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STATE BUDGET FACTS

THE ONLY SOLUTION TO GEORGIA'S MULTI-BILLION DOLLAR SHORTFALL IS A BALANCED APPROACH

PRIORITIZING WILL NOT SOLVE THE PROBLEM

Cutting the budget to balance it is not just a matter of prioritizing. The state spends the vast majority of what it collects on its priorities. The governor's proposed FY 2011 budget expends 96 percent on the following:

- Education (K-12, Board of Regents, Technical College System, etc.)
- Health (Department of Community Health and the Department of Behavioral Health and Developmental Disabilities)
- Department of Human Services
- Department of Transportation
- Debt service (a legal obligation)
- Public safety agencies, including corrections

All other state agencies comprise only four percent of the budget; we spend only \$691 million on 21 agencies. Most have already been cut twenty percent or more since the pre-recession FY 2009 budget. What will happen if they are cut more?

- We will save only a relatively small amount of money — nothing near the billions the state needs to close the shortfalls.
- We endanger agencies' ability to accomplish their core functions, resulting in negative outcomes in the areas of health and safety regulation, economic development, environmental protection, as well as greater inconveniences.

EFFICIENCIES WILL NOT SOLVE THE PROBLEM

According to the Pew Center on the States, Georgia ranks No. 1 in the region and 8th in the country for management performance. Governor Perdue's Commission for a New Georgia has recommended management and efficiency changes that have saved more than \$153 million since 2003.

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

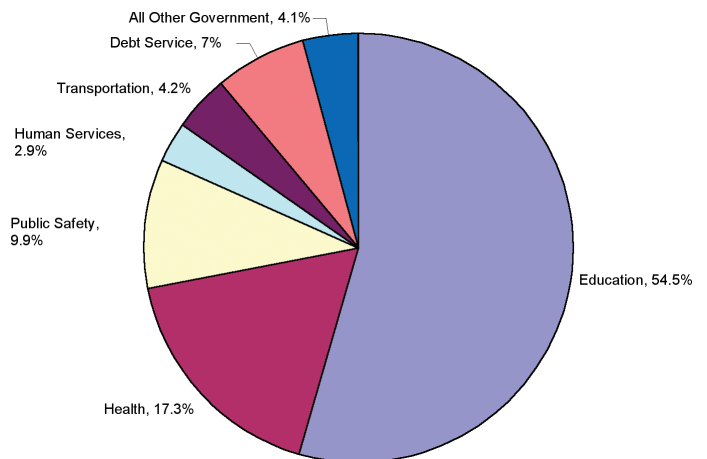
GEORGIA NEEDS A BALANCED APPROACH

TO ADDRESS ITS FISCAL CRISIS: Without new revenues, Georgia is facing an additional \$2.6 billion deficit in FY 2012, according to the governor.

Georgia's budget crisis is not due to funding the wrong priorities or waste and inefficiency. Georgia has a revenue problem. To avoid devastating cuts to such vital government services as education, healthcare, and public safety, Georgia needs a balanced approach to the budget crisis, an approach that includes additional revenues, not just budget cuts.

However, even with these continued and important savings of millions of dollars a year, this does not come close to addressing the billions of dollars Georgia needs to address the budget deficit.

**FY 2011 BUDGET BREAKDOWN
STATE GENERAL FUNDS - \$16.9 BILLION**



THOUGHTFUL ANALYSIS...RESPONSIBLE POLICY

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