

The House Committee on Appropriations offers the following substitute to HB 44:

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 1 of Article 4 of Chapter 12 of Title 45 of the Official Code of Georgia
2 Annotated, known as the "Budget Act," so as to provide for the application of zero-base
3 budgeting to the budget process; to provide for analysis of departmental and program
4 objectives; to provide for consideration of alternative funding levels; to provide for
5 departmental priority lists; to provide for related matters; to repeal conflicting laws; and for
6 other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Part 1 of Article 4 of Chapter 12 of Title 45 of the Official Code of Georgia Annotated,
10 known as the "Budget Act," is amended by adding a new Code section to read as follows:

11 "45-12-75.1.

12 (a) The Governor in preparing his or her budget report under Code Section 45-12-75, and
13 budget units in preparing their budget estimates under Code Section 45-12-78, shall make
14 use of zero-base budgeting as provided in this Code section. The requirements of this Code
15 section shall apply with respect to the budget report presented to the General Assembly in
16 January of 2010 and each year thereafter.

17 (b) It is the intent of this Code section that in any given year the Governor's budget report
18 shall include zero-base budgeting for no more than one-third nor less than one-quarter of
19 all the programs in the most recently passed General Appropriations Act. The Office of
20 Planning and Budget shall determine which programs shall submit zero-base budget
21 recommendations in each year, except that no program shall use zero-base budgeting more
22 often than once every three years, and each program shall use zero-base budgeting at least
23 once every four years.

- 24 (c) In the years in which zero-base budgeting applies, each budget unit shall include in its
25 budget estimate an analysis summarizing past and proposed spending plans by program and
26 revenue source. Information presented shall include the following:
- 27 (1) A statement of the budget unit's departmental and program purposes; effectiveness,
28 efficiency, and equity measures; and program size indicators;
- 29 (2) At least three alternative funding levels for each program and revenue source with
30 effectiveness, efficiency, and equity measures and program size indicators detailed for
31 each alternative funding level; and
- 32 (3) A priority listing encompassing all alternative funding levels for all programs.
- 33 (d) In the years in which zero-base budgeting applies, the Governor shall include in the
34 budget report relevant materials related to each budget unit's submission under subsection
35 (c) of this Code section and such other relevant material as deemed appropriate by the
36 Governor.
- 37 (e) Without in any way limiting the generality of the other provisions of this Code section,
38 it is specifically provided that the Board of Regents of the University System of Georgia
39 shall be a budget unit subject to this Code section and the programs of the board of regents
40 shall be periodically subject to zero-base budgeting as provided for in this Code section.
- 41 (f) Without in any way limiting the generality of the other provisions of this Code section,
42 it is specifically provided that in the budget report presented to the General Assembly in
43 January of 2010 the Department of Education's budget shall be submitted as a zero-base
44 budget according to the guidelines contained in this Code section."

45 **SECTION 2.**

46 All laws and parts of laws in conflict with this Act are repealed.