

Date: July 11, 2012

To: Chief Financial Officers
Budget Directors/Coordinators

From: Margaret Kelly, State Budget Director

Phone: (651) 201-8009

Subject: 2014-15 Biennial Budget, Part A: Narrative Instructions

As we transition into the new fiscal year, it is time to begin the work of developing the background materials for the 2014-15 biennial budget. For the first time, we will be using a new budget system – Budget Planning and Analysis System (BPAS) – to produce the biennial budget. Along with a new system, there are other significant changes we will make to the budget format to give the whole document a new look and feel. The biggest change will be to background materials, referred to as budget narratives.

We have two goals for this next budget document. We are striving for:

1. A clear and concise document that is useful in decision making.
2. A focus on performance measures to better answer the question, “What we are getting for our money?”

To meet these goals we are making significant revisions to the budget narrative templates. The first change you will notice is in the number of pages we are allocating for budget narratives. We are moving away from the lengthy description of agency activities and more towards a concise summary of agency purpose and strategies with links to other supporting materials—less of an encyclopedia and more like a handbook.

The second significant change that you will notice is the focus on performance measures and how agency’s strategies contribute toward high level outcomes for the state. This alignment will occur not only in the narrative section of the budget document, but also with fiscal data (at the appropriation level). Specific instructions for the fiscal data will be provided with the Part B: Preparing Fiscal Information instructions.

We recognize that the narrative templates are substantially different than past formats. Aligning programs, activities and fiscal data to high level outcomes is a new endeavor for the state. Minnesota

Management and Budget (MMB), specifically Executive Budget Officers (EBOs), are committed to working closely with you to provide assistance and guidance through these changes. Agencies should also consider attending one of the narrative training sessions being offered in July and August.

While the budget narratives and preparing for the implementation of BPAS are the beginning efforts associated with the 2014-15 biennial budget, additional instructions and work within agencies will continue for several months. The timeline below is provided to assist you in planning for the biennial budget development:

<u>Activity</u>	<u>Date(s)</u>
Part A: Narrative Instructions and Templates Available	July 11
Narrative Training, SharePoint and BPAS Training	July and August
Part B: Preparing Fiscal Information Instructions Available	Late July
Agency Narratives Due to MMB	August 24
Part C: Agency Budget Proposal Instructions Available	Late August
Agency Narratives Published to MMB Website	Early October
Base Budget Data Due to MMB	October 15
Non-Executive Branch, Constitutional Officers, Small Agency Proposals Due	October 15
Executive Branch Agency Budget Proposals due to MMB	October TBD in Part C
Base Budget Data Submitted to Legislature	November 30
Governor's Decision Making	November/December
Governor's Budget Submitted to Legislature	January 22, 2013

Please encourage your staff to attend the training sessions being provided in July and August and do not hesitate to contact your EBO with any questions related to the 2014-15 biennial budget process.

Attachments

cc: Bill Marx, Chief House Fiscal Analyst
Tom Bottern, Senate Counsel
Executive Budget Officers and Team Leaders