A History of Budgeting in Georgia

The Governor's Office of Planning and Budget was created by the Executive Reorganization Act of 1972, principally combined the former Bureaus of the Budget and of State Planning and Community Affairs, although some of the powers and functions of the latter agency were also transferred to the Department of Community Development. The Budget Act of 1993 focused the duties and responsibilities of the office on planning, budgeting, and accountability through results based budgeting and program evaluations.

1918 – Of the two former Bureaus, the Budget Bureau has the longer history. The first state budget agency, the Examining Commission of State Government, was established by the Legislature in 1918. This Commission was composed of the Governor, Attorney General, State School Commissioner, and the Chairmen of the House and Senate Appropriations Committees. Its responsibilities included annual examining of the accounting and finance procedures of all state agencies and institutions, preparing budgetary recommendations to the General Assembly in the form of a general appropriations bill, and advising the Governor on setting the annual tax rate for the state.

1922 – In 1922, the Legislature created the Investigating and Budget Commission, composed of the Governor, Comptroller General, Attorney General, Chairmen of the House and Senate Ways and Means committees, and the Chairmen of the House and Senate Appropriations Committees. All funded agencies were required to submit itemized budget estimates, numbers of employees, salaries, travel expenses, and other information to the Commission. The Commission examined all reports, and after investigation of agencies and their needs, prepared a budget for each department for submission to the General Assembly.

1931 – Both of these Commissions were repealed, however, by the establishment of the Budget Bureau in 1931 to promote economy and efficiency in state financial management. The Budget Bureau was not a distinct agency, but was established within the office of the Governor with necessary staff and clerical assistance provided by it and by the State Auditor’s office. The Governor was designated ex officio Director of the Budget, and the State Auditor, Assistant Director. The Governor was to require all executive agencies which spent or supervised the expenditure of state funds to submit itemized budget estimates and other requested information. Assisted by the Bureau staff, the Governor and State Auditor then compiled and analyzed such requests; held hearings and investigation; revised appropriation bill for submission to the Legislature; and, inspected all state agencies and offices to assure uniform and accurate accounts and efficient conduct of fiscal affairs.

1943 – In the following years, executive power over the budget and distribution of state funds expanded significantly in Georgia. In 1943 the Legislature created a Finance Commission, consisting of the Governor, the presiding officers of the House and Senate, and the Chairmen of the House and Senate Appropriations Committees, to provide an appeals mechanism for all state agencies whose budget requests had been trimmed by the Budget Bureau.

1957 – The planning functions of OPB were added in the mid-1950s, originating in the establishment of the State Planning Commission by the Legislature in 1957. The Commission consisted of the Chairman of the State Highway Commission and nine state citizens appointed by the Governor. Created as part of the State Department of Commerce, the Commission advised the Secretary of the department as to undertaking comprehensive surveys and studies of Georgia’s existing conditions and probable future growth and preparing plans for the coordinated development of the state.

The functions of the Planning Commission were transferred in 1959 to the Board of Commissioners of the Department of Commerce (which was replaced in 1962 by the Department of Industry and Trade). In 1967 the former Planning Commission functions, along with additional new responsibilities, were vested in a newly-created State Planning and Programming Bureau. This Bureau, established as a separated unit in the Executive Department, was renamed the Bureau of State Planning and Community Affairs and assigned additional duties in 1970.

1962 – In 1962 major legislation refined the Legislature’s role in the budgetary and appropriation process, and recreated the Budget Bureau. While continued within the office of Governor, the Bureau was to be a separate budget unit. Although the Governor remained an ex officio Director of the Budget, the Bureau now had its own staff (to be covered under the Merit System) with a State Budget Officer, appointed by and serving at the pleasure of the Governor, as its administrative head. This Budget Bureau was incorporated, along with its power, into
the new Office of Planning and Budget (O.P.B) in 1972.

**1972** – With the Reorganization Act of 1972, certain functions of the Bureau were transferred to the new Office of Planning and Budget, while others were transferred to the Department of Community Development and the Department of Human Resources, or were abolished. In addition, the Reorganization Act transferred all of the functions of the Georgia Commission on the Arts and of the Georgia Science and Technology Commission to OPB, thus abolishing these two agencies.

**1993** – Budget Accountability and Planning Act of 1993 reaffirmed the role of OPB in budgeting and planning for results. OPB instituted a process of results based budgeting where each agency was required to submit outcome measures annually to demonstrate progress toward program goals and purpose.

**2004** – Beginning with the FY 2005 budget, Governor Perdue instituted Prioritized Program Based Budgeting (PPB). The FY 2006 Appropriations act was reformatted to appropriate funds by program and fund source, rather than by agency and object class.