



OFFICE OF PLANNING AND BUDGET

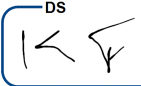
Brian P. Kemp
Governor

Kelly Farr
Director

September 23, 2019

MEMORANDUM

TO: Agency Heads
Fiscal Officers

FROM: Kelly Farr 

RE: **Budget Reduction and Allotment Withhold Plans**

As you know, agency budget requests for Amended FY 2020 and FY 2021 were due to my office on September 6. For those agencies that took a deep dive in evaluating your operations to find ways to leverage technology and implement best practices in developing your submissions, we appreciate your thoughtful analysis. One of Governor Kemp's highest priorities is finding ways to improve service delivery for our citizens while making government more efficient and accountable. As OPB begins the process of reviewing your proposals with Governor Kemp, we will be working closely with you and your staff to vet the specific details of each of your plans.

In reviewing your budget proposals, it will be essential to understand your agency's thought process and analysis used in developing your requests. Budget reductions are meant to identify opportunities to make state government more efficient through technology, by eliminating duplicative services, or by streamlining regulations, not through eliminating core services to taxpayers or across the board reductions in force or furloughs. Agencies proposing reductions in force or services should be prepared to discuss their analysis used to determine that no other alternative cost savings were an option for your agency. OPB expects that these agencies will have conducted a thorough analysis of personal services spending, including vacant positions and anticipated turnover, travel expenditures, including offsite intra-agency retreats, open purchase orders, other operational expenditures that could be curtailed, or alternative fund sources that could be better leveraged.

Additionally, some agencies have contacted OPB regarding feedback for implementing allotment reductions beginning with the October allotment. These withholds are to ensure that agencies begin implementing spending reductions set forth in the Governor's budget instructions to mitigate larger spending reductions later in the year that would be more impactful on service delivery. As the leader of your agency, it is your responsibility to make the day-to-day operational decisions to ensure your agency is on track to remain in budgetary compliance. For those agencies receiving federal or other funds, as a reminder, per Spending Order policy 4-9-1, these funds should be spent first prior to spending state funds in order to reduce the impact of any state funds reductions. If you and your staff have determined that the only way to meet the reduced allotment in the near term is through an immediate reduction in force or agency services, please contact OPB to discuss your plan and explain in detail why alternative scenarios or other efficiencies are not an option. Please ensure that your agency follows proper protocols for any planned reductions in force.

I look forward to working with each of you in the coming months to understand your agency's plans for a leaner, more efficient state government. Should you have any questions, please do not hesitate to reach out to me or my staff.

KF:sb