



Virginia

Department of Planning and Budget

June 5, 2015

To: State Agency Finance and Budget Officers

From: Department of Planning and Budget (DPB)

Subject: Summer 2015 Budget Development and Related Activities

As most of you know, this summer, we will begin preparation of the Governor's introduced budget for the 2016-2018 biennium. The introduction of a new biennial budget typically requires additional budget development activity that begins early in the preceding summer since it involves preparation of base budgets and alignment of strategic plans to that base. In fact, the instructions for strategic plan updates and for capital outlay projects have already been issued.

For your planning purposes, this memorandum provides agencies with a preliminary outline of these and other tasks that will be required in the coming months and highlights some changes in the process. Any specific dates discussed herein are subject to change but the tasks and the general time frame should remain unchanged.

The first step in preparing proposed operating budgets for the 2016-18 biennium is the establishment of a new base budget for each agency. A major change in this process this year will be the elimination of the initial base budget submitted by agencies. Instead of the agency-based submission, DPB will load each agency's base budget using the FY 2016 appropriations contained in Chapter 665, 2015 Acts of Assembly. After this initial data is loaded to the Performance Budgeting system, agencies will have the opportunity to make non-policy based changes to their base budgets later in the summer via the base adjustment and technical decision package submissions. Instructions for this process will be issued at a later date.

Another change in the operating budget submission process pertains to information technology (IT) requests. Specifically, this year, agencies with IT related requests will be required to submit the associated decision packages earlier than other operating budget requests. The complex nature of many IT requests requires additional levels of analysis and review on the part of VITA, DPB, and decision makers.

As previously stated, the process for requesting capital outlay projects already began with the issuance of instructions on May 13.

In addition to activities directly related to the preparation of a new biennial budget, agencies currently are updating their strategic plans to reflect changes contained in Chapter 665 of the 2015 General Assembly session. Through this process, you should be aligning your strategic plan with your base budget as reflected in your agency's FY 2016 legislative appropriation. Instructions for this process were issued on May 19.

The table below contains the tentative schedule for budget development and related activities. As previously indicated, these timeframes are estimates and are being provided for planning purposes.

Agencies create and submit capital budget requests	Mid May to June 15
Agencies update strategic plans to reflect Chapter 665*	Mid May –June 17
DPB loads agency base budgets into the Performance Budgeting system*	Late May – Mid June
DPB provides base budget details to agencies*	Late June
DPB provides agencies with required base adjustment targets	Late July
Agencies create and submit decision packages for Information Technology*	July – August
Agencies create and submit DPB generated required base adjustments	August
Agencies create and submit agency generated technical decision packages	August
Agencies publish final performance measure results for FY 2015	August
Agencies create and submit non-information technology budget requests	August – September
Governor presents 2016-18 introduced budget	December 17

*Denotes a change in the process over previous years

Detailed instructions and other information for each of the above activities will be issued at a later date with specific due dates. Please contact your DPB budget analyst if you have any questions.