



Emerging Budget & Tax Issues

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Senate Resolution 20: Georgia TABOR

- ≠ A state constitutional amendment limiting spending.
- ≠ Based on a funding formula of population plus government inflation.
- ≠ Requires a super-majority to override the limit.
- ≠ Revenues above "population-inflation" cap can only be spent on education increases, reserves, taxpayer refunds, and debt



SR 20: TABOR

TABOR Formula

Government Spending



=

Government Inflation Rate



+

Population Growth





SR 20: TABOR

A Flawed Formula



POPULATION GROWTH (1991-2005)

Total Population vs. Specific Sub-Population



TOTAL POPULATION 38%

University System Enrollment 52%

State Prison Population 153%

Medicaid Enrollment 79%





SR 20: TABOR

≠ ADEQUACY: Will the state be able to meet existing and emerging needs under a spending cap?



State Appropriations above Population and Inflation FY 1991 – 2004

<i>Program</i>	<i>Appropriation</i>
Teacher Salary Increases	\$990 Million
Dept. of Corrections and Juvenile Justice and Judicial Branch	\$305 Million
Medicaid Benefits	\$485 million
PeachCare	\$60 Million
All Other State Government	(-\$680 Million)



What do your taxes pay for?

