



# Welcome to the 2013 Policy Conference:

**Alan Essig, Executive Director  
Georgia Budget & Policy Institute**



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THOUGHTFUL ANALYSIS, RESPONSIBLE POLICY  
FY 2012 Budget Overview | [www.gbpi.org](http://www.gbpi.org)



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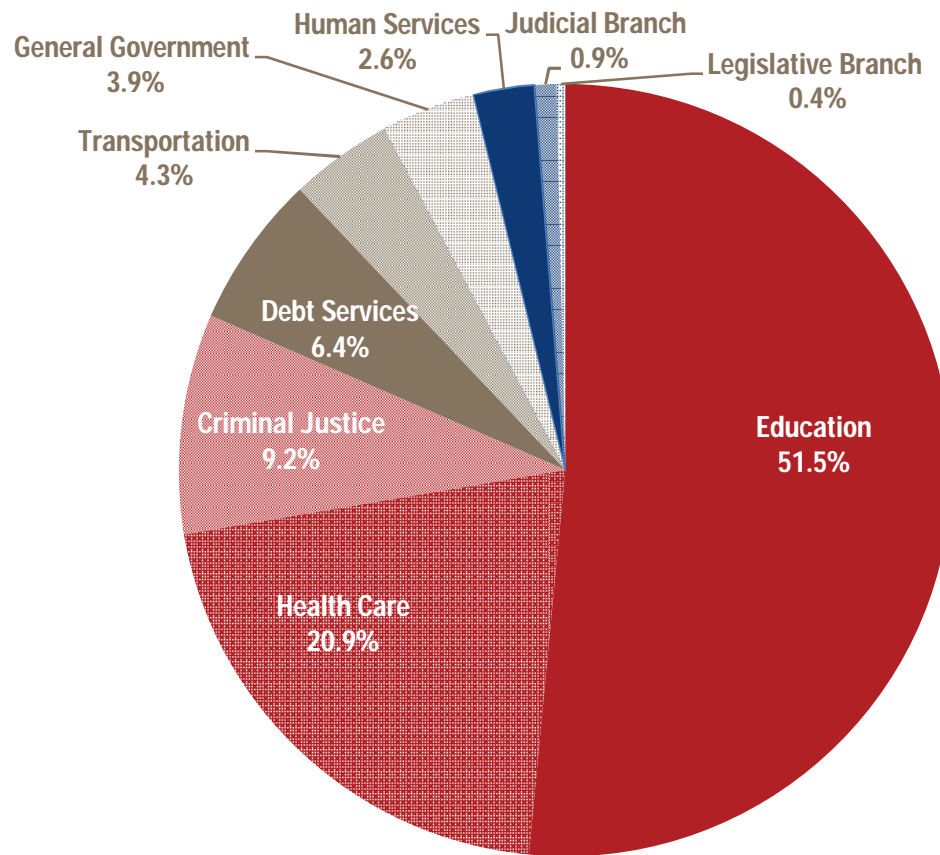
***"Wasn't that Alan Essig?"***

# Revenue Estimate

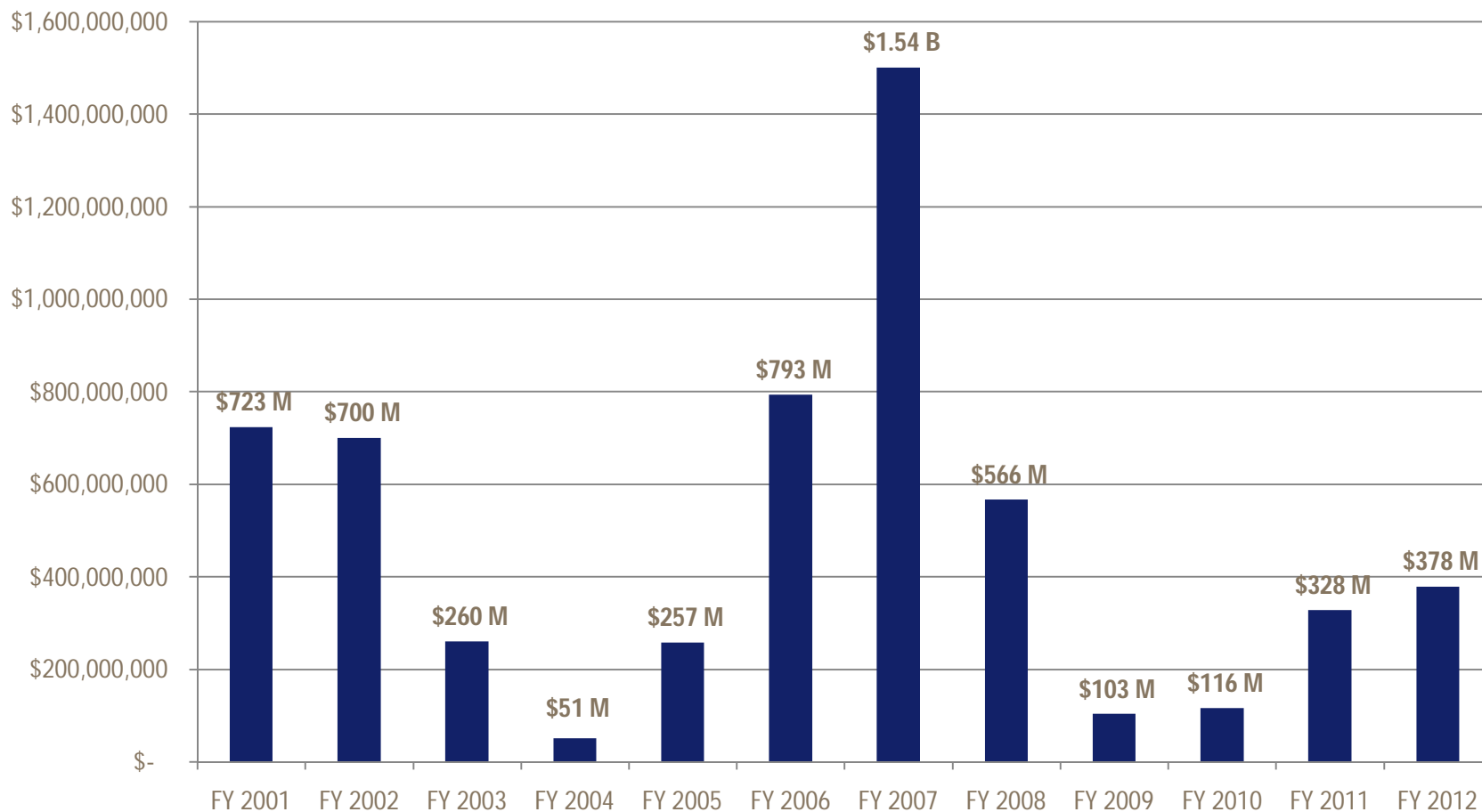
- FY 2013 Revenue Estimate lowered from 5.2% growth to 4.1% (\$190 million)
- FY 2014 Revenue Estimate based on 4.6% growth
- Revenues grew 4.9% first 6 months of FY 2013

To Increase reserves by \$300 million revenues would need to grow between 7% and 8%.

# FY 2014 State General and Motor Fuel Funds Budget (\$18.8 Billion)



# Rainy Day Fund Needs to Be Rebuilt



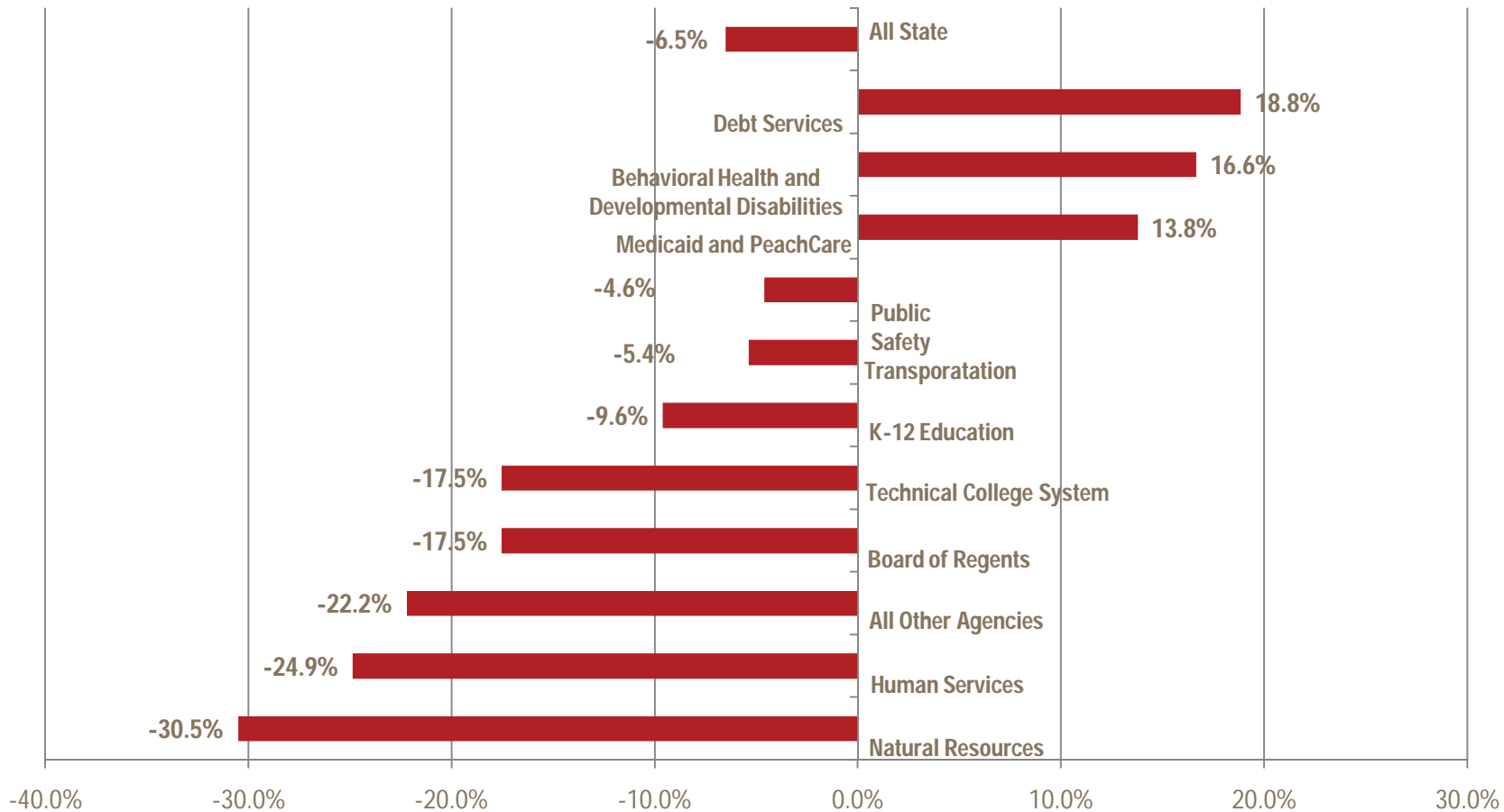
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# FY 2014 Budget Drivers (\$518 million new revenue)

<b>Medicaid</b>	<b>\$224,878,733</b>
<b>K-12 and University System Formula Growth</b>	<b>\$210,207,407</b>
<b>Teachers and State Employees Retirement System Contributions</b>	<b>\$127,253,261</b>
<b>Debt Service</b>	<b>\$74,916,396</b>
<b>K-12 Education Equalization</b>	<b>\$40,964,947</b>
<b>Department of Justice Settlement Agreement</b>	<b>\$35,395,625</b>
<b>Department of Community Affairs – Economic Development</b>	<b>\$24,475,000</b>

# Cuts to State Budgets (FY 2009 – FY 2014)

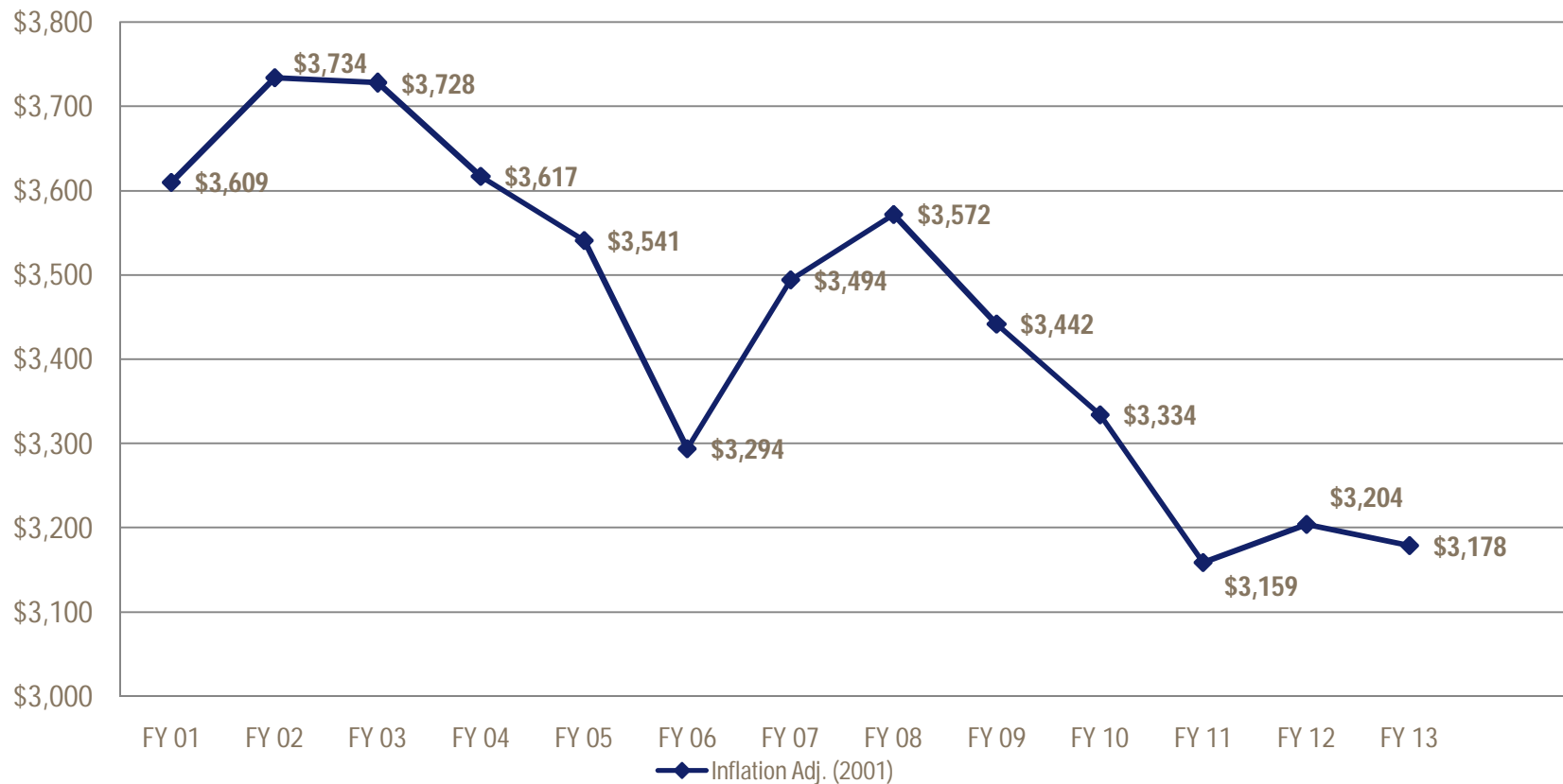


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# K-12 Has Not Kept Up With Student Growth and Inflation This Past Decade

Department of Education Expenditures Per FTE (FY 2001 – FY 2013)

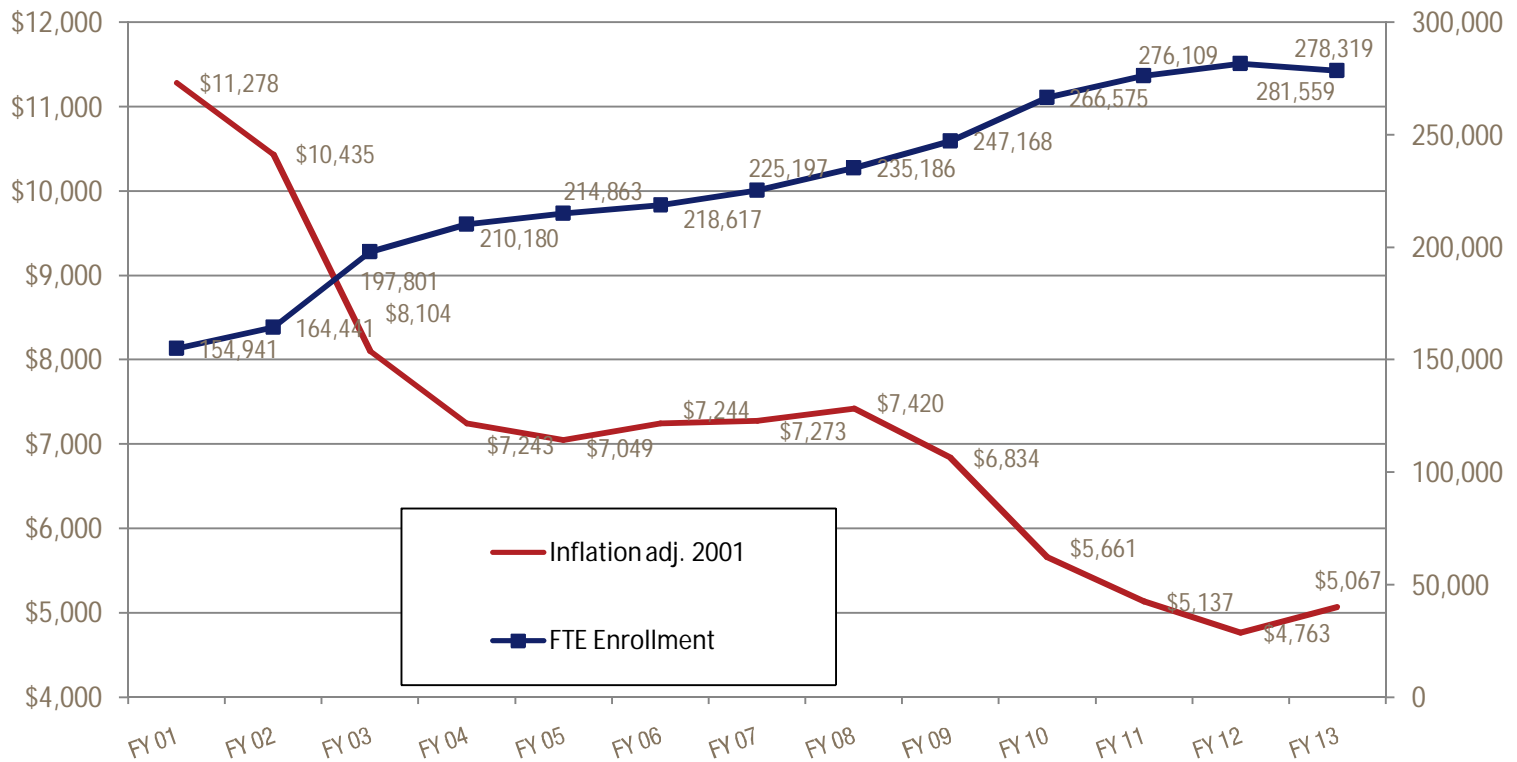


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# Regents Funding Lags Behind Student Growth and Inflation

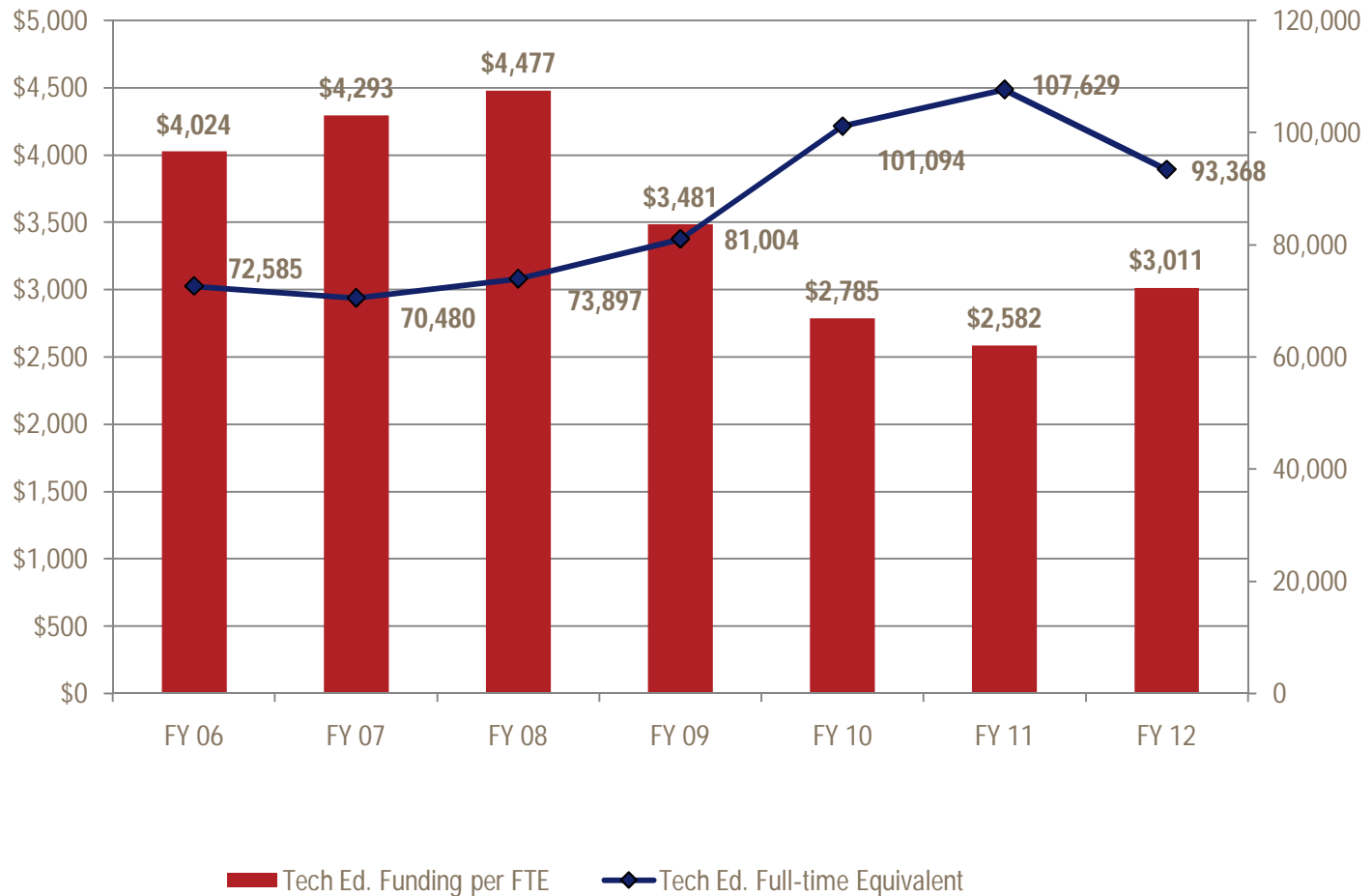
Board of Regents Funding Per FTE (FY 2001 to FY 2013)



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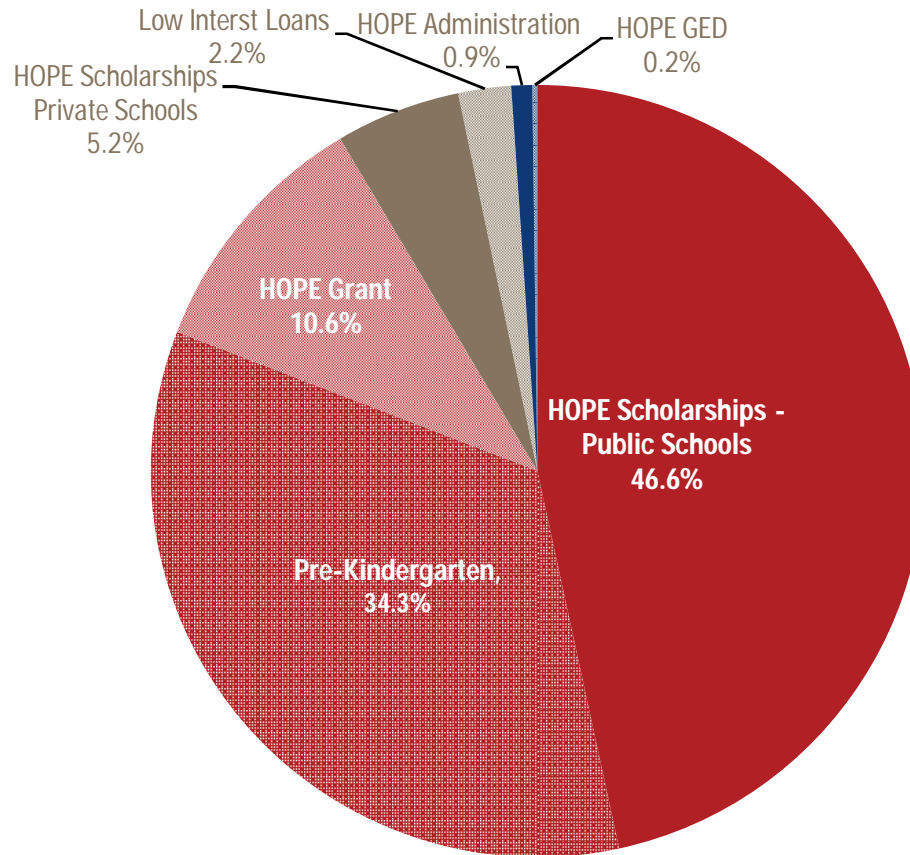
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# Declining Support for Technical College Systems

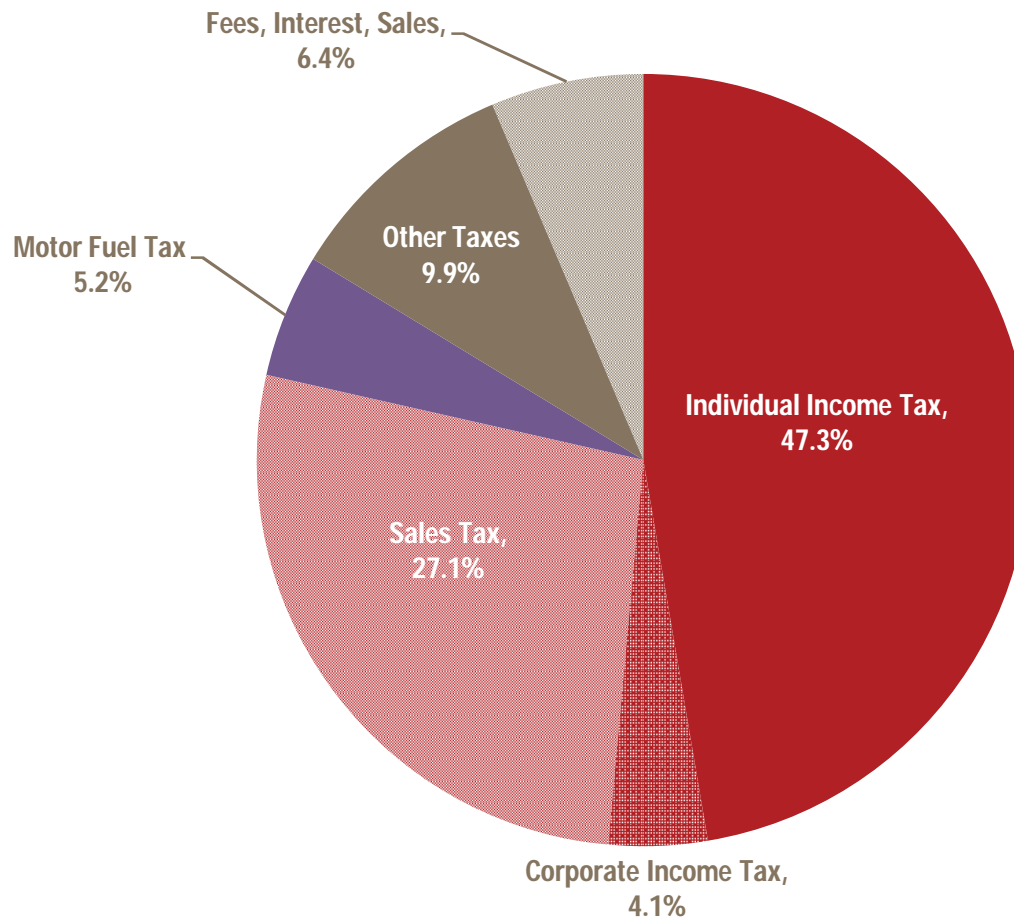


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# FY 2014 Lottery Funds Budget (\$911 Million)



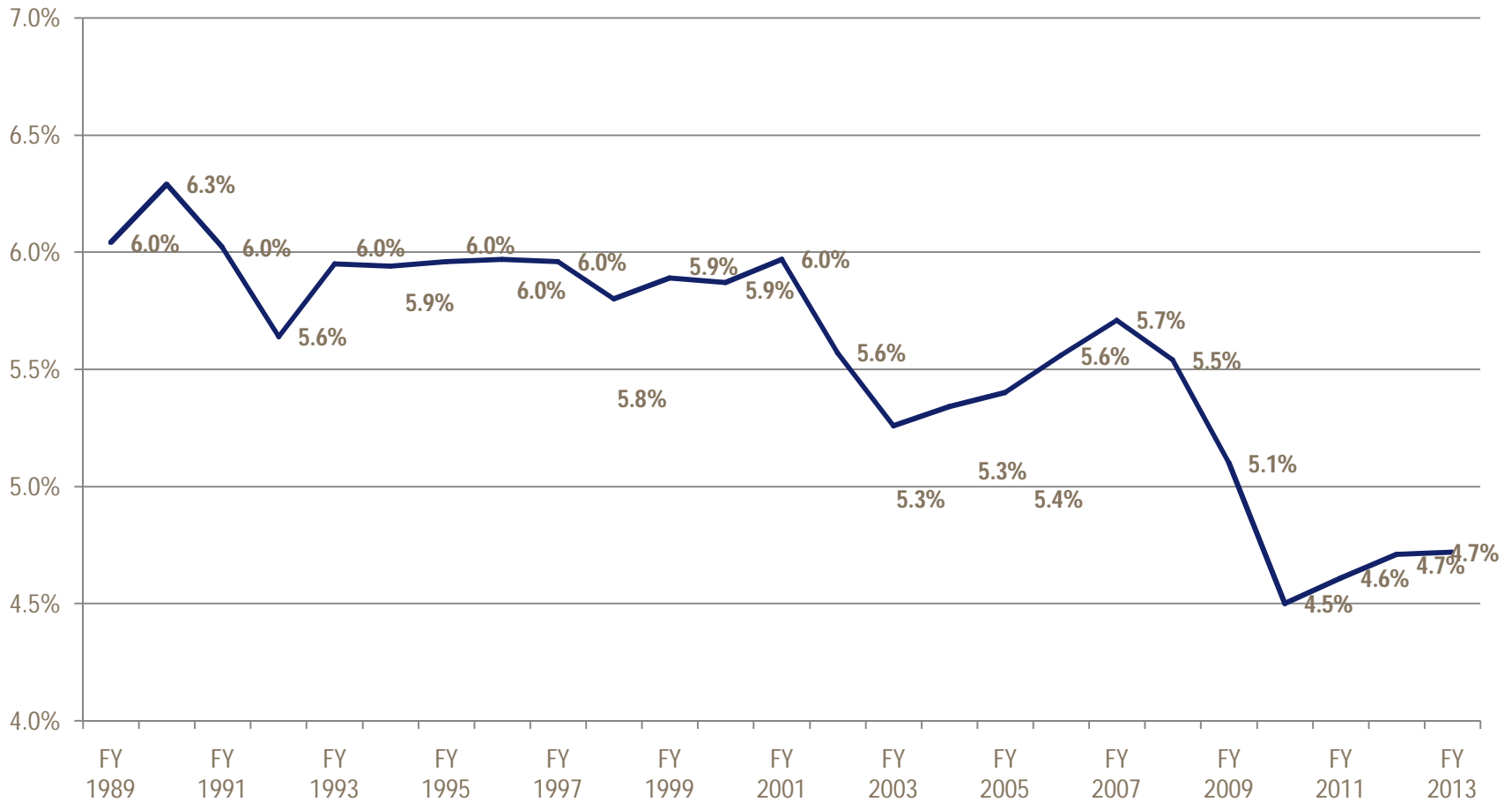
# Georgia Revenues



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Fair and Adequate Tax Reform | [www.gbpi.org](http://www.gbpi.org)

# Georgia's Revenue as a Share of Income at Historic Low

## Revenues as a Percentage of Income (FY 1989 – FY 2013)



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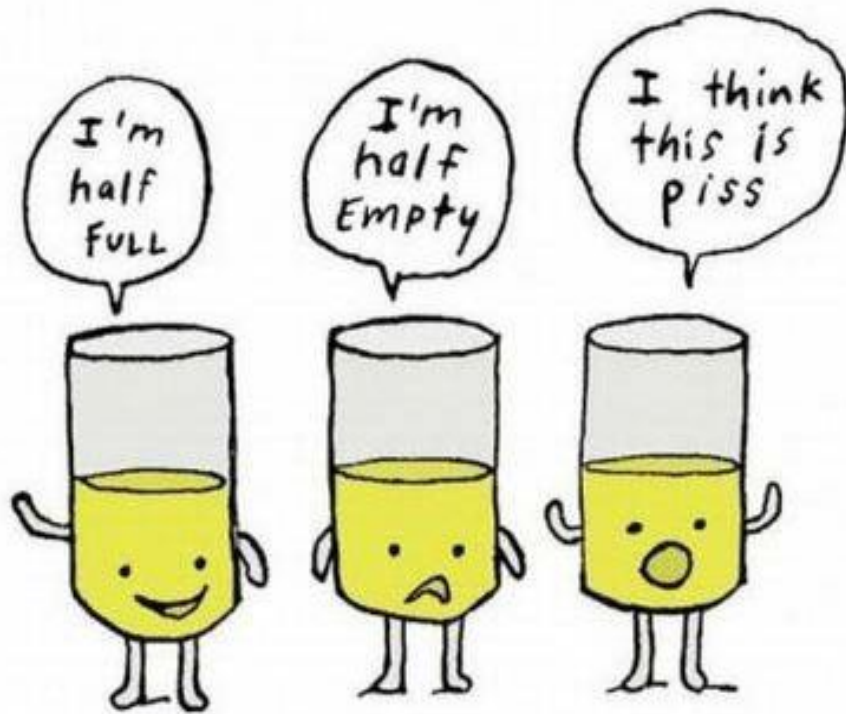
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# Georgia Tax Rankings

	Ranking
State and local own source revenue as a percentage of income	43 <sup>rd</sup>
State and local business taxes as a percentage of GSP	41 <sup>st</sup>
State tax revenue as a percentage of income	44 <sup>th</sup>
State and local own source revenue per capita	47 <sup>th</sup>
State tax revenue per capita	50 <sup>th</sup>

# Tax Reform Going Forward – We Need Revenues!

- Sales and Income Tax outdated (1950's economy and government).
- Sales and Income Tax need to be modernized for 21<sup>st</sup> century economy and government.
- Strong state economy and robust job growth depends on strategic investments in education, transportation, healthcare, and quality of life.



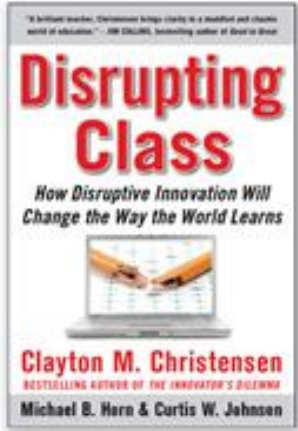
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# The Future of Education – Collaborative and Digital

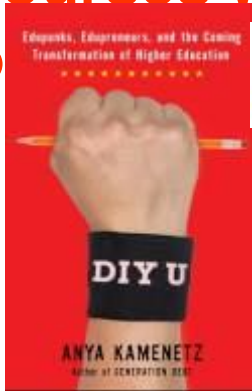
## MOOC

South Korea to go digital learning by 2014 – digitize all text books.



“By 2018, 90 percent of all courses will be delivered

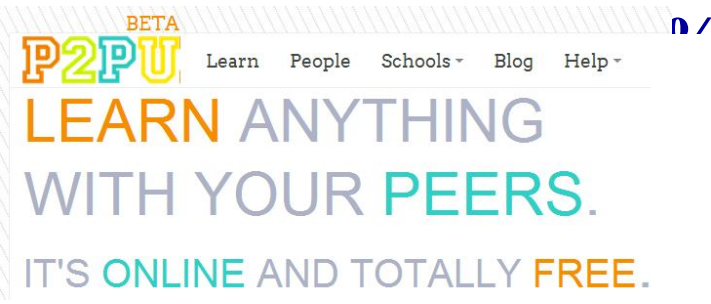
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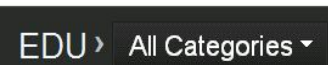
College takes time. College is expensive. College is exclusive. College is no longer the only way to get a great education.

•College Debt in US > Total Credit Card Debt

•Tuition



75% of College Presidents at Public Universities Cite Online Learning as #1 Solution to Budget Crisis





# Thank you for your support!

## **About the Georgia Budget & Policy Institute**

GBPI seeks to build a more prosperous Georgia. We rigorously analyze budget and tax policies and provide education to inspire informed debate and responsible decision-making, advancing our vision of a state in which economic opportunity and well-being are shared among all. GBPI is an independent, nonpartisan nonprofit founded in 2004.

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