




Date: August 28, 2018

To: Agency Heads, Directors, Boards and Commissions
Legislative, Judicial and Constitutional Offices

From: Britta Reitan 
State Budget Director

Subject: FY 2020-21 Governor's Budget Request Instructions

Building the FY 2020-21 budget recommendations will be one of the first opportunities for the new administration to communicate their priorities and vision for Minnesota. Governor Dayton has set the expectation of a smooth transition and budget planning will be a critical component of that transition. The next governor's biennial budget must be developed and delivered to the legislature by February 19, 2019. Agency heads and state budget managers have a responsibility to provide the governor-elect and the transition team with a comprehensive set of budget options to begin considering early in November.

To that end, this memo and attached instruction document provide a framework for agencies to engage in strategic discussions about their priorities and funding levels and to develop budget proposals for consideration by the new administration. Base budgets and budget requests must be submitted to MMB by October 15.

The current general fund budget projection for FY 2020-21 includes \$419 million on the bottom line. As you are aware, we do not include inflation in spending projections for most programs in our forecast. Inflationary pressures will exceed the current projected surplus amount in FY 2020-21. In addition, the sunset of the provider tax, which provides more than \$1 billion in revenue per biennium to help pay for our public health insurance programs, will sunset in December 2019, creating significant pressure on the state budget in FY 2022-23. Given that reality, please focus your proposals on only those items that reflect critical needs or strategic priorities for your agency. Also, while considering which proposals to bring forward for new funding, please evaluate existing programs and services to determine their effectiveness and consider how existing funding may be repurposed to pay for critical priorities.

Our state is making dramatic strides in our use of evidence to inform which programs we fund and how we implement those programs. Each year, increasing numbers of state and local policymakers report using research on program effectiveness published through the [Results First initiative](#). In recognition of this growing demand for budget proposals that include evidence-based components, we have provided an additional form for proposals that are research and evidence based. For evidenced based proposals, agencies should complete this form to identify the underlying research and the plan for implementing the proposal effectively. By completing this form, agencies will help the next governor understand the extent to which proposed investments have been proven through research to produce positive outcomes. If, after reading the instructions, you are unsure whether you should submit a form for a given proposal, please contact resultsfirstmn@state.mn.us.

Please read through the attached instructions for more information on completing budget options for consideration.

Thank you in advance for your efforts in this area over the coming months. I look forward to working with you and encourage you to work closely with your Executive Budget Officer on the development of the requested budget materials for your agency.