



**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT**

BEVERLY EAVES PERDUE
GOVERNOR

CHARLES E. PERUSSE
STATE BUDGET DIRECTOR

June 18, 2009

MEMORANDUM

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

FROM: Charles E. Perusse *Charles E. Perusse*

RE: Program Inventory

As part of the Governor's ongoing effort to transition towards a budget process that focuses on results, the Office of State Budget and Management (OSBM) will be expanding the existing results-based budgeting (RBB) effort to more fully integrate budget and performance. The first step in this process is to develop a comprehensive inventory of state programs that will be used to inform a budget restructuring effort that more clearly aligns agency budgets with programs. Following the guidance outlined in this directive and using the attached template, each state agency should submit a comprehensive list of all its programs and provide a brief description of each program. Development of this program inventory and the subsequent budget realignment will also facilitate the implementation of upcoming strategic planning and program performance planning efforts that are outlined in Executive Order No. 3.

Program Definition

A program is a set of related services within an agency designed to achieve a measurable outcome for a designated group in support of the agency mission and goals. For agencies that do not traditionally define work by programs, all business units meeting this definition should be identified for the purposes of this exercise.

Examples of programs/business units:

- Independent Living Program (Division of Vocational Rehabilitation)
- Emergency Medical Services (Division of Health Services Regulation)
- More At Four (Department of Public Instruction)
- Taxpayer Assistance (Department of Revenue)

Department-level administrative functions such as human resources and fiscal management should be their own distinct programs. Agencies are encouraged to follow the RBB guidance for administrative services and track the different functions along the same lines as the standard service statements outlined in the RBB instructions.

Program Inventory

Mailing address:
20320 Mail Service Center
Raleigh, NC 27699-0320

www.osbm.state.nc.us
919-807-4700 ** FAX: 919-733-0640
An EEO/AA Employer

Office location:
5200 Administration Building
116 West Jones Street

Determining a Program

An agency may start defining programs by referring to its budget structure or RBB information. If an agency's budget is generally aligned with its programs or organizational structure, then the fund purpose and service statements developed for RBB should serve as a useful basis for developing the program inventory. For some agencies, it may be more difficult to use information directly from RBB if the structure does not align with the programs. For example, some programs may be split across funds or may not be uniquely identified in the service statements. While additional work will be necessary, the RBB information may still serve as a starting point. The most recent RBB information is available on the OSBM website at: http://data.osbm.state.nc.us/pls/pbis/dyn_rbbweb_menu.show.

Program Inventory Information and Submission

Agencies should complete the program inventory in two initial phases; guidance on subsequent phases will be provided at a later date. The first phase will create a preliminary list of programs, provide program descriptions, and identify applicable budget and fund codes for each program. The second phase will finalize the program list, provide budget and FTE information, and determine an estimate for the population served by each program. The first two phases are summarized below:

Phase I: Due August 14, 2009

- *Draft List of Agency Programs:* Produce an initial list of all agency programs.
- *Program Descriptions:* Provide a brief description of each program that clearly states the program purpose(s), including specific services that are provided or needs that are being addressed. Program descriptions should be brief; typically 2 to 3 sentences in length. References to enabling legislation should also be included.
 - *Note:* Please avoid the use of acronyms and jargon that are unique to your agency.
- *Budget and Fund Code Information:* Identify applicable budget and fund codes for each program.
 - *Note:* If the program is funded from multiple funds, list all applicable budget and fund codes.

Phase II: Due October 2, 2009

- *Final List of Agency Programs:* Provide a final list of agency programs, incorporating OSBM input.
- *Final Program Descriptions:* Provide final descriptions of all identified programs.
- *FY2008-09 Actual and FY2009-10 Certified Budget Information:* Determine each program's actual 2008-09 expenditures and certified 2009-10 budget.
 - *Note:* A separate control sheet will be provided by OSBM to show the figures that each agency must balance back to for the agency as a whole.
- *Program FTE Totals:* Determine the number of FTEs associated with each program.
 - *Note:* A separate control sheet will be provided by OSBM to show the figures that each agency must balance back to for the agency as a whole.
- *Estimated Population Served:* Provide an estimate of the number served based on each program's target population. Please indicate the population being counted (e.g. 45,000 students, 20 state agencies, 100,000 families, etc.)

Inventory Submission Process

Agencies should provide all information through the program template http://www.osbm.state.nc.us/files/forms/06182009_ProgramInventorySheet.xls developed and provided by OSBM to ensure consistency. All program inventories should be submitted to the appropriate analyst in OSBM's Strategic Management section. Strategic Management contacts and agency assignments are identified below.

If you have any questions regarding these instructions, please contact Erin Matteson in OSBM at (919) 807-4758 or erin.matteson@osbm.nc.gov.

Thank you.

Strategic Management Contacts

Erin Matteson, Assistant State Budget Officer

Joe White – Health and Human Services, Education
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Bill Stockard – Natural and Economic Resources, Transportation
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Bob Coats – General Government
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cc: Al Delia, Policy Director, Office of the Governor