



Section 4

Major Budget Initiatives and Enhancement Requests

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Major Budget Initiative (MBI) Overview

- Definition:
 - Moves the business model forward and/or
 - Improves or increases the level of services an agency performs and/or
 - Demonstrates a material shift in spending and/or
 - Material new services are provided
- NO preset \$\$ level or % change in budget
- Governor will ultimately identify these for his budget



Why Move to Major Budget Initiative Structure?

- Clearly links requests for new funding to expected results
- Ties the line item budget to PPBB
- Provides for an improved method for the Governor and Legislature to access competing demands for funds
- Allows multiple agencies and departments to collaborate on a single initiative



Process for Developing Major Budget Initiatives

- Budget Division had several meetings with LCB Fiscal to develop concept
- Concept embraced by the Governor and Legislative subcommittee
- Budget Director presented new process to the Governor's Cabinet



Process for Developing Major Budget Initiatives Continued

- Governor's office has been meeting with directors to review budget proposals
- Preliminary guidance provided to departments to allow continued development of MBIs



Process for Developing Major Budget Initiatives Continued

- Governor will review MBIs again in late May into early June
 - Governor will provide direction as to which MBIs will be included in the Executive Budget
- Upon approval by the Governor agencies will
 - complete required information for the MBI
 - complete enhancement units in NEBS



Sections of a Major Budget Initiative

- List of lead and any secondary agencies involved
- Description
 - What and How (summary and expanded)
- Justification
 - Why and what other options were considered
- Cost Details
 - Links data from the Decision Unit in NEBS to performance measures within PPBB



Sections of a Major Budget Initiative Continued

- Measurement details
 - how we intend to measure whether the MBI meets expectations
- Cost of measuring the MBI
- Caseload/Population data



Major Budget Initiatives

Lake's Crossing – Case Study



http://ppbb-demo.herokuapp.com/lakes_crossing



Smaller Enhancement Requests

- Limited based upon projected funding
- Directors have been cautioned to prioritize and approve only requests deemed to be necessary to support ongoing operations
- Basic entry, including estimated costs, of all enhancement decision units to be completed in NEBS by August 1st
- Projected resources will be evaluated to determine which enhancements will move forward



Smaller Enhancement Requests

- Agencies should be realistic in budget requests
- Resources available to support enhancements will be limited
- Prioritization at the department level is critical
- Clear and convincing justification is required (safety, security, addressing inequities, etc.)
- Agencies should consider the most cost effective method of meeting needs



QUESTIONS?

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