STATE OF NEW YORK
EXECUTIVE DEPARTMENT
DIVISION OF THE BUDGET
STATE CAPITOL
ALBANY, NEW YORK 12224

David A. Paterson
Governor

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BUDGET BULLETIN	B-1181	July 23, 2008

TO: ALL DEPARTMENT AND AGENCY HEADS

FROM: Laura L. Anglin

SUBJECT: Core Mission Budgeting -- Inventory of Agency Programs

Since taking office, Governor Paterson has spoken consistently about the need to improve the efficiency and fiscal responsibility of our state government. In these difficult economic times, he believes that we must begin this effort immediately by critically examining every aspect of the State budget.

As experts in your respective policy areas, Governor Paterson is requesting your input in determining how to best allocate our limited resources in the current fiscal climate. Even during difficult times, our State must still fulfill its responsibility to provide essential services. Accordingly, we have to distinguish our core mission investments and lines of business from those that are discretionary and not as fundamental to the mission of each agency.

In line with this direction, Governor Paterson has asked that you begin compiling detailed information about your agency and the services it provides. He is requesting that you prepare a comprehensive inventory of every program that you run or oversee – as well as how much you have spent or are projected to spend on these programs for fiscal years 2006-07 through 2009-10. Additionally, you must identify the number of employees (FTEs) dedicated to each of these activities.

As a key element of this inventory, you must also designate how closely each of the programs you have listed is related to your agency's core mission. For the purposes of this exercise, each activity should be designated as either having a (1) high, (2) medium, or (3) low relation to your core mission. Your assessment of core mission relationship must reflect a relative evaluation among your programs – it is not acceptable to assign a "high" relation to all of your programs.

The process of budgeting necessarily forces the State to make numerous hard choices among many competing priorities. These difficult decisions are best conducted with a thorough understanding of the difficult tradeoffs that will be involved. The information you provide about your programmatic responsibilities will play an essential role in the upcoming budget development process, greatly aiding Governor Paterson, the Executive Chamber, and the Division of the Budget in the months ahead.

Logistics

This Bulletin provides a format and instructions for agency use in preparing the program inventory that Governor Paterson has requested. **Two copies of your completed analysis should be delivered to your agency's Budget examination unit no later than August 22, followed immediately by an e-mail that transmits the documents in electronic form.**

Scope

This analysis is expected to be completed by all State departments and agencies. It should encompass all programs and activities – State Operations, Local and Capital – that are managed or performed directly by the agency and that are supported by the General Fund, State Special Revenue Funds, or Capital Projects Funds.

For the purpose of this analysis, programs and activities should for the most part be identified discretely. However, in some limited cases, specific activities with the same characteristics may be grouped and reflected as a single entry if they are closely related and should be considered together.

Definition of "Program"

To ensure a thorough and consistent analysis, agency managers should consult with their Division of the Budget counterparts about specific questions on this exercise, particularly regarding the appropriate level of detail. As a general rule, the agency-prepared inventory should provide enough detailed information to describe fully the agency's various programs and activities.

For purposes of this inventory, "programs" and "activities" are being used as generic terms. They are generally <u>not</u> the high-level programs under which funds are budgeted. They may be activities that line up with appropriations for specific purposes within a budgeted program – especially local assistance programs. In other cases – particularly in State Operations, where appropriations often have no programmatic characteristic – they will need to be defined at a lower level of detail. The identification of "programs" must be agency-specific, but in the aggregate should reflect the set of all significant activities that are supported by staff and/or other resources. The completed inventory should describe comprehensively what the agency does, with no noteworthy activities omitted.

A useful guide to the level of detail expected is the "Catalog of State and Federal Programs Aiding New York's Local Governments," which is prepared by the NYS Legislative Commission on State-Local Relations
http://assembly.state.ny.us/comm/StateLocal/20070711/2007catalog.pdf

Instructions

Detailed instructions follow this memo.

Questions/Consultation

Questions may and should be directed to your Budget examination unit; and, as noted above, you are encouraged to consult closely with your examination unit as you prepare your inventory.

Attachments

Attachment A

Detailed Instructions for Completing Documents

The information should be reported consistently using the attached files as shell documents. With regard to the individual entries:

Attachment B: Agency Programs/Activities: Inventory and Key Data

- Title of Report: Replace the “agency name” placeholder with the name of your agency.
- Relevance to Core Mission: Using either H (high), M (medium) or L (low), indicate the extent to which each program is integral to, or is needed to support, the core mission of the agency, in the judgment of the agency head. The assessment of core mission relationship must reflect a relative evaluation among the agency’s programs – it is not acceptable to assign a “high” relation to all of the agency’s programs.
- Program/Activity: Use a short (a few words) descriptive title, as self-explanatory as possible. (A description of the program will be captured on Attachment C; see below). Group programs by the H/M/L characteristic described above (“H” programs first, then “M,” then “L.”). An “Other” program may be used as the last program entry, to aggregate information for activities that, individually, involve minimal resources and are not otherwise noteworthy.
- Spending Category: Identify the category or categories of funding budgeted for the program. On this report, if the program involves multiple categories, repeat the program name and use a separate line to display the disbursements for each spending category.
- 3/31/09 FTEs: Enter the FTEs assigned to the program, as a subset of the agency’s current-year total all-funds FTE target (as published in the latest Financial Plan Update).
- 2006-07 – 2009-10 Disbursements: Enter the actual 2006-07 and 2007-08 cash disbursements; the 2008-09 disbursements according to the agency’s spending plan; and the projected 2009-10 disbursements associated with the program, in the appropriate fund type column(s). As noted above, if the program has elements of more than one spending category (e.g., State Operations and Aid to Localities), it should have a row for each category.

Agency totals for the 2006-07 and 2007-08 actuals and 2008-09 planned amounts will be provided by the agency’s examination unit. When the spreadsheet is complete, it should account fully for the total agency spending in each year.

Attachment C: Program Information Sheet

This sheet is intended to provide quick-reference information on each program. It should be kept to one page per program unless there are compelling reasons for it to be longer.

- Title of Report: Replace the “agency name” placeholder with the name of your agency.

- Name of Program: Use the short descriptive title used on the previous attachment.
- Mandate: Identify the type of mandate(s) responsible for each program/activity (e.g., U.S. Constitution, Federal statute, State statute, Executive Order), and if applicable note the specific legal or other provision that mandates the activity (e.g., Section Z of NYS Exec. Law).
- Mandated Funding Level: Enter “None” if no specific level of funding is prescribed by the mandate. If a minimum or definite level of funding is established by the mandate, enter that dollar amount. This entry should be on an all-funds basis. In addition, note whether the current program/activity exceeds the mandatory minimum level of effort or cost. If possible, quantify the difference between the minimum and the current level.
- Brief Description/History/Background: Provide a concise description of the program or activity; followed by a brief summary of the origin of the program, including the year when it was initiated, any significant changes from that time to the present, and the current status of the program.
- Issues: Identify any issues associated with the program that affect 2008-09 or future years.
- Population Served: Identify the clientele or constituency for the program, and any other interested parties.
- Performance Measures: Identify any performance measures currently in use for the program, and note the current statistics. Enter “None” if applicable.