STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT

BEVERLY EAVES PERDUE
GOVERNOR

CHARLES E. PERUSSE
STATE BUDGET DIRECTOR

February 8, 2010

MEMORANDUM

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

FROM: Charles Perusse   *Charles E. Perusse*

SUBJECT: State Budget and Management System Improvements

I am pleased to announce that the Office of State Budget and Management (OSBM) has embarked on a major project to modernize and improve budgeting for the State of North Carolina. We are replacing the state's legacy mainframe budget systems and other tools with a state of the art, integrated, web-based statewide budget and performance management system. Through competitive bidding, OSBM has procured an IBM software solution to meet the state's rigorous requirements, and we are currently soliciting bids to procure the services of an integrator to partner with us to implement the IBM solution.

Specifically, OSBM is replacing the thirty year old Budget Preparation, Budget Revision, Salary Control, and Allotment systems, along with the Microsoft Access database Capital Improvements budgeting tool, the custom Oracle-based document publishing system, and numerous manual spreadsheet processes. We are implementing a fully integrated system to incorporate new processes and new data with traditional budgetary information to improve how budgeting, planning, management, and budget execution are accomplished in North Carolina. We will preserve the current core budget functionality while developing significant enhancements.

We are planning a carefully phased approach in order to deliver a new system with sufficient functionality for developing the 2011-13 recommended state budget beginning in September 2010 and for statewide budget execution beginning in FY 2011-12. I have established a strong team in OSBM to lead this effort. Joel Sigmon, OSBM Chief Information Officer, and Pam Kilpatrick, Senior Analyst, are collaborating to lead our experts in systems development, data management and analytics, strategic planning, and operating and capital improvement budgeting. Our task is great and the timeframe is aggressive, but I have made the successful implementation of the state's new budget and performance management system a high priority for our office.

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OSBM budget systems are used by all branches, departments, and agencies of North Carolina state government. We recognize the magnitude and importance of what we are undertaking and are committed to delivering a truly great result. We will be soliciting your involvement and look forward to collaborating with you to provide a new system for North Carolina that offers significantly better, more comprehensive, and more manageable budget and performance data. In undertaking this effort we are seeking to achieve greater transparency and accountability for the public resources that government uses and improve the results its programs deliver to the citizens of North Carolina.

We are excited about this major improvement in the state's budget and management systems. You will hear more about our project in coming days and throughout its implementation.

cc: OSBM Staff