



OFFICE OF PLANNING AND BUDGET

Brian P. Kemp
Governor

Richard Dunn
Director

July 11, 2025

MEMORANDUM

TO: Agency Heads
Fiscal Officers

FROM: Richard Dunn

RE: **Budget Instructions: Amended Fiscal Year (AFY) 2026 and Fiscal Year (FY) 2027**

Georgia enters Fiscal Year 2026 in a position of fiscal strength and continuing economic growth. Governor Kemp's commitment to conservative fiscal management and long-term investment in the foundations of our economy have continued to pay dividends. Fiscal Year 2025 will end with Georgia revenues once again out-performing initial expectations. By investing in our state for long-term growth instead of growing long-term liabilities, Governor Kemp has placed our state in a fiscal position to implement the largest tax reduction for Georgia's citizens in history.

As the state has invested heavily in capital infrastructure, education, public safety, and improving customer service in recent budgets, Governor Kemp requests agencies now maintain their current spending levels in both Amended FY 2026 and FY 2027. While the Governor remains committed to meeting the needs of our growing state, conservative fiscal management means prioritizing spending to live within our means and keeping more tax dollars in the pocketbooks of our citizens. OPB will be in contact with your agency to share guidelines for any items that may be submitted to address mandatory workload needs. If your agency has non-mandatory growth needs or specific one-time initiatives that will require funding either this year or in FY 2027, agencies may submit budget requests to redirect funding from within the existing budget to meet those needs. Such requests should not increase your agency's discretionary workload, increase the scope of existing services, or create outyear needs that cannot be funded within your existing budget.

As always, OPB strives to maintain strong communication with agencies regarding resource needs and challenges; therefore, if your agency has a mandatory workload or other urgent need that could not be met through a redirection in the current fiscal year without negatively impacting agency service delivery, please reach out to discuss these needs with your OPB analyst as soon as possible to determine if they should be included in your budget submission.

If your agency has received official notification that recurring funding associated with a federal grant or program has been reduced or eliminated in state FY 2026 or 2027, your base budget submission should reflect that reduction of federal funds. Additionally, we ask that you complete the attached form for any grants that have been significantly reduced or eliminated and return it to OPB with your budget submission. However, replacement of reduced federal funding is not an exception to the instructions for budget submissions laid out in this memo.

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FY 2027 Budget Instructions, cont.

Finally, while we believe our current revenue projections are sufficient to meet our spending requirements, prudent fiscal management requires that agencies be prepared if conditions were to change. We are asking that all agencies internally prepare thoughtful plans for a state funds holdback contingency as we continue to monitor economic trends and policy changes at the national level. These plans need not be formally included as part of your budget submission to OPB but should be available as needed during the budget development process. Such planning ensures that we as a state can pivot quickly to meet changing needs and allows agencies to prioritize the most critical operations in their budgets.

I appreciate the work of you and your staff in keeping Georgia one of the best managed states in the nation. For your convenience, 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 2026 and FY 2027 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 Friday, September 5.

RD:sb

Attachment