



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT
Employment First State for Individuals with Disabilities

ROY COOPER
GOVERNOR

CHARLES PERUSSE
STATE BUDGET DIRECTOR

September 28, 2020

MEMORANDUM

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

FROM: Charles Perusse *Charles Perusse*
State Budget Director

SUBJECT: Base Budget Instructions for 2021-23 Biennium

The Office of State Budget and Management (OSBM) is beginning the process for preparation of the Governor's 2021-23 biennial budget recommendations to the 2021 General Assembly. A preliminary revenue forecast for the 2021-23 biennium will be issued later this fall, but early indications suggest that recurring revenue availability will be limited. Because of the uncertain revenue forecast, OSBM is separating the budget preparation process into two parts: Base Budget and Change Budget. As the revenue picture becomes clearer later this fall, OSBM will engage agencies to determine the best course forward for determining Change Budget Requests.

OSBM requests that agencies use the Base Budget Preparation process to better reflect actual expenditures and revenue collections and provide a more accurate spending plan for the 2021-23 biennium. This should promote effective decision making, increase transparency, and reduce the number of required budget revisions following certification of the biennial budget. The Base Budget should reflect a budget proposal for the 2021-23 biennium that effectively uses limited resources to deliver programs and services that meet the needs of North Carolinians and empower people and businesses to realize their full potential.

Agencies should engage internally and with OSBM in a collaborative effort to complete the tasks laid out in the accompanying base budget instructions. For agencies, the process should include not only budget and financial staff but also program directors, CIOs, and other members of agency senior leadership. OSBM Budget Analysts are available to provide technical assistance and guidance to agencies to ensure a recommended base budget that accurately reflects ongoing agency operations.

OSBM will be conducting meetings with the leadership of all agencies as part of quarterly reviews in October and agencies should be prepared to discuss base budget realignments at that time. These meetings will be the beginning of a collaborative process throughout the fall, with key deliverables and due dates covered in the accompanying budget instructions.

Base Budget instructions for the 2021-23 biennium have been posted to the [OSBM website](#). The instructions and related job aids provide detailed guidelines for preparing the base budget with

accompanying deadlines for completing key steps. An executive summary provides an overview of the budget process.

All base budget documents should be submitted to OSBM by **the deadlines specified in the budget instructions and on the OSBM website.**

I would like to thank you for your continued cooperation. Your leadership and continued management of the budget is to be commended, and we look forward to working with you during the budget development process. Please do not hesitate to contact your OSBM budget execution analyst if you have any questions about the information in this memorandum.