



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

PAT MCCRORY  
GOVERNOR

LEE ROBERTS  
STATE BUDGET DIRECTOR

December 22, 2015

**MEMORANDUM**

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

**FROM:** Lee Roberts   
State Budget Director

**SUBJECT:** Instructions for FY 2016-17 Budget Preparation

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The Office of State Budget and Management (OSBM) is beginning the process for the review and preparation of Governor McCrory's supplemental budget recommendations to the 2016 Legislative Session. Governor McCrory continues to focus on an efficient and customer-centered state government. And, while we continue to see strong growth in the economy, we anticipate requested funding will exceed available resources.

In an effort to better understand agency needs and align them with Governor McCrory's key priorities, OSBM will be conducting executive meetings with all agencies during the month of January. Agencies should be prepared to discuss a ranking of agency top budget priorities, changes to investments in those priorities, and associated goals, success measures, estimated costs, and proposals to pay for the identified priorities. In addition, please be prepared to discuss top structural budget needs and identified efficiencies to improve your agency.

With the exception of unforeseen circumstances, only priorities, structural needs, and associated information discussed during the executive meetings will be considered for inclusion in the Governor's Recommended Budget. Following discussions all requests should be submitted to OSBM no more than five business days after your scheduled meeting. Your OSBM analyst will provide you with a template for these summary submissions. In order to reduce burden on agencies, the Worksheet II forms in IBIS should not be filled out and submitted until agencies have received further communication from their OSBM analysts regarding their summary submissions.

Agencies are encouraged to review all programs and functions, with the goal of ensuring programs are aligned with each agency's core mission, and that each program is achieving agency goals in the



most effective manner. Agencies should continue to review programs for duplication within and across agencies, inefficiencies, and underperformance. It is expected that agencies will propose changes or realignments to ineffective programs in order to more effectively achieve key agency priorities.

**Agencies must also submit a draft of all proposed legislation or special provisions to OSBM as soon as possible following the executive meetings in January, and no later than Monday, February 22, 2015.**

As always, I would like to thank you for your continued cooperation in rebuilding a budget that is focused on service improvements and positive results. Your overall leadership and continued management of the budget is to be commended. We look forward to working with you in the coming weeks. Please do not hesitate to contact your OSBM budget analyst at (919) 807-4700 if you have any questions about the information in this memorandum. Thank you for your cooperation.

**Key Dates for Budget Submissions:**

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| <b>Jan. 11 – Jan. 29</b> | Agency Executive Meetings with OSBM  |
| <b>Jan. 18 – Feb. 8</b>  | Agencies submit Summary Forms<br>(due one week following agency scheduled meeting) |
| <b>Feb. 22</b>           | Agencies submit Special Provisions   |
| <b>Mar. 18</b>           | Agencies submit Worksheet II forms in IBIS   |