



COLORADO
Department of Transportation

Office of Financial Management and Budget

FY 2023-24 Budget Development Guidance



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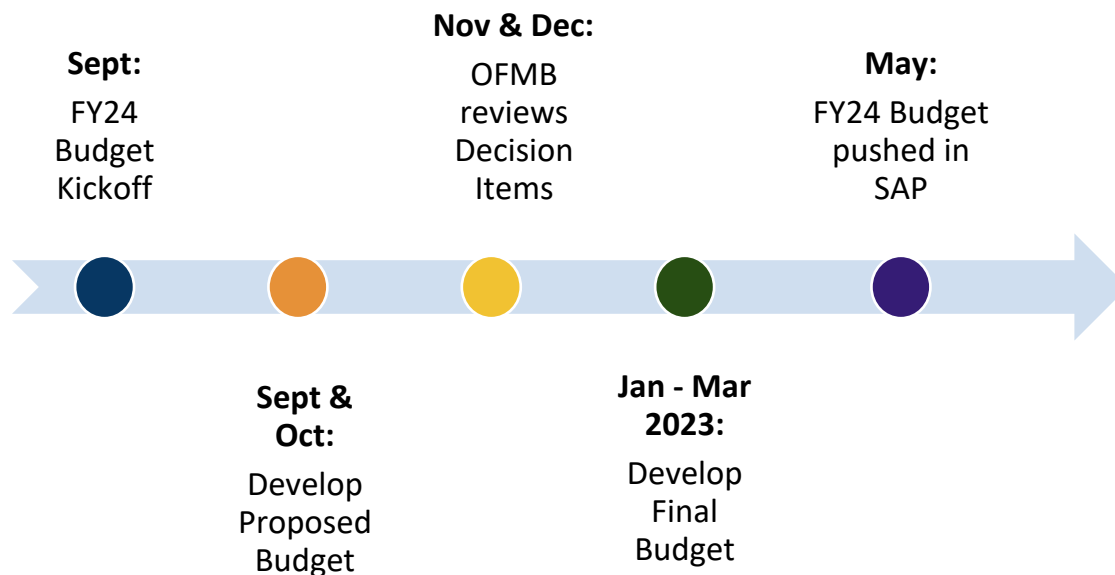
Introduction

This document provides guidance and instructions for the FY 2023-24 Annual Budget development process. This is the third year the Department will be developing the annual budget in OpenGov, and this document is intended to cover the budget development process and timeline. Please do not hesitate to reach out to your OFMB contact (*see Appendix C*) at any point during this budget cycle with questions or concerns, or to ask for assistance. We are here to help.

Although SB 21-260 and IJA (Infrastructure Investment and Jobs Act) provide additional funding to the Department, these funds won't create any significant new capacity within the budget due to existing obligations including debt service on the SB 17-267 Certificates of Participation and predetermined 10 year plan projects. Because of this, and according to direction from Executive Management, only mission critical decision items and budget increases will be considered. Please keep this in mind when developing your budget request.

Process and Timeline

The following graphic provides a high level overview of the process to develop the FY 2023-24 Annual Budget. More detailed information can be found in the timeline on the following page.





Timeline to Develop FY 2023-24 Budget		
FY24 Budget Kickoff	June - August 2022	OFMB updates revenue forecast and prepares budget proposals and worksheets in OpenGov for each division / region
	August 2022	OFMB distributes FY24 Budget Development Guidance and Timeline
	September 2022	OFMB conducts FY24 Budget Pop-Up sessions and OpenGov trainings
Developing the Proposed Budget	September - October 2022	OFMB conducts budget workshops with each division / region
	September - October 2022	Divisions / regions prepare budget request and decision items in OpenGov
	October 2022	TC reviews Proposed FY24 Budget
	November 1, 2022	Deadline for divisions / regions to submit budget request including decision items in OpenGov
OFMB Reviews Decision Items and Presents to EMT for Approval	November 2022	TC approves Proposed FY24 Budget
	November - December 2022	OFMB analyzes decision items, develops recommendations for EMT
	December 2022	OFMB submits the Proposed FY24 Budget to the Governor's Office and legislature
	December 2022	OFMB presents budget and decision items to EMT for approval
OFMB Finalizes the FY24 Budget	January - February 2023	OFMB reviews cost center budgets and makes any final adjustments to balance the budget
	February 2023	TC reviews Final FY24 Budget, including any decision items >= \$1M
	March 2023	TC approves Final FY24 Budget
Budget Push in SAP	April 2023	OFMB submits the Final FY24 Budget to the Governor's Office and legislature
	May 2023	FY24 Budget is pushed in SAP



Preparing the FY 2023-24 Budget

During these initial two months, OFMB will be working on the following activities for the FY 2023-24 Budget:

- Preparing the FY 2023-24 Base Budget in OpenGov by populating budget proposals and worksheets for each division and region;
- Updating budget allocations in OpenGov for programs with dedicated, “inflexible” state or federal funding sources based on the latest revenue forecast;
- Updating budget allocations in OpenGov for Asset Management and Maintenance programs to align with funding levels set by Asset Management and MLOS;
- Updating budget allocations in OpenGov for any programs that are legislatively appropriated to reflect the Governor’s November 1 Budget submission to the legislature; and
- Updating all statewide pool allocations in OpenGov to reflect both state allocation and local match. These allocations can be distinguished by their Functional Area (FABZFST - state allocation and FAB00000 - local match).

These changes will be reflected in the Proposed FY 2023-24 Annual Budget that will be submitted to the Transportation Commission (TC) for approval at their November 2022 meeting. Final changes to budget allocations, including approved adjustments to cost center budgets and approved decision items, will be included in the Final FY 2023-24 Annual Budget submitted to the TC for approval in March 2023.

FY 2023-24 Base Budget

In September, OFMB will grant the designated individuals in each division or region access to a budget proposal in OpenGov. The budget proposal will contain one or more worksheets that are populated with the FY 2022-23 approved budget for reference, and the FY 2023-24 base to use as a starting point to develop the FY 2023-24 budget for each cost center and pool.

Pools

The starting FY 2023-24 base budget for pools is the final proposed amount for FY 2023-24 that was entered and approved in OpenGov during the FY 2022-23 budget development cycle. Programs with dedicated, “inflexible” state or federal funding sources will be updated in OpenGov by OFMB based on the latest revenue forecast. Budget allocations for Asset Management and Maintenance programs will be updated in OpenGov by OFMB to align with funding levels set by Asset Management and MLOS.

OFMB will make any adjustments to incorporate any new FY 2022-23 staff- or EMT-approved budget adjustments or Transportation Commission (TC)-approved budget amendments that are intended to be ongoing. If divisions, regions, pool owners, asset managers, etc. would like



to request an increase (or decrease) to their pool budget, they should submit a decision item (see the FY 2023-24 Decision Items section on page 6).

Cost Centers

The starting FY 2023-24 base budget for cost centers is the final proposed amount for FY 2023-24 that was entered and approved in OpenGov during the FY 2022-23 budget development cycle. The budget for each cost center is broken down into [Budget and Expenditure Categories](#) in OpenGov (“BUD” codes). Budget and expenditure categories are groupings of similar GLs (e.g. all GLs related to instate travel are grouped into a single category, called “Instate Travel”). These categories will be used to detail the assumptions used to build your budget request and for reporting; however, budgets will continue to be pushed and controlled in SAP at the PERS, OPER, and CAPT levels. Adjustments to the amounts for each category should be made according to the criteria in the next section.

Base Adjustments

Division and region staff may request adjustments (both increases and decreases) to the base budget for each budget and expenditure category to reflect the anticipated budget needed for FY 2023-24. Adjustments that are minor or technical in nature do not require a full justification (i.e. a Decision Item) and do not require approval by the EMT or TC. Adjustments that may be approved by OFMB include the following:

- Any requested reductions to the budget
- Adjustments made to annualize a prior year budget action (e.g. incorporating the out year cost of an approved decision item from a previous fiscal year)
- Adjustments made to incorporate any new FY 2022-23 staff- or EMT-approved budget adjustments or TC-approved budget amendments that are intended to be ongoing
- Updates associated with contractual obligations (e.g. hourly rate or lease escalators if they were defined in the original contract or lease agreement)
- Updates to statewide common policies
- Other miscellaneous budget increases of \$100,000 or less, if approved by OFMB.

Overall cost center budget increases of \$100,000 or less may be approved by OFMB. Please use the “Account Description” column that is located in the Expenses tab of your worksheet in OpenGov to provide a brief explanation for the increase. If you need more room, you may use the Proposal Details tab, or attach additional documentation as necessary.

If a requested budget increase of \$100,000 or less is to fund a new program or activity or expand an existing program or activity, or to fund consultants, OFMB, at its discretion, may ask that you submit a decision item to have the request reviewed by the EMT. If a decision item is required, OFMB will work with the division or region to ensure they have adequate time to complete the Decision Item form before it is presented to the EMT for approval.



Training and Support from OFMB - OFMB will provide a brief overview of this guidance and basic OpenGov training during the scheduled OFMB Pop-Up on September 28th from 10 a.m. to 11 a.m. Additional OpenGov training and support will be provided upon request, please reach out to your OFMB budget contact for additional support. OFMB also created a one page summary that highlights key OpenGov tips and tricks (*see Appendix B*) and a comprehensive user guide (*see Appendix A*).

OFMB will be scheduling FY 2023-24 Budget Workshops in September and October. Please come to the workshops prepared to develop your FY 2023-24 budget. Here are some questions to help you prepare:

- What goals is your division or region trying to achieve in FY 2023-24? What resources will be needed to accomplish those goals?
- Are there any process improvements or efficiencies that would improve your ability to deliver your program and what resources would you need to implement them?
- What operational changes are you anticipating in FY 2023-24 and how might those changes impact your budget?
- Are there activities (training, travel, etc.) that you will do more of or less of in FY 2023-24 than prior years?
- Do you have any aging equipment or infrastructure that will need to be replaced?
- Have all prior year ongoing itemizations been accounted for or added as needed to the FY 2023-24 budget?

During the budget workshops, we can work together to make initial adjustments to begin developing your base budget and to give you an opportunity to learn how to navigate, view your budget, make adjustments, add justification, etc. OFMB is happy to work with you to develop your budget, or if you're comfortable navigating OpenGov you may make adjustments on your own.

Detailed instructions for navigating OpenGov, developing the budget, including making adjustments and adding justification, can be found in *Appendix A: OpenGov User Guide*.

The deadline for completing the budget in OpenGov is November 1, 2022.

FY 2023-24 Decision Items

A decision item should be submitted for any requested budget increase for a pool, and for any increase greater than \$100,000 for a cost center. In some cases, OFMB may request a decision item for a budget increase of \$100,000 or less if the request is to fund a new program or activity or expand an existing program or activity, or to fund consultants.



Decision items should be submitted to OFMB by November 1, 2022. Please note that all decision items require Division Director or RTD approval before they are submitted to OFMB. For each decision item, please complete the [FY 2023-24 Decision Item form](#).

OFMB will make recommendations on each decision item based on historical spending patterns and other factors and present all decision items and analysis to the EMT for consideration and approval. Pursuant to PD 703.0, any decision item of \$1 million or more that is approved by the EMT will also be submitted to the TC for approval.

If you have multiple decision items, please complete a separate form for each decision item and attach any other documentation you would like to provide. You may use the fields in the Proposal Details tab to provide a summary list of attachments so that OFMB can ensure that nothing is missing, but it is not required.

All decision items should be itemized in the Expenses tab of your worksheet with “Decision Item: [*Request Title*]” entered into the Account Description field. Detailed instructions for adding a decision item to the worksheet and attaching the completed decision item form can be found in Appendix A: OpenGov User Guide.

As a reminder, in OpenGov, you can submit decision items that impact the request year (FY 2023-24) plus three additional fiscal years, and if your request gets approved, OpenGov will save it and automatically build it into your budget for that fiscal year so you don’t have to request it again. Here are several examples of when to use this feature:

- If your initiative requires different levels of funding each fiscal year, you can build in the future year budget impacts through FY 2026-27.
- If the first year of your request is prorated for a partial year, you can reflect the full cost in the following fiscal years.
- If you anticipate a delay associated with an initiative, you can request a reduction in one fiscal year and request a corresponding increase for the following year.
- If your request is one-time, please enter \$0 for future fiscal years so the decision item is automatically removed the following year.

Workforce Planning Process

The Workforce Planning module in OpenGov allows OFMB to modify assumptions used to calculate compensation and benefits for all employees and also gives OFMB the ability to make changes to personnel data within the system, without updating the data for the rest of the Department’s positions. For FY 2023-24, the Base Budget will initially reflect the beginning FY 2022-23 personal services budget for staff that was pushed into SAP back in May 2022. OFMB will then pull updated salary and benefits data from HR in January 2023; this



update is intended to capture any major organizational changes that have occurred since the data was first pulled.

Appendices

There are three appendices to this document:

- Appendix A: OpenGov User Guide
- Appendix B: OpenGov Budget Tips and Tricks One Page
- Appendix C: OFMB Points of Contact for Budget Development