



OFFICE OF PLANNING AND BUDGET

Nathan Deal
Governor

Debbie Dlugolenski Alford
Director

July 26, 2011

MEMORANDUM

TO: Agency Heads
Fiscal Officers

FROM: Debbie Dlugolenski Alford, Director *dda*
Office of Planning and Budget

RE: **Budget Instructions: Amended FY 2012 and FY 2013**

Thanks to your leadership and support Georgia has weathered the recent economic downturns. As we look forward to FY 2013, we are cautiously optimistic. While revenues are expected to grow moderately, we must continue to focus on meeting the basic needs of a growing state. Governor Deal is asking state agencies to continue to be conservative by focusing strategically on the core businesses of the state.

Governor Deal has emphasized the importance of taking a Zero Based Budgeting (ZBB) approach to the state budget. ZBB is a method of budgeting in which all expenditures must be justified in each new fiscal year as opposed to only explaining the incremental changes. OPB will be working with state agencies to conduct a ZBB analysis of select programs. Select programs will be assessed against their statutory responsibilities, the program purpose, the cost to provide services, and the outcomes achieved.

The General Budget Preparation Procedures are set for use in preparing your agency's Amended FY 2012 and FY 2013 budget request. Each agency, department and authority must submit reduction plans of 2% in both fiscal years. However, Medicaid, Quality Basic Education, Equalization and State Schools programs are exempted from this reduction. Please consult with your OPB analyst to discuss any items not subject to these reductions and establish an adjusted base. The instructions for budget submissions may be accessed on the OPB website at opb.georgia.gov. Agencies are encouraged to read carefully the enclosed procedures for requesting Capital Outlay funding. The instructions highlight new policies to guide the development of your requests. The BudgetTool instructions may be accessed on the same website for entering agency request and will be available on Friday, July 29. Budget submissions are due on September 1, 2011.

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