



S T A T E O F C O N N E C T I C U T
OFFICE OF POLICY AND MANAGEMENT

Date: October 23, 2009
To: Agency Heads and Fiscal Officers
From: John Bacewicz, Executive Budget Officer
Re: FY 2011 – Midterm Budget Adjustments

This letter provides guidelines for preparing your agency's requested adjustments to your FY 2010-11 appropriated budget.

Technical Adjustments – Due November 13, 2009

Any requests for technical adjustments to your FY 2011 budget are to be submitted by November 13, 2009. The starting point for all technical adjustments is the Appropriation Act (PA 09-3 JSS). Technical adjustments may include:

- Adjustments due to legislation that was passed in the 2009 legislative session without the proper adjustment to the budget. This includes any mergers or program restructurings. This does not include items to be funded “within available appropriations”;
- Adjustments due to legislation that specifically changed the appropriated amount in any account;
- Revised estimates for court-mandated or formula-driven expenditures (not to include federal cutbacks);
- Adjustments due to new facilities coming on-line but not previously budgeted.

Technical adjustments should not include:

- Adjustments to offset the holdback savings required in the Appropriation Act. OPM will be monitoring these over the course of the year and recommend any necessary changes centrally.
- The pick-up of any items funded from surplus. If there is an unfunded FY2011 requirement, this must be requested as an expansion option.
- Settled collective bargaining agreements. OPM will transfer necessary funds from the Reserve for Salary Adjustments account to appropriate agencies for the contracts approved in the 2009 legislative session through a centralized process.

Budget Options – Due November 30, 2009

Agencies are required to submit reduction options equal to 5% of their FY2011 appropriation. In developing these options, agencies should expect that any required lapses held back in FY'10 for Personal Services reduction for RIP/SEBAC, Managerial Reductions, Reduce OE to FY'07 levels, DOIT lapse, Reduce Outside Consultant Contracts will continue into FY'11 and plan to identify reductions beyond these amounts. You should re-examine any new programs that are scheduled to come on-line to be sure that they are functions that should be assumed at this time. As always, your budget analyst is available to assist you in this process.

Agencies may submit revenue options where the cost/benefit is clearly advantageous to the state. Any request for appropriations or positions necessary to secure additional revenue should be made sparingly, recognizing the need to constrain expenditure growth and the general economic conditions. If at all possible, revenue options should be accomplished within available resources.

Any requests for expansion options will be limited and made pursuant to directions from the Secretary of OPM after discussions with the Governor. As Secretary Genuario indicated in his letter to agency heads dated October 23, 2009, any requests for expansion options must be sent by the agency head to him, copying both myself and your budget analyst by November 13th. It is our expectation that there will be few if any such requests. Your option submittal, including all required reduction and reallocation options, is due back to OPM by November 30, 2009. Submittal of any expansion options will be at the request of the Governor.

Capital Budget – You are not to request any additions to your capital budget, but you may ask to reallocate the amounts that have already been authorized. If a program is identified as a potential cut in the operating budget, you should check to see if there are related cuts that can be made to the capital budget. As with the operating budget, any requests for expansion will be limited and made pursuant to directions from the Secretary of OPM after discussions with the Governor regarding her policy initiatives. Further instructions regarding your capital budget submittal will be sent to you at a later date.

Midterm adjustment software and instructions will be forwarded electronically to fiscal officers on Friday October 23, 2009. For technical questions related to the submission of your budget request, please contact the appropriate person indicated in the instructions. For questions regarding policy issues, please contact your budget analyst who will be able to provide, or obtain, the necessary guidance.

JB:me

cc: Fiscal Officers
Office of Fiscal Analysis