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Floods, economy put more pressure on budget by Tom Crawford on 9/29/2009

The floods that inundated North Georgia last week and the growing number of families that are falling below the poverty line are two more factors that are putting pressure on an already distressed state budget.

It has been estimated that repairing the roads, bridges and other structures damaged by the floods could cost \$500 million or more. Even if the federal government absorbs the greater portion of that cost, Georgia would still be responsible for 25 percent of the funds involved, or at least \$125 million.

Gov. Sonny Perdue and other state officials have pledged that the flood repairs will be made, although they haven't said where the state will find the money.

"These are not times where you count the dollars or fret about where they come from," Perdue said Tuesday. "It's just a matter of doing what it takes, keeping people safe, and helping people recover their lives."

The recession that has cut deeply into state tax collections has also thrown more Georgia families into poverty, according to Census Bureau numbers released this week.

The number of people living in poverty increased by 57,014 in 2008, while the state's poverty rate was 14.7 percent, which is higher than the 2001 level of 11.7 percent during the last recession.

As the recession pushes more families below the poverty line, demand for government assistance such as Medicaid and unemployment benefits increases.

"Public needs are growing dramatically and the state's ability to meet them are shrinking," said **Clare Richie**, senior policy analyst for the **Georgia Budget & Policy Institute**.

"We now more than ever need a balanced approach to this economic crisis that includes revenues," **Richie** said. "Only then can Georgia give people the help they need today and invest in tomorrow's economic growth."

The decreases in monthly revenue collections have prompted calls for a special session of the General Assembly to adjust the budget, but Perdue indicated he has no plans to call one.

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