

Budget Analyst Training: Exercise 1 Using the Budget Database

All of these exercises will use the FY 2011 database. Please right-click the “Preferences” button (sunglass guy) and uncheck the boxes for “Include Supplements” and “Include Deficiencies and Supplemental Deficiencies.” Choose the “U00A - Department of the Environment” budget assignment.

- Using the Subobject – Working Appropriation vs. Allowance report (Data Analysis-Subobjects tabs), fill in the blanks below.

	FY 2010 working appropriation	FY 2011 Allowance
GF	\$ _____	\$ _____
SF	\$ _____	\$ _____
FF	\$ _____	\$ _____
RF	\$ _____	\$ _____

- Using the Subobject – Working Appropriation vs. Allowance report (Data Analysis-Subobjects tabs), identify the subobjects where changes larger than \$1 million are taking place.

- Using the Subobject – Working Appropriation vs. Allowance report (Data Analysis-Subobjects tabs), choose program U00A0202 and select subprogram 2220. Compare the working appropriation to the allowance and determine whether the following subobjects are increasing or decreasing.

Regular earnings (SWS 0101)	Increase	Decrease	No change
Cell phone expenditures (SWS 0306)	Increase	Decrease	No change
In state travel (SWS 0401)	Increase	Decrease	No change
Printing/reproduction (SWS 0804)	Increase	Decrease	No change
Other contractual services (SWS 0899)	Increase	Decrease	No change
Association dues (SWS 1305)	Increase	Decrease	No change

- Using the Fiscal Summary report (Data Analysis-Summary tabs), compare the working appropriation to the allowance and identify the largest changes by program and percentage change and then by object and dollar amount.

Program # and percentage change _____
 Program # and percentage change _____
 Object # and dollar amount change _____
 Object # and dollar amount change _____

5. Using the Position Summary report (Personnel-Reports tabs) identify the total number of positions in the Department of the Environment in the fiscal 2011 allowance.

6. Using the Turnover Calculation report (Personnel-Reports tabs), identify the turnover rate for next year's allowance for existing employees and new employees and the number of necessary vacancies to achieve this turnover rate.

7. Still using the Turnover Calculation reports (Personnel-Reports tabs), how much of a reduction would you take if you wanted to increase the turnover rate for existing employees to 7.5%?

8. Using the Historical Summary report (Data Analysis-3 Year Difference tabs), identify whether the allowance for contractual services (object 08) is higher or lower than the 3-year actual average.

Budget Analyst Training: Exercise 2

Calculating Turnover

1. Calculate turnover for the State Retirement Agency for the fiscal 2013 allowance using two different approaches:
 - a. Calculate turnover and include new positions. Then, identify the number of positions that must be kept vacant for the agency to meet its budgeted turnover expectancy.
 - b. Calculate turnover and exclude new positions.
2. Identify the turnover rate for the new positions and describe some of the reasons it may be at that level.

Please complete this exercise in Excel and show all of your work. Do not use the budget system.

Budget Analyst Training: Exercise 3

Framing & Summarizing a Budget Issue

Read the attached newspaper article and write an objective, one-page analysis in the “budget issue” format using the information provided in the article. Include appropriate background, highlight relevant policy issues, and provide recommendations for changes to the program for legislative consideration.

Note: This exercise is for training purposes only. Newspapers are not acceptable sources of reference for a budget issue. While legislators are likely to raise questions regarding items that have been in the press, it is highly recommended that you verify information with agencies before including in budget write-ups since news articles frequently do not tell the whole story and/or may contain errors.

'Open space' funds used to install fake grass

ASSOCIATED PRESS

The Capital

Maryland has a broad concept of what constitutes "open space" - as demonstrated by \$7 million project to install 14 artificial-turf fields in Anne Arundel and Howard counties. The cash for the fake grass comes from Project Open Space, a pool of tax dollars intended to preserve and develop parkland.

State and local officials say there's nothing wrong with spending open-space funds to replace natural grass with synthetic blades. But environmentalists aren't so sure.

"It's sort of a no-brainer. You're replacing ... an urban vegetation surface with something man-made," said Stuart Gaffin, a researcher at Columbia University who has studied the environmental impact of artificial turf. "It'll never be environmentally benign."

Maryland's open-space funding pool is created by a 0.5 percent tax on real-estate transfers and administered by the Department of Natural Resources. According to the department, the program has protected more than 275,000 acres since it was launched in 1969.

But a good chunk of the money goes toward upgrading the recreational facilities and other features of public parks - and that's where the turf comes in. Chip Price, an administrator in the program, said he saw no problem with paying to tear up grass and replace it with plastic.

"It's a recreational facility," he said. There "doesn't have to be a natural base to what we do."

The total cost of replacing the 14 fields hasn't been calculated, but it's likely to be more than \$500,000 a field, for a total of at least \$7 million, officials said.

Many modern artificial-turf fields use plastic with the shape and texture of grass blades and rubber pellets to approximate the feel of dirt. The turf stands up to rain and heavy use, and the rubber cushioning helps prevent injuries.

Gary Arthur of the Howard County Recreation and Parks Department said the county's old grass fields had been ruined by overuse, increasing the risk of injury.

"We quickly found out, as the population increased and participation increased," Mr. Arthur said, "that we weren't able to keep natural turf on the field, and it became basically dirt."

Environmentalists in Connecticut, New York and Massachusetts have objected to artificial-turf fields, saying the rubber pellets might release harmful chemicals into the air or

rainwater. The turf industry says the pellets are safe and that they help the environment by reducing the need for pesticides and fertilizer.

Opposition from environmentalists in Maryland has been scant, but some say they could think of better ways to spend \$7 million.

"This is not our first, most ideal use of the moneys," said Dru Schmidt-Perkins of the group 1,000 Friends of Maryland. "There's so much highly valued environmental land that's at risk right now. ... We first and foremost like to see money being used for that."

Budget Analyst Training: Exercise 4
Analyzing a Budget Amendment

Using the attached budget amendment for the State Board of Elections, prepare a summary paragraph that describes the agency, program, type and amount of funds, the specific source of funds, and the intended purpose of those funds. Be sure to use the appropriate format.

Budget Analyst Training: Exercise 5
Closeout Analysis

Fill out the attached table by identifying the fiscal 2011 legislative operating budget appropriation, budget amendments, reversions and cancellations, and actual expenditures for the Judiciary.

Current and Prior Year Budgets

**Current and Prior Year Budgets
Judiciary
(\$ in Thousands)**

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2011					
Legislative Appropriation					
Deficiency Appropriation					
Budget Amendments					
Reversions and Cancellations					
Actual Expenditures					

Note: Numbers may not sum to total due to rounding

Budget Analyst Training: Exercise 6

Reviewing a Budget Request

This exercise will require you to examine the fiscal 2013 budget request for the State Highway Administration (J00B00), identify changes by object of expenditure, explain the changes, and identify questionable or unexplained items requested for funding. (Be sure to use the correct fiscal year database in the budget system.)

This exercise is similar to what you should undertake during the fall for each agency request document. However, we generally do not send questions to agencies until we receive and review the Governor's allowance.

- A. Using the budget system, identify the major dollar changes by object. Within each object, identify the subobjects that account for the changes. Review the justification for the changes as shown in the budget system. Briefly summarize these changes.
- B. Review the pages in the request using the budget system data as a guide and note items that were not explained or appear questionable. Draft a letter, email, or memo (depending on your personal preference) requesting responses to the questions and concerns that you have identified.
- C. Review the agency MFR submission. Include in your letter, email, or memo from above any questions that you have about the agency's goals, objectives, performance measures, or data.

Budget Analyst Training: Exercise 7

Where It Goes Chart

Prepare the Where It Goes chart for the Police & Correctional Training Commissions for fiscal 2013. You will be explaining the changes between the fiscal 2012 working appropriation and the fiscal 2013 allowance. Be sure you (1) use the fiscal 2013 database in the budget system, and (2) do not check the “include deficiencies and supplemental deficiencies” button under user preferences in the budget system. Note that the agency Request was prepared in August but the allowance was prepared later by the Governor’s budget office based on what the Governor chose to fund or not fund from the request. Thus, the request may help explain some or all of the change in the allowance or conversely the allowance may vary widely from the request.

Exhibit 1

**Governor's Proposed Budget
Police & Correctional Training Commissions
(\$ in Thousands)**

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb, Fund</u>	<u>Total</u>
2012 Working Appropriation					
2013 Governor's Allowance					

Amount Change

Percent Change

Where It Goes:

Personnel Expenses

New positions

Abolished/transferred positions

Increments

Employee and retiree health insurance

Retirement

Turnover adjustments

Other fringe benefit adjustments

Workers= compensation premium assessment

Other Changes

Total

Note: Numbers may not sum to total due to rounding.

Budget Analyst Training: Exercise 8
Drafting Budget Bill Language and Committee Narrative

1. Draft bill language that restricts the general fund appropriation for budget code T00G00.06, Film Production Wage Credit Program within the Department of Business and Economic Development, contingent on the enactment of SB 22.
2. Draft bill language that restricts expenditure of \$250,000 of the general fund appropriation for the Secretary's office within the Department of Housing and Community Development (S00A20.01) until the department submits a written report to the budget committees for review and comment.
3. Draft bill language that restricts \$100,000 in general funds for the Secretary of State (D00A16.01) to be used for the purpose of licensing notaries. Be sure to include provisions that stipulate that the funds cannot be used for any other purposes and may not be transferred. At the end of the year you will want the funds to revert to the general fund.
4. Write brief committee narrative in the appropriate format expressing concern over the lack of funding for correctional education programs within the Department of Public Safety and Correctional Services (Q00A). Direct the agency to prepare a study of this issue and include a due date.