




STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

DATE: September 16, 2013
TO: Agency Heads and Fiscal Officers
FROM: Ben Barnes, Secretary 
SUBJECT: Additional FY 2015 Midterm Budget Adjustment Guidance – Budget Options

This letter supplements the guidance provided on August 5th and provides guidelines for preparing policy adjustments (budget options) to your agency's FY 2015 appropriated budget. This guidance memo and software instructions are available at the following link:
http://www.ct.gov/opm/cwp/view.asp?a=2961&Q=486838&opmNav_GID=1793.

Budget Options – Due October 18, 2013

Budget options represent the fiscal outcome of policy changes to the enacted budget. All agencies are required to submit reduction options, as per the guidance below. For a limited number of agencies, an intensive and interactive process of developing budget options will take place, similar to the “alternative budget process” used last year. Agencies invited to take part in this process will be notified directly; these agencies must submit options in accordance with the instructions below and will also have an opportunity to engage in more detailed discussions about potential policy changes.

Reduction options: Agencies are required to submit realistic and achievable reduction options that will result in a reduction of five percent (5%) of the agency's total FY 2015 appropriations. In developing these options, agencies should expect that any holdbacks applied in FY 2014 will continue into FY 2015, and plan to identify reductions beyond these amounts.

Reallocation options: Reallocation options provide an opportunity for an agency to propose shifting resources between appropriations and programs in order to address higher priority needs, as well as to realign funding to accounts that better support particular program activities. These options are “zero-based” in nature. An agency that has identified a need to consolidate or shift resources between programs or accounts should submit a reallocation option. Reallocations to offset the potential loss of revenue or federal funds should be clearly identified in your submission.

Revenue options: 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; to the extent possible, revenue options should be proposed within available resources.

All reduction, reallocation and revenue options must be submitted to OPM by October 18, 2013.

Expansion options: As noted in my August 5th memo, it is our expectation that few if any expansion requests will be considered. To the extent expansions are considered, the focus should be on economic growth. Please send me an outline of any proposed economic growth proposals along with the estimated resources being requested no later than **October 28th**, with copies to the Executive Budget Officer and your budget analyst. Consideration will be limited to areas identified by this office in discussions with the Governor regarding his policy initiatives. We will notify you directly if the Governor wants a formal proposal submitted for his review.

Guidance and Assistance

For technical questions related to the budget request software, please contact Scott McWilliams at scott.mcwilliams@ct.gov. For questions regarding budget or policy issues, please contact your assigned OPM budget analyst who will be able to provide, or obtain, the necessary guidance.

Submission

Please provide proposed policy options to your assigned OPM analyst in accordance with the submission guidance outlined in OPM's software instructions. Additionally, provide hard copies to the legislature's Office of Fiscal Analysis.

cc: Alan Calandro, Director, Office of Fiscal Analysis