

Dave Heineman, Governor

MEMORANDUM

DATE: June 25, 2010

TO: All State Agencies, Boards and Commissions
State Financial Officers

FROM: Gerry A. Oligmueller, State Budget Administrator

RE: Budget Preparation Instructions for the 2011-2013 Biennium

The issuance of the budget preparation instructions and the submission and reporting of biennial budget requests of all State agencies, boards, and commissions is once again a paperless process!

The 2011-2013 biennial State budget process emphasizes development of budget requests within a strategic results-oriented process. To underscore the importance of the relationship between strategic planning and the development of an agency's budget request, we have released the Nebraska Budget Request and Reporting System in two phases.

The Operations Budget Request's Agency, Division, and Program narrative screens were released on April 28, 2010, with a preliminary completion date within the budget request system of August 2, 2010. Today, the second phase includes the remainder of the preparation screens, including the following submissions: 1) operating and aid budget requests (Base Appropriation, Permanent Salaries Base, Issue Details, Funds Analysis), 2) capital construction and building renewal requests, 3) budget modifications, and 4) information technology project proposal and agency IT plans.

An agency's final budget request version must be locked and submitted in the budget request system by Wednesday, September 15, 2010. Access to the budget request submissions will be granted to the Nebraska Legislative Fiscal Office, the Coordinating Commission for Postsecondary Education, the Task Force for Building Renewal, the Comprehensive Capital Facilities Planning Commission, and the Nebraska Information Technology Commission. Printed copies of your 2011-2013 biennium budget requests are not requested. This electronic submission and sharing of information is a significant cost-savings measure associated with the Nebraska Budget Request and Reporting System.

All State agency, board, and commission budget requests will also be made available to the public via the State Budget Division's website. This provides easy anytime access and 100 percent transparency of the 2011-2013 biennial budget requests of all State agencies, boards, and commissions. The Governor's budget recommendations for the 2011-2013 Biennium will be presented to the Legislature in January 2011, pursuant to Section 81-125, Reissue Revised Statutes of Nebraska, 2008.

We are requesting that State agencies review their agency, division (if applicable), and program narrative information and prepare 2011-2013 budget requests that are consistent with their plans for service delivery and specific results for the 2012 and 2013 fiscal years. Agencies are encouraged to provide as much text in the budget request system as is necessary to adequately explain their budget request and budget modifications as well as to provide summary information regarding their programs and activities. The system does allow for entry of unlimited narrative information in the "Supporting Information" narrative sections.

The Legislature enacted certain changes to agency appropriations for FY 2010-11 during the November 2009 special session as well as during the 2010 regular legislative session. The final revised and enacted FY 2010-11 new appropriations as of July 15, 2011, will be used and should be reported in your budget request submission as the "FY 2011 Current Appropriation." The Funds Analysis screen should also reflect all enacted adjustments to fund balances.

The budget modification process for the 2011-2013 biennial budget request requires that agencies with General Fund appropriations submit modifications at the 90% base level. It is our expectation that the 90% base level will generate thoughtful choices and priorities and that agencies will give serious attention to their identification of modification issues. Budget modifications represent the lowest priorities for continued or additional new funding within the budget request and will be considered as such during the budget process.

We ask agencies with cash, federal, and revolving funds to be especially diligent in completing the "Funds Analysis" screen and that they provide narrative explanation in the program narrative screen for any situations where estimated annual revenues exceed estimated annual expenditures by an amount greater than seven percent for FY 2013, or where the estimated June 30, 2013, fund balance exceeds twenty-five percent of FY 2013 expenditures. Please also explain any projected negative fund balances. If your agency determines that an adjustment of fees/charges would be advisable, narrative information should be included outlining any agency plans for making such adjustments. All State agencies, boards, and commissions are required by Section 86-524.01, Reissue Revised Statutes of Nebraska, 2008, to submit an information technology plan to the Chief Information Officer. The deadline for the submission of this plan is Wednesday, September 15, 2010. Instructions and a downloadable form for information technology plans are available on the NITC web site at <http://www.nitc.ne.gov/forms/>. Please contact Rick Becker if you have any questions. He can be reached at (402) 471-7984 or by sending an email to rick.becker@nebraska.gov.

Thanks very much for your special efforts in preparing a quality 2011-2013 biennial budget request. The staff of the Department of Administrative Services State Budget Division are prepared to answer your questions and assist you in the preparation and submission of your requests.