



State of Idaho

DIVISION OF FINANCIAL MANAGEMENT

Executive Office of the Governor

BRAD LITTLE
Governor

ALEX J. ADAMS
Administrator

November 13, 2019

MEMORANDUM

TO: Directors, Administrators, and Financial Officers

FROM: Amber Christofferson *AC*

SUBJECT: **Implementation of Spending Reset**

The Governor's FY 2020 and FY 2021 Budget Update memorandum distributed on October 29, 2019 provided the background and expectation for a "spending reset" for all agencies supported by General Fund, except for the K-12 schools budget.

For the FY 2021 reset, your DFM analyst will apply a 2% reduction to General Fund across all object codes within your agency's budget in the Budget Development System. Your FY 2021 base will be used to determine the dollar amount and a new line item will be added with the reductions to the level at which your agency budgets.

The memo requested written plans from agencies be reviewed with your Governor's Office contact and your DFM analyst the week of November 11. Use this plan to describe how your agency intends to manage the 2% base reduction for FY 2021. The Governor will recommend to the legislature that each agency supported by General Fund be exempted from the provisions of Idaho Code 67-3511 for FY 2021. If you will plan to shift FTP onto other funding sources, please include those details as well.

The FY 2020 one-time reduction will be in the form of an early reversion. You will have until December 11, 2019 to enter the reversion amounts in the STARS system and submit to your DFM analyst a detailed explanation of the transactions.

Please contact your DFM analyst with any questions. Thank you for your service to Idaho and for the great work each of you do to make our state a better place to live!