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Department of Transportation

MANAGING THE FIVE YEAR WORK PROGRAM

PURPOSE:

To ensure programmed fund amounts for project phases within the Five Year Work Program are equal to or less than the total projected available revenues and describe methods to monitor the Work Program for compliance with applicable state and federal laws.

AUTHORITY:

Sections 20.23(3)(a) and 334.048(3), F.S.

REFERENCE:

Section 339.135, Florida Statutes (F.S.)

SCOPE:

This procedure is used by Central Office and District Work Program Managers.

DEFINITIONS:

Adopted Work Program - The Five-Year Work Program adopted by the Department as provided by Florida Statutes.

Allocations - Breakout of fund or budget amounts to a district level to indicate the amount available for use on projects within each district.

Allotment Transfer - Movement of budget within the same category and budget entity between Districts.

Box Item - Box Items are programmed in each year of the Work Program and are

identified as contract class 8 along with box codes. Their purpose is to hold funds to be used to protect the Adopted Work Program and to ensure the priorities of the department are met. No expenditures may be made from a box item. There are three types of box items: targets (TG), reserves (RV) and contingencies (CN)

Budget Allocation Table – Database where budget allotments and corresponding adjustment amounts are stored.

Budget Amendment - An action which increases or decreases budget authority in a specific category.

Budget Appropriation - The annual Appropriations Act designates the amount of budget available to the Department in various appropriation categories which correspond to specific components of the Department's Adopted Work Program.

Budget Ledgers - Ledgers prepared by the Budget Office and arranged by budget entity and FLAIR appropriation category within each budget entity. Data is further broken down into the specific allocations to each district. These amounts include the initial budget allocations plus any approved amendments and/or allotment transfers for the current year appropriation.

Commitments - The amount of funding/budget encumbered or expended on active project phases. The Work Program database reflects commitment amounts as the sum of expenditures and encumbrances. FLAIR and PCM reflect commitments as encumbrances and as expenditures.

Encumbrance - The amount recorded in FLAIR indicating an unpaid commitment of budget on a specific project.

Expenditures - The amount paid to date on a project phase and the outstanding payable balance, such as retainage.

Federal Programs Management Database – Database of federally funded projects used in the federal billing process.

FLAIR – Florida Accounting Information Resource. The statewide accounting system maintained by the State's Chief Financial Officer.

FM Commitments - These commitments correlate to the total of the FLAIR expenditures and encumbrances for a particular appropriation category, as listed in the Schedule of Allotment Balances (SAB) Report.

Fund Allocation Amounts - The level of funds from a specified funding source available for commitment in a fiscal year.

Funds Database - Database of Work Program Fund allocations and corresponding allocation adjustments.

Loans - A loan of funds from one district to another. Repayment is required within 3 years. Loans are considered work program amendments as detailed in the Work Program Instructions.

Obligating Authority - Federal dollars within certain categories allocated to the State for obligation within pre-established parameters. Obligating Authority describes the maximum amount in all categories that can be committed to projects.

Obligating Authority Constraints - Obligation limit on the amount of Federal Aid in a particular year. Expressed as a fund reduction on the Production Accomplishment Report (PAR).

Production Accomplishment Report (PAR) - A comparison of committed funds to available funds.

Production Balance - The variance or difference between funds programmed on phases in a fiscal year and the amount of Work Program Funds allocated. This balance (positive or negative) is shown as a Balance Forward in the next fiscal year.

Program Budget Report (PBR) - A report from WPA which summarizes budget allocations posted in the Budget Allocation Table and Work Program project cost estimates by Agency Program Number.

Program Managers - Individuals responsible for management of Work Program components.

Program Numbers – Program Numbers in the WPA that relate to specific appropriation categories in the General Appropriations Act (GAA). In most instances, a program number relates to a single appropriation category. Some appropriation categories may relate to multiple program numbers. Conversely, some program numbers may relate to multiple appropriation categories.

Project Cost Management Data Base – Database of accounting information received from FLAIR.

Roll Forward Budget - Remaining financed budget at fiscal year-end that is moved to the new fiscal year, via budget amendment, to support specific project phases moved into the new fiscal year through the Roll forward process.

Schedule of Allotment Balances (SAB) – Summary, by organization code, of financial data identifying budget allotments, encumbrances, expenditures and allotment balances. Of the five levels contained in the organization code, the Department utilizes only levels one, two and five.

Level One - Agency

Level Two - District or Central Office title

Level Five - Cost center.

Schedule A - A schedule of the Work Program Instructions which shows, by District (if applicable) and fiscal year, the allocation of each type of state and federal fund.

Tentative Work Program - The five-year listing, by fiscal year (July 1st - June 30th), of all transportation projects planned within the FDOT districts (to include Central Office).

Work Program Administration System (WPA) - Database of project descriptions, estimated costs, scheduled phases, etc., for past, present and future FDOT projects or phases.

Work Program Amendment - Those changes (other than estimates) to current year projects or project phases of the Adopted Work Program requiring approval by the Work Program Development and Operations Office or Executive Office of the Governor.

Work Program Funds - Codes within the WPA that identify revenue sources. The limits at which project phases can be programmed to consume funds, imposed by the level of funds allocated.

BACKGROUND:

The process begins when the Governor signs the new General Appropriations Act (GAA) into law. Once this occurs, amounts are posted in the budget allocation tables. At this time the Work Program Development and Operations Office works with District and Central Office Work Program and/or Financial Managers to balance the current and upcoming fiscal year's Work Program to the available budget reflected in the Program Budget Report (PBR).

On July 1st, the FDOT Secretary adopts the 5-Year Work Program. Budget allocations are verified against the General Appropriations Act and Roll Forward is incorporated. The District and Central Office Work Program Managers begin the ongoing process of updating and implementing changes to the current year of the work program as well as changes to the future years. During this time they continually verify that the total Amount Programmed does not exceed total Approved Budget. Work Program Managers consider many things including budget overruns, accommodations for supplemental or upcoming letting dates, estimate reductions, contingency analysis, revenue sources, and fund allocations/performance etc. Managers provide constant oversight, and correct discrepancies within the work program when needed.

During the fiscal year various factors necessitate changes to the Work Program. For reasons such as timing issues, budget/funding impacts, external influences such as permitting and shifts in priorities, amendments to the Adopted Work Program become necessary. Proposed amendments to the Adopted Work Program are subjected to multi-level reviews and final approvals by the Governor's Office.

As the fiscal year progresses, work program managers begin preparations for the annual Legislative Budget Request (LBR). These preparations culminate in the submittal of the 5-Year Tentative Work Program to the Florida Legislature. During the legislative session,

elected officials consider the FDOT's budget request, designate appropriation levels, include proviso language and ultimately submit a conforming bill to the Office of the Governor as the General Appropriations Act (GAA). At this point, the cycle begins anew.

PROCEDURE

Both District and Central Office work program managers, monitor the adopted work program to ensure compliance with applicable statutes. Districts generally have the first level of responsibility and authority to manage the work program. Central Office assures the Department's Five-Year Work Program meets the stated goal and overall mission of the Department and compliance with **Section 339.135, F.S.**

1. INITIAL ALLOCATION OF THE ANNUAL APPROPRIATION

Just prior to the beginning of the new fiscal year, work program managers verify the annual appropriations posted in the Budget Allocation Table at the close of the Tentative Work Program against the GAA.

2. POSTING OF ROLLFORWARD BUDGET

Project phases which have not been committed and the uncommitted portion of active project phases are moved into the new fiscal year on July 1. Immediately following year end processing, Work Program Development and Operations summarizes details provided by the year end update program by FLAIR Appropriation Category, District and Work Program Fund. (See Procedure No. 360-030-005, Roll Forward for more details.)

3. RECORDING OF BUDGET AMENDMENTS AND ALLOTMENT TRANSFERS

The Budget Office notifies the Work Program Development Office of any budget amendments or allotment transfers impacting budget level two or above. These actions are recorded in the Budget Allocation Table. The budget amendment or allotment transfer number used by the Budget Office is entered in the comment area of the database as documentation regarding the purpose of the adjustment.

4. RECONCILIATION OF THE WORK PROGRAM TO THE BUDGET

4.1 At the beginning of each month, the Work Program Development Office summarizes FLAIR Allotment amounts and Agency Allocation entries and provides a comparison of the two summary amounts referencing FLAIR appropriation category, budget entity and FLAIR fund. Work program managers work with various offices to resolve discrepancies and correct records as necessary.

4.2 Work program managers compare budget ledgers against the program allocations report and resolve discrepancies in conjunction with the Budget Office.

4.3 District and Central Office Work Program Managers and/or Financial Managers review the Work Program/Budget/FLAIR Comparison Report (Attachments A and B) as follows:

4.3.1 The total Amount Programmed in WPA for each FLAIR Appropriation Category is verified to not exceed total Approved Budget. The Budget Over/Under Work Program is reflected for each Category as Remaining Budget on the report. If Budget exceeds the Work Program, the District or Statewide Work Program Manager should carefully review and analyze the project to determine if funds are needed to accommodate any supplemental or upcoming letting dates, otherwise the funds should be released and the budget lapsed. If the Work Program exceeds Available Budget, the District should either reduce the estimate in the Appropriate Box Item, propose a Work Program Amendment to move a project phase out of the current year or request a Budget Amendment to obtain sufficient Budget to cover the over programming. A Budget Amendment would be contingent upon sufficient Funding and the Department's ability to finance the additional Budget.

4.3.2 The Estimate Overrun column of the Work Program/Budget/FLAIR Comparison Report, depicts excess commitment amounts for project phases in the work program. The districts must increase the phase estimates to balance the Work Program to FLAIR and notify Disbursement Operations and/or District Financial Services of any incorrect accounting entry rather than adjusting the Work Program. If corrections to estimates cause the Work Program to exceed the budget, follow the steps described in **Section 4.3.1**.

5. MONITORING AND CONTROLLING THE ADOPTED WORK PROGRAM WITHIN FUNDING CONSTRAINTS

5.1 Various revenue sources fund projects within the Adopted Work Program. The Fund Allocation Process identifies and allocates funding levels to districts and statewide programs described in the Work Program Instructions (Schedules A and B). The Finance Program and Resource Allocation (FPRA) section within the Office of Work Program and Budget records allocations in the funds database. Updates to allocations occur periodically as necessitated by budget actions, updates to revenue estimates and adjusted forecasts of Federal Aid levels.

5.2 PARs utilize data from the funds database and programmed project cost information from the Adopted Work Program. Managers use PARs on a regular basis to monitor adopted Work Program performance within fund constraints.

5.3 Managers perform a monthly reconciliation of the Adopted Work Program and funding levels and address discrepancies between funding and amounts programmed.

6. MONITOR ACTUAL PROJECT PROGRESS TO AMOUNTS PROGRAMMED IN THE ADOPTED WORK PROGRAM

6.1 When project phases become active, the Adopted Work Program database reflects the commitment of funds and budget. On contract phases, this commitment amount reflects the amount of the contract encumbered in FLAIR.

6.2 Work program managers perform a monthly reconciliation of FLAIR commitments and expenditures to the approved amounts reflected in the adopted work program. They then identify and correct any discrepancies found.

7. AMENDING THE ADOPTED WORK PROGRAM

During the course of the fiscal year, various factors necessitate amendments to the Adopted Work Program. Factors may include timing issues related to production schedules, budget and funding impacts caused by project cost overruns/underruns and external influences such as permitting and local government contributions to projects and shifts in priorities. District and Central Office Program managers initiate the amendment process. After appropriate reviews and approvals are obtained by Central Office staff and the Governor's Office, the Adopted Work Program is adjusted accordingly. When necessary, a budget amendment will also be processed to support the work program amendment.

8. Upon completion of the Schedule A, OWPB staff enter initial fund allocations into the funds database. After initial fund allocations are finalized, the initial allocation entry is not altered for the remainder of the development cycle. Any changes from that point forward are entered as adjustments.

9. The FPRA section within the Office of Work Program and Budget makes periodic adjustments to the Work Program Fund allocations. Each adjustment must have a comment defining the reason(s) for the adjustment(s). Adjustments can be made in one of several categories as follows:

9.1 Loans - A positive adjustment is entered in the year of the loan for the District receiving the loan. A negative amount is entered for the loaning District. The reverse of these entries is entered in the year the loan is repaid (must be within three years of the execution date of the contract).

9.2 Allocation Adjustments - Adjustments to Work Program Fund allocations to accommodate impacts due to budget amendments and distributions of statewide allocations to districts.

- 9.2.1 Adjustment entries are made by the FPRA for budget actions which increase/decrease any district's fund allocation (i.e., an increase in budget for bridge construction may necessitate a positive adjustment to BRP - State Bridge funding.) Fund allocation adjustments are not made when funding is **not** available within the finance plan constraints.
 - 9.2.2 Certain work program funds are retained as a statewide allocations until specific projects are programmed by a district. When such programming occurs, the amount needed to cover the project is entered as a negative adjustment to the statewide allocations. A positive adjustment, for the same amount, is entered into the receiving district's allocation.
- 10.** Staff in the FPRA section within the Office of Work Program and Budget continually review and monitor the PAR (not less than monthly) to ensure all funds stay in balance.
- 10.1** For Work Program Funds Allocated to the Districts:
 - 10.1.1 The Production Balance for each year is checked to ensure that each year's balance is zero or positive.
 - 10.1.2 When funds are out of balance, each district must evaluate the fund(s) and take corrective action. Corrective actions may include:
 - 10.1.2.1 Adjust a box item
 - 10.1.2.2 Move a phase to another year with a Work Program Amendment
 - 10.1.2.3 Seek additional funding through a loan from another district
 - 10.2** For Work Program Funds Allocated to Statewide Programs:
 - 10.2.1 Check production balances in accordance with **Section 10.1.1**.
 - 10.2.2 Statewide program managers must take corrective action. Corrective actions may include:
 - 10.2.2.1 Adjust a box item;
 - 10.2.2.2 Move a phase to another year with Work Program Amendment.

11. TRAINING

11.1 Training occurs at Work Program Workshops and Statewide Work Program Meetings.

11.2 Work Program 101 CBT

11.3 MADDOG 101 CBT

12. FORMS

None required.