



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

ROY COOPER
GOVERNOR

CHARLES PERUSSE
STATE BUDGET DIRECTOR

March 27, 2017

MEMORANDUM

TO: Council of State, Cabinet Secretaries, and Agency Heads

FROM: Charles Perusse *Charles Perusse*

SUBJECT: Common Sense Government – Phase I

The Office of State Budget and Management (OSBM), in collaboration with a group of agency chief financial officers, has been discussing ideas on how state government can run more efficiently and effectively. My overarching charge was simple – to identify ways where we can “think more, transact less.” Guiding principles include exploring policies and processes that promote:

- ✓ Greater agency flexibility and accountability.
- ✓ Less time spent processing routine transactions.
- ✓ Proactive forecasting and planning.
- ✓ Regular monitoring and evaluation.

Our four focus areas are budget administration, procurement, capital improvements management, and human resources. Budget administration recommendations are part of Phase I which will be rolled out over the next several months.

Effective April 1, 2017, OSBM will begin utilizing a quarterly allotment process until further notice. OSBM will modify the next quarterly allotment to ensure General Assembly projected credit balance targets are met. Please be aware that OSBM continues to closely monitor revenue collections and agency expenditures for FY 2016-17 and some uncertainty still exists.

Over the next three months, OSBM will be reviewing the State Budget Manual with an eye on adding value and supporting effective agency operations. OSBM anticipates implementing additional budget administration changes as part of Phase I after closing out FY 2016-17.

Thank you for your immediate attention to this matter. Please contact your OSBM budget analyst at (919) 807-4700 if you have any questions or need additional information.