




B. J. Walker, Commissioner

Georgia Department of Human Resources • Division of Public Health • Sandra Elizabeth Ford, M.D., MBA, Acting Director  
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9 July 2008

**MEMORANDUM**

TO: District Health Directors  
District Administrators  
District Program Managers

FROM: S. Elizabeth Ford, M.D., M.B.A. 

SUBJECT: FY2009 and FY2010 Division of Public Health Budgets

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On the basis of the current condition of the nation's economy and the financial challenges facing Georgia, I wanted to provide you with an update on the impact to the Division of Public Health (DPH) and to provide an overview of the actions that the Department of Human Resources (DHR) has identified as an agency. As requested by the State Office of Planning and Budget (OPB), each state agency, department and authority was instructed to reduce their FY2009 budgets by 3.5% and reduce by 4% their FY2010 budgets. The total fiscal impact of the requested budget reductions for the Department of Human Resources (DHR) is estimated at \$62 million. The projected budget reductions are subject to increase based upon the total distribution of cuts by DHR. In addition to these budget reductions, the Public Health Administration budget personal services and operations will need to be reduced by 10% or \$1,274,378. The total fiscal impact for the Division of Public Health, including Administration, is \$8,069,787 in FY2009 and \$9,040,551 in FY2010.

In response to this request, DPH, as well as other DHR agencies, are using the Zero-Based Budgeting process, which includes starting from zero for each program and/or activity and then applying appropriate costs to that program and/or activity. We are currently in Phase I of this process, which is examining our core business and categorizing work activities as either a must do, should do or nice to do.

In Phase II, based upon priority, we will determine costs for each activity and identify the funding source, e.g. state, federal or grant monies. Each program and/or activity will start from zero and build a budget from "scratch." During Phase III, Cost Analysis and Budget Development, each agency will identify efficiencies across the various division and office programs and re-prioritize the work to develop a budget recommendation that is most cost effective in delivering our services to our customers.

In working through this process, my primary objective is not to impact the public health services provided by the districts and the local boards of health; therefore, we are diligently working to identify ways that these mandated FY2009 and FY2010 budget reductions can be absorbed by the state instead of the district and local boards of health. As we continue to work through this process, I will keep you informed of our efforts, and will notify you immediately if these budget reductions must be passed onto the district and local boards of health. If you have any questions or need additional information concerning this project, please contact feel to contact us.

xc: Morris Govan, Deputy Director, Operations  
Martha Okafor, Deputy Director, HIPSA  
Dianne McWethy, Interim Deputy Director, Finance and Administration  
Brenda Smith, Senior Director, Budget and Grants