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POLICY DIRECTIVE #D-2012-04

March 23, 2012

TO: All Agencies

FROM: Jeff Mohlenkamp, Director
Department of Administration

SUBJECT: 2013-2015 Biennium Agency Request Appropriation Targets

The State economy has been showing signs of recovery and tax revenues exceeded the economic forum forecast for FY 2011. Revenues are also on pace to exceed the forum's forecast during FY 2012. Despite these very positive signs, demand for the State's safety net services has increased dramatically and continued high demand is expected. Therefore, the Governor has directed all executive branch agencies to prepare what is essentially a "flat" General Fund budget request.

All executive branch agencies must limit their agency request budget submissions to amounts listed in the attached [General Fund target sheet](#). As in the past, the targets can be applied on a department wide basis. Exceptions to the General Fund targets will be determined on a case by case basis. The Distributive School Account, Highway Funded agencies, Internal Service Funds and agencies funded by Court Assessments will also have spending limits; however, those will also be determined with each applicable agency.

These General Fund targets are based on the fiscal year 2013 legislatively approved General Fund Appropriation multiplied by two and adjusted for pay-related reductions that sunset effective July 1, 2013. These reductions that have been added back include furloughs, pay rate reductions, suspension of merit salary increases, and suspension of longevity pay.

The following decision units are outside the target: M100 (system generated inflation used only by the Budget Division), M101 (agency specific inflation), M200s (legislatively approved caseload increases), M500s (federal mandates) and M600s (court orders). Note: M425 (deferred maintenance) decision units must fall within the target. Any M425s that do not fall within the target should be placed in the Items for Special Consideration version in priority order. Similarly, all enhancements that exceed the General Fund target and targets for other funds

(Highway Fund, Internal Service Funds and Court Assessments) should be placed in the Items for Special Consideration version.

Also attached is a [form for reporting compliance](#) with the budget targets for Agency Request. Please do a separate form for each funding source requiring a spending limit (General Fund, Highway Fund and Court Assessments) that pertains to your agency. Please include all forms with your budget submission on August 31, 2012.

If you have any questions or concerns, please consult your assigned analyst in the Budget Division.



Jeff Mohlenkamp, Director