



OFFICE OF PLANNING AND BUDGET

Brian P. Kemp
Governor

Richard Dunn
Director

July 12, 2024

MEMORANDUM

TO: Agency Heads
Fiscal Officers

FROM: Richard Dunn

RE: **Budget Instructions: Amended Fiscal Year (AFY) 2025 and Fiscal Year (FY) 2026**

Over the last three years, Georgia's strong post-pandemic economy and Governor Kemp's commitment to conservative fiscal management have enabled the state to invest in areas of strategic importance at unprecedented levels while simultaneously providing billions of dollars in tax relief to hardworking Georgians. Since Fiscal Year (FY) 2022, the state has invested more than \$5 billion in K-12 education, \$1 billion in public safety, and \$2.4 billion in transportation infrastructure. We have cash funded more than \$2.3 billion in capital needs of the state, defraying millions in future borrowing costs for taxpayers, invested in shoring up state risk pools and retirement obligations to meet future needs, and increased pay for teachers, state law enforcement, and state employees to address critical workforce needs. This unprecedented level of investment has allowed the state to address critical needs statewide while also supporting the well-being of our citizens and providing for future economic growth for the state.

Looking ahead to the Amended FY 2025 and Fiscal Year 2026 budgets, Georgia will continue to prioritize conservative fiscal management to ensure we meet our ongoing financial commitments, plan for sustainable future growth, and provide further tax relief for Georgia families. Therefore, agencies should plan to maintain current FY 2025 spending levels for the upcoming budget cycle. This will maintain Georgia's structurally balanced budget and allow us to meet mandatory funding needs in enrollment-based program areas like education and health care while continuing to provide tax relief to our citizens as they combat the impact of record high inflation nationwide. OPB will share with your agency any items that may be submitted to address mandatory workload needs. As always, OPB strives to maintain strong communication with agencies regarding resource needs and challenges; therefore, if your agency has a new workload need or a specific initiative that would result in service improvement and outyear savings that has not previously been discussed with your OPB division, you are encouraged to discuss these needs with your OPB analyst as soon as possible to determine if they should be included in your budget submission.

The General Budget Preparation Procedures as well as PBCS submission guides are available on the OPB website at opb.georgia.gov for use in preparing your agency's AFY 2025 and FY 2026 budget request. Each agency, department, and authority must submit a budget request that is in accordance with the Governor's budget instructions. Budget submissions and accompanying performance measure data are due to OPB on Tuesday, September 3.

RD:sb