



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT

PAT MCCRORY
GOVERNOR

ART POPE
STATE BUDGET DIRECTOR

August 26, 2014

MEMORANDUM

TO: Department Heads and Chief Fiscal Officers
All State Departments, Institutions and Agencies

FROM: Art Pope *Art Pope*
State Budget Director

SUBJECT: Instructions for FY 2015-17 Budget Preparation

The Office of State Budget and Management (OSBM) is beginning the process for preparation of Governor McCrory's 2015-17 budget recommendations to the 2015 General Assembly. Instructions are attached and will be posted to the OSBM website today. The instructions provide detailed guidelines for preparing base, expansion, and capital improvement budget requests with accompanying deadlines for completing key steps. An executive summary provides an overview of the budget process and major policies and requirements for development of the budget.

The sum total of each general fund agency's reduction options and expansion requests must equate to a net savings of two percent (2%) of the agency's 2014-15 BD 307 certified appropriation. The general fund appropriation expansion requests shall not exceed two percent (2%) of the agency's 2014-15 BD 307 certified appropriations. These net savings in appropriations, along with additional availability, may be applied toward funding the state's overall obligations and future priorities. The reductions should be prioritized and should not be across-the-board reductions or management flexible reductions. Agencies are encouraged to eliminate lower priority programs and apply the savings to high priority programs that support the agency's core mission.

Please note that these requests are the starting point for preparation of the Governor's 2015-17 budget recommendations, and may or may not be included in the final budget recommendations for 2015-17 to the General Assembly.

All budget requests should be submitted to OSBM as soon as possible and no later than Friday, October 31, 2014. All budget requests must be entered and submitted in IBIS using the appropriate form. For instructions on how to use the forms, please refer to the IBIS website. **If a budget request requires a special provision or statutory change, it must be attached and accompany the Worksheet II submission in IBIS.**

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All final requests to the Governor for consideration in the 2015-17 budget preparation process must be submitted in hard copy and accompanied by a transmittal letter from the agency head.

As always, I would like to thank you for your continued cooperation during these challenging economic times. Your overall leadership and continued management of the budget is to be commended. We look forward to working with during the budget development process. Please do not hesitate to contact your OSBM budget analyst at (919) 807-4700 if you have any questions about the information in this memorandum. Thank you for your cooperation.