

STATE OF NEBRASKA



DEPARTMENT OF ADMINISTRATIVE SERVICES
Lori McClurg
Director

Mike Johanns
Governor

MEMORANDUM

DATE: July 3, 2002

TO: All State Agencies, Boards and Commissions

FROM: Gerry A. Oligmueller, State Budget Administrator

RE: Budget Preparation Instructions for the 2003-2005 Biennium

A handwritten signature in black ink, appearing to read "Gerry A. Oligmueller", written over the "FROM:" line of the memorandum.

This document includes instructions for the preparation of the following budget-related submissions: 1) operating and aid budget requests, 2) capital construction and building renewal requests, 3) modification budgets, and 4) information technology summary forms. These submissions must be made to the Department of Administrative Services Budget Division by Monday, September 16, 2002. A copy of the operating and aid requests, capital construction and building renewal requests, and modifications will be shared with the Nebraska Legislative Fiscal Office. A copy of higher education submissions will be shared with the Coordinating Commission for Postsecondary Education. Access to the information provided by agencies for the information technology summary will be shared with the Nebraska Chief Information Officer and Legislative Fiscal Office in electronic format. The Governor's budget recommendations for the 2003-2005 Biennium will be presented to the Legislature in January 2003, pursuant to Section 81-125, Reissue Revised Statutes of Nebraska, 1996.

In order to ease development of the information regarding agency vision, goals, and objectives, we have carried that information forward in the automated budget system from the 2001-2003 agency requests. We are requesting that State agencies review and revise their agency and program narrative information and prepare 2003-2005 budget requests that are consistent with their plans for service delivery and specific results for the 2004 and 2005 fiscal years. Agencies are encouraged to provide as much text in the automated system and, consequently, the printed submission 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 The automated system does allow for entry of unlimited narrative information in the "not for publication" narrative sections.

The Legislature enacted changes to agency appropriations for FY2003 during the 2001 special legislative session and the 2002 regular legislative session. Additional changes to agency appropriations are anticipated during an August 2002 special legislative session. The final revised and enacted FY2003 appropriations as of September 16, 2002, will be used and should be reported in your budget request submission as the "FY03 Current Appropriation." Fund Analysis Report 102-A should also reflect all enacted adjustments to fund balances.

Budget Division • Gerry A. Oligmueller, Administrator

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The changes to FY2003 appropriations enacted by the Legislature made permanent reductions in the base appropriation level for agency operations and aid. Any agency requests to "restore or replace" these permanent FY2003 base appropriation reductions must be requested as a Budget Adjustment, as detailed in Section I, Part D of these budget instructions. Do not submit such requests as "Continuation Budget Requests" as detailed in Section I, Part C of these budget instructions. Budget Adjustment Narrative Report 70-BA should be used to provide the necessary explanation for such requests.

The budget modification process for the 2003-2005 biennial budget request requires that agencies 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. As a reminder, budget modifications represent the lowest priorities for continued or additional new funding within the budget request and will be considered as such during analysis.

We would like to emphasize to agencies with cash or other non-General funds that it is essential that they be especially diligent in completing the "funds analysis" screens 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 FY2005, or where the estimated June 30, 2005, cash balance exceeds twenty-five percent of FY2005 expenditures. 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.

Thanks very much for your special efforts in preparing a quality 2003-2005 biennial budget request. The staff of the Department of Administrative Services Budget Division are prepared to answer your questions and assist you in the preparation and submission of your requests.