UNC campuses, one-time accreditation expenses included in the 2004-2005 Authorized Budget must be deducted from accreditation expenses requested for 2005-2007 and detailed documentation must be submitted to support the request. Agencies should contact their OSBM budget analyst if there are any questions about removal of one-time items.
- (7) **Operating Reserves** - Operating costs to make facilities operational and functional are allowed for authorized capital projects scheduled for completion during the 2005-2007 biennium (see Section 7, Capital Budget) in the continuation budget. Any new programs, activities, or expansion of existing programs and activities associated with capital projects should be a part of the Expansion Budget Request. The total estimated operating costs for each year must be requested in a reserve account (5371AA). A detailed account breakdown of each reserve must be submitted separately, with the estimated completion date of the facility provided by the Office of State Construction, number of positions required, proposed classification of each position, and other operating costs. A sample schedule for this required detail breakdown is Attachment 12.
- (8) **Replacement of Existing Equipment** (Attachment 9)

An equipment schedule will be required only when the request is greater than the amount of the authorized budget. The requested increase shall not exceed 5% of the 2004-2005 authorized equipment budget unless an exemption is granted by your OSBM analyst. The Sample Equipment Purchase Schedule is Attachment 9(a).

(9) **Vehicle Replacement** (Attachments 10 and 11)

- (a) Licensed Motor Vehicles (Attachment 10) - Replacement of departmentally owned motor vehicles that are licensed will be allowed in the continuation budget. This replacement includes cars, vans, trucks, jeeps, ambulances, buses, etc.

Additions to the fleet will be requested in the expansion budget. Purchase and trade-in amounts for replacement vehicles are determined by each department/agency based on the particular type of vehicle and accessories. Refer to the Vehicle Term Contracts on the Division of Purchase and Contracts web site as a basis for your purchase amounts. The total purchase price of vehicles must be included in the appropriate line item. The estimated sales proceeds for the used vehicle must be budgeted as sale of surplus property receipts. Motor vehicles other than those used by law enforcement officers will be scheduled for replacement at the time they are expected to have 110,000 miles (Motor Fleet Management must follow N.C.G.S. 143-341(8)i). Requested replacement of vehicles with less than 110,000 miles must have sufficient written justification. Motor vehicles used by law enforcement officers must be scheduled for replacements as follows: Highway Patrol - 70,000; Division of Motor Vehicles - 70,000, and all other law enforcement - 80,000 miles.

Nonrecurring funds that were approved in the last biennium for replacement of motor vehicles and included in the authorized 2004-05 year must be removed from the continuation budget. Replacement schedules should be submitted only when there is an increase over the recurring authorized budget.

- (b) Other Vehicles (Attachment 11) - Other vehicles which are replaced on an irregular basis, such as farm tractors, combines, crawler tractors, drag lines, front-end loaders, back-hoes and lawn mower type equipment, may be replaced in the continuation budget. The age, year purchased, mechanical condition, and annual repair/maintenance cost will be prime factors in OSBM's consideration of these requests for inclusion in the continuation budget. Requests to replace *other vehicles* must be for the continuance of the existing programs or services and must not be to expand the capabilities of the facility.

Nonrecurring funds that were approved in the last biennium for replacement of *other vehicles* and included in the authorized 2004-05 year must be removed from the continuation budget. Replacement schedules should be submitted only when there is an increase over the recurring authorized budget.

- (10) **Statutorily Established Salary Increases** - Salary increases required by General Statute for specified position classifications, such as magistrates, clerks of court, and the Highway Patrol will be included in the requested continuation budget.

- (11) **Building/Office Lease** – A building/office lease schedule will be required only when the request is greater than the amount of the authorized budget. Requests for increases in funding related to building/office lease expenses will be allowed as documented on Attachment 13 – *Building/Office Lease Schedule*.

4.1d Allowable Inflationary Increases

Agencies/departments use allowable inflationary increase rates to accurately project budgetary needs created by inflation for the current biennium and for planning for future biennia. The rates may be used to develop increases and/or decreases in those items subject to the inflationary factors. The increases and/or decreases computed for the continuation budget are then placed in Worksheet I in Columns 6 and 8. The procedures listed below outline the steps involved in using inflationary factors. Inflation factors cannot be applied to line items that have been realigned.

Procedures

Attachment 17 contains the allowable inflation factors that may be used by agencies in preparation of the 2005-2007 continuation budget, and may be used as appropriate in preparation of expansion budget requests. Inflation factors must be applied to the 2003-2004 actual expenditures.

For expansion requests, allowable inflationary increases are provided through the state fiscal year 2009-2010 in order to estimate the five-year fiscal impact as required under G.S. 143-3.5. These rates may be used to develop the increases or decreases applicable to the respective items in an agency's budget. In a situation where the rates are clearly not appropriate and a higher rate can be documented, the higher rate may be submitted for consideration by OSBM.

The *Schedule of Approved OSBM Inflation Factors* must be used for computational purposes. Columns 1 through 5 on Attachment 17 reflect the compounding of the allowable rates. These are the factors that must be applied to the 2003-2004 actual expenditures for the 2005-2007 biennium.

**(1) Food, Drugs, Medical Supplies, Water and Sewer, Electricity, Natural Gas, and Subsistence
(Attachment 14)**

Columns 1 through 5 on Attachment 17 reflect the compounding of the allowable rate increases. In using these rates to determine the allowable increases, use the following formula:

$$(2003-2004 \text{ Actual} \times \text{Compounded Rate}) - 2004-2005 \text{ Authorized Budget} = \text{Allowable Change}$$

Stated another way, the formula would be: the amount in Column 3 of Worksheet I, multiplied by the compounded factor in the *Schedule of Approved OSBM Inflation Factors*, minus the amount in Column 5 of Worksheet I equals the allowable change.

Example: To determine the amount of increase allowed for food for 2005-2007 when the actual expenditures for food for 2003-2004 were \$500,000 and the authorized budget for 2004-2005 is \$505,000:

2005-2006 over 2004-2005 \$500,000 X 1.032 = \$516,000 \$516,000 - \$505,000 = \$11,000	2006-2007 over 2004-2005 \$500,000 X 1.046 = \$523,000 \$523,000 - \$505,000 = \$18,000
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The amount of \$11,000 would then be entered in Column 6 for a 2005-2006 increase and \$18,000 would be entered in Column 8 for a 2006-2007 increase in the continuation budget in Worksheet I.

Requests for increases in funding related to food, drugs, medical supplies, utilities, and subsistence will be allowed as documented on Attachment 14.

- (2) **Gasoline and Fuel Oil:** (Attachment 15) To determine the allowable increase for these items, the projected rate per gallon in the *Schedule of Approved OSBM Inflation Factors* is multiplied by the actual consumption in gallons in the 2003-2004 actual year, minus the 2004-2005 authorized budget.

Stated as a formula, the gasoline increase would be computed as follows:

2003-2004 Actual Gallons X Projected Cost Per Gallon) – 2004-2005 Authorized Budget = Change Amount

Requests for increases in funding related to gasoline and fuel oil will be allowed as documented on Attachment 15.

4.2 Budgeting Salaries On Worksheet I

The salary-related amounts reflected in Columns 7 and 9 of the Worksheet I will be based on the authorized budget for 2004-2005 plus any necessary annualization of positions.

4.2a Reconciliation of Position Counts and Budgeted Salaries (Attachment 7)

OSBM will generate from BPS a *Reconciliation of Position Counts and Budgeted Salaries* report (BI 232) (See Attachment 7) that begins with the 2004-2005 certified budget and adds or deletes all approved budget revisions and posted entries that affect personnel transactions and budgeted salary amounts. A copy of this report will be available to agencies through X/TND by August 16, 2004. Agencies should review this report for accuracy and contact their OSBM analyst if corrections are necessary. As a required document in the agency's submitted continuation budget package, Attachment 7 must agree with the recommended salaries and position counts in Worksheet I.

Note: The RK329 report on current authorized positions and salaries can be requested at any time with BRS print function 16, and may be used by both agencies and OSBM to monitor the accuracy of entries made via the budget revision (BD 606) process. This is the same database that acts as the source for the *Reconciliation of Position Counts and Budget Salaries* and can assist agencies and OSBM analysts in preliminary verification of this data.

4.2b Annualization of Salaries on Worksheet I

OSBM will also generate *Position Schedules* (PM739) from the June 30, 2004 PMIS database and make them available through X/TND. These reports are to be used for informational purposes only and are not to be submitted to OSBM with the continuation budget package. These reports show the effective date for positions effective after July 1, 2004 and also show time-limited positions and their scheduled termination dates to assist in identifying positions which must be annualized. This would include, for instance, new positions authorized by the 2004 Session of the General Assembly or positions included in authorized building operating reserves. Positions which are scheduled to be abolished with an effective date after July 1, 2004 must also be annualized.

Annualization Example: A new position is authorized by the General Assembly effective October 1, 2004 at an annual salary of \$47,679. The budget for 2004-2005 includes \$35,760 for the position for nine months. The difference between the annual salary of \$47,679 and the nine month (portion payable) salary of \$35,760 is \$11,919. The amount of \$11,919 is the allowable increase for Columns 6 and 8 of the Worksheet I. *Note:* The employer match for both Social Security and Retirement would reflect increases to match the salary increase as well as an annualization of the employer's share of health benefits.

Agencies continue to be responsible for maintaining accurate and current PMIS data. Salaries reflected in PMIS must not exceed the authorized budget plus annualization of positions. If total salaries in PMIS exceed the authorized budget plus annualization of positions, appropriate personnel actions must be taken to adjust PMIS to be within the amounts in columns 7 and 9 of the Worksheet I.

Note: Legislative Increases (LI) authorized for 2004-2005 by the 2004 Session of the General Assembly will not be reflected in the authorized budget for 2004-2005 to allow for a more timely distribution of the Worksheet I to agencies. Any new (LI) approved for 2004-2005 will be continued for 2005-2007 by OSBM in a statewide reserve.

4.2c Realign Salary Reserve

It is essential that the Salary Control System (SCS) in OSBM reflect correct position and salary information by June 30, 2004. By the end of July 2004 agencies are to submit budget revisions (BD 606) to OSBM to align salary reserve to accurately reflect the annual salary requirements in each operating fund and to eliminate any negative amounts that exist. It may be necessary to reduce or abolish positions in some instances to eliminate negative salary reserve amounts. Agencies will be allowed to retain positive salary reserve amounts in the continuation budgets. Any salary reserve will be reflected in the authorized salary amount plus annualization that will be the basis for the recommended amounts in column 7 and 9 of the Worksheet I.

4.2d Fringe Benefits

Fringe benefit amounts for Social Security and retirement will be based on the funds requested in the appropriate salary line items on Worksheet I for 2005-2006 and 2006-2007 respectively. The amounts for health benefits will be based on the authorized position counts for each year.

The fringe benefits rates are as follows:

Social Security 7.65% on a salary base of up to \$87,900 (1.45% Medicare unlimited). The *Position Schedule* PM739 can be used to determine the appropriate amount to include in the continuation budget for Social Security.

Teachers and State Employees Retirement rate - 5.815%

State Law Enforcement Officers Retirement rate - 10.815%

University Employees & Community College Optional Retirement rate - 10.485%

Consolidated Judicial Retirement rate - 15.79

Legislative Retirement System rate - 3.20%

Health Benefits amount - \$3,432 per year; Medicare-eligible \$2,612

Retirement and health benefits for permanent state employees who work at least nine months per year and at least 30 hours per week must be included.

For UNC campuses detailed documentation must be submitted to support the retirement request.

Note: The Social Security rates are the current estimates and could be changed by the U. S. Congress.

4.3 Fund Purpose Statements and Department Mission Statements

Fund purpose statement -- A fund purpose statement is a brief description of the programs and major activities supported by a particular fund. It is an explanation for the use of the monies on a continuing basis. (It does not address expansion requests.)

Go to **http://data.osbm.state.nc.us/budget_narratives/start.html** to add fund purpose statements and edit existing ones. When you have finished editing a fund purpose statement, check the "finished" box.

Department mission statement -- The department mission statement briefly explains what the department does. It should not exceed two paragraphs.

Go to **http://data.osbm.state.nc.us/budget_narratives/start.html** to edit mission statements. When you have finished editing a mission statement, check the "finished" box.

4.4 Continuation Budget Attachments

- Attachment A Checklist for 2005-2007 Continuation Budget Requests
- Attachment 1 Summary of Total Continuation Budget Requests by Department
- Attachment 2 Sample Summary by Purpose
- Attachment 3 Sample Summary by Account (Object)
- Attachment 4 Sample Detail Request
- Attachment 5 Sample Position Count
- Attachment 6 Sample 2004-2005 Reconciliation of Requirements, Receipts, and Appropriation
- Attachment 7 Sample Reconciliation of Position Counts and Budgeted Salaries
- Attachment 8 Explanation of Increases and Decreases Schedule
- Attachment 8a Sample Explanation of Increases and Decreases Schedule
- Attachment 9 Equipment Purchase Schedule
- Attachment 9a Sample Equipment Purchase Schedule
- Attachment 10 Licensed Motor Vehicle Purchase Schedule
- Attachment 10a Sample Licensed Motor Vehicle Purchase Schedule
- Attachment 11 Other Vehicle Purchase Schedule
- Attachment 11a Sample Other Vehicle Purchase Schedule
- Attachment 12 Sample Format for Building Reserve
- Attachment 13 Building/Office Lease Schedule
- Attachment 13a Sample Building/Office Lease Schedule
- Attachment 14 Food, Drugs, Medical Supplies, Utilities, and Subsistence Schedule
- Attachment 14a Sample Food, Drugs, Medical Supplies, Utilities, and Subsistence Schedule
- Attachment 15 Gasoline and Fuel Oil Schedule
- Attachment 15a Sample Gasoline and Fuel Oil Schedule

Attachment 16 K-12 Textbook/Supplies Schedule

Attachment 16a Sample K-12 Textbook/Supplies Schedule

Attachment 17 Approved OSBM Inflation Factors

Checklist for 2005-2007 Continuation Budget Requests

Attachment A

(Due 10/29/04)

Submit 2 complete packages of the following:

- | | | |
|--|--|-------|
| Attachment A | Completed Checklist for 2005-2007 Continuation Request | _____ |
| Attachment 1 | Summary of Total Continuation Budget Requests by Department | _____ |
| Attachment 2 | Summary by Purpose | _____ |
| Attachment 3 | Summary by Account | _____ |
| Attachment 4 | Detail Request - Worksheet I | _____ |
| Attachment 5 | Position Count | _____ |
| Attachment 6 | Reconciliation of Requirements, Receipts, and Appropriation | _____ |
| Attachment 7 | Reconciliation of Position Counts and Budgeted Salaries | _____ |
| Attachment 8 | Explanation of Increases and Decreases (also electronically submit 1 copy in an excel format) | _____ |
| Attachment 9 | Equipment Purchase Schedule (also electronically submit 1 copy in an excel format) | _____ |
| Attachment 10 | Motor Vehicle Purchase Schedule (also electronically submit 1 copy in an excel format) | _____ |
| Attachment 11 | Other Vehicle Purchase Schedule (also electronically submit 1 copy in an excel format) | _____ |
| Attachment 12 | Building Reserves (also electronically submit 1 copy in an excel format) | _____ |
| Attachment 13 | Lease Schedule (also electronically submit 1 copy in an excel format) | _____ |
| Attachment 14 | Food, Drugs, Medical Supplies, Utilities, and Subsistence Inflationary Schedule (also electronically submit 1 copy in an excel format) | _____ |
| Attachment 15 | Gasoline and Fuel Oil Inflationary Schedule (also electronically submit 1 copy in an excel format) | _____ |
| Attachment 16 | K-12 Textbooks and Supplies Schedule (also electronically submit 1 copy in an excel format) | _____ |
| Other Supporting Documentation (please list below) | | |

SUMMARY OF TOTAL CONTINUATION REQUESTS BY DEPARTMENT

2005-2007 BIENNIIUM

Department

Division or Institution

Bu

DESCRIPTION (1)	2003-04 ACTUAL (2)	2004-05 CERTIFIED (4)	2004-05 AUTHORIZED (5)	2005 -06		INCR/AU TOTAL (7)	INCR/AU TOTAL (8)
				INCR/DECR OVER AUTHORIZED (6)	TOTAL (7)		

TOTAL REQUIREMENTS

TOTAL ESTIMATED RECEIPTS

***CHANGE IN CASH BALANCE**

***BEGINNING CASH BALANCE**

***ENDING CASH BALANCE**

NET APPROPRIATIONS

NUMBER OF POSITIONS

*Cash balance reflected for Special Funds codes only.

Prepare one summary Attachment 1 for each budget code and a grand total summary Attachment 1 combining all budget codes at your agency.

Submit 2 copies on 8 1/2 x 11-inch paper.

For assistance contact an OSBM analyst.

**SUMMARY BY PURPOSE
BUDGET PREPARATION WORKSHEET I**
(Note: This form is provided by BPS)

Section 4
Sample Attachment 2
(Due 10/29/04)

3XXX DEPARTMENT OF ABC INSTITUTION

13XXX ABC INSTITUTION

FUND (1)	DESCRIPTION TITLE (2)	2003-04 ACTUAL (3)	2004-05 CERTIFIED (4)	2004-05 AUTHORIZED (5)	2005-06		2006-07	
					INCR/DECR OVER AUTHORIZED (6)	TOTAL (7)	INCR/DECR OVER AUTHORIZED (8)	TOTAL (9)
					REQUIREMENTS:			
1110	GENERAL ADMINISTRATION	\$11,284,000	\$11,318,537	\$11,358,951	\$62,000	\$11,420,951	\$55,000	\$11,413,951
1120	FISCAL MANAGEMENT	18,576,000	18,493,934	18,466,511	120,484	18,586,995	106,605	18,573,116
1220	PUBLICATIONS	4,630,000	4,636,538	4,642,458	36,682	4,679,140	32,451	4,674,909
1230	WASTE REDUCTION	2,530,400	2,631,221	2,640,500	35,060	2,675,560	31,015	2,671,515
1330	BUILDING MAINTENANCE	3,520,000	3,438,270	3,440,380	18,824	3,459,204	16,643	3,457,023
TOTAL REQUIREMENTS		\$40,540,400	\$40,518,500	\$40,548,800	\$273,050	\$40,821,850	\$241,714	\$40,790,514
ESTIMATED RECEIPTS:								
1110	GENERAL ADMINISTRATION	\$675,400	\$28,800	\$28,800	\$1,100	\$29,900	\$700	\$29,500
1120	FISCAL MANAGEMENT	1,111,000	50,020	47,300	1,800	49,100	1,130	48,430
1220	PUBLICATIONS	242,500	11,960	9,260	400	9,660	222	9,482
1230	WASTE REDUCTION	161,500	7,580	5,060	200	5,260	120	5,180
1330	BUILDING MAINTENANCE	235,000	9,440	7,040	300	7,340	170	7,210
TOTAL ESTIMATED RECEIPTS		\$2,425,400	\$107,800	\$97,460	\$3,800	\$101,260	\$2,342	\$99,802
NET APPROPRIATION								
		\$38,115,000	\$40,410,700	\$40,451,340	\$269,250	\$40,720,590	\$239,372	\$40,690,712

For assistance contact an OSBM analyst.

Section 4

Sample Attachment 3

(Due 10/29/04)

SUMMARY BY ACCOUNT
BUDGET PREPARATION WORKSHEET I
(NOTE: This form is provided by BPS)

3XXX DEPARTMENT OF ABC INSTITUTION

13XXX ABC INSTITUTION

ACCOUNT (1)	DESCRIPTION TITLE (2)	2003-04 ACTUAL (3)	2004-05 CERTIFIED (4)	2004-05 AUTHORIZED (5)	2005-06		2006-07	
					INCR/DECR OVER AUTHORIZED (6)	TOTAL (7)	INCR/DECR OVER AUTHORIZED (8)	TOTAL (9)
REQUIREMENTS:								
531211	SPA REGULAR SALARIES	\$34,459,000	\$34,550,000	\$34,575,000	\$0	\$34,575,000	\$0	\$34,575,000
531311	TEMPORARY WAGES	125,000	125,800	126,200	5,600	131,800	5,600	131,800
531461	LONGEVITY	575,000	550,500	550,500	24,400	574,900	24,400	574,900
532210	ELECTRICAL SERVICES	815,500	822,800	822,800	35,900	858,700	43,000	865,800
532512	RENT/LEASE - BLDINGS/OFFICE	1,450,000	1,406,000	1,416,000	42,750	1,458,750	46,314	1,462,314
533410	FOOD SUPPLIES	28,700	32,800	32,800	4,700	37,500	8,000	40,800
533900	OTHER MATERIAL & SUPPLIES	2,250,000	2,238,600	2,232,000	62,000	2,294,000	58,900	2,290,900
534521	OFFICE EQUIPMENT	431,000	388,000	388,000	86,500	474,500	43,000	431,000
534541	AUTOS, TRUCKS & BUSES	406,200	404,000	405,500	11,200	416,700	12,500	418,000
TOTAL REQUIREMENTS		\$40,540,400	\$40,518,500	\$40,548,800	\$273,050	\$40,821,850	\$241,714	\$40,790,514
ESTIMATED RECEIPTS:								
434140	MAINTENANCE & REPAIR SERV.	\$63,500	\$65,800	\$64,580	\$1,200	\$65,780	\$1,300	\$67,080
438980	TRANSFERS FROM PRIOR YEAR	2,361,900	42,000	32,880	2,600	35,480	1,042	32,722
TOTAL ESTIMATED RECEIPTS		\$2,425,400	\$107,800	\$97,460	\$3,800	\$101,260	\$2,342	\$99,802
NET APPROPRIATION								
		\$38,115,000	\$40,410,700	\$40,451,340	\$269,250	\$40,720,590	\$239,372	\$40,690,712

For assistance contact an OSBM analyst.

DETAIL REQUEST
BUDGET PREPARATION - PRELIMINARY WORKSHEET I
(NOTE: This form is provided by BPS)

Section 4

Sample Attachment 4

(Due 10/29/04)

3XXX ABC INSTITUTION
 13XXX ABC INSTITUTION
 1110 GENERAL ADMINISTRATION P/PB 2100

DESCRIPTION		2003-04		2004-05		2004-05		2005-06		2006-07	
ACCOUNT	TITLE	ACTUAL	CERTIFIED	AUTHORIZED	INCR/DECR OVER	AUTHORIZED	TOTAL	AUTHORIZED	INCR/DECR OVER	TOTAL	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)			
REQUIREMENTS:											
531211	SPA REGULAR SALARIES	\$10,137,000	\$10,200,000	\$10,230,000	0	\$10,230,000	0	\$10,230,000			
531461	LONGEVITY	188,000	180,000	180,000	8,000	188,000	8,000	188,000			
TOTAL PERSONAL SERVICES		10,325,000	10,380,000	10,410,000	8,000	10,418,000	8,000	10,418,000			
532210	ELECTRICAL SERVICE	227,000	229,058	229,058	10,000	239,058	12,000	241,058			
532512	RENT/LEASE-BLDINGS/OFFICES	159,000	161,159	163,591	0	163,591	0	163,591			
TOTAL PURCHASED SERVICES		386,000	390,217	392,649	10,000	402,649	12,000	404,649			
533110	GENERAL OFFICE SUPPLIES	30,000	30,600	31,600	2,000	33,600	3,000	34,600			
533410	FOOD SUPPLIES	407,000	394,720	399,702	12,000	411,702	13,000	412,702			
533900	OTHER MATERIAL & SUPPLIES	8,000	7,000	7,000	1,000	8,000	2,000	9,000			
TOTAL SUPPLIES		445,000	432,320	438,302	15,000	453,302	18,000	456,302			
534521	OFFICE EQUIPMENT	8,000	8,000	10,000	5,000	15,000	5,000	15,000			
534541	AUTOS, TRUCKS, & BUSES	120,000	108,000	108,000	24,000	132,000	12,000	120,000			
TOTAL PROPERTY, PLANT AND EQUIP.		128,000	116,000	118,000	29,000	147,000	17,000	135,000			
TOTAL REQUIREMENTS		\$11,284,000	\$11,318,537	\$11,358,951	\$62,000	\$11,420,951	\$55,000	\$11,413,951			
ESTIMATED RECEIPTS:											
434310	SALE OF PUBLICATIONS	\$400	\$300	\$300	\$100	\$400	\$200	\$500			
434320	SALE OF SURPLUS PROPERTY	5,000	4,500	4,500	1,000	5,500	500	5,000			
435500	FINES, PENALTIES & ASSESS. FEES	23,000	24,000	24,000	0	24,000	0	24,000			
438980	TRANSFERS FROM PRIOR YEAR	647,000	0	0	0	0	0	0			
TOTAL ESTIMATED RECEIPTS		\$28,400	\$28,800	\$28,800	\$1,100	\$29,900	\$700	\$29,500			
NET APPROPRIATION		\$11,255,600	\$11,289,737	\$11,330,151	\$60,900	\$11,391,051	\$54,300	\$11,384,451			

POSITION COUNT
SUMMARY BY PURPOSE
BUDGET PREPARATION WORKSHEET I
(Note: This form is provided by BPS)

3XXX DEPARTMENT OF ABC INSTITUTION**13XXX ABC INSTITUTION**

FUND (1)	DESCRIPTION TITLE (2)	2003-04 ACTUAL (3)	2004-05 CERTIFIED (4)	2004-05 AUTHORIZED (5)	2005-06		2006-07	
					INCR/DECR OVER AUTHORIZED (6)	TOTAL (7)	INCR/DECR OVER AUTHORIZED (8)	TOTAL (9)
1110 GENERAL ADMINISTRATION		11.00	11.00	11.00	1.00	12.00	1.00	12.00
1120 FISCAL MANAGEMENT		4.00	3.00	3.00		3.00		3.00
1220 PUBLICATIONS		13.00	13.00	13.00		13.00		13.00
1230 WASTE REDUCTION		11.00	11.00	11.00		11.00		11.00
1330 BUILDING MAINTENANCE		4.00	4.00	4.00		4.00		4.00
TOTAL		43.00	42.00	42.00	1.00	43.00	1.00	43.00

2003-2004 RECONCILIATION OF REQUIREMENTS, RECEIPTS, AND APPROPRIATION
(Generated by BPS)

Section 4
Sample Attachment 6
(Due 10/29/04)
Code: 13XXX

Department/Division: ABC Institution

Description	Certified 2004-05			Authorized 2004-05		
	Requirements	Receipts	Appropriation	Requirements	Receipts	Appropriation
Certified Budget	\$11,000,000	\$1,000,000	\$10,000,000	\$11,000,000	\$1,000,000	\$10,000,000
July 2004 Revised Certified Budget (Changes)	10,000	2,000	8,000	10,000	2,000	8,000
Budget Revisions:						
11 0002 SPA Salary Legislative Increase	24,764	0	24,764	24,764	0	24,764
11 0003 Hospitalization Increase	10,000	0	10,000	10,000	0	10,000
12 0001 Transfer Receipt-Supported Positions				14,859	14,859	0
12 0002 Establish New Position From Receipts	0	0	0	14,499	14,499	0
14 0001 Change Position Classification	0	0	0	0	0	0
14 0002 Salary Reserve Transfer	0	0	0	0	0	0
Total Revisions	34,764	0	34,764	64,122	29,358	34,764
Adjustments:				0		
Total Adjustments				0	0	0
Budget Code Total	\$11,044,764	\$1,002,000	\$10,042,764	\$11,074,122	\$1,031,358	\$10,042,764

SAMPLE RECONCILIATION OF POSITION COUNTS AND BUDGETED SALARIES
(Generated by BPS)

Department/Division: ABC Institution

Section 4

Budget Code: 13035

Sample Attachment 7

Fund/Account: 1110-53 1211 Administration

(Due 10/29/04)

SPA Regular Salaries - Appropriated

Description	Authorized Salaries					Authorized Position Count				
	2004-05	Incr/Decr	2005-06 Total	Incr/Decr	2006-07 Total	2004-05	Incr/Decr	2005-06 Total	Incr/Decr	2006-07 Total
Certified Budget	150,450		150,450		150,450	5.50		5.50		5.50
Budget Revision:										
11 0003 New accounting positions	88,000		88,000		88,000	2.00		2.00		2.00
12 0010 Transfer Clerk from Other Institution	15,000		15,000		15,000	1.00		1.00		1.00
12 0023 Transfer salary reserve	20,000		20,000		20,000					
Total Revised	273,450	0	273,450	0	273,450	8.50	0.00	8.50	0.00	8.50
Requested Changes:										
97 0001 Abolish Mail Clerk	-14,000	-14,000	-14,000	-14,000	-14,000	-1.00	-1.00	-1.00	-1.00	-1.00
Total for fund/account	273,450	-14,000	259,450	-14,000	259,450	8.50	-1.00	7.50	-1.00	7.50

EXPLANATION OF INCREASES AND DECREASES SCHEDULE
(For continuation requests only)

Section 4
Attachment 8
(Due 10/29/04)

Department _____

Division or Institution _____

Budget Code _____

Fund _____

ACCOUNT	2005-06			2006-07		
	TITLE	EXPLANATION	AMOUNT	TITLE	EXPLANATION	AMOUNT
<u>Requirements</u>						
Total Requirements			\$0			\$0
<u>Receipts</u>						
Total Receipts			\$0			
Appropriation			\$0			\$0

Submit 2 copies on 8 1/2 x 11-inch paper.

SAMPLE EXPLANATION OF INCREASES AND DECREASES SCHEDULE
(For continuation requests only)

Section 4
Sample Attachment 8(a)
(Due 10/29/04)

Department	<u>ABC Institution</u>	Division or Institution	<u></u>	Budget Code	<u>13XXX</u>
Fund	<u>1100 - Administrative Services</u>				

ACCOUNT	2005-06			2006-07		
	TITLE	EXPLANATION	AMOUNT	TITLE	EXPLANATION	AMOUNT
Requirements						
531461	EPA & SPA Longevity	Increase for longevity based on June 30, 2004 PM739 Position Schedule.	\$600	EPA & SPA Longevity	Increase for longevity based on June 30, 2004 PM739 Position Schedule.	\$600
531511	Social Security	Increase to reflect social security on scheduled salaries at 7.65%.	\$659	Social Security	Increase to reflect social security on scheduled salaries at 7.65%.	\$705
531521	Retirement	Increase to reflect retirement on scheduled salaries at 5.77%.	\$1,977	Retirement	Increase to reflect retirement on scheduled salaries at 5.77%.	\$2,042
534522	Equipment - Computers	Decrease for nonrecurring appropriation by the 2004 Session of the General Assembly.	(\$57,000)	Equipment - Computers	Decrease for nonrecurring appropriation by the 2004 Session of the General Assembly.	(\$57,000)
534541	Motor Vehicles	Increase to agree to motor vehicle replacement schedule.	\$25,800			
Total Requirements			(\$27,964)			(\$53,653)
Receipts						
434320	Sale of Surplus Property	Increase to agree with proceeds from sale of vehicle.	\$1,500			
Total Receipts			\$1,500			
Appropriation			(\$29,464)			(\$53,653)

For assistance contact an OSBM analyst.

**SAMPLE EQUIPMENT PURCHASE SCHEDULE
PURCHASE OR INSTALLMENT PAYMENTS
(For continuation requests only)**

Section 4
Sample Attachment 9
(Due 10/29/04)

Department _____ Division or Institution _____ Budget Code _____

FUND	ACCOUNT*	PRIORITY	EQUIPMENT DESCRIPTION	JUSTIFICATION	2005-06			2006-07		
					QUANTITY NUMBER	COST PER UNIT	TOTAL COST	QUANTITY NUMBER	COST PER UNIT	TOTAL COST
					Total by Fund/Account	\$0	Total by Fund/Account	\$0		
					Less: 2004-05 authorized equipment budget		Less: 2004-05 authorized equipment budget			
					Net Amount to Worksheet I (Columns 6 & 8)	\$0	Net Amount to Worksheet I (Columns 6 & 8)	\$0		

*Prepare a separate schedule for each Fund/Account.

(R) = Replacement (I) = Installment

For assistance contact an OSBM analyst.

**SAMPLE EQUIPMENT PURCHASE SCHEDULE
PURCHASE OR INSTALLMENT PAYMENTS
(For continuation requests only)**

Section 4
Sample Attachment 9(a)
(Due 10/29/04)

Department _____			Division or Institution _____			Budget Code _____				
FUND	ACCOUNT*	PRIORITY	EQUIPMENT DESCRIPTION	JUSTIFICATION	2005-06			2006-07		
					QUANTITY NUMBER	COST PER UNIT	TOTAL COST	QUANTITY NUMBER	COST PER UNIT	TOTAL COST
1101	53 4525	1	<i>Hobart verticle cutter/mixer</i>	existing equipment not operational and cannot be repaired	1	\$7,650	\$7,650			
		2	microwave	existing equipment not operational and cannot be repaired	2	\$175	\$350			
		3	dishwashing machine	existing equipment has been repaired multiple times and requires replacement	1	\$175	\$175			
		1	Jamison walk-in cooler	existing equipment has been repaired mulitple times and will require replacement in next 12 months				1	\$4,000	\$4,000
					Total by Fund/Account	\$8,175	Total by Fund/Account	\$4,000		
					Less: 2004-05 authorized equipment budget	(\$2,243)	Less: 2004-05 authorized equipment budget	(\$2,243)		
<i>*Prepare a separate schedule for each Fund/Account.</i>					Net Amount to Worksheet I (Columns 6 & 8)	\$5,932	Net Amount to Worksheet I (Columns 6 & 8)	\$1,757		

(R) = Replacement (I) = Installment

For assistance please contact an OSBM analyst.

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 4
Attachment 10
(Due 10/29/04)

Department _____ Division or Institution _____ Budget Code 13XXX

FUND	ACCOUNT	PRIORITY	DESCRIPTION (MAKE, MODEL, YEAR AND VIN)	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-05	TYPE OF USE*	JUSTIFICATION (IF APPLICABLE)	2005-06		2006-07	
								TOTAL COST	TRADE-IN VALUE** (IF APPLIC.)	TOTAL COST	TRADE-IN VALUE** (IF APPLIC.)
			Total Request by Fund/Account Less: FY 2004-05 Authorized Licensed Motor Vehicle Budget (Column 5) Net Amount to Add (Subtract) to Worksheet I (Columns 6 & 8) (Requirements to Motor Vehicle Account (Object) and Trade-in to Sale of Surplus Property Receipt Account (Object))					\$0	\$0	\$0	\$0
								\$0	\$0	\$0	\$0

*Type of use will either be State Highway Patrol (SHP), Division of Motor Vehicles (DMV), other Law Enforcement (OLE) or other (OTH).

**Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

Submit 2 copies on 8 1/2 x 11-inch paper.

SAMPLE LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 4

Sample Attachment 10(a)
(Due 10/29/04)

Department		<u>ABC Institution</u>		Division or Institution			Budget Code <u>13XXX</u>				
FUND	ACCOUNT	PRIORITY	DESCRIPTION (MAKE, MODEL, YEAR AND VIN)	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-05	TYPE OF USE*	JUSTIFICATION (IF APPLICABLE)	2005-06		2006-07	
								TOTAL COST	TRADE-IN VALUE** (IF APPLIC.)	TOTAL COST	TRADE-IN VALUE** (IF APPLIC.)
1100	534541	1	Dodge Van - 1993 VJ186523R23588126	Feb. 1993	125,000	OTH		\$12,750	\$1,500		
1100	534541	2	Chevy Suburban - 1996 SRE12J0FP11597613	Jan. 1996	88,000	OLE				\$28,250	\$2,000
1100	534541	3	Dodge Truck 1/2 Ton 4WD - 1995 KJ258956F46785233	May 1995	113,500	OTH		\$14,000	\$1,000		
			Total Request by Fund/Account					\$26,750	\$2,500	\$28,250	\$2,000
			Less: FY 2004-05 Authorized Licensed Motor Vehicle Budget (Column 5)					(\$26,000)	(\$300)	(\$26,000)	(\$300)
			Net Amount to Add (Subtract) to Worksheet I (Columns 6 & 8)					\$750	\$2,200	\$2,250	\$1,700
			(Requirements to Motor Vehicle Account (Object) and Trade-in to Sale of Surplus Property Receipt Account (Object))								

*Type of use will either be State Highway Patrol (SHP), Division of Motor Vehicles (DMV), other Law Enforcement (OLE) or other (OTH).

**Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

For assistance contact an OSBM analyst.

Section 4
Attachment 11
(Due 10/29/04)

OTHER VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Department ABC Institution **Division or Institution** _____ **Budget Code** 13XXX

FUND	ACCOUNT	PRIORITY	DESCRIPTION (MAKE, TYPE YEAR AND MODEL)	DATE PURCHASED (MONTH AND YEAR)	NUMBER REQUESTED	JUSTIFICATION/CONDITION* (IF APPLICABLE)	2005-06		2006-07	
							TOTAL COST	TRADE-IN VALUE** (IF APPLIC.)	TOTAL COST	TRADE-IN VALUE** (IF APPLIC.)
			Total Request by Fund/Account				\$0	\$0	\$0	\$0
			Less: FY 2004-05 Authorized Licensed Motor Vehicle Budget (Column 5)				\$0	\$0	\$0	\$0
			Net Amount to Add (Subtract) to Worksheet I (Columns 6 & 8)				\$0	\$0	\$0	\$0
			(Requirements to Motor Vehicle Account (Object) and Trade-in to Sale of Surplus Property Receipt Account (Object))							

*Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

**Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

Submit 2 copies on 8 1/2 x 11-inch paper.

For assistance contact an OSBM analyst.

SAMPLE OTHER VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 4
Sample Attachment 11(a)
(Due 10/29/04)

Department		ABC Institution		Division or Institution		Budget Code 13XXX				
FUND	ACCOUNT	PRIORITY	DESCRIPTION (MAKE, TYPE YEAR AND MODEL)	DATE PURCHASED (MONTH AND YEAR)	NUMBER REQUESTED	JUSTIFICATION/CONDITION* (IF APPLICABLE)	2005-06		2006-07	
							TOTAL COST	TRADE-IN VALUE** (IF APPLIC.)	TOTAL COST	TRADE-IN VALUE** (IF APPLIC.)
1230	534541	1	Ford Tractor - 1987 Model 740	Mar. 1997 (New)	1	Nonrepairable, declared unsafe for use by safety officer due to metal fatigue.	\$68,000	\$500		
1230	534541	2	Hough Payloader - 1979 Model H-30-B	Apr. 1979 (New)	1	Poor, replacement parts not available, electrical system not repairable. *Additional maintenance information attached.			\$55,000	\$1,500
			Total Request by Fund/Account				\$68,000	\$500	\$55,000	\$1,500
			Less: FY 2004-05 Authorized Licensed Motor Vehicle Budget (Column 5)				(\$15,000)	(\$250)	(\$10,000)	(\$500)
			Net Amount to Add (Subtract) to Worksheet I (Columns 6 & 8)				\$53,000	\$250	\$45,000	\$1,000
			(Requirements to Motor Vehicle Account (Object) and Trade-in to Sale of Surplus Property Receipt Account (Object))							

*Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

**Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

SAMPLE FORMAT FOR BUILDING RESERVE

NOTE: Specific format and line items should be agreed upon with your OSBM analyst

ABC Department2005-07 Operating Reserves
Continuation Budget**XYZ Division****1711 General Institutional Support****(XYZ Division - Budget Code 14XXX)*****Reserve for Operation of New Building (specify)***

C.I. Code: 40181-4001

Estimated Completion Date: January 1, 2006

(As provided by State Construction)

Fund- <u>Account</u>	Description	Prorata Cost <u>2005-06</u>	Annual Cost <u>2006-07</u>
1711-531211 SPA Regular Salaries	Salary Rate		
6.0 Housekeeper	\$17,692	\$53,076	\$106,152
.5 Housekeeper Supervisor	19,806	4,952	9,903
.5 Maintenance Mechanic I	24,980	6,245	12,490
.5 Grounds Worker	18,418	<u>4,605</u>	<u>9,209</u>
Total Regular Salaries		68,877	137,754
1711-531511 Social Security		5,269	10,538
1711-531521 State Retirement		3,974	7,948
1711-531561 Medical Insurance		12,870	25,740
1711-532210 Electrical		50,000	100,000
1711-532310 Repairs - Buildings		4,000	8,000
1711-532430 Maintenance Contracts			5,000
1711-532811 Telephone			
Telephone Installation		1,500	
Telephone Equipment Rental		<u>3,000</u>	<u>6,000</u>
Total Telephone		4,500	6,000
1711-533210 Janitorial Supplies			
Initial Supplies		3,000	
Regular Supplies		<u>5,000</u>	<u>10,000</u>
Total Janitorial Supplies		8,000	10,000
1711-533240 Carpentry and Hardward Supplies		1,000	2,000
1711-534539 Other Equipment		2,000	
1711-535890 Other Administrative Expense		8,000	
Total - Reserve for Operation of New Bldg.		<u>\$168,490</u>	<u>\$312,981</u>

Use salary rates in effect June 30, 2004.

Example assumes that employees are paid monthly.

For assistance contact an OSBM analyst.

Section 4

Attachment 13

(Due 10/29/04)

LEASE SCHEDULE
Building/Office Leases Schedule
(For continuation requests only)

Department _____

Division or Institution _____

Budget Code _____

FUND	ACCT.	LESSOR	LOCATION	Net	Cost Per	Annual	Term of	Effective	2005-2006	2006-2007
				Sq. Ft.	Sq. Ft.	Rent	Lease	Annual Rent*	Amount	Amount
						\$0 \$0 \$0			\$0 \$0 \$0	\$0 \$0 \$0
			Total Lease Cost						\$0	\$0
			Authorized Budget for Requirements						\$0	\$0
			Authorized Budget for Receipts						\$0	\$0
			Increase (Decrease) Amount						\$0	\$0

* - Effective Annual Rent includes costs such as utilities, housekeeping, etc. if charged in addition to the cost per square foot.

Prepare a separate schedule for each Center/Account.

Submit 2 copies on 8 1/2 x 11-inch paper.

For assistance contact an OSBM analyst.

Section 4

Sample Attachment 13(a)
(Due 10/29/04)

Department ABC Institution

Division or Institution Facilities Management

Budget Code 13XXX

FUND	ACCT.	LESSOR	LOCATION	Net Sq. Ft.	Cost Per Sq. Ft.	Annual Rent	Term of Lease	Effective Annual Rent*	2005-2006 Amount	2006-2007 Amount
1120	2512	Myers Rental	Charlotte, NC	908	\$14.00	\$12,712	7/1/2001 to 12/31/2005	\$13,620	\$6,810	\$0
1120	2512	Myers Rental	Charlotte, NC	908	\$16.00	\$14,528	1/1/2006 to 12/31/2010	\$15,438	\$7,719	\$15,436
1120	2512	City of Fayetteville	Fayetteville, NC	1200	\$12.50	\$15,000	7/1/2006 to 6/30/2015	\$15,000	\$0	\$15,000
Total Lease Cost								\$14,529	\$30,436	
Authorized Budget for Building/Office Lease Requirements								\$13,620	\$13,620	
Authorized Budget for Receipts								\$500	\$500	
Increase (Decrease) Amount								\$1,409	\$17,316	

* - Effective Annual Rent might include costs negotiated in the lease such as utilities, housekeeping, etc. if charged in addition to the cost per square foot.

Prepare a separate schedule for each Fund.

For assistance contact an OSBM analyst.

INFLATIONARY INCREASE FOR FOOD, DRUGS, MEDICAL SUPPLIES, WATER AND SEWER, ELECTRICITY, NATURAL GAS, AND SUBSISTENCE
(For continuation requests only)

Section 4

Sample Attachment 14
(Due 10/29/04)

Department		ABC Institution		Division or Institution				Budget Code 13XXX		
FUND*	ACCOUNT	2003-2004 ACTUAL EXPENDITURE	2004-2005 AUTHORIZED BUDGET	2005-2006 INFLATION FACTOR	2005-2006 CALCULATED TOTAL	2005-2006 INCREASE (DECREASE)	2006-2007 INFLATION FACTOR	2006-2007 CALCULATED TOTAL	2006-2007 INCREASE (DECREASE)	
					\$0	\$0		\$0		\$0
					\$0	\$0		\$0		\$0
					\$0	\$0		\$0		\$0
					\$0	\$0		\$0		\$0
					\$0	\$0		\$0		\$0

**Prepare a separate schedule for each Fund.*

For assistance contact an OSBM analyst.

INFLATIONARY INCREASE FOR FOOD, DRUGS, MEDICAL SUPPLIES, WATER AND SEWER, ELECTRICITY, NATURAL GAS, AND SUBSISTENCE
(For continuation requests only)

Section 4

Sample Attachment 14 (a)
(Due 10/29/04)

Department		ABC Institution		Division or Institution			Budget Code 13XXX		
FUND*	ACCOUNT	2003-2004 ACTUAL EXPENDITURE	2004-2005 AUTHORIZED BUDGET	2005-2006 INFLATION FACTOR	2005-2006 CALCULATED TOTAL	2005-2006 INCREASE (DECREASE)	2006-2007 INFLATION FACTOR	2006-2007 CALCULATED TOTAL	2006-2007 INCREASE (DECREASE)
1230	532210	\$2,931,490	\$2,465,236	1.051	\$3,080,996	\$615,760	1.077	\$3,157,215	\$691,979
1230	532220	\$1,776,319	\$1,479,142	1.061	\$1,884,674	\$405,532	1.093	\$1,941,517	\$462,375
1230	532230	\$609,984	\$4,930	1.061	\$647,193	\$642,263	1.093	\$666,713	\$661,782
1230	532721	\$20,174	\$20,755	1.046	\$21,102	\$347	1.046	\$21,102	\$347
1230	532724	\$7,082	\$6,940	1.046	\$7,408	\$468	1.046	\$7,408	\$468

*Prepare a separate schedule for each Fund.

For assistance contact an OSBM analyst.

INFLATIONARY INCREASE FOR GASOLINE AND FUEL OIL
(For continuation requests only)

Section 4
Sample Attachment 15
(Due 10/29/04)

Department		ABC Institution		Division or Institution			Budget Code 13XXX		
FUND*	ACCOUNT	2003-2004 ACTUAL GALLONS	2004-2005 AUTHORIZED BUDGET	2005-2006 ESTIMATED \$ PER GALLON	2005-2006 CALCULATED TOTAL	2005-2006 INCREASE (DECREASE)	2006-2007 ESTIMATED \$ PER GALLON	2006-2007 CALCULATED TOTAL	2006-2007 INCREASE (DECREASE)
					\$0 \$0	\$0 \$0		\$0 \$0	\$0 \$0

*Prepare a separate schedule for each Fund.

For assistance contact an OSBM analyst.

INFLATIONARY INCREASE FOR GASOLINE AND FUEL OIL
(For continuation requests only)

Section 4

Sample Attachment 15(a)
(Due 10/29/04)

Department		ABC Institution		Division or Institution			Budget Code 13XXX		
FUND*	ACCOUNT	2003-2004 ACTUAL GALLONS	2004-2005 AUTHORIZED BUDGET	2005-2006 ESTIMATED \$ PER GALLON	2005-2006 CALCULATED TOTAL	2005-2006 INCREASE (DECREASE)	2006-2007 ESTIMATED \$ PER GALLON	2006-2007 CALCULATED TOTAL	2006-2007 INCREASE (DECREASE)
1230	533310	24,205	\$21,378	1.21	\$29,288	\$7,910	1.27	\$30,740	\$9,362
1230	533320	508	\$458	1.10	\$559	\$101	1.16	\$589	\$131

*Prepare a separate schedule for each Fund.

For assistance contact an OSBM analyst.

INFLATIONARY INCREASE FOR K-12 TEXTBOOKS AND SUPPLIES

(For continuation requests only)

Section 4

Sample Attachment 16
(Due 10/29/04)

Department		ABC Institution		Division or Institution _____				Budget Code 13XXX	
FUND*	ACCOUNT	2003-2004 ACTUAL EXPENDITURE	2004-2005 AUTHORIZED BUDGET	2005-2006 INFLATION FACTOR	2005-2006 CALCULATED TOTAL	2005-2006 INCREASE (DECREASE)	2006-2007 INFLATION FACTOR	2006-2007 CALCULATED TOTAL	2006-2007 INCREASE (DECREASE)
					\$0	\$0		\$0	\$0

*Prepare a separate schedule for each Fund.

For assistance contact an OSBM analyst.

INFLATIONARY INCREASE FOR K-12 TEXTBOOKS AND SUPPLIES
(For continuation requests only)

Section 4

Sample Attachment 16(a)
(Due 10/29/04)

Department		ABC Institution		Division or Institution			Budget Code 13XXX		
FUND*	ACCOUNT	2003-2004 ACTUAL EXPENDITURE	2004-2005 AUTHORIZED BUDGET	2005-2006 INFLATION FACTOR	2005-2006 CALCULATED TOTAL	2005-2006 INCREASE (DECREASE)	2006-2007 INFLATION FACTOR	2006-2007 CALCULATED TOTAL	2006-2007 INCREASE (DECREASE)
1230	534620	\$133,627	\$136,256	1.103	\$147,391	\$11,135	1.158	\$154,740	\$18,484

*Prepare a separate schedule for each Fund.

**OFFICE OF STATE BUDGET AND MANAGEMENT
INFLATIONARY FACTORS BASED UPON 2003-04 ACTUAL EXPENDITURES**

Section 4
Attachment 17

<u>Item</u>	<u>Account Number</u>	(1) <u>2005-06</u>	(2) <u>2006-07</u>	(3) <u>2007-08</u>	(4) <u>2008-09</u>	(5) <u>2009-10</u>
<u>General</u>						
Food	533410xxx	1.032	1.046	1.061	1.077	1.109
Drugs	533610xxx	1.103	1.158	1.216	1.256	1.319
Medical Supplies	533630-90xxx	1.082	1.125	1.167	1.217	1.266
<u>Water and Sewer</u>						
	532230	1.061	1.093	1.126	1.160	1.206
<u>Electricity</u>						
	532210	1.051	1.077	1.104	1.131	1.154
<u>Natural Gas/Propane</u>						
	532220	1.061	1.093	1.126	1.160	1.231
<u>Subsistence</u>						
	53272x	1.046	1.046			
<u>Gasoline and Fuel Oil (\$ per Gallon)</u>						
<u>Exclusive of Taxes) 1)</u>						
Gasoline, Regular Grade	533310	1.16	1.16	1.20	1.25	1.30
Diesel/#2 Fuel Oil	533320	1.05	1.05	1.10	1.15	1.20
Residual Fuel Oil	532241	0.83	0.83	0.91	0.96	1.00

<u>Item</u>		(1) <u>2005-06</u>	(2) <u>2006-07</u>	(3) <u>2007-08</u>	(4) <u>2008-09</u>	(5) <u>2009-10</u>
Textbooks	534620 or 5365XX	1.103	1.158	1.216	1.276	1.339
Educational Supplies, Materials, Equipment	533720	1.082	1.125	1.167	1.217	1.269

5. EXPANSION BUDGET

The expansion budget is the agency's request for the following:

- (1) Additional operating funds above those allowed in the continuation budget, including new and/or pilot programs.
- (2) Departmental proposals to change a statutorily-controlled program by redirecting funds from one program to another.
- (3) One-time major equipment purchases.
- (4) Continued phase-in of new programs initiated in a previous biennium
- (5) Legislatively-designated salary increases.
- (6) Funds to replace lost federal funds.

Any expansion request that is related to information technology will have to conform to the process and requirements found in Section 7.

Limitations on the Amount of Expansion Funding Requested by State Agencies

The sum total of all general fund appropriation expansion requests (Worksheet II's) for the 2005-2006 and 2006-2007 biennium shall not exceed 5 percent of that agency's 2004-2005 certified budget, unless the agency receives prior written approval from the Office of State Budget and Management. Agencies may submit expansion requests that exceed the 5 percent threshold without prior approval, only if the expansion requests are accompanied by an equal funding or program reduction that is equal to or greater than the expansion requests. Any reductions that support an expansion request shall be submitted on a separate Worksheet II and include references to the specific expansion requests they support in the narrative section. Any specific issue related to mandated enrollment increases or entitlement programs should be discussed with your OSBM analyst.

5.1 Expansion Budget (Worksheet II)

The *Summary List of Expansion Budget Requests* (Attachment 1) and *Worksheet II* (Attachment 2) must be used for official expansion requests. The Summary List must be completed and submitted with the Worksheet II to OSBM by October 29, 2004. Submit electronically (In Excel format, please **do not** convert to a PDF document, via e-mail or CD-ROM) and submit two (2) hard copies of the above-referenced schedules on 8 1/2" by 11" green paper.

Procedures

5.1a Summary List and Priority of Funding

On the Summary List of Expansion Requests, summarize each request into one list of short, concise sentences with the total funds requested shown in the columns for 2005-2006 and 2006-2007. Each item involving receipts must show total requirements, estimated receipts, and appropriation requested. Show the number of positions directly beneath the requested appropriation. Attachment 1 will be used for the Summary List of Expansion Requests. Attachment 2 (Worksheet II) must be submitted for the top ten priority items in the expansion request. Worksheet IIs for other priorities should be available on request.

- Line 1 indicates the name of the **Agency** submitting the request.
- Line 2 indicates the **Priority Number** for the expansion request. The **Program Description** is the brief narrative for which the request is made.
- Line 3 indicates the total **Requirements** for the expansion item for fiscal year 2005-2006 and 2006-2007, respectively.
- Lines 4a, 4b, and 4c indicate **Receipts** for the expansion request.
 - *Line 4a* indicates **Federal receipts** which supports the requirements for the expansion item for fiscal years 2005-2006 and 2006-2007, respectively.
 - *Line 4b* indicates **Local receipts**, which support the requirements for the expansion item for fiscal years 2005-2006 and 2006-2007, respectively.
 - *Line 4c* indicates **Other receipts**, which support the requirements for the expansion item for fiscal year 2005-2006 and 2006-2007, respectively.
- Line 5 indicates **Appropriation** support for the expansion item for fiscal year 2005-2006 and 2006-2007, respectively.
- Line 6 indicates the total **Number of Positions** (rounded to the second decimal) requested for the expansion item for fiscal year 2005-2006 and 2006-2007, respectively.

Note: Repeat the instructions for lines 2 - 6 for each expansion request.

- Line 7 indicates **Total Requirements** for ***all*** expansion items ***requested*** for fiscal year 2005-2006 and 2006-2007, respectively.

- Lines 8a, 8b, and 8c indicate **Total Receipts** for all expansion items requested.
 - *Line 8a* indicates **Total Federal Receipts**, which support the requirements for the expansion items for fiscal years 2005-2006 and 2006-2007, respectively.
 - *Line 8b* indicates **Total Local Receipts**, which support the requirements for the expansion items for fiscal years 2005-2006 and 2006-2007, respectively.
 - *Line 8c* indicates **Total Other Receipts** that support the requirements for the expansion items for fiscal years 2005-2006 and 2006-2007, respectively.
- Line 9 indicates **Total Appropriation** for all expansion items for fiscal years 2005-2006 and 2006-2007, respectively.
- Line 10 indicates **Total Positions** (rounded to the second decimal) for all expansion items for fiscal years 2005-2006 and 2006-2007, respectively.

5.1b Expansion Budget (Worksheet II) Instructions

The form on which funds for expansion items will be requested is the Worksheet II. A separate Worksheet II must be completed and submitted by the agency for each of the expansion priority items.

Expansion items must be assigned a priority number by the requesting agency. The priority number is listed on each Worksheet II, and all Worksheet IIs must be assembled in priority order when submitted on October 29, 2004.

Instructions for completion of the Worksheet II are:

- Line 1 indicates the **Priority Number** of the request and the **Total Number** of expansion items submitted (Priority No. ___ of ___). Repeat this process at the top of each page of the Worksheet II.
- Line 2 indicates the **Budget Code** number, the **Department** title, and the **Division** or **Institution** for which the expansion request is submitted.
- Line 3 indicates the North Carolina Accounting System (NCAS) operating **Fund Number** and **Fund Title** for which the expansion request is submitted.
- Line 4 indicates the **Title of the Request** for which the Worksheet II is prepared.
- Line 5a, 6a, and 7a indicate whether it is necessary to include a **Special Provision**, a **General Statute** change, or if a new statute is required to implement the request. *A draft of the legislation must be attached to the expansion request.*

- Lines Lines 5b, 6b, 7b, and 8b indicate **Totals** for the expansion request:
 - Line 5b indicates the **Total Requirements** for the expansion budget request as shown on Line 13, page 2, for fiscal years 2005-2006 and 2006-2007.
 - Line 6b indicates the **Total Receipts** for the expansion budget request as shown on Line 16, page 2, for fiscal years 2005-2006 and 2006-2007.
 - Line 7b indicates the total **Appropriation** for the expansion budget request as shown on Line 17, page 2, for fiscal years 2005-2006 and 2006-2007.
 - Line 8b indicates the **Total Positions** (rounded to second decimal) for the expansion request as shown on Line 14, page 2, for fiscal years 2005-2006 and 2006-2007.
- Line 9 includes the **Narrative**, which is a description of the purpose of the expansion request, the problem being addressed and the impact on current program objectives and performance measures, the changes in operations necessary to accomplish the objective, and the anticipated outcome/impact after implementation of the changes. If the request is to expand operations included in the continuation budget, the narrative should state the continuation budget objectives and the *change* that will be effected by the additional funding. If the request is for a new program, the narrative should identify the objectives, operations/outputs to accomplish the objectives and the anticipated outcomes/impacts after implementation of the new program. Performance measures and information described in this section may include workload, program operations and outputs, outcomes and objectives and related information. Also describe the assumptions and methodology for making future budget and performance measure projections. Explain how the projections were made, including formulas and underlying assumptions. If the assumptions are based on published research, cite the source. The electronic version of this form can be expanded to allow extra space, if needed. In addition to financial and personnel information, agencies should include quantifiable statistical information that supports their request for expansion funding. This information may include workload, caseload, unit cost, results, outcome or other related performance information that illustrates the need or demand for expansion funding.
- Line 10 indicates **Additional Resources** required from another agency to support the request.
- Line 11 indicates the **Name of the Agency** and the additional cost for the agency to support the request.

- Line 12 indicates the detail of the **Requirements** for the expansion request. The Account (Object) Number and Title are the NCAS expenditure **Account (Object) Number** and **Account Title** at the following detail.
 - 1XXX Salaries and Benefits - detail level,
 - 2XXX-5XXX Other Expenses – detail level, list all individual accounts within the proposed budget,
 - 6XXX State-aid - detail level,
 - 7XXX Reserves - detail level,
 - 8XXX Transfers - detail level
 - All receipts

The amounts shown in the 2005-06 and 2006-07 columns reflect the *incremental change in the funding* required to implement the request. The projection of the requirements for future fiscal years should include the incremental change in the funding required to continue funding for the request.

Fringe benefits for new positions should be based on the rates shown in section 4.2d.

Equipment to support new positions should be itemized in the year the position is established. Other equipment related to the expansion request should be itemized in the appropriate year.

- Line 13 indicates the total **Requirements** of the *existing program* as shown in the continuation budget for 2003-2004 Actual, and 2004-2005 Authorized. The requirements shown for fiscal years through 2006-2010 indicate the total of the incremental change required for implementation of the expansion request.
- Line 14 indicates the total **Full Time Equivalent** (FTE) positions of the *existing program* as shown in the continuation budget for 2003-2004 Actual and 2004-2005 Authorized. The FTE positions shown for fiscal 2005-2006 through 2009-2010 indicate the total of the positions required for implementation of the expansion request. (Detail of the positions included in the expansion request will be provided on Page 3, Line 19.)

- Line 15 indicates the detail of the **Receipts** for the expansion request. The Account number and title are the NCAS receipt **Account Number** and **Account Title** of the Account detail. The amounts shown in the 2005-2006 and 2006-2007 columns reflect the incremental increase in the level of receipts anticipated for implementation of the expansion request. Whenever possible, agencies should also recommend dedicated receipt or revenue sources that are currently unbudgeted, to support their expansion request. If specific statutory authority is needed, attach recommended statutory or special provision language, which can provide authority for dedicated receipt and revenue sources. Agencies should survey and review best practices in other states or government organizations that operate similar programs and analyze the feasibility of dedicated revenue sources, instead of general fund appropriations, to support their expansion requests.
- Line 16 indicates the **Receipts** of the *existing program* as shown in the continuation budget for 2003-2004 Actual and 2004-2005 Authorized. The receipts shown for fiscal years 2005-2006 through 2009-2010 indicates the total incremental increase in receipts for the expansion request.
- Line 17 indicates the **Appropriation** of the *existing program* as shown in the continuation budget for 2003-2004 Actual and 2004-2005 Authorized. The appropriation shown for fiscal years 2005-2006 through 2009-2010 indicates the incremental change in the total appropriation for the expansion request.
- Line 18 indicates the **Cash Balance** funding of the *existing program* as shown in the continuation budget for 2003-2004 Actual and 2004-2005 Authorized. The Cash Balance funding shown for fiscal years 2005-2006 through 2009-2010 indicates the total cash balance requirements for the expansion request.
- Line 19 indicates the detail of positions requested by Salary **Grade**, State Personnel **Classification**, **Effective Date**, the FTE (rounded to 2nd decimal) for fiscal years 2005-2006 and 2006-2007, the **Annual Salary** of the position, and the **Budgeted Salary** for fiscal years 2005-2006 and 2006-2007. The requested salary level for each new position should reflect the minimum special entry level for the appropriate classification as authorized by the Office of State Personnel, unless otherwise justified in the Narrative. This justification should thoroughly address market conditions, high cost geographic considerations and related factors that prohibit the agency from hiring at the minimum or special entry level. (If a position is funded from multiple sources, indicate the source and the percentage of funding from each source in the classification column.)
- Line 20 indicates the FTE (rounded to 2nd decimal) **Total Number** and **Budgeted Salary** of the positions for the expansion budget request for fiscal years 2005-2006 and 2006-2007. This FTE information should agree with the information shown on Line 14, Page 2.

- Line 21 indicates whether there is a **Capital Improvement Project** associated with the expansion request.
- Line 22 indicates the **Capital Improvement Project Title**, which relates to the request.
- Line 23 indicates the Capital Improvement **Budget Code Number**, the **Item Number**, and the **Projected Completion Date** of the project, which relates to the request. The **Budget Code Number** is represented by 4xxxx. The second and third numbers represent the fiscal year of the project, (such as 494xx) and the fourth and fifth numbers represent the department's two-digit identification assigned by OSBM. Contact the Capital Improvement Section of OSBM if you have questions about the code number (919/733-7061). The **Item Number** should be the same as the Item Number on your Capital Improvement Project request.
- Line 24 indicates **Space Requirements** per G.S. 120-36.7(c) indicating whether those requirements can be satisfied using existing state-owned facilities.
- Line 25 indicates the **Type of Space** required for the request. Check the appropriate type.
- Line 26 indicates **Additional Square Footage Required** for the request for five state fiscal years.
- Line 27 indicates estimated additional annual **Cost of the Space Requirements** for five state fiscal years.
- Lines 28 and 29: Each request, which requires additional vehicles from the state motor pool, must indicate the number of additional cars required to support the request. If the request requires additional resources from another agency the details of those requirements should be included in the narrative.

5.2. Expansion Budget Attachments

Attachment 1 Summary List of Expansion Budget Requests

Attachment 2 Worksheet II Expansion Budget Request

SUMMARY LIST OF EXPANSION REQUESTS

1 Agency: _____

Priority	Program Description	Requested	Requested
Number	(Concise Sentences)	2005-06	2006-07

2

3	Requirements	\$	
	Receipts		
4a	Federal		
4b	Local	\$	
4c	Other		
5	Appropriation	\$	
6	No. of Positions		

(Insert and copy additional lines as needed for each expansion item.)

7	Total Requirements	\$	
	Total Receipts		
8a	Federal		
8b	Local	\$	
8c	Other		
9	Total Appropriation	\$	
10	Total No. of Positions		

Submit 2 copies on 8 1/2 x 11-inch green paper and an electronic copy (Excel, Non-PDF file via e-mail or CD-ROM) to your OSBM budget analyst.

WORKSHEET II EXPANSION BUDGET REQUEST

1

2 BUDGET CODE: _____ DEPARTMENT: _____

Priority No.

3 FUND NUMBER: _____ FUND TITLE: _____

DIVISION/ INSTITUTION:

4 TITLE OF REQUEST: _____

5a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

5b TOTAL REQUIREMENTS

6a YES NO

6b TOTAL RECEIPTS

7a IF YES, ATTACH A COPY OF THE DRAFT.

7b APPROPRIATION

8b TOTAL POSITIONS

9

JUSTIFICATION: Address all questions and topics listed on page 22 of the instructions.

10 Does this request require additional resources from another agency

Yes

No

11 Name the agency and the funds required: _____ Funds Requested: _____

Priority No.

BUDGET: G.S. 143-3.5

Detail of budget is to be provided at the NCAS Agency Management Report detail level.

REQUIREMENTS:

5 RECEIPTS:

* Complete Detail information for total positions requested on the following page.

Priority No.

POSITIONS REQUESTED:

Detail of the positions included in this expansion request.

CLASSIFICATION/EFFECTIVE DATE:

**** Minimum level salary for the classification requested unless otherwise justified in the Narrative section above.**

#Total F.T.E's equal the number of total FTE's shown on Page 3, Line 14 of this request.

21 DOES THIS EXPANSION REQUEST RELATE TO A CAPITAL IMPROVEMENT PROJECT?

YES

22 IF YES, TITLE OF C.I. PROJECT:

23 C.I. BUDGET CODE: ITEM NUMBER: PROJECTED COMPLETION DATE:

SPACE REQUIREMENTS: G.S. 120-36.7 (c)

24 | DOES THIS REQUEST REQUIRE ADDITIONAL SPACE?

YES

NO IF YES, CO

Office Storage Other

Type of Space:

2005-06 2006-07 20007-(

26 Additional Square Footage Required

27 Estimated Cost of Space Requirements

MOTOR POOL REQUIREMENTS:

28 DOES THIS REQUEST REQUIRE ADDITIONAL VEHICLES FROM THE STATE MOTOR POOL

YES

29 IF YES, HOW MANY?

1

Submit 2 copies on 8 1/2 x 11-inch green paper and an electronic copy (In Excel via e-mail or CD-ROM) to your OSBM budget area.

6. INFORMATION TECHNOLOGY

6.1 Highlights

G. S. 143-6.(b2) sets forth requirements paraphrased as follows:

- Any department desiring to request financial aid of \$100,000 or greater from the State for the purpose of acquiring or maintaining technology shall submit to the State Chief Information Officer (CIO) a statement of its needs and furnish the CIO with any additional information required by the CIO.
- The CIO shall review the statements of need and perform additional analyses as necessary.
- The CIO shall make recommendations to the Governor regarding the merits of the above requests.
- The above requests shall be accompanied by a certification from the CIO deeming them to be consistent with the State's IT policies, procedures and standards.

6.2 Process

Attachment C should be used by all Agencies submitting expansion requests for Information Technology projects. The office of Information Technology Services will issue additional instructions to State agencies submitting such requests and will include instructions on completing attachment C. Completed and ITS approved attachment C's should then be attached to each Information Technology expansion request Worksheet II.

2005-2007 Biennium Expansion Budget Preparation State CIO Review and Certification

Information Technology Requests of \$100,000 or Greater Information Technology Investment Request Submission Sheet

Department/Agency Contact Information

Department / Agency:	
Investment Request Title/Name:	
Contact Name:	
Contact Phone Number:	
Contact E-Mail:	

Tracking and Cross Reference Data (*specific format and descriptions will be resolved when coordinating detailed instructions with OSBM*)

Department/Agency Tracking Number (Optional)	
Budget Code	
Cross - Reference Worksheet Number	
ITS Tracking Number	

Due Diligence Certifications by Department/Agency CIO and CFO

<input type="checkbox"/>	Check Box Signifying the Department/Agency CIO Approves Request and Certifies Compliance with the Statewide Technical Architecture
--------------------------	--

_____ Date of Certification _____ Name of CIO

<input type="checkbox"/>	Check Box Signifying the Department/Agency CFO Approves Request, Certifies no Other sources of Funds for this Proposed Investment, and Attests that Request is Submitted in Accordance with Department/Agency Policies and Procedures
--------------------------	---

_____ Date of Certification _____ Name of CFO

1. Brief Description of the Proposed Information Technology Investment to Which this Expansion Budget Request Applies:

Provide a high level description of the purpose, use and results/benefits of the proposed technology investment, including its contributions to the mission and roles of the department/agency and/or its business/program goals and objectives.

2. Brief Description of the Items Being Purchased for the Proposed Information Technology Investment:

Summarize the hardware, software, and/or outside contracted services that are being purchased to implement this proposed information technology investment. Include items that are not being funded by this expansion budget request, but are necessary to explain how this funding request will support the complete investment.

3. Amount Requested in Expansion Budget Funding:

Give the expansion budget request by year of the biennium and total for the two years. If expansion budget funds are to be combined with other sources (e.g., federal, private, continuation budgets, etc.) to pay for the investment, give the source of funds and funding amounts from each source by year of the biennium and total for the two years. If the investment requires more than two years for implementation (such as a major application development effort), give the amounts and sources of funds for future years by year, with the sum for the total budget to implement the investment.

4. Brief Description of how the Proposed Information Technology Investment fits in with the Department's/Agency's Present or Future Technical Architecture and/or Technical Infrastructure:

Summarize how it is compliant with the department's/agency's technical architecture and/or works with the present technical assets. If applicable, summarize how the proposed information technology investment assists in the transformation to a new technical architecture or infrastructure for the department/agency.

5. Brief Explanation of how the Proposed Information Technology Investment Takes Advantage of the State's Shared Technical Infrastructure and the State's Common Technical Services:

Describe how the proposed information technology investment follows the enterprise approach. Areas to consider include:

- *Common Payment Services:*
 - Credit Card
 - ACH
 - EDI
- *Authentication and Authorization*
- *NC Portal - NC@Your Service*
- *Statewide WAN*
- *NC Information Highway*
- *Service Broker*
- *Asset Management*
 - Seat Management
 - Asset Repository
- *MaPS*
- *E-Procurement*
- *Security Services*
- *NC Mail*
- *Other*

6. Brief Explanation of how the Proposed Information Technology Investment will add to the State's Shared Technical Infrastructure and/or the State's Common Technical Services:

Describe how the proposed information technology investment supports the enterprise approach by providing items that may be useful to other departments/agencies. Areas to consider include the providing of reusable business and/or technology models, methodologies, and/or components; adding new services for the service broker; contributing experiences or knowledge with new business processes or technologies; working with ITS to develop new or enhanced infrastructure and/or services, etc.

ITS Review and CIO Certification for OSBM

This proposed information technology investment meets each of the following criteria:

- Technically sound - complies with the Statewide Technical Architecture
- Supports the enterprise approach - makes use of and/or adds to the State's common shared technical services and shared technical infrastructure
- Financially justified - is a useful employment of funds for technology and funding request is adequate for accomplishing the purpose of the investment
- Compatible with other statewide and department/agency technology initiatives
- Not duplicated among departments/agencies
- Other - as appropriate for individual proposed information technology investments

Check Box for CIO Certification

	Certified
	Not Certified

CIO Review and Certification Comments:

7. CAPITAL BUDGET

Capital improvement budget requests are for renovations, major repairs and maintenance to existing facilities, walks and road improvements, new construction, land purchases, Americans With Disabilities Act (ADA) Improvements, life safety code compliance, asbestos removal, and heating/air-conditioning requirements. Any renovations or repairs in excess of \$300,000 and all new construction will be requested through the capital improvement budget. One-time major equipment purchases will be requested in the operating expansion budget (Worksheet II). The form for requesting capital improvement funds is the *Worksheet III*.

7.1 Capital Improvement Budget (Worksheet III)

The *Six-Year Capital Improvement Needs Schedule* (Attachment 1), the *Summary List of Capital Improvement Requests* (Attachment 2), and the *Worksheet III* (Attachment 3) must be used for official capital improvement requests for 2005-2007. Also, no request will be considered without a certified Office of State Construction form OC-25 (Sample Attachment 4) indicating the project cost as estimated by that office. A copy of the OC-25 for each project can be obtained by contacting the Office of State Construction (Telephone 733-7962). In addition, evidence of an approved site, or a detailed plan of action for the acquisition of an approved site, must be included. Submit two copies of the completed forms to the Office of State Budget and Management (OSBM) on light blue 8 1/2 x 11-inch paper by October 29, 2004.

Procedures

7.1a Six-Year Capital Improvement Needs Schedule

Departments will submit a Six-year Capital Improvements Needs Schedule. This schedule is an estimate of a Department's anticipated capital needs for each year of the six-year planning period, 2005-2011. Capital needs should be shown in two parts.

The first part, attachment 1-r, should include proposals and requirements for repairs and renovations necessary to maintain the existing use of existing facilities. Each proposed repair and renovation expenditure should be justified by reference to the reports issued by the facilities condition assessment program (f-cap), operated by the office of state construction in the department of administration. Each project described on attachment 1-r should be justified by reference to the needs evaluation criteria for repair and renovation capital projects as described below in section 8.1c-3a.

The second part, Attachment 1-N, of the capital improvement needs schedule should include proposals and requirements for land acquisition and projects involving either construction of new facilities or rehabilitation of existing facilities to accommodate uses for which the existing facilities were not originally designed. Each project included in this part should be justified by reference to the needs evaluation criteria for new capital projects as described below in Section 8.1c-3b.

7.1b Summary List of Capital Improvement Requests

List in priority order on the Summary List of Capital Improvement Requests (Attachment 2) the title and the 2005-2006 and 2006-2007 requested amount for capital improvement requests submitted by the department. For items involving receipts, show total requirements, estimated receipts, and requested appropriation. The requirements summarized on Attachment 2 should balance back to the requirements described on the attachment 1's.

7.1c Worksheet III. Capital Improvement Request

At the top of Worksheet III (Attachment 3), indicate the department, division/program level, title of the project, and the priority with reference to the capital improvement request only. Each repair and renovation request and new construction requests should be submitted on a separate Worksheet III.

1. Description

For the 2005-2007 requests, describe in detail the nature of the project (renovation, repair, new construction, major maintenance, boiler replacement, land purchase, etc.), the location within the state (including county), and the activities or functions for which the proposed project will be utilized. If a major utility, maintenance, renovation or repair project is involved, give the age of the facility, the date of the last significant improvement, and the date and results of any maintenance inspection or repairs conducted.

In the case of proposed buildings or major renovations, indicate the approximate amount of space and number of rooms needed for each activity listed above (i.e., classrooms-- 4,000 sq. ft., 10 rooms; offices-- 6,000 sq. ft., 40 rooms; dining area--600 sq. ft., 1 room; day rooms-- 5,000 sq. ft., 20 rooms; etc.). Also indicate the approximate areas that will be devoted to each activity or function for the request. For utility projects, indicate the extent of the purchase or development to date and elaborate on future needs for continued project funding. Describe any unusual construction requirements that might affect the cost of the facility (e.g., subterranean rock or extremely complex laboratories). State also how the facility will be air-conditioned and the fuel source for heating purposes. In the case of proposed buildings, no request will be considered without either an approved site or a detailed plan of action for the acquisition of an approved site. For a proposed new facility, indicate the proposed location and whether it has been reviewed and approved by the Office of State Property. If this project has been requested previously, indicate when and state the agency priority given at that time. If construction or renovation of a facility involves the reallocation of space, advise as to the future use of the current facility and/or space currently being utilized. Also, indicate if there has been a review made by the Office of State Property, Department of Administration, relative to this space reallocation.

For major renovation projects, indicate if the capital improvement will result in the use of space currently not being used or if it will provide for the reallocation of currently utilized space. The justification must detail the total space reallocation plan affecting all programs involved with the renovation. Also, the cost must include estimates to remove asbestos if the presence of the substance is known to be in the facility and is expected to be disturbed during renovation.

Asbestos removal projects will be addressed in two ways: as emergency projects which create a harmful working environment for employees and as projects which must be funded due to unforeseen circumstances (i.e., renovation projects where no asbestos was anticipated). Priorities for asbestos removal funding will be developed by OSBM, the Office of State Construction, and the Department of Health and Human Services, Division of Health Services. Agency requests for asbestos removal funding must be submitted consistent with instructions in this document.

In the description, explain any relationship of the project to other planned or existing facilities and to any forthcoming expansion budget requests of the agency or institution. Also, cite any recent administrative or legislative actions related to the project requested. In addition, indicate if the project bears any relationship to or requires coordination with similar facilities currently under consideration by another state agency. If the project is incorporated into the other department or institution's master plan, indicate that in the request.

2. Project Selection Criteria

On Attachment 3, Item 3, give the standards and criteria used to document the need for the project as well as to determine its size and scope. Include in this description a detailed discussion of how funding for this project may impact on the receipt of federal, local, or private matching funds. Additional sheets should be attached, as needed.

- a. Following is a list of criteria that should be used to evaluate requirements for repairs and renovations necessary to maintain the existing use of existing facilities (Part I of the Six-year Capital Improvements Needs Schedule):

Preservation/Repair of Existing Facilities

- Does the project involve roof repairs and replacements?
- Does the project involve structural repairs?
- Does the project involve improvements to electrical, plumbing, heating, ventilating, and air-conditioning systems?
- Has the project been inspected by the Department of Administration's Facilities Condition Assessment Program (F-CAP)?

Health and Safety Considerations/Standards

- Does the project meet fire and life safety code requirements?
- Is the project needed for mandatory compliance with the Americans With Disabilities Act (ADA)?
- Does the project involve repairs to meet federal, state, or other standards?
- Does the project involve fire protection/property protection/non-mandatory ADA requirements?
- Does the project involve improvements to remove asbestos, lead paint, or other contaminants, including leaking underground storage tanks?

Operational Efficiencies/Better Use of Space

- Does the project involve energy efficiency improvements/other operating budget savings?
- Does the project involve renovations to improve the use of existing space?
- Does the project involve historical restoration?
- Does the project involve improvements to roads, walks, drives, and parking lots?
- Does the project involve drainage improvements?
- Does the project involve landscape and other improvements?
- Will the project result in estimated energy savings?
- Will the project result in estimated operating costs savings?

Other Considerations

- What is the department's priority for the project?
- If the project is delayed or denied, what will be the effect on the services, activities, or efficiency of the agency?

Funding Considerations

- Are the project requirements needed to match or supplement non-state funds?
- Has the project been previously presented to the General Assembly for approval?
- Are additional funds needed to complete the project?
- Does the department or division have other funds available to it for repair projects, such as receipts, trust funds, or line item appropriations?
- Will additional funds be needed for the next phase of the project?
- What is the estimated time it will take to complete the project?

- b. Following is a list of criteria that should be used to evaluate requirements for capital projects that are proposals for land acquisition and projects involving either the construction of new facilities or rehabilitation of existing facilities to accommodate uses for which the existing facilities were not originally designed.

Health and Safety Considerations/Standards

- To what extent does the project eliminate, prevent, or reduce a life safety or occupational hazard?
- What safety hazards to clients and employees currently exist?
- What code violations currently exist?

Operational Efficiencies/Better Use of Space

- What level of additional ongoing operating costs will be required to operate the project once completed? Additional ongoing operating costs include added salaries and benefits, supplies and materials, fixed charges and expenses, and other types of ongoing costs.
- What is the source of funds for future operating expenses?
- To what extent does the project contribute to savings in the state's operating budget or capital budget?

Other Considerations

- To what extent is the project necessary for the program to continue to provide services at the existing level?
- To what extent is the project necessary for the program to improve access to citizens and/or to improve existing services?
- To what extent is the project necessary for the program to improve the quality of existing services?
- To what extent is the project necessary for the program to meet the overall goals and objectives of the program?
- To what extent is the project necessary for the program to meet legislatively-mandated goals, objectives, and/or other requirements?
- To what extent is the project necessary for the program to meet goals and objectives of the Governor?
- To what extent is the project necessary for the program to meet goals and objectives of the Department Head?

- To what extent is the project related to other high priority projects in the department?
- If the request is delayed or denied, what will be the effect on the services, activities, or efficiency of the agency?
- To what extent does the project enhance economic development in the locality, the region, and the state?
- To what extent does the project have support from users of the services provided?
- To what extent does the project have broad and/or community support?

Funding Considerations

- Has the project been previously designed or planned? If so, when, from what source of funds and by what authority?
 1. Date previous design or plan was completed
 2. Cost of the design or plan and source of funds
 3. By what authority?
- Is the project currently under construction?
- Has the General Assembly previously made General Fund appropriations to the project, either for planning or construction? If so, when, and how much?
- Has the General Assembly previously authorized the use of non-state funds for the project, either for planning or construction? Has any of the funds been removed due to disaster relief efforts? If so, when, how much, and from what source?
- If funds have previously been made available to the project, why are additional funds being requested?
- Are there funds, other than from the General Fund, available to support the project, either for construction and for operations? If so, provide source and amount.

3. Schedule of Construction

Give, in chronological order, the proposed schedule of construction for the project. Include the approximate date for engaging the architect, the beginning construction date, the date of construction completion, and the date for occupation or utilization of the facility. Attach a copy of the schedule to Worksheet III.

A certified Office of State Construction form OC-25 must be attached to the Worksheet III. This estimate is the method for determining the cost of the proposed project, excluding land purchase, and no request will be considered without the certified OC-25. Departments should coordinate this effort with the Office of State Construction.

4. Operating Costs

Estimate the additional operating costs, or savings, associated with the project, including program and maintenance staff, utilities, and future building maintenance, and the source of funds to operate the facility for the first five years of operation.

5. Receipts

Provide additional information, as requested, concerning receipts, if any, used to support the requested project.

6. Additional Information

Provide the requested information concerning the cost estimates, the location, and F-CAP reports.

7.2 Capital Budget Attachments

Attachment 1-R Six-Year Capital Improvement Needs Schedule Repairs

Attachment 1-N Six-Year Capital Improvement Needs Schedule New

Attachment 2 Summary List of Capital Improvement Requests

Attachment 3 Worksheet III Capital Improvement Request

Attachment 4 Sample OC-25

Section 7
Attachment 1-R
(Due 10/29/04)

**SIX-YEAR CAPITAL IMPROVEMENT NEEDS SCHEDULE
REPAIRS**

Department _____

Institution or Program _____

Description	Source of Funds	<u>(In Thousands)</u>					
		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
		\$	\$	\$	\$	\$	\$

NOTE: List each project separately.

Submit 2 copies on 8 1/2 x 11-inch light blue paper.

Section 7
Attachment 1-N
(Due 10/29/04)

**SIX-YEAR CAPITAL IMPROVEMENT NEEDS SCHEDULE
NEW**

Department _____

Institution or Program _____

Description	Source of Funds	<u>(In Thousands)</u>					
		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
		\$	\$	\$	\$	\$	\$

NOTE: List each project separately.

Submit 2 copies on 8 1/2 x 11-inch light blue paper.

(

SUMMARY LIST OF CAPITAL BUDGET REQUESTS

Department _____

<u>Capital Priority Number</u>	<u>Project Description</u>	<u>2005-06</u>	
	Requirements	\$	\$
	Receipts (Source)	\$ _____	\$
	Appropriation	\$ _____	\$
	Requirements	\$	\$
	Receipts (Source)	\$ _____	\$
	Appropriation	\$ _____	\$
	Requirements	\$	\$
	Receipts (Source)	\$ _____	\$
	Appropriation	\$ _____	\$
	Total Requirements	\$	\$
	Total Receipts	\$ _____	\$
	Total Appropriation	\$ _____	\$

Submit 2 copies on 8 1/2 x 11-inch light blue paper.

WORKSHEET III CAPITAL IMPROVEMENT REQUEST

Department _____
Division/Program _____
Project Title _____

On an attached sheet(s), provide the following information:

1. Description, including space, type of structure, age of buildings, number and type of persons served, and any unusual construction or repair problems anticipated.
2. Justification.
3. Criteria used to select this project as a recommendation.
4. Define all program outcome for this capital investment.

In the space provided below, provide the following information:

5. Schedule of construction, repair, etc. requested.

Section 7
Attachment 3 Page 2

6. Operating costs:

	First Year of Operation FY _____	Second Year of Operation FY _____	Third Year of Operation FY _____	Fourth Year of Operation FY _____	Fifth Year of Operation FY _____
Staff (Additional Annual Cost) (Include # of <u>Additional</u> Employees)	\$	\$	\$	\$	\$
Maintenance (<u>Additional</u> Annual Costs)					
Other Operating (<u>Additional</u> Annual Costs)					
Special Equipment/Furnishings <u>Not</u> Included in Construction Request					
Total Requirements					
Less Receipts					
Appropriation					

7. If operation is supported from receipts, give current level of receipts, increase in rates, if necessary (from _____ to _____), and any restrictions on the use of these receipts by federal or state law. _____
8. Does the project have an approved OC-25 attached? Yes ____ No _____. An approved OC-25 must be submitted for every capital improvement request.
9. If new construction, where is the proposed location? _____
Has this proposed site been approved by the Office of State Property? Yes ____ No _____.
Is the proposal site currently owned by the State of North Carolina? Yes ____ No _____. (If "No," a complete plan for acquisition must be attached.)
10. If repair or renovation, has this facility been inspected by the Office of State Construction's F-CAP team? Yes ____ No _____. If so, when?

11. For additional information contact _____ at telephone number _____.

Submit 2 copies on 8 1/2 x 11-inch light blue paper.



North Carolina Department of Administration

Michael F. Easley, Governor
Gwynn T. Swinson, Secretary

OC-25: 20032037512
Proposed Capital Improvement Project
Biennium: 2001-2003

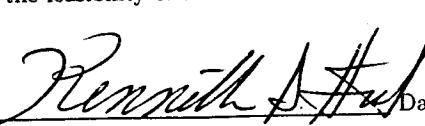
State Construction Office
Speros J. Fleggas, P.E., Director

STATE DEPARTMENT: Juvenile Justice
INSTITUTION OR AGENCY: CA DILLON SCHOOL
PROJECT IDENTIFICATION: Smoke Detection/Fire Protection
PROJECT TYPE: Fire Alarm & Sprinkler
PROJECT LOCATION: Butner, NC
CLASSIFICATION: Repairs, Reroofing, Renovations

PROJECT DESCRIPTION AND JUSTIFICATION: Install smoke detection/fire protection in Administration Building, A, B and D

ITEM	QTY	UNIT	COST PER UNIT	TOTAL
Site Demolition	1.00	Lump Sum	6,500.00	\$6,500.00
Building Electrical	300.00	Lump Sum	22.00	\$6,600.00
Other	7,500.00	Lump Sum	10.00	\$75,000.00
Other	1,500.00	Lump Sum	10.00	\$15,000.00
ESTIMATED CONSTRUCTION COST				\$103,100.00

CONTINGENCIES 5.00 (% of Estimated Construction Costs)	\$5,155.00
DESIGN FEE 10.00% (Estimated Construction Costs + Contingencies)	\$10,325.50
ESTIMATED COSTS (Estimate Construction Costs + Contingencies + Design Fee)	\$119,480.50
Escalation = 0.42% per month x No. of months 18 (to mid-point of construction)	
ESCALATION COST INCREASE = (Estimated Cost x Escalation %)	\$9,072.49
TOTAL ESTIMATED PROJECT COSTS (Estimated Costs + Escalation Cost Increase)	\$128,552.99

DATE RECEIVED: 2001-07-06	APPROVED BY: khunt	DATE APPROVED: 2001- 7-10
CERTIFICATION The State Construction Office in accordance with GS 143-341(3) certifies the feasibility of this Statement of Need pursuant to GS 143-6		
Signature:	 Date: 7-13-01	

Mailing Address:
1307 Mail Service Center
Raleigh, N.C. 27699-1307

Telephone (919) 733-7962
Fax (919) 733-6609
State Courier #56-02-01

Location:
301 N. Wilmington St., Ste. 450
Raleigh, North Carolina 27601

An Equal Opportunity/Affirmative Action Employer

8. GLOSSARY

Account (Object) Number (budget object): An accounting unit in the North Carolina Accounting System (NCAS) composed of a six or nine digit number, currently used for budget control for line items of expenditure or receipt.

Authorized Budget: The authorized budget is composed of the certified budget plus revisions as allowed by the Office of State Budget and Management.

Capital Improvement Budget: The part of the state budget which provides for construction of new facilities, repairs and renovations to existing facilities, land purchases, and improvements to infrastructure.

Certified Budget: The budget that is prepared by the Office of State Budget and Management based on the recommended budget plus adjustments (increases or decreases) approved by the General Assembly.

Continuation Budget: The part of the state budget necessary to continue the current level of services of existing programs.

Expansion Budget: The part of the budget which provides for new programs, expansion of existing programs, and salary and benefit increases, for teachers and state employees.

Fund/Center Number (first four positions of the NCAS Center field): (budget fund) An accounting unit currently used for budget control

Incr/Dec Over Authorized: Two columns appearing on the Worksheet I (one for 2005-2006 and one for 2006-2007) where agency enters adjustments to the current year budget to arrive at an agency requested budget for submission to the OSBM.

Mission Statement: The policy purpose of the organization. Mission statements are translated into goals and objectives.

Recommended Continuation Budget: The Governor's Recommended Budget, as developed by the OSBM analyst and appropriate agency personnel.

Reconciliation Report: This report shows the previous BD307 and changes made to arrive at next Recommended Budget.

Salary Reserve: The difference between annual authorized budget and position salaries as recorded on PMIS (Personnel Management Information System).

Worksheet I: This report is used by agencies to present their continuation budget request. (See Section 4)

Worksheet II: This report is used by agencies to present their expansion budget request. (See Section 5)

X/TND: Software maintained by Information Technology Services which stores reports on disk and makes them available for viewing or printing from a Windows environment.

BD307: The document that presents the line-item details of the budget certified by the Office of State Budget and Management.

BD606: The form used to request a change to the budget as it was certified by the Office of State Budget and Management.