



OFFICE OF LIEUTENANT GOVERNOR

240 STATE CAPITOL

ATLANTA, GEORGIA 30334

CASEY CAGLE
LIEUTENANT GOVERNOR

April 6, 2007

Hon. Glenn Richardson
Speaker
Georgia House of Representatives
Atlanta, GA 30334

Dear Mr. Speaker:

Thank you for your efforts to negotiate in good faith on a budget agreement that bridges the policy positions of the House and Senate.

Based on our latest discussions, I believe the best way to reconcile our differing positions is to agree on basic spending parameters and then allow you and your leadership to prioritize projects internally. The Senate would then be willing to agree to the projects chosen by the House within that overall spending cap. Therefore, I propose that we do the following:

- (1) Agree to the attached amounts of additional FY07A spending that the Governor and the Office of Planning and Budget (OPB) have determined to be high priorities for the supplemental budget, in addition to the urgent items included in the original Senate bill. To briefly review, the attached list funds OPB's urgent projects, agrees to the House number on land conservation, and provides for a \$2 million cash increase in Go Fish funding.
- (2) Agree to return \$30 million to the reserve fund. As you know, on next Wednesday, the state will host representatives from the three major bond rating agencies for an unusual joint visit to Georgia. It would be an exceptionally positive and fiscally responsible move for both chambers to be able to announce an agreement to return a significant portion of the surplus to the reserve fund in advance of that visit.
- (3) Agree to allow the House and the Senate to each select \$30 million in new projects (for a total of \$60 million) for the FY07A budget. Each chamber can then select projects based on (4) below, secure in an advance commitment that

each chamber's choices of projects to fund will be agreed to by the other chamber.

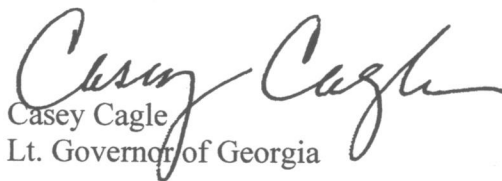
- (4) Agree not to include continuation items, bond funds, or cuts to the base funding levels we have agreed to in (1) above. We both may have different opinions on these issues, but I believe that agreeing to them in principle provides our best shot at resolving spending questions in a simple and straightforward fashion by taking more complex issues off the table. It is also our belief that many revenue neutral transfer items can be handled through the Fiscal Affairs Subcommittee.

If we can agree to these broad parameters, the Senate stands ready to amend our bill to incorporate them, send it to the House, and fund the amended budget without a time-consuming conference committee. While this agreement would give neither chamber everything we want, it will allow us to reach an equitable outcome in a timely fashion. This will benefit every Georgian by funding PeachCare, local schools, disaster relief and other urgent items in the very near future.

In terms of timing, please understand that we need a firm agreement on this offer by Monday morning in order to move forward. If we can agree, the Senate can have our FY07A budget on the floor Tuesday, and 24 hours represents the bare minimum of time within which we can generate and provide for your review the necessary amendments to accommodate this agreement if it is accepted. Additionally, in order to constitutionally return the FY08 budget to the House by day 38, we need an agreement that the House will have its FY08 budget on the House floor by Thursday of next week. If meeting that deadline requires bringing up new funding matters in the FY08 conference, the Senate is willing to do so on an equal basis.

Again, thanks for your continued patience and leadership as we work to reach an agreement on a budget. You are a strong advocate for your chamber.

Sincerely,


Casey Cagle
Lt. Governor of Georgia

cc: Governor Sonny Perdue

CC:ba

Project	Amount	House line	
Kia for W Ga Development	\$ 40,000,000	884	G
Land Conservation	\$ 34,000,000	892	G
School Nurses	\$ 10,006,882	1468	G
Gov Litigation fund	\$ 2,150,000	1611	G
GEMA	\$ 125,000	1644	G
Pandemic Flu Vaccine	\$ 7,000,000	1953	G
DJJ Savannah River Challenge	\$ 2,062,706	2310	G
HWTF	\$ 6,301,864	2478	G
Wildlife Funds	\$ 969,856	2524	G
GBA Floyd Building Repair	\$ 250,000	2591	G
SOS Elections Audit	\$ 100,000	2956	G
DTAE Adult Lit	\$ 1,000,000	3166	G
DTAE Quickstart	\$ 882,342	3172	G
Go Fish	\$ 7,000,000	3526	G
Total NEW Projects to SAC Version	\$ 111,848,650	\$111,848,650	G
Prepayment of Debt	\$ -		
Returned to reserve	\$ 30,000,000		
House Adds (no cuts)	\$ 30,000,000		
Senate Adds (no cuts)	\$ 29,429,814		
New Adds to SAC Version of HB94	\$ 201,278,464	\$ 201,278,464	
Consensus Urgent Items from House Bill	\$ 471,200,824		
Total Funds in HB94	\$ 672,479,288		
Motor Fuel (not included in Senate Version)	\$ 62,081,605		
Tobacco (to be included in Senate Version)	\$ (10,006,882)		
	\$ 724,554,011	\$724,554,011	\$0