



State of Indiana

State Budget Agency
State House #212
Indianapolis, IN 46204
317-232-5610

Mike Braun, Governor

Chad Ranney, State Budget Director

TO: Cabinet Secretaries
Agency Heads
Chief Financial Officers
Controllers

FROM: Chad E. Ranney, State Budget Director

DATE: May 12, 2026

RE: **FY 2028 – FY 2029 Biennial Budget Instructions**

On behalf of the Office of Management and Budget (OMB) and the State Budget Agency (SBA), I extend our appreciation for everything you and your teams do each day to keep the State moving forward. Your leadership, partnership, and hard work truly make a difference, and we are grateful for the dedication you bring to managing the State's resources.

In January 2027, Secretary Hershman and I will present the Governor's Recommended Budget to the General Assembly. The quality and accuracy of your budget submissions will play a crucial role in helping develop the Governor's Recommended Budget and ensuring we meet this statutory deadline. Cabinet Secretaries, agency heads, and chief financial officers play a key role in the budget development process. Through careful planning, responsible resource management, and shared accountability, we can ensure the State continues to fund its top priorities today and tomorrow.

Since taking office, Governor Braun has consistently stressed the importance of maximizing efficiency across state government and ensuring that agencies are responsible stewards of the resources entrusted to them. He has directed agencies to identify and eliminate redundancies, reduce unnecessary spending, and continue providing high-quality services for Hoosiers throughout the State. This focus remains crucial as we plan for the future.

This memo provides an initial, high-level overview of expectations, required submissions, and key timelines for the FY 2028 and FY 2029 biennial budget development cycle. This process ensures fiscal priorities are aligned with agency needs and the strategic direction for the upcoming biennium. While several interim deliverables must be completed throughout the process, **final budget submissions are due to the SBA by Monday, August 24, 2026.**

I. Budget Development Overview

The biennial budget process includes the following major components:

May 2026	SBA Issues Initial Budget Instructions
June 2026	SBA Issues Supplementary & Capital Budget Instructions
July – August 2026	Agencies Prepare Budget Submissions
August 24, 2026	Agency Budget Submission Deadline
August – November 2026	SBA Reviews Budget Submissions
November – December 2026	Budget Committee Hearings (Select Agencies)
December 2026	Revenue & Medicaid Forecast Presentation
January 11, 2027	Recommended Budget Presentation
January – May 2027	General Assembly Budget Consideration
April 2027	Updated Revenue & Medicaid Forecast Presentation
May – June 2027	“As-Passed” Budget Adoption & Publication

II. Budget Development Expectations

For budget development purposes, agency budgets for FY 2028 and FY 2029 will be based on FY 2026 appropriations, which will serve as the base budget for agency submissions. For dedicated funds, the base will be the greater of the FY 2026 appropriation or FY 2026 expenditures. Any proposed adjustments to this base budget will be evaluated alongside other agency requests and considered within the broader context of the revenue forecast and the Governor’s priorities.

All base budget adjustments will be submitted through an agency change package, categorized as either changes to current services or requests for new services. Agencies must justify these adjustments in relation to the agency’s mission, the Governor’s priorities, and its impact on services. Proposed change packages are considered part of the deliberative process under Ind. Code § 5-14-3-4(b)(6). Agencies are not permitted to engage in external communication or lobbying regarding these proposals prior to receiving approval from SBA and confirmation that the proposal has been included in the Governor’s final submitted budget.

As part of the budget development and submission process, agencies must provide revenue projections for all dedicated funds. SBA will rely on these projections when reviewing the base budget and evaluating any change packages tied to dedicated funding. Budget requests for FY 2028 and FY 2029 must not exceed the projected revenue for those years.

Fund narratives will be required for each fund managed by the agency. These narratives provide essential context by outlining each fund’s purpose and historical utilization. As an integral part of the budget development process, fund narratives enable SBA to evaluate the

extent to which funding requests comply with statutory requirements and operational practices.

All vehicle purchases for the FY 2028 and FY 2029 will continue to be processed through the Indiana Department of Administration (IDOA). Agencies should already be working with the IDOA to complete their fleet needs assessment. IDOA will compile and submit a statewide master fleet plan and fleet needs assessment to SBA on behalf of all agencies. Agencies should not include change packages for new vehicle purchases in their budget requests.

The State Personnel Department (SPD) is currently working with agencies to update strategic workforce plans. This plan should be incorporated into and align with the agency's FY 2028 and FY 2029 budget requests. SPD will provide each agency's strategic workforce plan directly to SBA.

Agencies managing capital will be required to submit a capital master plan. Capital budget submissions should address preventative maintenance, repair and rehabilitation, line-item projects, capital lease rentals, and other capital needs for FY 2028 and FY 2029. Capital Budget Instructions will be issued in a future memo.

Agencies will submit all required deliverables through the [SBA Budget Submission Portal](#). SBA will then enter the information into the State's budgeting system, Hyperion. Each submission will include a transmittal letter, providing an overview of the agency's operations, objectives, initiatives, and future priorities to aid in the budget evaluation process.

III. Supplementary Budget Instructions

Additional guidance regarding capital budget instructions, planning for potential cost increases to employer benefit premiums, human resources seat charges, technology product and service rates, and compensation adjustments will be issued in a future memo. The Supplementary Budget Instructions will also incorporate revised templates, forms, and questionnaires for agencies to prepare the required documentation for final budget submissions, including:

- Fund Narrative Template
- Change Package Form
- Capital Project Form
- Dedicated Revenue Estimates Template

IV. Agency Submission Requirements

The majority of the budget development work will take place in July, following FY 2026 close out and the approval of agency FY 2027 spending plans. Supplemental guidance and templates will be issued at that time. Agencies will be expected to prepare and submit the following:

August 7, 2026	Change Package Requests (if applicable)
August 14, 2026	Fund Narratives – All Agency Funds

August 14, 2026	Verified Historical Actuals for FY 2025 – FY 2026 and Current Year Estimates for FY 2027
August 14, 2026	Transmittal Letter (Agency Overview & Objectives)
August 14, 2026	Dedicated Fund Revenue Reports (if applicable)
August 14, 2026	Capital Transmittal Letter & Final Master Plan (if applicable)
August 24, 2026	Final Agency Budget Submission

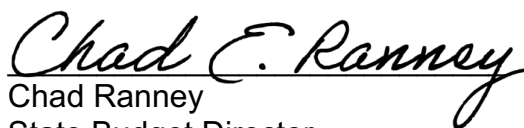
IDOA and SPD will submit strategic workforce plans and a statewide fleet plan on behalf of each agency on **Friday, August 14, 2026**.

V. Next Steps for Agencies

Agencies should begin preparing for budget development by:

- Working with their respective Cabinet Secretary to prioritize potential funding requests;
- Identifying all proposed changes to agency's base appropriation (FY 2026);
- Working on agency fund narratives. An excel template will be provided to document existing funds. Agencies will identify:
 - Fund number and name
 - Statutory code (if applicable)
 - High-level overview of the programs or services provided;
- Collaborating with IDOA to assess fleet needs (if applicable). As a reminder, the IDOA will submit a statewide master fleet plan to the SBA;
- Partnering with SPD to update your strategic workforce plan. As a reminder, the SPD will submit agency plans to the SBA; and
- Assessing their capital master plan (if applicable)

Each agencies' assigned SBA fiscal analyst will serve as the agency's primary point of contact throughout this process. SBA staff are available to assist and answer any questions that agencies may have about these instructions or the budget development process.



Chad Ranney
State Budget Director

cc: Mike Braun, Governor
Secretary Lisa Hershman, Office of Management and Budget