



FY 2019 Budget Instructions

AGENCY OF ADMINISTRATION
DEPARTMENT OF FINANCE AND MANAGEMENT
DIVISION OF BUDGET AND MANAGEMENT

ISSUED: SEPTEMBER 21, 2017

Summary

Finance and Management asks for initial FY2019 budget proposals to be submitted to the Governor by October 16, 2017. While our gap analysis is ongoing, and the governor will determine an appropriate level of funding later this fall, we ask departments to submit level-funded budgets based on post-rescission FY2018 levels. Please use the following instructions to guide budget development.

- Budgeting requires choices and we ask all proposals to be filtered through the prism of the Governor's strategic priorities: economic growth, affordability, and help for the most vulnerable. We will use these priorities when reviewing proposals and making choices.
- Level funding does not mean no new programs or initiatives. Please be innovative and bold while living within the confines of existing resources.
- Assume federal funding remains status quo. We will work with affected departments to develop contingency plans, but without better guidance from Washington, let's proceed with what we know as opposed to what might be.
- Level-funding should be understood to include state-wide pressures, including annualization of FY18 Pay Act.
- Similarly, assume no increase in internal service fund charges.
- We recognize that these state-wide pressures constitute a challenge for some departments and we are prepared to discuss the issue during your budget meetings. Please identify the individual impacts of Pay Act annualization, and other state-wide pressures as part of your budget presentation materials.

Initial analysis indicates a deficit between anticipated revenue, based on the most recent consensus forecast accepted by the Emergency Board in July, and current service expenditures. While this follows the pattern of recent years, we're entering the ninth year of an economic expansion and revenue growth is disappointingly sluggish considering the stage of the economic cycle. Expenditures are still growing faster than our ability to fund them.

In addition to sluggish revenue growth, we also face a highly fluid situation in Washington. With over 40% of our revenue coming from the federal government, caution is clearly warranted until we know more.

Agencies or departments must submit their budget requests to the Governor through the Secretary of Administration using the mail folder adm.budget@vermont.gov.

FY 2019 Budget Build Time Line

The following table includes the important dates for the Governor’s budget development, submission, and review process. Please note the dates are for planning purposes only and are subject to change.

	Description	Due Date
Calendar Year 2017	FY 2019 Budget Instructions issued	September 21
	Vantage System Open for Department Entry	September 21
	Initial Budget Submissions due to the Governor submitted electronically to Finance & Management	October 16
	Meetings with Departments and Agencies	October 16 – November 3
	Vantage Budgets submitted and moved to Stage 2	By Departments Budget Meetings with Finance & Management
	Analysts work with agencies/departments on Budget Submissions	October – November
	Internal Service Funds finalized	November 13
	Non-Salary Benefit Changes finalized	November 13
	Language for the Big Bill due to Finance & Management	December 1
	Final Targets issued by Finance & Management	On or around December 14
	Final Budget Submissions entered in Vantage	December 18
	Supplemental information for Legislative requirement due to Finance & Management	December 18
	Calendar Year 2018	Executive budget book goes to print
Emergency Board adopts an updated revenue forecast		On or around Jan 15
Governor’s budget address and publication of the Governor’s budget documents		By January 23
Budget Testimony to Finance & Management		1 week prior to testimony

Vantage Budget System and Additional Budget Guidance

Finance & Management will once again use data in the Vantage budget system to review Agency and Department budgets. Agencies and Departments are expected to submit their budgets in the Vantage budget system prior to meetings with Finance & Management. The Vantage budget system is available for budget entry, and is pre-loaded with positions and associated personnel costs reflective of the first

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payroll this State Fiscal Year. Regarding Vantage position maintenance, Agencies and Departments will make their own position changes again this year.

Please use the attached Budget Development Form (or “Ups and Downs”) to present your information when meeting with Finance and Management. However, Agencies and Departments may use additional innovative formats to present budget information to Finance and Management, and to the Legislature.

- The following information will be forthcoming in supplemental communications from Finance and Management:
 - Finalized Management Savings Plan;
 - Procedures for the Capital Bill adjustment process;
 - Guidance regarding the Fee Bill;
 - Guidance regarding the transition of budgeting and billing for IT services from Agencies and Departments to the Agency of Digital Services;
 - Fringe rates;
 - Requirements for Programmatic Performance Measure Budget.