



Date: June 18, 2018

To: Commissioners
Deputy Commissioners
Agency Chief Financial Officers
Budget Directors

From: Britta Reitan, State Budget Director

A handwritten signature in blue ink, appearing to read 'BR', is placed to the right of the 'From:' line.

Subject: FY 2020-21 Biennial Budget Preparation

We begin the development of the FY 2020-21 biennial budget in a balanced fiscal position—with a projected \$419 million balance for the next biennium. We are also preparing the next budget during a time of gubernatorial transition in which Governor Dayton has set the expectation for agency leadership to provide a smooth transition for a new administration. The biennial budget document, to be delivered to the legislature by February 19, 2019, will be particularly important this year, as it provides the format for clearly outlining the services provided by state government, the outcomes from those services and structuring discussions about budget priorities.

In addition to the biennial budget, MMB – through the Management Analysis and Development (MAD) division – is coordinating the preparation of briefing materials to be made available to the governor-elect's transition team the day after the election. The briefing materials will include each agency's *Agency Profile* section of the budget narrative. MAD and the Budget Division are coordinating so that agencies do not receive duplicative information requests between the budget process and transition planning, but please be aware that MAD will ask agencies for additional transition materials later this summer.

Attached to this memo you will find the instructions to develop agency budget narratives. These instructions will provide guidance for completing the background narratives that collectively comprise the catalog of state government—how and how well agencies fulfill their mission. In August, additional instructions will be provided for developing base budgets and budget recommendations for the next biennium.

The purpose of an agency's budget narrative is:

1. To provide a description of what your agency does and the public good or outcome that is a result of that investment in a way that decision-makers and the public can easily understand.
2. To demonstrate how well you are doing with performance measures that show how much is provided (the **quantity**), how well it is done (the **quality**) and whether or not anyone is better off (the **result**).

While the 2020-21 biennial budget templates are relatively unchanged from the 2018-19 biennial budget, we have made changes to the formatting of the template. Please use the current template and do not simply update previous documents.

As we have done in previous years, we are asking agencies to complete their work on budget narratives over the summer, in advance of base budget work and the gubernatorial transition. The budget narratives are **due to MMB on August 24** and will be published on the MMB website by October 1.

Because we are transitioning to a new administration, statute allows additional time to develop and publish the governor’s recommended budget. Below is a roadmap to completion of the 2020-21 biennial budget:

| Date | Budget Item |
|-------------------------------|---|
| Mid-June 2018 | Narrative instructions and templates available |
| Before August 1, 2018 | Budget structure (program or activity) change requests to Executive Budget Officer |
| Early August 2018 | Preparing fiscal information (base budget) instructions available, including internal service and federal funds |
| July 31 – August 14, 2018 | Budget Planning and Analysis System (BPAS) agency training |
| August 22, 2018 | BPAS open for agencies |
| August 24, 2018 | Budget narratives due from agencies |
| August, 2018 | Budget proposal (change) instructions available |
| September, 2018 | Departmental Earnings instructions available |
| October 1, 2018 | Budget narratives published to MMB website |
| October 15, 2018 | Base/enacted budget information due in BPAS and high level change item information entered in BPAS (M.S. 16A.10, subd. 2) |
| November 6, 2018 | Election Day |
| November 30, 2018 | Base/enacted budget data submitted to the legislature (M.S. 16A.10, subd. 2) |
| Early December 2018 | November Forecast |
| November 2018 – February 2019 | Governor-Elect’s decision making |
| February 19, 2019 | Governor’s budget recommendations submitted to legislature (M.S. 16A.11, subd. 1) |

By August 24, please complete the following:

1. Identify your agency budget structure. Proposed budget structure (program or activity) changes need to be submitted to your executive budget officer (EBO) for review and approval prior to August 1.
2. Complete your agency budget narrative(s) by either updating the 2018-19 published budget narratives located on the [MMB Budget Division Document Management SharePoint site](#) in your agency’s Biennial Budget/2020-21 Biennial Budget/Background Narratives\2018-19 Narratives folder or by using the 2020-

21 budget narrative templates, following the instructions provided on MMB's website shown in *Available Resources* below. Please make sure to follow the *Creating Accessible Document* instructions and have your accessibility officer review your agency narratives prior to submitting to MMB.

3. Submit budget narrative(s) in an accessible format by August 24, 2018, by uploading the documents to your agency's Biennial Budget/2020-21 Biennial Budget/Background Narratives folder on the [Budget Division Document Management SharePoint site](https://mn365.sharepoint.com/sites/MMB-Budget/SitePages/Home.aspx) (<https://mn365.sharepoint.com/sites/MMB-Budget/SitePages/Home.aspx>).

Available Resources

The [MMB Biennial Budget Instructions website](#) includes additional resources that will assist you in developing your budget narratives:

- Budget Narrative Templates
- Budget Structure and Selecting Narrative Templates
- Completing the Budget Charts in the Agency Profile
- Statewide Outcomes and Results Based Accountability
- Plain Language and Style
- Creating Accessible Documents
- Using SharePoint for Document Submission

I look forward to working with you over the next several months and encourage you to work closely with your Executive Budget Officer on the development of FY 2020-21 budget materials for your agency.

cc: Bill Marx, Chief House Fiscal Analyst
Eric Nauman, Chief Senate Fiscal Analyst