



Pete Ricketts, Governor

## MEMORANDUM

**DATE:** July 8, 2022

**TO:** All State Agencies, Boards and Commissions  
State Financial Officers

**FROM:** Lee Will, State Budget Administrator *LW*

**RE:** Budget Preparation Instructions for the 2023-2025 Biennium

The final State of Nebraska Budget Instructions for the 2023-2025 biennial budget request cycle are now available at <http://das.nebraska.gov/budget/nbrs.html>.

The 2023-2025 biennial State budget process emphasizes development of budget requests within a strategic results-oriented process. To underscore the importance of the relationship between strategic planning and the development of an agency's budget request, we have released the Nebraska Budget Request and Reporting System (NBRRS) in two phases.

The Agency, Division, and Program narrative screens for your operations and aid budget request submissions were released on May 23, 2022, with a preliminary completion date within the budget request system of August 5, 2022. Today, the second phase of instructions are released and the remainder of the system screens are made available, including the following: 1) operating and aid budget requests (including the Base Appropriation, Permanent Salaries Base, Issue Details, and Funds Analysis screens), 2) capital construction and building renewal requests, 3) budget modifications, and 4) information technology project proposals. **An agency's final budget request version must be locked and submitted in the budget request system by 5:00 p.m. Thursday, September 15, 2022.**

Lee Will, Administrator

Department of Administrative Services | STATE BUDGET DIVISION

PO Box 94664  
Lincoln, Nebraska 68509-4664

1445 K Street, Room 1320  
Lincoln, Nebraska 68509

OFFICE 402-471-2526  
FAX 402-471-8074

[das.nebraska.gov](http://das.nebraska.gov)

### **Agency, Division, and Program Narratives**

It is important that the narrative information accurately reflect your strategic planning efforts and your 2023-2025 biennium budget request. Agencies should carefully review and edit this information to ensure that the narrative to be submitted represents the agency's current goals, statutory responsibilities, program objectives and priorities. Agencies are encouraged to provide as much text in the budget request system as is necessary to adequately explain their budget request and budget modifications as well as to provide summary information regarding their programs and activities. The system does allow for entry of unlimited narrative information in the "Supporting Information" narrative sections.

Please use the attachment function on the Agency Narrative screen to attach any additional strategic plan documents developed by your agency, independent of the strategic results-based elements already included in the Agency, Division, and Program Narrative screens.

Essential to a results-based budget request is the development and documentation of performance standards for each program, subprogram, and activity to measure and evaluate both present and projected levels of expenditures. Taxpayers and their elected representatives expect state agencies and other recipients of state funding to respect the critical link that exists between agency strategic planning and the allocation of finite public resources. To further highlight the importance of the development and documentation of an agency's key performance indicators, the Administrative Services State Budget Division has provided an Excel template to facilitate the entry and submission of performance measures for each budget program. The template is available in the "Part A – Narratives" section of the budget instructions under the link to the Program Narrative Instructions and can be attached to the Performance Measures tab of the Program Narrative screen for each respective budget program.

Pursuant to 81-1113(4), R.S. Supp., 2020, each department and agency shall certify with their biennial budget request, for each program or practice it administers, whether such program or practice is evidence-based or, if not, whether it is reasonably capable of becoming evidence-based. An Excel template form is provided on the State Budget Division website at <http://das.nebraska.gov/budget/nbrs.html> in the "Part A – Narratives" section under the link to the Agency Narrative instructions. The template must identify all programs and practices they administer and indicate whether the programs or practices are evidence-based or reasonably capable of becoming evidence-based. Use the file attachment function to attach the agency





completed certification form to the Executive Summary, Management Processes, and Service Delivery Methods tab of the Agency Narrative screen.

### **Base Appropriation**

The Legislature enacted certain changes to agency appropriations for FY 2022-23 during the 2022 legislative session. The final revised and enacted FY 2022-23 new appropriations as of July 21, 2022, will be used and should be reported in your budget request submission as the “FY 2023 Current Appropriation” on the Base Appropriation screen. The Balance Checking process will compare the agency entered FY 2023 Current Appropriation to the official, legislatively authorized appropriations (including aid earmarks) to ensure that an agency’s 2023-2025 budget request begins with the correct base appropriation.

### **Issues**

The Nebraska biennial budget request process places the emphasis on explanation and justification, rather than accounting codes or job codes. An Issue is a change to the base and therefore could be a positive (increase) or negative (decrease). Using the “Issue Details” screen, an agency can identify the specific agency goals, objectives, outcomes, cost-drivers, activities, or initiatives for which the agency is requesting a change in appropriated resources. The Issue is defined by the agency on one screen with all of the justification necessary to support the request encapsulated within the identified issue, emphasizing how the requested Issue relates to the agency’s operational goals and performance objectives. This information becomes a “decision point” for the Governor and Legislature and facilitates public transparency.

Multi-Agency and Enterprise Issues are created by the State Budget Division and assigned to agencies. Multi-Agency Issues can also be created and assigned at the request of the agencies.

All agencies who received federal fund appropriations related to the American Rescue and Recovery Act of 2021- State Fiscal Recovery Fund (ARPA-SFRF) in FY 2022-23 will complete two Multi-Agency Issues to adjust base appropriation and provide information on the need for reappropriation into the 2023-2025 biennium. These Multi-Agency Issues are related exclusively to allocations of the federal funds under ARPA-SFRF. See Section I – Operating Budget Request, Part C – Issues, Issues – Narrative Content, and Issues – Multi-Agency Issues for more information.



Two Enterprise Issues have been established for the 2023-2025 biennial budget to account for the budget impact to agencies related to employee pay and benefit adjustments. The enterprise issue requests should reflect pay adjustments of 5% in July of each year and employer health insurance premium increases of 4% in July of each year.

The estimated impact associated with these two Enterprise Issues will serve as a placeholder to account for employee pay and benefits cost for the 2023-2025 biennium as agency biennial budget requests are constructed. The amount ultimately included in agency budgets for the 2023-2025 biennium will reflect the outcome of bargaining with labor organizations representing the state workforce. See Section I – Operating Budget Request, Part C – Issues, Issues – Narrative Content, and Issues – Enterprise Issues for more information.

### **Budget Modifications**

The budget modification process for the 2023-2025 biennial budget request requires that agencies with General Fund appropriations submit modifications at the 5% base level. Budget modifications represent the lowest priorities for continued or additional new funding within the budget request and will be considered as such during the budget process. It is our expectation that the 5% base level will generate several thoughtful choices and priorities for each affected agency for the Governor’s and Legislature’s consideration and that agencies will give serious attention to their identification of modification issues.

### **Funds Analysis**

Agencies with cash, federal, and revolving funds need to be especially diligent in completing the Funds Analysis screen. The Funds Analysis screen should reflect all enacted adjustments to fund balances. The narrative tab on the Funds Analysis screen should be completed on each screen. The Funds Analysis narrative will continue to be required for federal grant awards in order to provide an outlook on future federal funding. Agencies should also provide narrative explanation in the General Comments tab of the Funds Analysis narrative screen for any situations where estimated annual revenues exceed estimated annual expenditures by an amount greater than seven percent for FY 2025, or where the estimated June 30, 2025, fund balance exceeds twenty-five percent of FY 2025 estimated expenditures. Please also explain any projected negative fund balances. If your agency determines that an adjustment of fees/charges would be advisable, narrative information should be included outlining any agency plans for making such adjustments.





### **Submission**

An agency's final budget request version must be locked and submitted in the budget request system by Thursday, September 15, 2022. **Agencies are encouraged to submit their budget request on Wednesday, September 14, 2022 to avoid possible delay in the review of the submitted budget by their assigned budget analyst.** At that time, access to the budget request submissions will be granted to the Nebraska Legislative Fiscal Office, the Coordinating Commission for Postsecondary Education, the Task Force for Building Renewal, the Comprehensive Capital Facilities Planning Commission, and the Nebraska Information Technology Commission. Printed copies of your 2023-2025 biennium budget requests are not requested.

### **Public Access and Governor's Recommendations**

All budget requests will also be made available to the public via the State Budget Division's website. This provides easy, anytime access and full transparency of the 2023-2025 biennial budget requests of all State agencies, boards, and commissions. The Governor's budget recommendations for the 2023-2025 Biennium will be presented to the Legislature on or before February 1, 2023, pursuant to Section 81-125, Reissue Revised Statutes, 2020.

Thanks very much for your special efforts in preparing a quality 2023-2025 biennial budget request. The staff of the Department of Administrative Services State Budget Division are prepared to answer your questions and assist you in the preparation and submission of your requests.



