



# GBPI

Georgia Budget and Policy Institute

# STATE BUDGET FACTS

## ALL GEORGIANS WILL BEAR THE FY 2012 BUDGET CUTS, SOME MORE THAN OTHERS

House Bill 78 for the state budget starting July 1, 2011, cuts state agency funding by more than \$500 million and underfunds enrollment growth in both education and Medicaid by another \$500 million, on top of the nearly \$2.5 billion in budget cuts over the past three years.

### PROPOSED CUTS WILL BE BORNE BY ALL GEORGIANS, BUT ESPECIALLY BY CHILDREN AND STUDENTS.

- **86,000 4-year-olds** enrolled in Georgia Pre-K will have one month less of instruction and larger class sizes, while pre-k instructors take a 10 percent pay cut.
- **1.66 million children in K-12 education** could experience larger class sizes, reduced bus service, and shorter school years if local school systems are unable to replace state fund cuts.
- **311,000 students in Georgia's 35 colleges and universities** will see a decrease in the quality of education from potential cuts to tutoring and advising, an increase in tuition and fees, an increase in part-time and adjunct faculty, and/or an increase in class size.
  - **104,000 HOPE Scholarship recipients** will pay a portion of their tuition, per the legislature, unless they qualify for the Zell Miller Scholarship. For fall 2011, HOPE will pay 90 percent of current tuition, which doesn't account for the expected tuition increase. Recipients will pay the remainder of tuition and the full cost for books, mandatory fees and remedial courses.
- **190,000 students in technical colleges** will likely see an increase in tuition rates and reduced services.
  - **124,000 HOPE Grant recipients** will pay a portion of tuition this fall and the full cost for books and mandatory fees.

### S U M M A R Y

Georgia has the 12th highest poverty rate nationally with 1 in 5 children living in poverty, an unemployment rate of 10.2 percent, and 20 percent of adults age 18 to 24 not attending school, not working, and with no degree beyond high school. Before legislators congratulate themselves on balancing the budget without raising taxes—they should ask themselves, will these budget cuts pull Georgia up from the bottom?

Revenue increases as part of a balanced deficit reduction package would be more beneficial to the economy than budget cuts alone. In the long term, fundamental tax reform and modernization, such as those recommended by the Special Council on Tax Reform and Fairness for Georgians, would allow Georgia to make investments necessary to prosper.

- At least **9,600 children** of working families will be turned away from subsidized child care.
- **5,600 Georgians with developmental disabilities and mental illness** will remain on a waiting list for Medicaid waivers to receive services in the community. Admissions to state psychiatric hospitals cease on July 1, 2011.
- **1,000 Georgians with HIV/AIDS** will remain on a waiting list for critical antiretroviral drugs to low-income people who do not qualify for either private insurance or Medicaid. These drugs are required to stay healthy and alive.

Anyone who drives on a Georgia road, visits a state park, or seeks justice in a court dispute will bear the costs of these cuts as well.

### THOUGHTFUL ANALYSIS...RESPONSIBLE POLICY