



## OFFICE OF PLANNING AND BUDGET

**Brian P. Kemp**  
Governor

**Richard Dunn**  
Director

August 2, 2023

### **MEMORANDUM**

TO: Agency Heads  
Fiscal Officers

FROM: Richard Dunn

RE: **Budget Instructions: Amended Fiscal Year (AFY) 2024 and Fiscal Year (FY) 2025**

Georgia's economy has continued to exceed expectations as businesses flock to the Peach State to take advantage of our strategic location, robust transportation infrastructure, world class workforce, and business friendly environment. As the number one state in which to do business, economic opportunity has continued to grow for our citizens, with low unemployment and high wage growth, despite expectations from multiple economists and the Federal Reserve last year that the country would enter a recession. For state government, this has meant stronger than anticipated revenues, enabling the state to make strategic economic and infrastructure investments to support future growth over the last two years while still providing more than \$3 billion in tax relief to hardworking Georgians to help battle the impact of ongoing, historically high inflation, and enact the largest state income tax cut in Peach State history.

Looking ahead to 2024 and 2025, the underlying strength of the state economy will enable us to continue to meet projected spending obligations required to support our growing population, even with the impact of current and upcoming tax cuts as a result of HB 1437 and other revenue adjustments. We also have the opportunity to allow agencies the flexibility to consider strategic enhancements for the first time since FY 2020. I applaud each of you and your staff for your effective management throughout the pandemic and uncertain economic times over the last three years. Agencies quickly pivoted their service delivery model to ensure citizens still received critical state services while simultaneously being asked to reduce budgets due to the severe economic downturn caused by COVID-19. As our economic environment has increasingly stabilized post-pandemic, agencies are asked to think critically about potential areas of need or investment within their departments. To support those initiatives, agencies may request budget enhancements of up to three percent for both the current and next fiscal years. Additionally, OPB invites agencies to share other ideas for one-time investment opportunities for consideration in the AFY 2024 budget. Both ongoing enhancements and one-time investment opportunities should be targeted at initiatives that can "move the needle" on program outcomes, improve customer service, or provide significant future improvement on how we do business or deliver services as a state.

Additionally, Governor Kemp challenges state agencies to continuously look for opportunities for streamlining and increasing efficiency in how we manage government. Even in positive fiscal climates, agencies should strive to find

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FY 2025 Budget Instructions, cont.

ways to do business better, whether implementing technological efficiencies, reducing unnecessary regulations, or curtailing low performing or low priority initiatives. We must also recognize the expected millions of dollars in growth for entitlement beneficiary programs and their impacts on the budget in the coming fiscal years, factoring that considerable expansion into our expenditure estimates. Therefore, along with any agency enhancement requests, agencies should also submit FY 2025 budget plans demonstrating opportunities to reduce agency spend through efficiencies by one percent.

The General Budget Preparation Procedures are available on the OPB website at [opb.georgia.gov](http://opb.georgia.gov) for use in preparing your agency's Amended FY 2024 and FY 2025 budget request. Planning and Budget Cloud Services (PBCS) instructions are also accessible on the OPB website. Each agency, department, and authority must submit a budget request that is in accordance with the Governor's budget instructions. There may be some enrollment or formula driven programs that will be exempted from both the three percent enhancement and one percent reduction requests. OPB will notify you as to those exclusions. Please use the attached templates as support for your enhancement requests to submit to your budget analyst along with your PBCS budget submission. Budget submissions are due on Friday, September 8.

RD:sb