

Goal

Process Components

Cont. Level of Service

Recurring Costs

Strategic Requests

Overhead Account

Process Summary

2009 Appropriation

BWC's Annual Administrative Budget

*Ohio Bureau of Workers' Compensation
Tracy Valentino, Chief Fiscal & Planning Officer
May 29, 2009*

Goal for FY 2009 Annual Budget

Allocation of BWC's limited resources among departments/units in order to support BWC's *strategic goals* of;

1. Improving customer satisfaction and
2. Reducing costs.

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2009 Appropriation

FY 2009 Budget Process Components

- Continuing Level of Service;
- Recurring Support Costs; and
- Strategic Initiative

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Continuing Level of Service

The funding level required to support a department/unit's existing activities or to sustain current operations.

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Continuing Level of Service

Includes:

- Filled positions and mission critical vacancies, training, tuition, and temporaries;
- Support costs associated with employee base (i.e. supplies, travel, communication, vehicle expenses, etc.)
- Other ongoing expenditures required to support existing activities (i.e. maintenance and repairs, lease obligations, etc.)

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Continuing Level of Service Questionnaire

- Function of department/unit
- Benefit of function to BWC and/or its customers
- Measurement of activities performed or results achieved
- Actual FY 2008 performance results
- FY 2008 efforts to improve cost effectiveness and/or to identify cost saving opportunities for BWC
- Performance goals for FY 2009

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Recurring Support Costs

Permanent, ongoing costs arising from previous projects. These are usually personal service or licensing expenditures supported by contractual arrangements that are renewed on an annual basis

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Strategic Initiative Requests

Requests not included in a department/unit's continuing level of service or recurring support costs budgets.

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Strategic Initiative Requests

Include:

- Additional personnel (not considered support for continuing operations);
- Personal service contracts (excluding temporaries);
- All equipment (excluding existing lease obligations and replacement of CLS equipment); and
- Any maintenance items (primarily new lease commitments and related maintenance and memberships) not included in the department/unit's continuing level of service.

Documentation Required: Cost Analysis Form

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Cost Analysis Form

Sections:

- General Information
- Description of Request
- Qualitative and Other Factors
- Benchmarking
- Financial Analysis

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2009 Appropriation

Administrative Overhead Account

- Copier rentals, leases, purchases, and maintenance contracts;
- Rent and construction costs;
- Utilities;
- Record storage costs;
- Tuition Reimbursement; and
- Armed security service costs.

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Process Summary

Continuing Level of Service

Explanations

CLS Questionnaire

Payroll Worksheet

Strategic Initiative Requests (for each)

Cost Analysis Form

Supporting Documentation

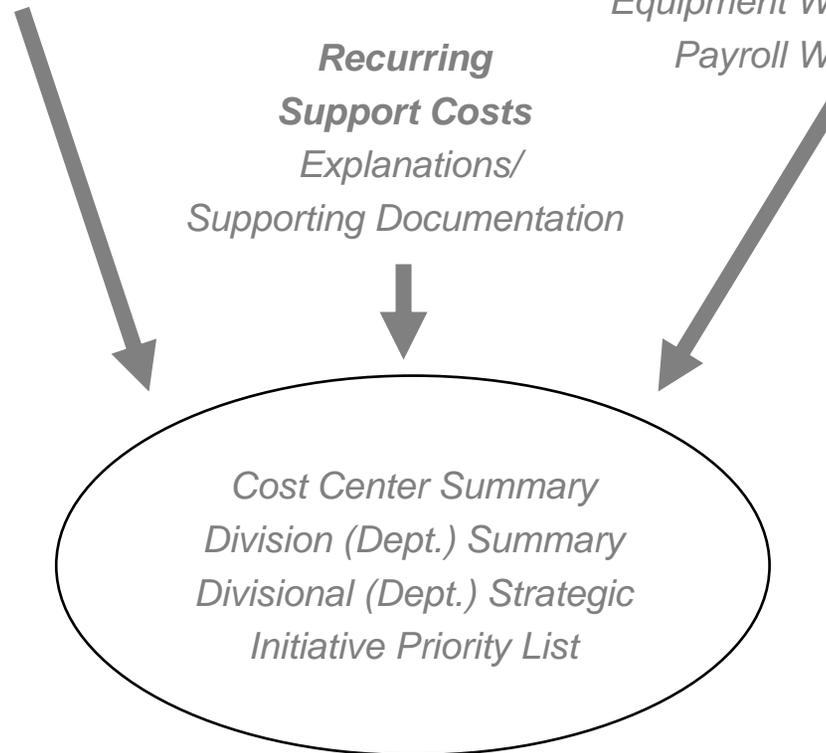
Equipment Worksheet

Payroll Worksheet

Recurring Support Costs

Explanations/

Supporting Documentation



Cost Center Summary
Division (Dept.) Summary
Divisional (Dept.) Strategic Initiative Priority List

Goal

Process Components

Cont. Level of Service

Recurring Costs

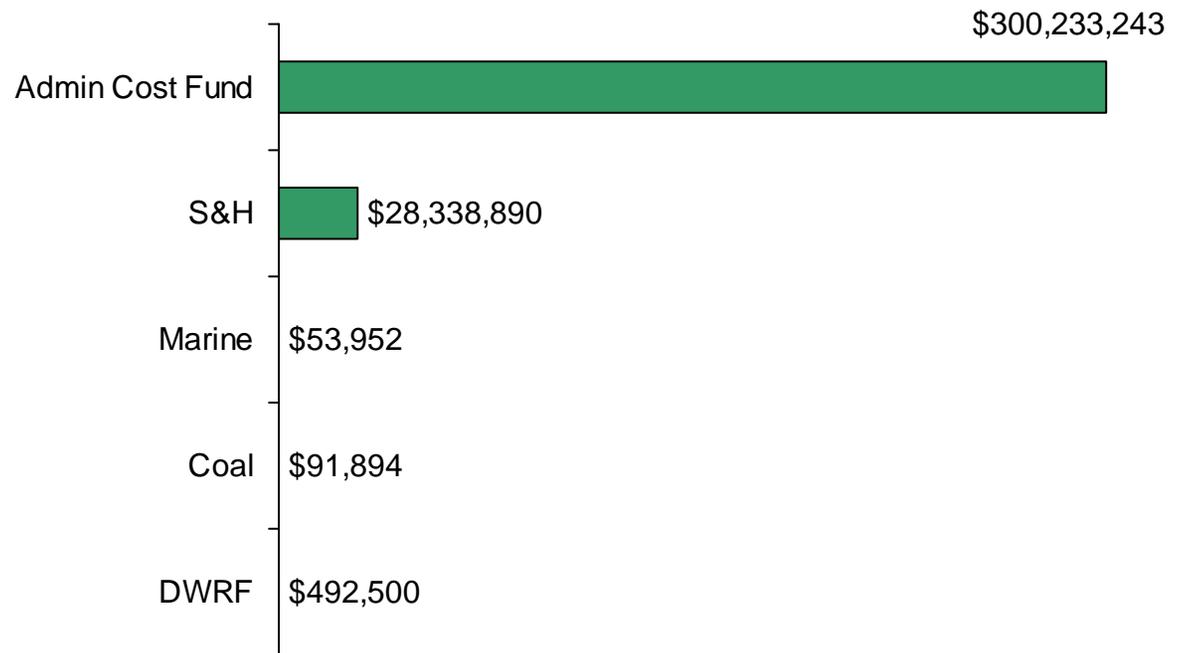
Strategic Requests

Overhead Account

Process Summary

2009 Appropriation

2009 Appropriation



Total 2009 Appropriation: \$329,210,479

Purpose

Goal

Biennial vs. Annual

Requirements

Additional Information

Key Dates

BWC's Biennial Administrative Budget

*Ohio Bureau of Workers' Compensation
Tracy Valentino, Chief Fiscal & Planning Officer
May 29, 2009*

Purpose of the Biennial Budget

To provide sufficient funding to support BWC's continuing level of service and major strategic initiatives for the benefit of its customers.

To justify proposed funding levels to the Office of Budget and Management and subsequently, to the Ohio General Assembly.

Purpose

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Biennial vs. Annual

Requirements

Additional Information

Key Dates

Goal for FY 2010 - 2011 Biennial Budget Submission

To maintain improved administrative services by establishing an annual level of funding for BWC that is lower than the total fiscal year 2009 appropriation.

Purpose

Goal

Biennial vs. Annual

Requirements

Additional Information

Key Dates

Differences from the Annual Process

High level submission

Emphasis on:

- *Performance*
- *Initiatives*
- *Priorities*
- *Narratives (not numbers)*

Program budget versus line item

Purpose

Goal

Annual vs. Biennial

Requirements

Additional Information

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Submission Requirements

Narrative describing accomplishments during FY 2008-09 biennial budget period for continuing operations and major strategic programs

Narrative describing anticipated outcomes for the FY 2010-11 biennial budget period for continuing operations and major strategic improvements

Written justification (using OBM criteria) for all initiatives, including the itemization of all planned equipment purchases categorized by major strategic initiative (i.e., replacement of obsolete equipment)

Purpose

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Biennial vs. Annual

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Additional Information

Table of Organization

- *Changes from previous biennium*
- *Summary of planned changes*

Budget Language Information

- *Temporary Law*
- *Permanent Law*

Purpose

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Key Dates

Key Dates

August 29, 2008 – Presentation of biennial budget documentation to the BWC Board of Directors

September 15, 2008 – Delivery of documentation to the Office of Budget and Management

Funding Sources

Administrative Cost Fund	\$280.2
Safety & Hygiene	\$22.0
Ancillary Funds	\$0.6
	<u>\$302.8</u>

<u>Expense Type</u>	<u>Fiscal Year 2009 Preliminary Budget</u>	<u>Fiscal Year 2008 Estimated Spending</u>	<u>Percentage Variance</u>
Payroll	\$195.0	\$186.1	5%
William Green Building Bond	\$20.7	\$20.4	1%
Other Rent	\$8.3	\$8.3	0%
Personnel Services	\$13.1	\$14.3	-9%
Maintenance	\$20.2	\$19.5	3%
Supplies and Printing	\$2.8	\$2.5	11%
Utilities	\$1.9	\$1.6	16%
Travel	\$0.6	\$0.5	17%
Communications	\$6.7	\$7.0	-4%
Inter Agency Payments (example: AG and DAS)	<u>\$9.1</u>	<u>\$9.0</u>	1%
Subtotal	\$278.4	\$269.2	3%
FY08 Strategic Initiatives and Infrastructure		\$21.7	
FY 09			
Tier 1 Stratigic Projects	\$9.6		
Examples:			
MIRA 2			
Provider Direct Payment			
Enterprise Reporting Package			
Legislative Mandates			
Infrastructure	<u>\$9.0</u>		
Examples:			
Server replacement			
Software upgrades			
Grand Total	<u>\$297.0</u>	<u>\$290.9</u>	2%