



OFFICE OF PLANNING AND BUDGET

Sonny Perdue
Governor

Trey Childress
Director

August 1, 2008

MEMORANDUM

TO: Agency Heads and Fiscal Officers

FROM: Trey Childress ^{TC}

SUBJECT: **Advance Notice of Budget Control Measures**

As a result of the continued decline in state revenues beyond earlier estimates, Georgia is faced with reducing expenditures to maintain a balanced budget. Proactive fiscal action will enable the State to manage through these tough times. This memo serves as advance notice that next week the Office of Planning and Budget (OPB) will be transmitting revised budget instructions to agencies directing them to submit reduction plans of **6%, 8% and 10%** for both Amended FY 2009 and FY 2010. Furthermore, 6% of state agencies' allotments will be held beginning with the next allotment, therefore we urge you to take immediate action to control expenditures and proceed as though funds withheld will not be available. State employee pay raises will be deferred until further notice.

In conjunction with the above actions, additional expenditure controls are being implemented immediately and will be in place until further notice.

State Employee Hiring Suspension - Suspend all hiring for new and replacement positions that are funded in total or in part with state funds.

Travel Moratorium - Curtail all out-of-state and non-essential in-state travel for state business, including conference attendance.

Vehicle Purchase Moratorium - Discontinue the purchase of motor vehicles until further notice, regardless of fund source.



Equipment Purchase Moratorium - Curtail the purchase of, or contracting for, supplies, materials, equipment, printing, or other products financed with state funds.

Specific instructions and exceptions regarding these directives will be communicated next week. We appreciate your cooperation and efforts to help manage these reductions in a manner that least impacts Georgia's citizens. We stand ready to work with you in the coming months.

TC/tg