



Dave Heineman
Governor

STATE OF NEBRASKA

DEPARTMENT OF ADMINISTRATIVE SERVICES
Gerry Oligmueller
Acting Director

MEMORANDUM

DATE: July 3, 2006
TO: All State Agencies, Boards and Commissions
FROM: Gerry A. Oligmueller, State Budget Administrator
RE: Budget Preparation Instructions for the 2007-2009 Biennium

The 2007-2009 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 budget request instructions in two phases.

Phase I, the Operating Budget Request Narrative Instructions, were released on May 19, 2006, with a completion date within the budget request system of July 31, 2006. This next document represents Phase II, the complete and final Budget Request Preparation Instructions for the 2007-2009 Biennium, including 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 Friday, September 15, 2006. 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 2007-2009 Biennium will be presented to the Legislature in January 2007, pursuant to Section 81-125, Reissue Revised Statutes of Nebraska, 2003.

We are requesting that State agencies review their agency and program narrative information prepared in Phase I and prepare 2007-2009 budget requests that are consistent with their plans for service delivery and specific results for the 2008 and 2009 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 certain changes to agency appropriations for FY2007 during the 2006 regular legislative session. The final revised and enacted FY2007 new appropriations as of July 14, 2006, will be used and should be reported in your budget request submission as the "FY07 Current Appropriation." Fund Analysis Report 102-A should also reflect all enacted adjustments to fund balances.

Agency requests to "restore or replace" any permanent base appropriation reductions made during previous Legislative Sessions, 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 2007-2009 biennial budget request requires that agencies with General Fund appropriations submit modifications at the 95% base level. It is our expectation that the 95% 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 or other non-General funds to 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 FY2009, or where the estimated June 30, 2009, cash balance exceeds twenty-five percent of FY2009 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.

The due date for finishing the agency-level comprehensive information technology plans is August 16, 2006. Instructions and forms are available on the NITC web site (<http://www.nitc.state.ne.us/forms/>). Agencies requesting funding for information technology must have a current plan on file. Please contact Steve Henderson, if you have any questions. He can be reached at (402) 471-4861 or by sending e-mail to shenders@notes.state.ne.us. "

Thanks very much for your special efforts in preparing a quality 2007-2009 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.