

**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT**

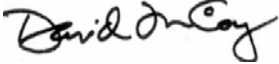
MICHAEL F. EASLEY
GOVERNOR

DAVID T. MCCOY
STATE BUDGET DIRECTOR

November 16, 2007

MEMORANDUM

TO: Department Heads and Chief Fiscal Officers
All State Departments, Institutions and Agencies

FROM: David McCoy 

SUBJECT: Results-Based Budgeting Instructions for the 2009-11 State Budget

The Office of State Budget and Management (OSBM) has posted the results-based budgeting (RBB) instructions in preparation of the 2009-11 state budget at the following address:
http://data.osbm.state.nc.us/source/RBB_instruc_0911.pdf. These instructions provide detailed guidelines and timelines for developing and submitting the required elements.

OSBM continues to be committed to emphasizing results as an integral part of budgeting. Agencies established the foundation of RBB during the 2007-09 budget process, which enabled readers to easily understand the purpose behind each agency, the specific work that is performed, and the current resources dedicated to each service.

The next phase of the RBB process builds upon this foundation and promotes the adoption of a forward-looking approach that focuses on developing strategies for realizing goals and key measures for evaluating performance. To accomplish this, each agency will assess its current goals and operations and ensure that transparency, and a relationship to its mission and expected outcome is addressed through the following questions:

1. *Where are we now?*
2. *Where do we want to be?*
3. *How do we get there?*
4. *How do we measure our progress?*

Through this process, RBB will enable government leaders, elected officials, and citizens to clearly understand an agency's strategies, to measure subsequent results, to evaluate past resource decisions, and to make well-informed resource decisions for the future.

Please note that development of the RBB elements will require involvement from agency leadership, senior managers, program experts and budget personnel. Agencies will work closely with their OSBM analysts over the next six months to finalize the required elements so that the information will be available to support development of the 2009-11 recommended budget.

If you have any questions concerning these instructions or about RBB in general, please contact your budget analyst in our office at (919) 807-4700.

Thank you.