



OFFICE OF PLANNING AND BUDGET

Nathan Deal
Governor

Debbie Dlugolenski Alford
Director

July 23, 2012

MEMORANDUM

TO: Agency Heads
Fiscal Officers

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

RE: **Budget Instructions: Amended FY 2013 and FY 2014**

Georgia has faced nearly unprecedented fiscal challenges in recent years as a result of the national economic downturn, but with your leadership and commitment to strong fiscal stewardship, we have managed these challenges while maintaining essential core services for Georgia's citizens. As we look forward to FY 2014, we remain optimistic that Georgia will continue to see a steady economic recovery. While revenues are expected to grow moderately, so too are the basic needs of our growing state. We must be prepared to meet these needs while also planning for contingencies should revenues fail to grow as projected in order to meet our constitutional requirement of a balanced budget. Therefore, we will continue with a fiscally conservative approach to the Amended FY 2013 and FY 2014 budgets, focusing on the core businesses of the state and making strategic investments that will strengthen Georgia's economy and government.

Governor Deal's approach to the budget is to make state government more strategically focused and accountable for performance. To continue this effort, Zero Based Budgeting and performance management will remain central to the budget development process. Agencies should use these tools in formulating their budget requests to determine the efficiency and effectiveness of their programs. It should allow agencies to identify low-priority or low-performing programs and to rethink service delivery for programs. To make the most efficient use of limited resources, budget requests should be targeted and strategic and avoid broad, across-the-board reductions.

The General Budget Preparation Procedures are set for use in preparing your agency's Amended FY 2013 and FY 2014 budget requests. Each agency, department, and authority must submit State General Funds reduction plans of 3% in both fiscal years. For FY 2014, the Department of Community Health should submit an additional 2% reduction plan for the Medicaid and PeachCare programs. Funding for Quality Basic Education, Equalization, and State Schools programs are exempted from reductions in both fiscal years. Please consult with your OPB analyst to discuss any additional items not subject to reductions and to establish an adjusted base budget.

Agencies requesting changes to their budgetary program structure for FY 2014 should submit those requests to their OPB analyst by Friday, August 3. Requested changes to program structure will be reviewed jointly by OPB and the House and Senate Budget Offices. Agencies will be notified of approved program changes by August 17 and those changes will be reflected in BudgetTool for FY 2014 budget request entry.

Instructions for budget submissions are available on the OPB website. Agencies should carefully read the procedures for requesting Capital Outlay funding. BudgetTool technical instructions may be accessed on the BudgetTool website and will be available on Monday, July 30. Budget submissions are due September 4, 2012.

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