

Date: July 7, 2020

To: Agency Heads
Deputy Commissioners
Chief Financial Officers
Budget Directors

From: Britta Reitan, State Budget Director



Subject: FY 2022-23 Biennial Budget Preparation

As we approach the development of the FY 2022-23 biennial budget, we face unprecedented economic and budgetary uncertainty. The biennial budget document, to be delivered to the legislature by January 26, 2021, will be particularly important this year; it provides the format for clearly outlining the services provided by state government, the outcomes from those services, and structuring discussions about budget priorities as the state confronts an anticipated budget deficit.

Attached to this memo you will find the instructions for developing agency budget narratives. These instructions provide guidance for completing the background narratives that collectively comprise the catalog of state government—how and how well agencies fulfill their mission. In August, additional instructions will be provided for developing base budgets and budget recommendations for the next biennium.

The purpose of agency budget narratives is:

1. To provide a description of what your agency does and the public good or outcome that is a result of that investment in a way that decision-makers and the public can easily understand.
2. To demonstrate how well you are doing with performance measures that show how much is provided (the **quantity**), how well it is done (the **quality**) and whether or not anyone is better off (the **result**).

While the 2022-23 biennial budget templates are relatively unchanged from the 2020-21 biennial budget, we have made changes. Please use the current template or use the documents we have provided for you on SharePoint and do not simply update previous documents.

As we have done in previous years, we are asking agencies to complete their work on budget narratives over the summer, in advance of base budget work. The budget narratives are **due to MMB on August 28** and will be published on the MMB website by October 1.

Below is a roadmap to completion of the 2022-23 biennial budget:

Date	Budget Item
Early July 2020	Narrative instructions and templates available

Date	Budget Item
Before August 14, 2020	Budget structure (program or activity) change requests to Executive Budget Officer
Mid August 2020	Preparing fiscal information (base budget) instructions available, including internal service and federal funds
August 25, 2020	Budget Planning and Analysis System (BPAS) and Departmental Earnings System (DE) user guides and training videos available
August 25, 2020	BPAS and DE system open for agencies
August 28, 2020	Budget narratives due from agencies
August, 2020	Budget proposal (change) instructions available
October 1, 2020	Budget narratives published to the MMB website
October 15, 2020	Base/enacted budget information due in BPAS and high level change item information entered in BPAS (M.S. 16A.10, subd. 2)
November 30, 2020	Base/enacted budget data submitted to the Legislature (M.S. 16A.10, subd. 2)
Early December 2020	November Forecast
November 2020 – January 2021	Governor decision making
January 26, 2021	Governor’s budget recommendations submitted to the Legislature (M.S. 16A.11, subd. 1)

By August 28, please complete the following:

1. Identify your agency budget structure. Proposed budget structure (program or activity) changes need to be submitted to your executive budget officer (EBO) for review and approval prior to August 14.
2. Complete your agency budget narrative(s) by either updating the 2020-21 published budget narratives located on the [MMB Budget Division Document Management SharePoint site](https://mn365.sharepoint.com/sites/MMB-Budget/SitePages/Home.aspx) (https://mn365.sharepoint.com/sites/MMB-Budget/SitePages/Home.aspx) in your agency’s Biennial Budget/2022-23 Biennial Budget/Background Narratives/2020-21 Narratives folder or by using the 2022-23 budget narrative templates, following the instructions provided on MMB’s website shown in *Available Resources* below. Please make sure to follow the *Creating Accessible Document* instructions and have your accessibility officer review your agency narratives prior to submitting to MMB.
3. Submit budget narrative(s) in an accessible format by August 28, 2020, by uploading the documents to your agency’s Biennial Budget/2022-23 Biennial Budget/Background Narratives folder on the [Budget Division Document Management SharePoint site](https://mn365.sharepoint.com/sites/MMB-Budget/SitePages/Home.aspx) (https://mn365.sharepoint.com/sites/MMB-Budget/SitePages/Home.aspx).

Available Resources

The [MMB Biennial Budget Instructions website](https://mn.gov/mmb/budget/budget-instructions/bibudprep/) (https://mn.gov/mmb/budget/budget-instructions/bibudprep/) includes additional resources that will assist you in developing your budget narratives:

- Budget Narrative Templates
- Budget Structure and Narrative Templates
- Completing the Budget Charts in the Agency Profile
- Program Performance
- Plain Language and Style
- Creating Accessible Documents
- Using SharePoint for Document Submission

I look forward to working with you over the next several months and encourage you to work closely with your Executive Budget Officer on the development of FY 2022-23 budget materials for your agency.

cc: Bill Marx, Chief House Fiscal Analyst
Eric Nauman, Lead Senate Fiscal Analyst