

BUDGET LETTER

	NUMBER: 23-14
SUBJECT: 2024-25 BUDGET POLICY	DATE ISSUED: July 26, 2023
REFERENCES: BL 23-05	SUPERSEDES: 22-11

TO: Agency Secretaries
Department Directors
Department Chief Counsels
Department Chief Information Officers
Department Budget and Accounting Officers
Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

This Budget Letter (BL) sets forth the Department of Finance's policy guidelines for preparation of the proposed 2024-25 Governor's Budget. As a reminder, [BL 23-05](#), which Finance issued on June 19, 2023, outlines the technical and procedural requirements for preparation of the 2024-25 Governor's Budget.

Priorities

The Administration's primary budget focus continues to be maintaining a balanced budget that preserves critical state services, promotes economic recovery, project streamlining, job growth and affordability, and protects public health, public safety, and public education. The Administration will also continue to focus on equity. Consistent with that focus, the 2024-25 Budget Change Proposal (BCP) form now includes components to discuss equity in proposals for government programs and operations.

Although the state's economic outlook and revenue improved dramatically since the onset of the pandemic, which included two years of unprecedented growth, the state now faces much weaker projected revenue growth. Actions by the Federal Reserve that raised interest rates, a declining stock market, job losses in high-wage sectors, and delaying the 2022 income tax filing deadline to October 2023 have increased economic uncertainty, underscoring the need to continue the state's prudent fiscal approach and restrain from significantly expanding and or creating new ongoing commitments. Given the uncertain future, the budget must prioritize and protect core programs against future risks that could further impact the state's fiscal outlook.

Budget Change Proposals and Enrollment/Caseload/Population (ECP)

Finance will consider workload budget and technical requests to maintain current service levels for existing authorized services—based on current law, the merits of the proposal, and the availability of funding, regardless of fund source. These include existing or ongoing information technology and capital outlay projects.

In addition, Finance will consider proposals for one-time investments, subject to the availability of General Fund or a respective other fund source, with a priority on investments that leverage federal funding opportunities and/or align with the Administration's infrastructure and project streamlining objectives. This criteria applies to all departments, including those not under the Governor's direct authority.

Departments should contact their Finance Program Budget Manager *well before* the BCP or ECP due date to identify workload budget and technical requests that may be submitted. It is strongly encouraged that departments work collaboratively with their Finance Program Budget Manager on an ongoing basis to prioritize budget requests prior to submitting any proposals.

Requests not meeting the criteria above, and/or that were not discussed with your Finance Program Budget Manager prior to submission, may not be considered for inclusion in the 2024-25 Governor's Budget, and may be returned without review.

Workload budget and technical requests, including Budget Bill language changes, are due to Finance no later than Thursday, August 31, 2023.

(Exception: BCPs for chaptered legislation). Contact your Finance Budget Analyst for fall ECP due dates. Detailed instructions for submitting BCPs will be provided in a subsequent BL.

Departments must use the current ADA compliant BCP forms and Hyperion upload templates, as applicable, which are available on the [Budget Forms](#) page of Finance's website.

NOTE: A new BCP Template with instructions will be released in July. Departments should submit 2024-25 BCPs using the new template.

Budget Confidentiality

Information contained in BCP and ECP proposals is an integral part of the Governor's deliberation process. Accordingly, departments must treat proposals as privileged and confidential until and unless the proposal is released to the Legislature as part of the Governor's Budget, the April 1 Finance Letter process, or the May Revision. **Disapproved, unapproved, and draft BCPs or ECP changes (i.e., proposals not released to the Legislature) remain confidential indefinitely and may not be released.** Final BCPs approved by the Administration will be posted on [Finance's website](#).

Questions about Public Records Act or litigation discovery requests for budget documents should be directed to department legal staff and, if necessary, to Finance legal staff.

If you have any questions about this Budget Letter, please contact your Finance Budget Analyst.

/s/ Richard Gillihan

RICHARD GILLIHAN
Chief Operating Officer