

I. INTRODUCTION AND HIGHLIGHTS

I.1 New and Reminders for FY 2025

I.1.1 *New for FY 2025*

Budget Submission Memos

Along with their budget submission, agencies must include a memo or slide deck summarizing how their budgets are aligned with their strategic plans and the Administration's priorities. The document can be high-level and narrative in nature, but should align major agency budget components with agency-specific strategic plan items and/or Moore-Miller Administration strategic priorities. They should also tie in with the narrative of any over-the-targets and reduction options submitted by the agency. There is some flexibility as to when this narrative is due—more guidance will be coming on deadlines this fall.

Over-the-Targets

All over-the-target requests (and deficiencies) are due at the same time as budget submission and must be clearly linked to either the Governor's State Plan or the agency's Managing for Results. This linkage should be outlined in the "Justification" field of the adjustment in BARS or, if the agency's budget is submitted in the system by OBA, in the text that the agency sends to OBA for upload. For the FY 2025 budget season, there is no longer a limit of one over-the-target per agency. However, prior to asking for additional funds, DBM asks that agencies attempt to identify efficiencies and low-priority programs that can be reduced and funds reallocated towards the requested purpose. Also, if multiple over-the-targets are submitted, agencies should inform their OBA analyst of the agency's priority order. See Section A.6 for additional guidance.

Contractual Conversions

In their requests, agencies should consider whether their existing contractual positions are completing work that is ongoing and long-term (3+ years). In those situations, agencies can request an over-the-target to convert the contractual positions into permanent positions. See Section A.4.3 for additional detail.

Contractual Staff Funding

Effective January 1, 2024, the State's minimum wage will increase to \$15 per hour. In light of this increase, DBM asks that agencies budget at least \$28,800 per contractual FTE in FY 2025. As a reminder, the BARS Budget Request Submission module also validates that contractual positions are budgeted at least at \$20,000 per FTE across all years.

Turnover and Salary Costs

The Moore Administration's goal to reduce agency vacancies may increase salary and fringe costs. If agencies project salary and fringe shortfalls in FY 2024 or FY 2025 due to success in hiring, and those costs cannot be absorbed elsewhere in the budget, consider submitting a deficiency and/or over-the-target request to support these costs. Any requests must be backed up with detailed salary and fringe projections. **In addition, agencies should NOT increase the overall turnover rate in the FY 2025 base request.** Agencies must provide ample justification to increase the turnover rate in their base budgets; meeting the agency's general fund target is not an acceptable justification.

Reductions

To assist DBM in preparing a balanced budget proposal for the Governor's consideration, State agencies may be asked to submit budget reduction proposals with the FY 2025 budget submission. General fund reduction targets will be provided when DBM distributes agency general fund targets in early July. Please refer to Section A.7 for more information

COLA Funding in 0299

When processing FY 2024 amendments providing funding to agencies for contractual COLAs and increments, DBM placed funding in 0299. For the FY 2025 budget submission, agencies must **realign this funding in FY 2025** from 0299 into 0220 and related fringes prior to submission. Agencies can leave funding in 0299 for FY 2024 during the FY 2025 budget submission.

BARS Links

If an agency has previously used a bookmark to access the BARS login screen and has issues accessing that link this year, replace connect.md.gov with login.md.gov.

Cross-Agency Budget Support (CBAS) Group

Last year, a working group was formed for agency budget staff to provide each other best practices, contacts for asking certain questions, ideas and strategies for budget preparation and submission, and other related topics. This community is not part of DBM and has no DBM staff in the group but provides a space for agency budget staff to support one another. Anyone interested in joining the group should contact Robert St. Clair at SDAT (robert.stclair1@maryland.gov).

1.1.2 Key Reminders for FY 2025

BARS Guides and Videos

Section B.6 includes a list of guides and videos on the use of BARS for agencies, all which are available on the Budget Instructions website. **Please refer to these helpful resources for training and reminders regarding BARS functionality.**

Section B.2 Checklist of Submission Requirements

Section B.2 of Budget Instructions was expanded for the FY 2024 budget cycle to include a new Reimbursable Fund requirement as well as a number of common data error checks that BARS does not validate. **Please review this expanded list of requirements for submission, make sure your agency uses the list prior to submission,** and ask your OBA analyst if you have any questions.

Fringe Calculations in BARS (FICA, Retirement Rates, and Unemployment Insurance)

The rates for fringes calculated using a position or contractual position's salary will be automatically calculated within BARS during the Position Reconciliation process based on each position's class code, step, and fund split. See Section A.1 for more detail on the specific rates.

Turnover in Actuals (0189 and 0289) in Actuals

All agencies must ensure that \$0 remains in comptroller subobjects 0189 and 0289 in the FY 2023 Actual Expenditures in the final budget submission.

DBM Salary Adjustments - Comptroller Subobject 0192

At the start of setting up a new fiscal year in BARS, DBM runs a Salary Forecast in the system which resolves any differences between the Expenditure data and Position data. These differences mainly result from

data defects in the system or from processes being taken out of order (usually small rounding or fund split changes). In most instances, these changes were very small, but for certain agencies with a larger impact DBM provided general funds in 0192 to hold the agency harmless. These unallocated 0192 funds will need to be realigned out of comptroller subobject 0192 prior to submission in BARS. BARS will not allow a successful submission unless there is \$0 across the entire agency in comptroller subobject 0192.

Pay Plan Adjustments

Requests must be submitted electronically in priority order no later than October 15, 2023 to Jeff Wulbrecht @jeff.wulbrecht@maryland.gov and Ashley Hurle @ashley.hurle@maryland.gov at DBM, copying your OBA budget analyst. It is not necessary for agencies to submit duplicate requests to the Office of Personnel Services and Benefits (OPSB). OBA works closely with OPSB to review requests for pay plan adjustments or new classifications and provides OPSB with the supporting documentation to review such requests. See Section A.4.4 for additional detail.

Reorganizations

DBM is no longer accepting reorganization requests for FY 2024. For FY 2025 reorganizations, agencies should submit reorganization requests no later than September 1, 2023 so that the proposal can be reviewed. If the proposed reorganization is approved, the new account code structure can be implemented within Workday and FMIS effective for July 1, 2024. The proposal should be forwarded to the OBA budget analyst for review of funding and organizational design. Additional guidance can be found in Section A.4.5.

Fund Balance Information Requirements (Special Funds and Federal Funds)

For the FY 2025 budget submission, all agencies are required to complete the “Fund Balance” tab in the Budget Request Submission (BRS) module to submit income and balance data for all special and federal fund sources. See Section B.4.2 for more detail.

Chart of Accounts Data Changes

Agencies are encouraged to review their agency’s units, programs, subprograms, or agency subobjects in BARS through the Agency Administration - COA Maintenance tab. If a necessary code is disabled or not yet created, agency users will not be able to use that code while making adjustments. **Please plan ahead for needed COA changes and work on them early in budget season** so that the processing of COA additions does not hold up agency budget work. See Section A.3.1 for additional detail.

Department of General Services (DGS) Rent - Comptroller Subobject 1303

There are substantial changes to the DGS rent schedule this year due to agency relocations out of State Center into leased facilities in Downtown Baltimore. Please refer to Section A.5.7 for more information regarding these changes.

Zero-Emission Vehicles (ZEVs)

In FY 2025, 25% of vehicles purchased for the State Fleet must be electric vehicles that have a zero-emission vehicle (ZEV) equivalent. As a result, the DA-8 form has been revised to include two new columns where agencies must indicate whether the vehicle being replaced can be a ZEV, and a justification for any non-ZEV requests. Due to the current fluctuations in the estimated purchase price for ZEVs, agencies are instructed to budget for and request **gasoline vehicles**. DBM, in consultation with the Department of General Services (DGS), will determine which vehicles will be replaced with ZEVs. The price difference between the ZEV and the gasoline-powered vehicle will be paid by DBM utilizing funding from the Strategic Energy Investment Fund (SEIF). Please refer to Section A.5.3 for more information.

Budget Process Primer

Given the number of new agency budget staff in recent years, DBM has added [Section I.3](#) to instructions. It provides an overview of the budget process in Maryland, including key terminology and concepts. Please encourage new staff to review.