

## Snip, but carefully

**I**T SOUNDED so familiar, so ordinary that it drew no big headlines: Gov. Nathan Deal told all state agency heads to start whacking their budgets by an additional 2 percent.

That's both for this fiscal year (which has 10 months left to go) and for proposed 2012-13 requests as well.

Gee, that's just what former Gov. Sonny Perdue did over and over again in his final two years although typically involving larger percentages.

Only the K-12 public schools, prison system and Medicaid were exempted from the order by Deal, somewhat different as in the past there often had been no exceptions to the rule.

However, the order likely seemed somewhat odd to many citizens in that state officials have also been turning cartwheels of late in cheering a solid increase in state revenues (meaning tax collections). They're up roughly 8 percent, about double what the current fiscal year budget expected (it runs July 1 to June 30, 2012).

Moreover, state spending since the recession hit is down by 19 percent so it's not as though the need to be frugal is a new discovery. No doubt the assumption by many would be that if there's more money coming in now, perhaps a little of what was earlier taken away could be put back into public services, some of which have been cut to the bone if not beyond.

**AS DEAL'S OFFICE** explained, this cautionary step is because the governor doesn't think the tax take will grow fast enough to stay even with increasing demands for

some services, inflationary pressures and so forth. In other words, just standing pat could cost more soon.

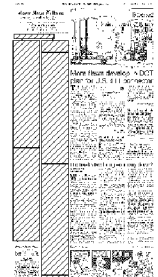
As Alan Essig of the Georgia Budget and Policy Institute explained: "His fear is that even with moderate revenue growth next year, that it's barely going to be enough to keep up with normal budget growth. So, I think he's trying to leave himself some options in case he needs to cut some budgets. The month-to-month revenue increases are good, but as we're planning for next year's budget, we need to have three, four or five months worth of revenues to have a real sense of where we are."

There's actually a bit more to it than that, and this approach is indeed wise although not going to do anything to alleviate the pains and pressures in many, if not all, segments of state government. Indeed, it seems a declaration that they must "grin and bear it" for some months, if not years, to come.

The reason for an extremely cautious approach is the certainty that big past chunks of state operational funds will dwindle or disappear quite soon because of the congressional debt-ceiling agreement.

**PART OF THAT** involves a variety of spending reductions, with in the near future yet more promised/threatened (depending on your point of view). Federal money enables, supports, even allows many different purely state levels of service for lots of stuff from Medicaid to community improvement grants.

If the money goes away, or



is slashed, a sort of problem now arises for Georgia that is quite similar to what the state has long been causing for local governments with both “unfunded mandates” and the chopping of allocations from the state treasury for such as schools, roads and so forth.

The state has, to some extent, recently been trying to balance its own budget on the backs of cities and counties, by rolling budget/service problems downhill. Hence, and the choices become entirely local, either tax revenues/fees/fines are somehow boosted to fill the gap or all sorts of services have to be reduced, maybe even eliminated. When that happens, the heat for such decisions scorches local commissioners, not the legislators.

The state, if federal dollars dwindle, may learn about sauce for the goose also being in the soup for the gander. However, this time the appearance will be that the legislators/governor are doing the damage. Which, in turn, could be politically damaging.

THE WEIRD contortions in the offing from trying to simultaneously dance the No-More-Taxes Waltz, the Less-Government-Is-Good Jitterbug and the It’s-All-the-Other-Party’s-Fault Twist could become funny to watch. It’ll be about the only thing that’s funny if key services like education, public-safety, public health and more start looking any more like Swiss cheese.

Deal is correct in preparing for the worst, if only because the recent economic record continues to be less than cheering and leaves a prudent

man no other option.

It’s also good to see him exempt some crucial areas, unlike his predecessor who largely insisted on whacking fingers and toes off everybody in equal number.

It’s also encouraging to see Deal knows that fundamental changes affecting (and lowering) the billions pouring into past must-have services have to start getting attention. For example, he has a special panel at work trying to figure out how to cut into Georgia’s incredibly huge prison population, and expenses, by putting non-violent offenders, particularly drug users, into “community-based” rehabilitation instead of cells.

That’s not going to be an easy sell in a state with “hang-’em-high” dispositions but something more along these lines is clearly necessary. Georgia has a Department of Corrections rather amusingly named as so little “correction” and reform takes place.

CUTTING the costs of government in the sense of avoiding raising taxes while redirecting available money to where it will do the most real good is a long overdue approach in this state. It’ll be hard to find agreement on what does the “most real good” but the past approach of cutting everything in roughly equal amounts simply never has made any sense.

.. Cut some more? By all means, but let’s apply some intelligence to the operation.

If one does have to cut off some fingers and toes to keep the patient alive, it should be rather obvious that the thumb and index finger should be kept protected at all costs

because the hand doesn't work  
very well without them.