



OFFICE OF PLANNING AND BUDGET

Sonny Perdue
Governor

Debbie Dlugolenski
Director

August 2, 2010

MEMORANDUM

TO: Agency Heads
Fiscal Officers

FROM: Debbie Dlugolenski *ddd*

RE: Budget Instructions: Amended Fiscal Year 2011 and Fiscal Year 2012

Thank you for your support and leadership in ensuring we had a functioning, balanced budget during these very challenging times. Working together, we have placed an emphasis on fiscal management and accomplished much.

As you may recall from my Amended FY 2011 budget instructions memo, we believe that indicators reflect that Georgia is in the early stages of an economic recovery. While the speed and strength of the recovery is not clear, we anticipate moderate revenue growth in FY 2012. However, our state also continues to grow and the FY 2012 budget will be challenged as we serve the needs of more citizens and replace over a billion dollars in federal stimulus used to soften the impact of the recession. Fiscal Year 2012 budget preparation will also be a transition as new decision-makers will be faced with the always difficult task of balancing the needs of all Georgians.

The budget instructions below are intended to provide a range of options in developing the FY 2012 budget. We do not yet know what kind of economic growth Georgia will experience over the next 11 months. The framework below is hopefully a "worst-case scenario" -- as you well know it is easier to adjust upward if economic conditions improve. Our goal is both simple and difficult -- to do the work required now that enables our new state leaders to prepare a budget that will be balanced and provide the best services possible for Georgians. Please let me know if OPB can assist you in budget preparation and submission.

AN EQUAL OPPORTUNITY EMPLOYER

Budget Instructions

Each agency, department and authority must submit reduction plans of 6%, 8% and 10% for the FY 2012 budget. However, the Department of Education is instructed to submit reduction plans of 2% and 4% for QBE, Equalization and State Schools. Please consult with your OPB analyst to discuss any items not subject to these reductions and establish an adjusted base. The instructions for the Amended FY 2011 and FY 2012 budget submissions may be accessed on the OPB website at www.opb.state.ga.us. Also on the website are BudgetTool instructions for entering your agency request. Budget submissions are due on September 1, 2010.

DD/tlg