



State of Indiana

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TO: All State Agencies
CC: Governor Holcomb, Lieutenant Governor Crouch, OMB Director Johnston
FROM: Zac Jackson, State Budget Director *ZQJ*
SUBJECT: Fiscal Year 2024 Reserve Policy
DATE: June 2, 2023

As we near the end of FY23 and the biennium, I want to thank you for your continued fiscal discipline. With your help, we continue to be in an enviable position with healthy General Fund reserves, a AAA credit rating, and an honestly balanced budget for the upcoming biennium.

Despite our strong financial position, we need to be mindful of unknown factors that could impact your operations or financial success. With that in mind, the State Budget Agency is asking all agencies to create a FY24 spending plan which includes a management reserve of 2%.

The reserve percentage should be applied to all administrative functions of your agency and to both General Fund and dedicated fund appropriations. We understand some programs (such as grants and distributions) and/or agencies will receive exemptions from the reserve targets, but any exceptions must be approved by SBA. Exception requests should be submitted to your Budget Analyst by email before July 1st.

SBA will again be using the Spending Plan, Expense, & Encumbrance Dashboard (SPEED) to evaluate spending plans and monthly spending. All spending plans should be submitted in SPEED by July 30, 2023. Agency spending plans will be considered dynamic and may be adjusted for enterprise-wide changes or individual agency needs.

While these reserve requirements apply only to executive branch agencies and do not apply to legislative agencies, judicial agencies, or separately elected officials, we respectfully request those agencies to participate voluntarily by reserving their appropriations as outlined above and submitting a spending plan in SPEED.

If you have any questions, please contact your Budget Analyst.