FM Fiscal Management	
Formulate Budget	
Item	**Details**
Description	The *Formulate Budget* business process: • Examines the current budget revenue stream and trends, and expenditures. • Assesses external factors affecting the program. • Assesses agency initiatives and plans. • Models different budget scenarios. • Periodically produces a new budget.
Trigger Event	Environment-based Trigger Events: • Periodic timetable (e.g., annual) is due for budget review. • Receive review request from external forces (e.g., notice of revenue shortfall or overage and/or unforeseen rise in costs).
Result	• New or revised budget. • Tracking information as needed for measuring performance and business activity monitoring.
Business Process Steps	1. **START**: Receive notice or other trigger event to prepare the Office of Governor budget transmittal for Legislative approval. 2. Review current budget including cost and revenue trends, Centers for Medicare & Medicaid Services (CMS) notification of federal grant award, demographics, utilization, and other information. 3. Research factors (e.g., national, legislative, and global) that affect the State Medicaid Agency (SMA) revenue, costs, major initiatives, and benefits. 4. Develop and send Office of Governor budget transmittal. 5. Testify before state legislature and/or convene stakeholders to consider alternatives. 6. Model or modify budget transmittal based on legislative or Office of Governor directives. 7. Legislature publishes finalized budget. 8. **END**: Enter approved budget into state accounting system and other expenditure accounting systems.
Shared Data	Financial data store including budget information Business Activity data store including performance information Plan data store including plan information Health Benefit data store including benefit information
Predecessor	*Maintain State Plan*

FM Fiscal Management	
Formulate Budget	
Item	**Details**
	Manage Health Plan Information
	Manage Health Benefit Information
	Manage Performance Measures
Successor	*Manage Budget Information*
	Manage Health Plan Information
	Manage Health Benefit Information
Constraints	The SMA will follow federal and state requirements for budget management. Economic conditions shift, making less revenue available to fund the approved and planned budget.
Failures	• Failure to receive all levels of required approval (that could result in continued use of previously approved budget).
Performance Measures	• Time to complete process = within __ days
	• Accuracy with which edits are applied = ___%
	• Consistency of decisions and disposition = ___%
	• Accuracy of budget projections measured against reality = ___%