**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.

**Recommendation**

**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.