

1.1 NEW FOR FY 2017

Salaries for FY 2017

FY 2017 salaries are to be based on the pay plan in effect July 1, 2016. *DBM will add any additional funding needed for any FY 2017 approved salary adjustments.* Refer to Sections 2.14-2.24 for salary rates.

2% Across-the-Board Reduction

Per Section 19 of the FY 2016 Budget Bill, 2% of agency general funds have been removed from FY 2016 agency budgets, reflected in comptroller subobject 0840. Agency plans to realign funding to meet the reduction will be reflected in a budget amendment to be prepared by DBM upon approval of agency plans. The request and all forms submitted with the request should reflect this realignment.

FY 2017 budget targets will reflect the removal of this funding as a permanent reduction from agency budgets.

Fuel and Utilities

Natural gas and propane	3% over FY 2015 actual expenditure
Electricity	3% over FY 2015 actual expenditure

Social Security (FICA) Contributions (0151 and 0213)

The 0151 for FY 2017 = 7.31% of salary (0101+0102+0104+0105+0110+0111+0112) up to \$124,789. For an annual salary over \$124,789 the rate is 1.45% of the amount over \$124,789.

The 0213 rate for FY 2017 = 7.65% of each position's salary (0220) up to \$119,260. For an annual salary over \$119,260 the rate is 1.45% of the amount over \$119,260.

Health Insurance

At this time, the rates for health insurance (both 0152 and 0154) are still to be determined. Please do not attempt to calculate health insurance costs yet. DBM will provide more details in the next month.

Contractual Health Insurance

DBM is currently assessing how these new health benefit expenses will be budgeted. More details will be provided by the Office of Personnel Services and Benefits in the upcoming months.

Retirement Rates

0161	Employees' Retirement System	16.88% of 0101
0163	Teachers' Retirement System	16.28% of 0101
0165	State Police Retirement System	79.70% of 0101
0166	Judges' Pension System	40.70% of 0101
0169	Law Enforcement Officers Pension System	41.93% of 0101

Contractual Employee Turnover

In FY 2017, each agency should budget contractual turnover based on the agency's turnover rate for permanent positions **plus** an additional 4.62% to account for a "reasonable" vacancy rate for the 12 annual holidays.

Vehicle Commuter Charges

See rates in Section 2.8. The actual FY 2017 schedule to be used will be developed near the beginning of FY 2017 and may be different than the chart in these instructions.

Summary of Accomplishments

Accompanying the budget request, each agency should submit a one-page (or less) summary of accomplishments in a Word document that could be highlighted in the presentation of the FY 2017 budget. The department/agency is to submit at least one accomplishment that is for the year just ended (FY 2015).

Agreements between a State agency and a public institution of higher education

As described in the letter sent from DBM on May 6, 2015, for FY 16, there are two new requirements related to Agreements between Agencies and Institutions. Section 31 of the Fiscal 2016 Budget Bill requires that DBM review each current Agreement that is **in excess of \$500,000**. Additionally, no new Agreements between Agencies and Institutions that involve expenditures exceeding \$500,000 over the term of the Agreement may be entered into for FY 2016 **without prior approval by DBM**.

MBE Reporting

All agencies should submit an annual forecast of new and recurring contracts estimated to exceed \$100,000. The report of FY 2016 expected contracts is due to the Governor's Office of Minority Affairs (GOMA) on June 30, 2015. Please contact Janice Montegue at GOMA, 410-767-5381, with any questions.