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| Agenda Item No:       | 7   |
| Work Plan:            | Administrative  |
| Topic:                | Agency Budget Development and Request   |
| Presentation Title:   | 2019-21 Biennial Budget Approval  |
| Date of Presentation: | July 24, 2018   |
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### **SUMMARY AND CONTEXT**

Planning and development of the next biennial budget continues. Following review and discussion, this agenda item seeks Board approval of the Agency Request Budget and its submission to the Department of Administrative Services by August 31, 2018. This recommendation for approval follows and builds upon the Board's previous budget discussions and deliberations since early 2018.

### **BACKGROUND AND ANALYSIS**

Strategic thinking and planning drives the Board and agency's budget development process. The strategic framework within which legislative concepts and budget development and implementation occur includes:

- The missions and statutory policy, responsibilities and obligations of the Board, the State Forester, and the Department;
- The Board and Department strategic planning efforts;
- The Department's core operational and support functions, which represent the essence of the agency and our fundamental "reason for being" as an organization; and
- The Department's biennial budget guiding principles which are used by agency staff in building the budget itself.

The budget development process is then structured around the following elements:

- Instruction and direction from the Governor's office and the Department of Administrative Services;
- The identification of agency legislative concepts and budget focus areas which address current and projected issues, needs, opportunities and outcomes; and
- Stakeholder involvement and input at various stages of the process.

The primary budget building blocks include (1) the current service level (which reflects the delivery of current services), and (2) the adjustments or enhancements to the current service level in the form of Policy Packages (POPs).

Attachment 1 summarizes the Agency Request Budget and will be the review and discussion document on July 24, 2018.

In previous biennia, as a means to communicate strategic thinking and vision, the Board has developed a letter of transmittal to the Governor to be submitted along with the Agency Request Budget document. This letter has served to both highlight the budget resources that are needed to achieve the mission and goals of the Executive Branch of state government and to address the Board's concerns regarding possible further budget reductions. In this context, and in keeping with past practice, a draft letter will once again be prepared for the Board's consideration. For example and context, Attachment 2 is the transmittal letter sent with the 2017-19 budget in August 2016.

### **RECOMMENDATION**

At the July 24, 2018 meeting, the Department recommends that the Board approve the 2019-2021 Agency Request Budget; review and approve, in concept, the Board letter of transmittal to the Governor; and authorize the Board Chair to sign the letter following final drafting and direct the Department to submit both documents concurrently to the Department of Administrative Services by the August 31, 2018 deadline.

### **NEXT STEPS**

Following Board approval and inclusion of any Board input at the July 24, 2018 meeting, the Agency Request Budget will be submitted to the Department of Administrative Services by August 31, 2018.

### **ATTACHMENTS**

- 1) 2019-21 ODF Agency Request Biennial Budget Summary (*available before the Board meeting*)
- 2) 2017-19 Biennial Budget Board of Forestry Letter of Transmittal (*as an example for drafting of a 2019-21 transmittal letter*)