

I. INTRODUCTION AND HIGHLIGHTS

I.1 New and Reminders for FY 2024

I.1.1 *New for FY 2024*

No Reduction Targets

The Hogan Administration has decided not to require reduction targets for the FY 2024 budget season. Agencies do not have to provide options to DBM for reducing their budgets this year.

Section B.2 Checklist of Submission Requirements

Section B.2 of Budget Instructions has been expanded to include the new Reimbursable Fund requirement below as well as a number of common data error checks that BARS does not validate. **Please review this expanded list of requirements for submission** and ask your OBA analyst if you have any questions.

New Reimbursable Fund Requirement

To ensure that agencies submitting budgets with reimbursable funds have confirmation that those funds will be received, for the FY 2024 budget submission agencies must attach to their official submission email Memorandums of Understanding (MOUs) or an email chain where the sending agency confirms their intent to send the funds.

BARS Updates

The BARS developers spent the interim this year resolving budget system defects and making improvements to enhance user experience. Further details regarding changes to the system will be provided during Budget Instructions and BARS training later this summer, but the following is a brief summary:

1. *Older Budget Data:* Actuals from before FY 2017 have now been loaded into the system, back to FY 2014. They can be viewed in ad hoc and reports.
2. *Position Reconciliation Increment Change:* DBM's recommendation during Position Reconciliation is to use the "Copy Workday" functionality as much as possible, which saves users considerable time and effort. However, at the time of Position Reconciliation, employees set to receive the FY 2023 increment in January would be without an increment even though BARS FY 2024 data has been updated to reflect all increments. To avoid "Copy Workday" from removing the increment for those positions (thus under-budgeting salaries), BARS developers have implemented the following:
 - a. If a position is updated in BARS with an increment/step, it is flagged in the back of the system as having received that step.
 - b. When Workday data is imported into BARS, in the Position grid data for these positions will automatically update to the new step even if Workday itself still has the old step.
 - c. Users can therefore still use "Copy Workday" to expedite the Position Reconciliation process without incorrectly reducing the salaries of positions.

COLA Funding in 0299

When processing FY 2023 amendments providing funding to agencies for contractual COLAs and increments, DBM placed funding in 0299. For the FY 2024 budget submission, agencies must **realign this funding in FY 2024** from 0299 into 0220 prior to submission. Agencies can leave funding in 0299 for FY 2023 during the FY 2024 budget submission.

Fuel and Utilities (Natural Gas 0606 and Electricity 0620)

Agencies that use natural gas and electricity procured by the Department of General Services (DGS) should level fund the FY 2024 request with the FY 2022 actual expenditures, except for University System of Maryland (USM) institutions. Energy market projections are volatile due to geopolitical factors, and as such DGS is estimating that expenses may increase more than 55% for natural gas and 40% for electricity in FY 2024. DBM will monitor these projections and address additional costs for state agencies closer to the beginning of the fiscal year. However, non-General Funded agencies should keep rising energy costs in mind and plan to absorb some increases with non-General Fund revenues and fund balances.

Zero-Emission Vehicles (ZEVs)

In FY 2024, 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 based on where DGS can install charging infrastructure. 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.

Department of General Services (DGS) Rent - Comptroller Subsubject 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.

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.

1.1.2 Key Reminders for FY 2024

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.**

DA-8 Forms

When submitting these forms to request new or replacement vehicles, DBM asks that agencies submit only one tab of data per agency rather than breaking the request up into different tabs.

COVID-19 Data – Federal Funds

For the FY 2024 Budget Submission, all agencies that have received federal COVID-19 relief funds are required to submit the three-year budget data with fund type (25, 35, 45)/source coding specific to each stimulus bill. See [Section B.5](#) for more information.

COVID-19 Salary Costs - Comptroller Subobject 0125

To the extent that positions are supported by COVID-19 funding, instead of changing position fund type data on the Position Tab in BARS, use comptroller subobject 0125 on the Expenditure Tab to budget for associated total salary and fringe expenditures (comptroller subobjects 0101, 0151, 0152, 0154, 0161-0170, 0174, 0189). See [Section A.4.1.](#) for more information.

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 2022 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). To prevent this from impacting agency budget targets, significant changes from running the Salary Forecast will be netted out in one location per agency in a "0192" line that related agencies will need to redistribute. Agencies will be required to realign any funding 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, 2022 to Kurt Stolzenbach at DBM: kurt.stolzenbach@maryland.gov, 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 will only permit agencies to reflect a reorganization in BARS for reorganizations approved by DBM and the Office of Personnel Services and Benefits (OPSB) that are effective July 1 of the current year (July 1, 2022 for the FY 2024 budget request). Additional guidance can be found in [Section A.4.5.](#)

Fund Balance Information Requirements (Special Funds and Federal Funds)

For the FY 2024 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.