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Georgia Budget and Policy Institute

STATE BUDGET FACTS

DEEP CUTS ARE NOT GEORGIA'S ONLY OPTION

PROPOSED CUTS AND REVENUES

Proposed state budget cuts for fiscal year 2011 total \$1.8 billion, or 9.2 percent of the overall budget, when compared to the pre-recessionary FY 2009 budget.

However, the budget includes federal Recovery Act funds; without them, the proposed state budget cuts would total \$3.2 billion, or 16.1 percent of the overall budget.

Recovery Act funds are reducing budget cuts in FY 2011 in education agencies, public safety agencies, and the Department of Community Health (Medicaid program).

Most other state agencies are receiving budget cuts of 20 percent or more in the proposed budget. The Department of Human Services is receiving budget cuts of more than 18 percent.

The proposed budget includes some new revenue sources. If the state legislature does not approve the fees or find other revenue sources, they will need to make additional cuts of more than \$600 million in order to balance the budget.

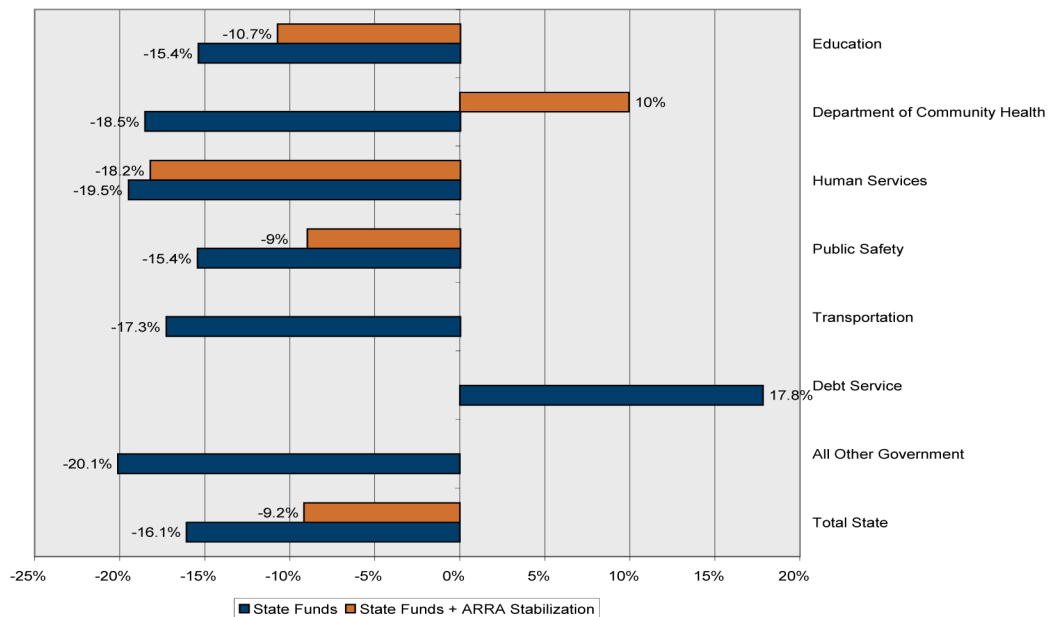
The complete report is available at www.GBPI.org.

R E C O M M E N D A T I O N

Using a more balanced approach to budgeting would reduce the cuts, such as budgeting more revenues through increasing the cigarette tax, enacting a new top income tax rate, improving tax collections, suspending or ending tax breaks, increasing fees, and closing corporate loopholes.

PLANNING FOR THE FUTURE: Without new revenues, Georgia faces an additional \$2.6 billion deficit in FY 2012, according to the governor.

PERCENT CHANGE IN FUNDS FROM FISCAL YEAR 2009



THOUGHTFUL ANALYSIS...RESPONSIBLE POLICY

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