Chapter Eight: Narrative

This chapter provides information on the various narrative input windows. Agency-wide and program specific narrative fields are accessed via the Narrative subschedule on the Budget Request Checklist. Other narrative fields are accessed through the Narrative tab accessible on the subschedule to which the narrative relates.

The narrative fields included in this chapter are:

- Agency-wide narrative
  - Description
  - Future Critical Issues
  - Major Accomplishments
  - Mission Statement
  - Performance Measures
  - Statutory Authority

- Program narrative
  - Explanation of Program Costs
  - Goals and Objectives
  - Performance Measures
  - Statistical Data

- Capital Projects
  - Project Specifications
  - Cost Benefit Analysis

- Continuing Appropriations
  - Continuing Appropriation Justification

- Change Package Description
  - Change Package Narrative

- Large IT Projects
  - Anticipated Benefits
  - Detailed Project Description
  - Project Risks
  - Proposed Solution

Agency and Program Narrative

Tip: ***To save time, the subschedule copy function can be used to copy narratives from the previous biennium 2015 R03 version (as included in the Governor's budget) to a current biennium "A" version. Please see Chapter 2 for additional instructions.***

Navigation
Log On=>Checklist=>Narrative

Purpose
The Narrative window is used to enter various narrative data at the agency and program level.

Using the Window
From the drop down lists, select the agency or program level and the narrative title to be completed. If at a program level, also select the appropriate program. The narrative input for programs is completed at the budget level, even if the version is being prepared at an accounting level. When completing each of the program narrative items, total costs for a budget level should be considered, not costs for individual department IDs.

IBARS contains font specifications for font type (Arial), size (8), and color (Black). For data copied into IBARS, the saving process is completed in two steps:

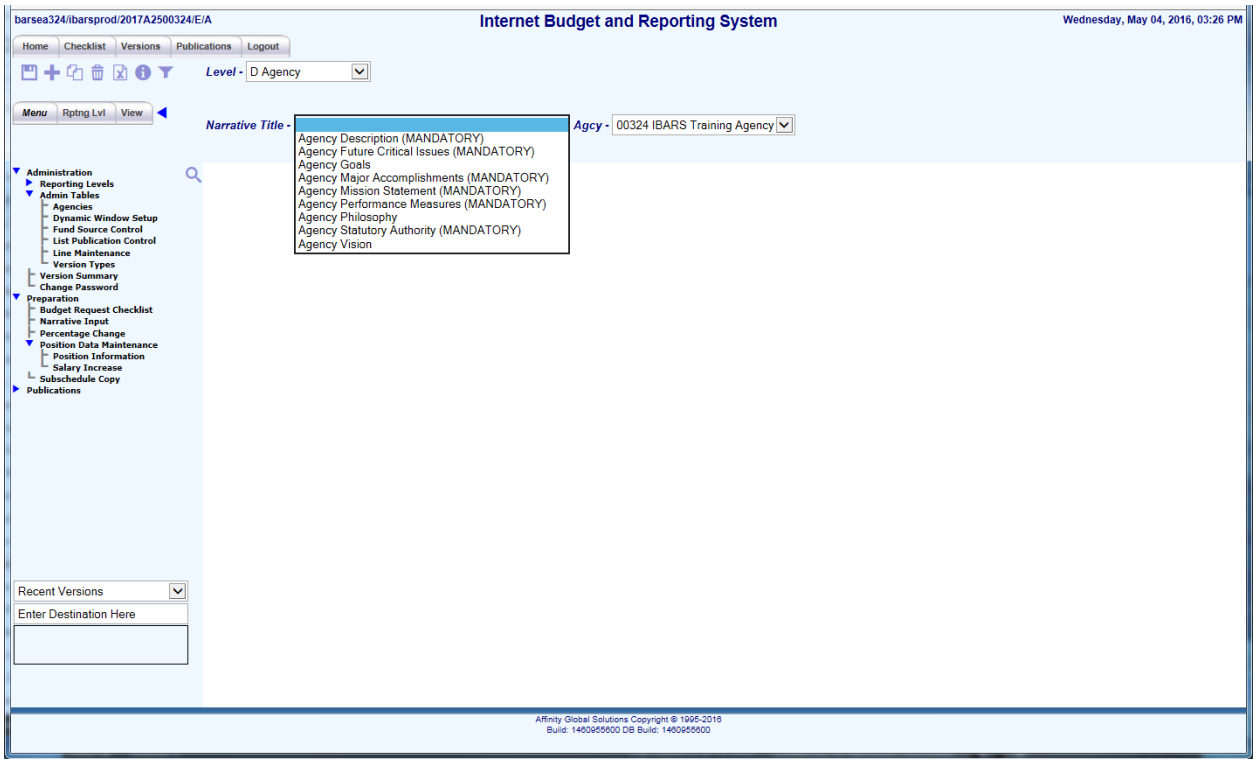
1. Click Save – Font size, type, and color are checked and changed to meet specifications.
2. Click Save - Data is saved in the database

Dialogue boxes will appear after each step indicating that edits have been made and prompting the user to click the Save icon. The process is complete when the Save Succeeded message appears.

Even if narrative is subschedule copied from the previous biennium and no changes are made, each narrative field must be reviewed and re-saved to apply the font edits, continuing until the Save Succeeded message appears.

Tip: ***Narrative should be concise and complete, but not duplicative.***

Agency-wide Narrative Fields



The **Agency Description** should indicate what an agency does and for whom it is done. The Office of Management and Budget has edited this section for consistency across state government. Please use the Agency Description in the R02 version from the previous biennium unless agency functions have changed considerably.

Agency Future Critical Issues should include a statement relative to future needs of the agency as a result of legal, environmental, economic, and other changes, such as the uncertainty of federal funding levels.

Agency Major Accomplishments should include initiatives or activities the agency has completed in the 2015-17 biennium and would like to highlight for policy makers.

The **Agency Mission Statement** is a broad statement of the overall purpose for an agency's existence. Agencies with an established strategic plan and mission statement should enter the agency mission statement developed through the strategic planning process. Agencies that do not have an established strategic plan should enter a broad statement of the overall purpose for the agency's existence.

Agency Performance Measures should include agency-level performance measurements that are linked to strategic operational planning. Reported performance measures should be, to the extent possible, outcome measures. The measures included here should be significant to understanding the performance of an agency. The number of agency-level performance measures should be limited to no more than five. These measures should be the most significant measures for the agency.

If agency-level performance measures have been established, this narrative field should also include a discussion of the agency's progress meeting each measure, including comparisons to

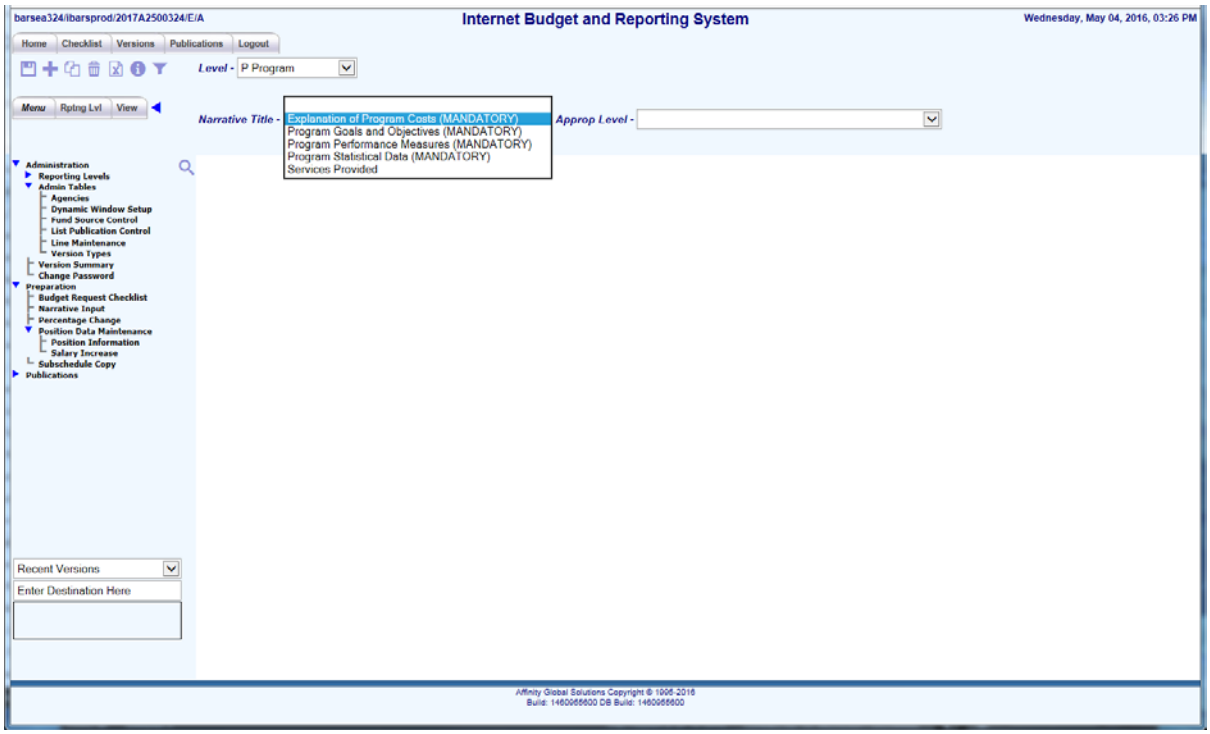
the previous two or three years, if available, as well as the target or benchmark the agency is striving to achieve. The narrative should also include how the benchmarks were determined. For example, were they established internally, required by the federal government, or determined by other means?

This is a mandated field that requires that data be input in order for an agency to validate and submit the budget. However, it is **not mandatory** that an agency report performance information. Should an agency choose not to report, the narrative can simply state that performance measures and results reporting are not currently used by the agency.

Tip: ***Program level performance measures should be reported in the program narrative and not repeated in the agency narrative.***

Agency Statutory Authority is the North Dakota Century Code citation that establishes and governs the agency. The Office of Management and Budget has edited this section for consistency across state government. Please begin by using the Statutory Authority in the R03 version from the previous biennium, then update as necessary to ensure newly enacted statutory authority is listed.

Program Narrative



Explanation of Program Costs should include an explanation of the major cost factors for the program. Include quantitative information such as projected caseloads, rates and usage. Identify any circumstances causing unusual spending patterns over the past three years. Information regarding increases or decreases in current spending, or budget changes, should not be included here. Budget changes should be addressed in the Budget Change Description window.

Program Goals and Objectives should be entered here**.** A goal is a long-term (multi-year) vision of the future; the general end towards which efforts are directed. A program objective is the ultimate purpose of a program stated in terms of a measurable result.

Depending on an agency's strategic plan or other planning process, a program may not have both goals and objectives. An agency should enter information on the program goals and objectives in the format established through its planning process. Using the Fiscal Management program of OMB as an example, the program goal is to deliver quality customer service and manage available resources. The program objective is to produce a comprehensive financial report; complete the Governor's biennial budget recommendation; and provide timely, quality support to state agencies and institutions for all financial and budget transactions.

Program Performance Measures should include measures established in a strategic plan or other process that reflect the results of program activities. Reported performance measures should be significant in understanding the performance of the program. The number of program-level performance measures should not exceed five. This narrative field should also include historical information on how well the program is doing in meeting its measures as well as the target or benchmark the program is striving to achieve. The narrative should also include the source of the benchmark.

Program Statistical Data should include any statistics about the program that are pertinent, such as the number of people the program serves or the number of documents processed.

Capital Projects

Navigation
From the Capital Projects Select window, click on the appropriate capital project, and then select the Narrative Input tab. Two narrative fields, Project Specifications and Cost Benefit Analysis, are required for all capital projects, and can be accessed from the Narrative Title drop down window.

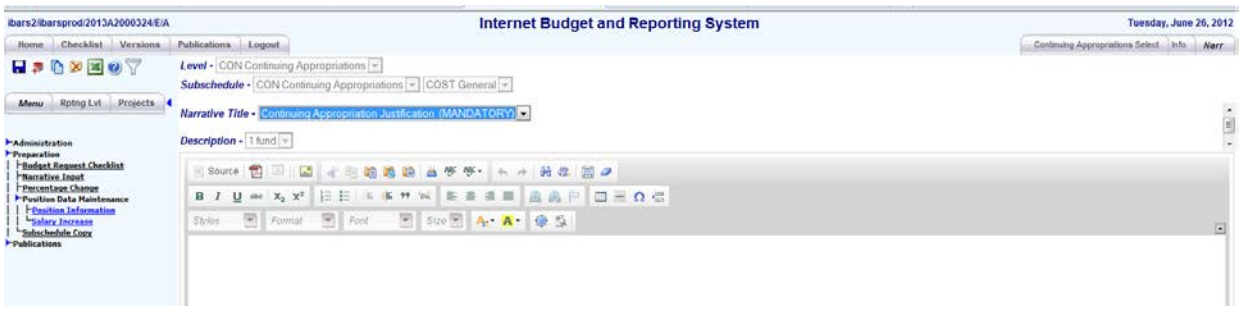
Project Specifications and Justification
Questions that should be considered by the agency when preparing the Project Specifications and Justification narrative include the following:

- What evidence is there that this project needs to be done?
- What will happen if the state does not fund this project?
- Has adequate planning for this project been done? Should a planning appropriation be made first?
- Can another resource be used to finance this project? Can the cost be shared?
- Would it be cheaper to renovate or remodel an unused facility?
- Can this project wait until next biennium?
- Before considering new requests, have current facility needs been met?
- Would this project be necessary if the size of government decreased, if population declined, if a technological breakthrough occurred, or demand declined? If not, what is the likelihood of any of these happening in the next ten years?
- Are there alternative funding scenarios for this project? Such as: General obligation bonds? Revenue bonds? Direct appropriation? User fees? Leaseback agreement? Rent?
- What are the operating and maintenance costs over the life of this project once it is completed? Are they reasonable? Will it require additional general fund commitments? Can total costs be saved by spending more at the outset of the project to reduce operating costs later (e.g., through redesign of a facility)?
- What would the proponents of this project cut if they could receive only 80 percent of requested funding?
- Have all the costs of this project been presented, including construction costs, architects' fees, contingency fees, construction supervision fees, equipment, insurance and bid costs, and site acquisition costs?
- What are the economies (dis-economies) of scale? Would a bigger facility be cheaper per client served or per personnel housed? If a bigger facility is built, can part of the space be rented?
- Who is against this project? Why? Do they have valid concerns?
- How do recent/proposed federal budget and tax actions affect the need for and cost of this project?

The questions listed above were adapted from a report published by the National Conference of State Legislatures entitled, "Capital Budgeting and Finance: The Legislative Role."

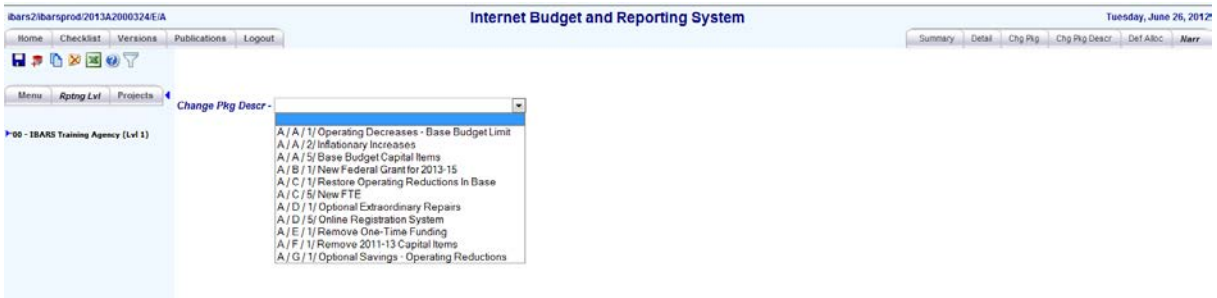
Cost Benefit Analysis Narrative – Statutory Requirement
In accordance with NDCC 54-44.1-16, a cost benefit analysis must be completed for each new building construction project included in budget requests. The analysis must review options for co-locating with other state agencies, departments, or institutions and consider information on related technology costs and savings.

Continuing Appropriations



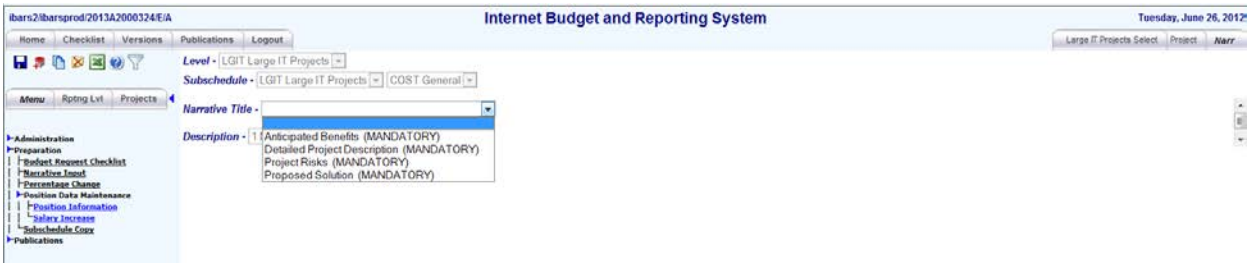
From the Continuing Appropriations window, choose the correct continuing appropriation, and then click the Narrative tab to select the Narrative title Continuing Appropriation Justification from the drop down. Use this field to explain the justification to be conveyed to policymakers regarding the need to continue the statutory authority for this continuing appropriation.

Change Package Description



From any posting subschedule or the Budget Request Summary, click the Change Package Description tab, and then click the Narrative tab. Choose the appropriate change package from the Change Package Description drop down. Use this window to explain the reasons for the change package and explanations for the changes at the account code detail level, where appropriate. Do not repeat the same narrative as the short description.

Large IT Projects



From the Large IT Projects Select tab, choose a project, and then click the Narrative tab. Choose the appropriate Narrative Title from the drop down. Separate narrative sections must be provided for the anticipated benefits of the project, a detailed project description, risks associated with the project, and the proposed solution. Narrative should be similar to that provided to the interim State Information Technology Advisory Committee (SITAC).