MEMORANDUM

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

FROM: Charles Perusse
      State Budget Director

SUBJECT: Office of State Budget and Management Reorganization

May 31, 2018

Last year, the Office of State Budget and Management (OSBM) launched the Common Sense Government Initiative to improve the effectiveness of state government. We have achieved important first steps including greater lapsed salary flexibility, a streamlined budget closeout process, and an updated budget manual that allows state agencies and universities to operate more efficiently.

As part of the next phase of this initiative, the future direction of OSBM will be focused on evidence-based budgeting, data-driven decisions, and strategic management of the state’s resources. Routine transactions and overly-bureaucratic processes that provide little value in budget management and oversight will be reduced or eliminated. OSBM will be reorganized effective June 1, 2018 to achieve this vision.

The new organizational structure aligns OSBM’s sections by work processes rather than legislative subcommittees. This new structure allows OSBM analysts to focus more time on strategic issues and removes bottlenecks in current work processes. OSBM analysts currently work simultaneously on budget development and budget execution tasks. Budget execution slows to a near halt every spring as the responsibility for developing the Governor’s Budget becomes the top priority. In the summer and fall, the intense work involved with executing the newly enacted budget prevents analysts from providing strategic reviews of programs and budgets.

Budget execution will now be organized under one manager bringing greater standardization and opportunities for improved communication to agencies and additional streamlining of OSBM’s processes. More resources will be focused on budget development, program evaluation, and budget analysis in the new organizational structure.
These changes will have important implications on the interaction between OSBM and agencies and universities. OSBM will continue to issue budget policies and guidance. However, agencies will be provided additional flexibility and delegation of authority as OSBM monitors for compliance. As OSBM increases focus on strategic analysis and performance evaluation, this will require greater collaboration between agency program staff and OSBM budget analysts.

You will also have two or more analysts working with your agency or university. The budget execution analyst will serve as your primary liaison on issues such as the review of budget revisions, allotments, and base budget development. The budget development analyst will serve as your primary liaison on change budget requests, budget certification, strategic planning, and performance evaluation tasks. Both analysts will work together as a team to assist your agency or university and conduct quarterly budget reviews. Attached are documents that provide more details on OSBM analyst assignments and the responsibilities for each analyst.

I look forward to working with you through this transition. Ultimately, we believe these changes provide state agencies and universities with the additional flexibility and efficiency required to manage your business operations. Additionally, it will allow OSBM to apply consistent resources for program evaluation, and enhance the use of data and evidence-based information to target how state resources should be invested in the future.
Budget Execution Section

• Interprets statutes/session laws and develops policies to guide agencies
• Meets with agency leadership to resolve complex/high-profile budget execution issues
• Reviews and approves revisions to the budget
• Ensures a balanced budget by monitoring expenditures and approving allotments
• Conducts closeout and carryforward
• Leads budget execution improvement initiatives
• Conducts Base Budget Development Process

Budget Development and Performance Evaluation Sections

• Develops Governor’s budget recommendations
• Conducts objective analysis and develops options to support Governor’s priorities
• Reviews and analyzes agency programs (e.g., performance/ effectiveness, alternatives analysis)
• Meets with agency leadership to review programs and priorities
• Conducts budget certification
Note: Budget Execution for the Department of Transportation and Department of Information Technology will be managed by the Budget Development Section.
Erin Matteson
Assistant State Budget Officer
Budget Development
Education
Justice & Public Safety
Health & Human Services

Brett Altman
Higher Education & Workforce Development
Health Care Finance (Medicaid)

Erin Dickmeyer
Results First Project Lead
Evidence-based Policymaking Initiatives
Public Assistance

Meagan Honnold
Adult & Juvenile Justice
Emergency Management / Disasters
Law Enforcement & Justice

Jennifer Neisner
K-12 Education

Corey Petersohn
Advance Project Lead
Performance Management
Strategic Initiatives

Kevin Rich
Early Childhood & Child Welfare
DHHS Central Administration and IT
Health Services Regulation

Jonathan Yeomans
Mental Health & Substance Abuse
Public Health Services & Facilities
Aging & Adult Services

Vacant
TBD

Agency Assignments
Department of Public Safety: Meagan Honnold
Department of Justice: Meagan Honnold
Administrative Office of the Courts: Meagan Honnold
Indigent Defense Services: Meagan Honnold
Department of Public Instruction: Jennifer Neisner
UNC & NCCCS: Brett Altman
Department of Health & Human Services: Kevin Rich, Jonathan Yeomans, Brett Altman, & Erin Dickmeyer