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Policy Report

Georgia's $16 Billion Question: Will the State Equitably Invest in Its People?

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Executive Summary

Georgians deserve a state government that meets its obligations fully. Through a deliberative appropriations process, policymakers can allocate a historic level of resources to address the most critical needs facing Georgia families.

The massive amount of general fund reserves held by the state of Georgia—which exceeded $16 billion at the conclusion of Fiscal Year (FY) 2023—follows a recent trend, which is built on a related, dramatic increase in the size of repeated underestimations of annual state revenue collections. From FY 2021 through FY 2023, the equivalent of 15-22% of the funds appropriated by the General Assembly were left unspent at the end of each year, resulting in huge levels of "surplus" revenue. These funds allowed Georgia to fill the Revenue Shortfall Reserve (RSR) up to its cap of 15% of revenues ($5.4 billion) for the first time, covered the expenses of two years of modest income tax rebates and back-filled revenues that the state lost due to a 10-month suspension of the gas tax.

Georgia appears likely to repeat this trend in the current fiscal year. Overall, the Governor's FY 2024 revenue estimate projects that year-over-year tax revenues will fall by about 13%, representing the worst performance on record since at least 1980. However, through the first quarter of FY 2024, year-over-year state revenues have increased by 6.1% ($463 million).

Behind Georgia's trend of multibillion-dollar surpluses is that, from FY 2019 to 2024, state spending has failed to keep pace with inflation and population growth. Between FY 2019 and FY 2024, spending has averaged an anemic annual increase of 3.5% per year—even as inflation averaged 4.2% per year and statewide population increased by an estimated 481,000 residents during the same period.

As state leaders consider how to best manage the $11 billion available in undesignated reserves, guiding principles should include prioritizing one-time investments that generate high levels of equitable return by front-loading future expenditures. There are several unique areas in which surplus funds present a rare opportunity to address deficits built up over time and projected needs for the future—all while strengthening Georgia's economy, supporting job creation and benefiting families statewide.

Key policy recommendations include:

- Adjust Georgia's revenue estimate to accurately reflect the amount the state may generate from taxes, fees and other sources in FY 2024, allowing the General Assembly to appropriate greater funding to address urgent, recurring needs.
- Create a $7.5 billion, self-sustaining Child Care Trust Fund that promotes statewide access to affordable, quality child care and improves the lives of tens of thousands of families each year for generations to come.
- Modernize Georgia's statewide fleet of school buses. Making this long-deferred investment will free up other resources at the local level currently used to maintain and replace aging buses. Funding can also be used to address the worsening crisis of low pay that exacerbates the current bus driver shortage.
- Provide bonuses for a healthier state workforce and to address persistently high turnover rates and overburdened agencies, prioritizing frontline workers.

Introduction

With $11 billion in undesignated reserves at the conclusion of Fiscal Year (FY) 2023 and Georgia's Revenue Shortfall Reserve (RSR) maxed out at $5.4 billion, Georgia is poised to make historic and equitable investments in the future of its residents by expanding access to affordable child care, upgrading tens of thousands of school buses and addressing a host of urgent workforce needs. With its reserves, Georgia now has the necessary resources to support both major investments and ongoing needs in state government. Looking ahead, rather than maintaining unnecessary austerity measures, Georgia can implement significant improvements in budget practice by aligning the budget more closely with current revenue collections.

The state's massive surplus is the direct result of successive and persistently low revenue estimates. For several years, these estimates have significantly underpredicted the revenue that the state would bring in, even in the face of contrary data. For example, the FY 2024 revenue estimate predicts a substantial decline in tax revenues, but there are strong economic indicators to the contrary, including 6.1% year-over-year growth in tax revenue reported for the first three months of FY 2024.

Where do surplus revenues go?

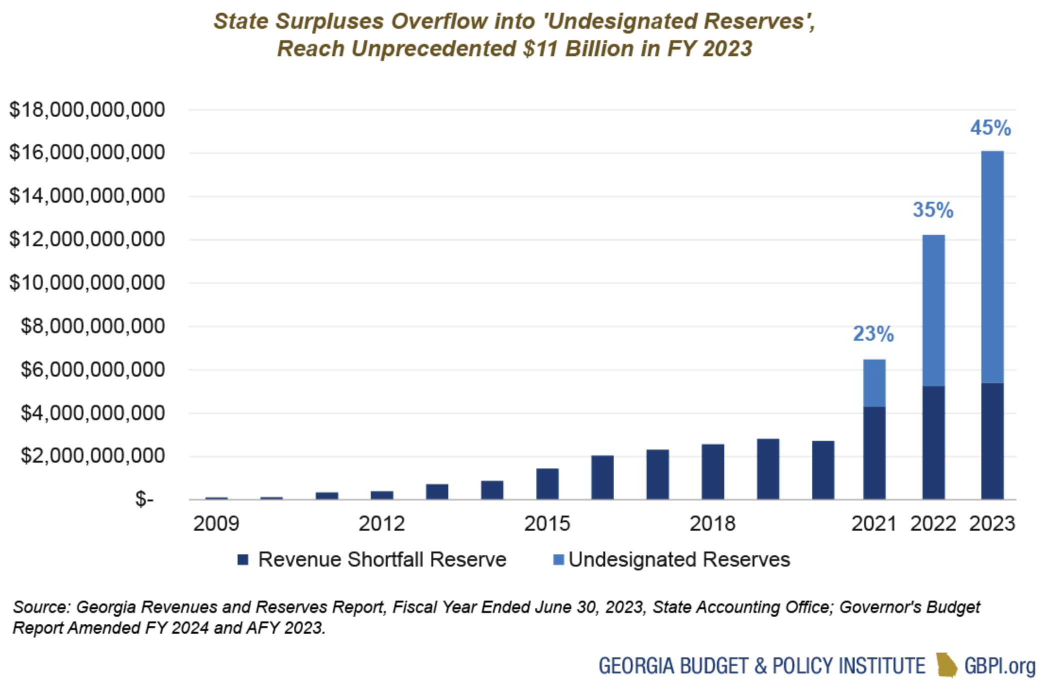
The Revenue Shortfall Reserve (RSR), also called the "rainy day fund", was created in 1976 to act as the state's saving account and to help manage instability in revenue collections and hedge against the possibility of a recession. When the state raises more in revenue than it spends, it produces a surplus. At the end of each fiscal year, any surplus in general revenue collections is automatically added to the state's RSR, until that account reaches 15 percent of prior year collections (increased from previous maximum of 10 percent in 2011). At that point, funds go into a separate account that represents unobligated or undesignated surplus. This is in addition to a dedicated reserve account for surplus funds raised by the Georgia Lottery, as well as smaller reserve accounts used to help manage bond payments and tobacco settlement funds.

The huge level of general fund reserves held by the state is a recent trend, as is the magnitude of repeated underestimations of annual state revenue collections. From FY 2009 to 2019, the state of Georgia ended each fiscal year with an average of $270 million in surplus funds before achieving what was, at that time, a record RSR balance of $2.8 billion (11% of revenues) at the conclusion of 2019.[1] Then, between FY 2021 through FY 2023, the equivalent of 15-22% of the funds appropriated by the General Assembly were left unspent at the end of each year, resulting in huge levels of "surplus" revenue. So, for the past three years—the state of Georgia has raised approximately $15.5 billion more than it spent, adding to $2.7 billion in reserves that took nearly a decade to accumulate. These funds allowed Georgia to fill the Revenue Shortfall Reserve (RSR) up to its cap of 15% of revenues ($5.4 billion) for the first time, covered the expenses of two years of modest income tax rebates and back-filled revenues that were lost due to a 10-month suspension of the gas tax.[2]

The revenue estimate forecasts the amount of funding the state can expect to generate and effectively acts as a cap on state spending, limiting the amount the General Assembly can appropriate. Under Georgia law, the governor has unilateral authority to set the state's revenue estimate with the advice of the State Fiscal Economist.

Austerity policies address budget challenges primarily through spending cuts. These measures are often implemented in response to a negative economic event but once established, may remain in place indefinitely unless reversed. Cuts that are not backfilled can also create new issues by disrupting the delivery of underlying programs and services or resulting in other harmful effects.

With Overflowing Reserves, State Laws Do Not Account for 'Undesignated Surplus'



Despite the unprecedented amount of public funds that have accumulated beyond the RSR cap of 15%, Georgia lawmakers have not yet enacted new laws to govern the management and allocation of these dollars. Even though there is no clearly stated plan for this fund, the balance of Georgia's undesignated reserves has continued to grow at a record pace.

Georgia Pads Reserves by $4.2 Billion in FY 2023

	FY 2022	FY 2023	Net Increase	Percentage Increase
Revenue Shortfall Reserve	$5,240,228,297	$5,391,680,822	$151,452,525	3%
Undesignated Reserves	$6,978,505,963	$10,700,840,614	$3,722,334,651	53%
Lottery for Education	$1,895,981,691	$2,164,234,094	$268,252,403	14%
Tobacco Settlement Funds	$134,088,436	$157,527,680	$23,439,244	17%
Guaranteed Debt Common Reserve Fund	$49,514,903	$45,082,028	$4,432,876	-9%
Total Balance of Reserve Accounts	$14,298,319,290	$18,459,365,237	$4,161,045,947	29%

Source: Georgia Revenues and Reserves Report, Fiscal Year Ended June 30, 2023, State Accounting Office; Governor's Budget Report Amended FY 2024 and AFY 2023.

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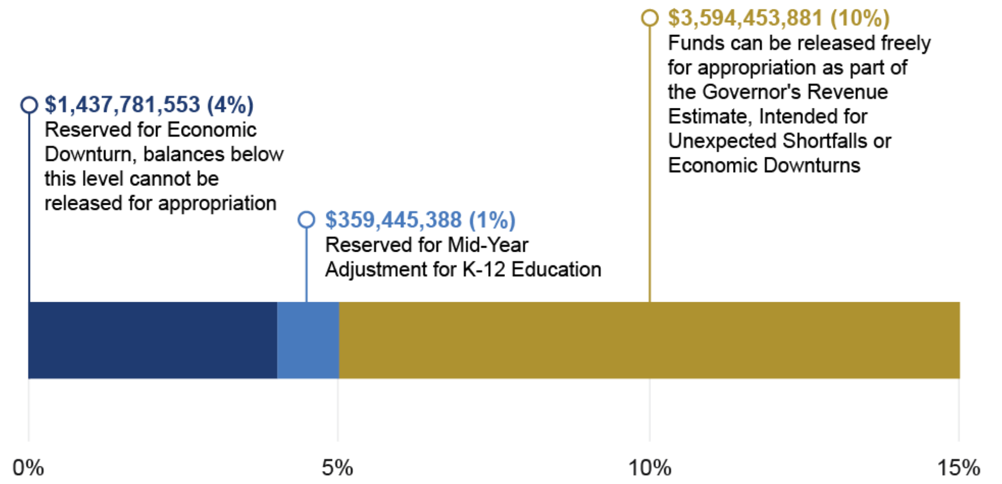
State leaders have only allocated a small portion of the available undesignated surplus funds despite the availability of these funds from the close of FY 2021 through FY 2024. State leaders' focus, so far, has been on providing narrow, one-time income tax rebates and temporary suspensions of the gas tax. This has resulted in the state continuing to generate far more in new "surplus" funds than it allocates each year—a process by which recurring revenues become surplus funds. This phenomenon occurs largely due to leaders maintaining spending levels far below current capacity and holding on to most excess reserves.

Georgia Revenue Shortfall Reserve Capped at 15%, Designed to Help Weather Downturn, Funds Mid-Year Education Adjustment



Source: Georgia Revenues and Reserves Report, Fiscal Year Ended June 30, 2023, State Accounting Office.

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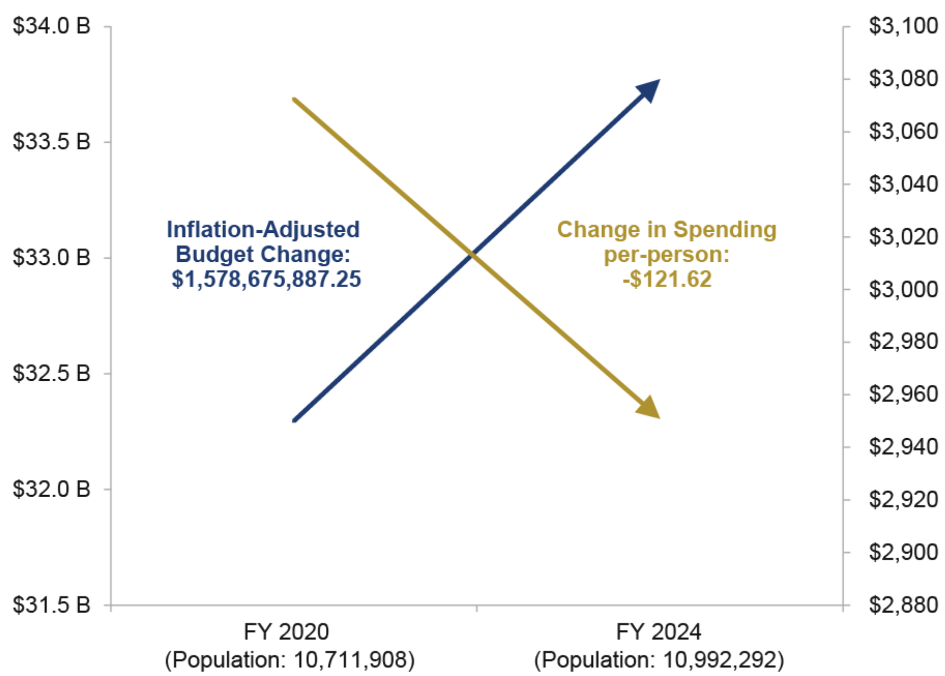
Currently, the state of Georgia holds $11 billion in accumulated taxpayer funds, which are referred to as 'undesignated surplus' and governed under the statute originally established for the Revenue Shortfall Reserve (RSR). Under this statute, the governor has the authority to release funds from reserve accounts when the balance exceeds 4% of the amount raised during the preceding fiscal year. Georgia has reserves of approximately 45% of prior-year revenues, with 30% in undesignated surplus funds in addition to the equivalent of 15% of prior-year revenues in the RSR.

Under state law, surplus accounts are managed by the Office of the State Treasurer under policy guidance set by the State Depository Board, which the Governor chairs. The key factor in determining an appropriate investment strategy is when funds must be available for spending. With no clear plan for the $11 billion in undesignated surplus, these dollars should remain available for appropriation in the current fiscal year, limiting their potential utility to hold or grow their value in real dollars through investment.

Prolonged Austerity Affects Programs and Services as State Spending Remains Stagnant

Behind Georgia's trend of multibillion-dollar surpluses is that, from FY 2019 to 2024, state spending has failed to keep pace with inflation and population growth. Between FY 2019 and FY 2024, spending has averaged an anemic annual increase of 3.5% per year—even as inflation averaged 4.2% per year and statewide population increased by an estimated 481,000 residents during the same period.[3] To keep pace with the inflation-adjusted per-person spending of $3,072 in FY 2019, Georgia would need to spend approximately $33.8 billion, or 4.1% ($1.3 billion) more in the FY 2024 budget.[4] This figure does not include $242 million in appropriations that will go unallocated, at least through January, because of 134 non-binding budget disregards issued by Gov. Kemp upon signing the FY 2024 budget.[5] Including these disregards increases the budget gap to nearly $1.6 billion.

Georgia Per-Person Spending Lags Growth in Inflation and Population, State on Track to Spend $1.6 Billion Less than Adjusted FY 2020 Budget



Source: Governor's Budget Report Amended FY 2024 and AFY 2023; Governor's Budget Report Amended FY 2021 and AFY 2020; Governor's Office of Planning and Budget, Population Projections Visualization; U.S. Bureau of Labor Statistics, CPI Inflation Calculator).

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In recent years, unmet needs across state government have only grown. In Georgia's FY 2020 budget, leaders eliminated over 1,000 vacant state jobs.[6] In response to the anticipated pandemic-induced economic recession, Georgia cut $2.2 billion, or 10%, from most agencies in FY 2021. The state never restored hundreds of millions in cuts—as Chancellor Sonny Perdue pointed out earlier this year in noting the persistently harmful effects of about $230 million in cuts made to the University System.[7] Overall, Georgia started FY 2022 with the state government employing nearly 6,400 fewer full-time employees than in 2018, down nearly 9.5%. The state also reached an all-time high full-time employee turnover rate of 29% in FY 2022.[8]

The state's failure to fund unmet needs may be most evident in public schools, where Georgia has shifted a greater burden onto local governments to fund programs and services once covered by the state. In 2012, Georgia stopped covering the employer contribution to the State Health Benefit Plan (SHBP) for non-certified school employees, passing those costs on to local school districts. Then, as part of the FY 2023 budget, the state raised the annual contribution rate for SHBP by 67%, or $7,620 per employee—leaving districts to cover hundreds of millions in new costs. In addition, state funding for student transportation has remained stagnant over the years. In the 1990s, the state paid for about half of all transportation costs, but last year it only contributed about 20%. As a result, the financial burden of replacing school buses and paying driver salaries falls on the shoulders of local school districts.[9] Georgia is also one of six states not allocating additional funds to schools educating students in poverty, leaving rural and lower-income schools particularly vulnerable to increased costs.

Federal Infusion Helped Georgia Avoid Major Recession and Boosted Revenue; Economic Trajectory Remains Strong

In 2020, unprecedented intervention from the federal government helped avert what could have been a deep, prolonged recession and a significant drop in tax collections. Instead, federal government intervention powered Georgia's recovery and helped support state revenue. In addition to $4.8 billion in flexible State Fiscal Recovery Funds authorized under the American Rescue Plan Act—which continues to be deployed as allocated by Gov. Kemp—Georgia also benefited from $12.6 billion in other funding allocated under that landmark legislation. These funds came on top of $4.12 billion under the CARES Act's Coronavirus Relief Fund and over $2 billion in other funding allocated to Georgia's schools, higher education students, child care providers, transit and airports.[10] Furthermore, Georgia families were supported by three rounds of federal economic stimulus rebates of up to $3,200 per income tax filer and $2,500 per child, in addition to enhanced federal Earned Income Tax Credit and Child Tax Credit payments that expired after 2021. Georgia businesses received $24.9 billion in Paycheck Protection Program funds intended to help pay workers, avoid layoffs and keep their doors open—much of which was fully forgiven by the federal government.[11]

Looking ahead, Gov. Kemp's tax revenue estimate for FY 2024 is equivalent to about $4.6 billion less than what the Department of Revenue collected in 2023—even though Georgia's gas tax, which raises over $2 billion per year, was suspended for six months of the previous fiscal year. Overall, the Governor's FY 2024 revenue estimate projects that year-over-year tax revenues will fall by about 13%, which would represent the worst performance on record since at least 1980.[12] However, revenue collections remain steady, up overall by about 6.1% ($463 million) through the first three months of the fiscal year.[13]

Georgia's underlying drivers of major sources of revenue have continued to strengthen in recent years:

- From 2019 to 2023, total statewide employment increased by a net of 295,400, or 6.4%, while median wages have grown by over 16% during the same period. Taxable net personal income increased by over 17% between 2019 and 2022, reaching an all-time high of $306 billion.[14]
- Underpinning the massive surge of corporate income tax payments, corporate net taxable income reached nearly $31.6 billion in 2022, up two-fold from $15.8 billion in 2019.[15] The state raised $3.8 billion in corporate tax revenues in FY 2023, more than double Gov. Kemp's estimated $1.9 billion.
- Between 2019 and 2023, sales tax revenues grew by 44%, increasing from $6.2 billion to $8.9 billion, and Georgia recently enacted modernizations to capture revenue from online transactions and some digital downloads. Nationally, during this same period from July of 2019 to July of 2023, consumer spending increased by 28%.[16]
- The state estimates that revenue from interest on deposits increased six-fold between FY 2019 and FY 2023, a difference of $804 million as its balance of cash on hand surged.

These numbers illustrate the various aspects of the state's recovery that have contributed to revenue growth. It is important to note, however, that not all Georgians are thriving, and there may be economic challenges ahead. Nevertheless, the state is now better equipped than ever before to withstand a recession, with an unprecedented level of resources available in its RSR. The deployment of the $11 billion in undesignated reserves presents a historic opportunity to address long-deferred needs while laying a stronger foundation for sustained and equitable growth in the future.

Georgia Can Make Generational Investments by Responsibly Allocating Reserves

As state leaders consider how to best manage the $11 billion available in undesignated reserves, guiding principles could include prioritizing one-time investments that generate high levels of equitable return by front-loading future expenditures. There are several unique areas in which surplus funds could present a rare opportunity to address deficits built up over time and projected needs for the future—all while strengthening Georgia's economy, supporting job creation and benefiting families statewide.

Create a $7.5 Billion Georgia Child Care Trust Fund

The affordability and availability of child care is becoming a bigger crisis every year. It results in billions of dollars lost from the national economy due to parents, especially mothers, not being able to fully participate in the workforce. Additionally, many children miss out on years of crucial quality early care and education. One of the highest-return policies the state could adopt is to establish a Child Care Trust Fund to ensure all Georgia families have access to affordable, quality options for child care, closing a glaring gap in the current system by dedicating substantial recurring funding to expanding early childhood education to ages 0-3.[17] There is mounting evidence that quality early care and education can positively impact children's cognitive development and academic outcomes, highlighting a significant gap that needs to be addressed.[18]

For an amount that would still fall below the level of surplus funds raised during the last two years alone, Georgia could create a $7.5 billion, self-sustaining Child Care Trust Fund that promotes statewide access to affordable, quality child care and improves the lives of tens-of-thousands of families each year for generations to come. Under this proposal, the state would transfer an initial investment of $7.5 billion to establish the Child Care Trust Fund, which—if managed similarly to Georgia's Teacher Retirement System (TRS) and Employee Retirement System (ERS)—could sustain annual payouts of between 5-10% per year to finance and expand access to high-quality, affordable child care options for families statewide.[19]

With an initial investment of $7.5 billion, the state could anticipate a first-year payout of about 6% of the Child Care Trust Fund (or $486 million). If the state meets the same 30-year return rate as TRS, Georgia could expect to generate about 7.9% annually. Under this proposal, the state could expect the balance of the fund to compound at a rate sufficient to help the Trust Fund's annual rate of appropriations keep pace with projected inflation.[20] Allowing for an annual payout of 5-10% per year would also let the state appropriately manage the growth trajectory of the Trust Fund, while giving state leaders the flexibility to release a larger distribution if the Fund returns a higher rate of growth.

This range of flexibility would give state leaders the necessary tools to balance demands for capital and programmatic investments for providers and subsidies for families.

Child Care Trust Fund Offers Robust, Sustainable Recurring Revenue

Starting Balance of Child Care Trust Fund	$7.5 Billion
Amount Paid Out in Year One	$486 Million
Average % Distributed Annually	6%
Amount Paid Out Over First 10 Years	$5.2 Billion
Projected Balance of Child Care Trust Fund After 10 Years	$9.3 Billion
Average annual rate of growth (fund balance)	2.1%

Source: Georgia Revenues and Reserves Report, Fiscal Year Ended June 30, 2023, State Accounting Office; Governor's Budget Report Amended FY 2024 and AFY 2023.

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Establishing a dedicated source of revenue to finance a permanent, recurring investment in child care would require amending Georgia's Constitution, which must be approved by a two-thirds majority of lawmakers and a majority of voters.[21] Despite the significant level of support needed to implement this proposal, having a comprehensive and thoughtful decision-making process would give Georgians a voice in shaping the future of these public funds. It would also enable one-time allocated funds to continually enhance Georgia's economy and the well-being of its residents throughout the state.

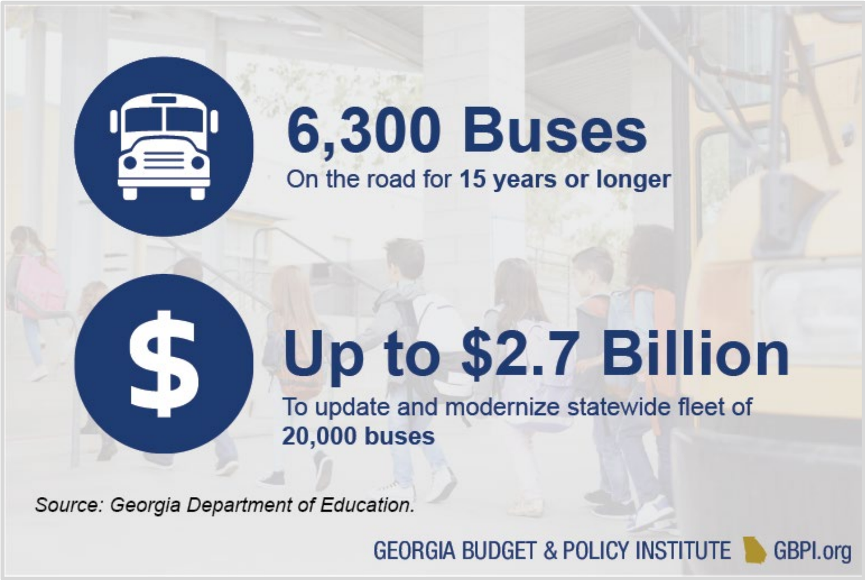
Expanding early care and education through an amendment to Georgia's Constitution would also allow the state to imagine an expansive vision for 0-to-3 child care that centers the individual needs of each family and community. Funding should support various providers, including formal center-based care, professional family child care providers, and family, friend and neighbor care. This structure will allow families to choose the most suitable setting for their child's needs.

This proposal would improve and bolster, not supplant, Georgia's current early care and education investments. For example, the state should preserve and enhance General Funds currently allocated (and matched by federal funds) to cover about 50,000 slots through the Childcare and Parent Services (CAPS) program for families with extremely low incomes. Additionally, leaders could think holistically and strategically about this proposal and how it can be combined with efforts to strengthen the state's existing Pre-K program using dedicated funds from the Georgia Lottery. Under this new funding mechanism, Georgia can continue to build upon CAPS and the success of the Pre-K program while integrating other funding streams, such as the Child Care Development Block Grant and Head Start, to develop the strongest possible statewide system that is grounded in the specific needs and assets held by each community.[22]

Making access to early care and education truly universal across Georgia will take time and involve interconnected legislative and budgetary measures supported by local efforts to meet the unique needs of communities and families in every corner of the state. Creating a Child Care Trust Fund could be a first step to help power and sustain needed downstream investments through a permanent, recurring funding source. Georgia's Child Care Trust Fund will allocate an estimated $5.2 billion in its first decade under the proposal outlined in this report. This funding could help support communities throughout the state to improve their infrastructure and capacity, resulting in more options for families seeking high-quality, affordable early childhood care and education.

Modernize Georgia's Statewide Fleet of Public School Buses

School districts in Georgia are facing higher transportation costs as the state has reduced funding for pupil transportation. In 1991, the state paid over half of the costs, but last year, it covered only 20% of the $1.1 billion in expenses. This shift has forced school districts to redirect money from other areas to cover transportation costs.[23] Rising fuel prices and the need for more drivers as enrollment grows also chip away at local budgets. Meanwhile, the state's bus fleet has aged considerably in the absence of a broader schedule for bus replacement. At the beginning of the 2022 school year, Georgia had 6,300 buses in service for 15 years or longer. That represents about one out of every three buses on the road.[24] Approximately 12% of the statewide school bus fleet (about 2,400 buses) are out of service.



Using one-time undesignated reserve funds, Georgia should finance a complete modernization of its statewide fleet of 20,000 buses at a cost of between $850 million to $2.7 billion.[25] New buses reduce recurring costs for fuel by allowing districts to transition to diesel alternatives such as natural gas, propane or electric. Making this long-deferred investment will free up other resources at the local level currently used to maintain and replace aging buses. Funding can also be used to address the worsening crisis of low pay that exacerbates the current bus driver shortage. Class sizes, language accommodations, wraparound supports and other areas of need cannot get necessary funding if districts must use every available dollar to ensure that students arrive to school, as state law requires.

With sufficient resources available, the state should finance the upgrade of its school buses. By front-loading a one-time investment in modernizing these buses, Georgia can create an opportunity to improve education across the board. This will be particularly beneficial for rural districts with fewer students spread over large geographic areas.

Address High Turnover and Retain Key Staff; Provide Bonuses for a Healthier State Workforce

Core agencies responsible for serving vulnerable Georgians, such as the Department of Human Services and Behavioral Health and Developmental Disabilities, continue to pay their staff low wages, which in many cases are significantly lower than the wages offered by the private sector. This is despite the fact that these agencies are facing annual turnover rates of 25% or more and experience significant staffing gaps.[26] While addressing these issues may require fundamental changes to recurring funding and staffing levels, there are ample resources available to immediately provide targeted bonuses to employees in critical areas.

For example, the state is currently dealing with unique and time-sensitive challenges. One such challenge includes rechecking eligibility for all 2.8 million Medicaid enrollees and the 1.5+ million families enrolled in both Medicaid and SNAP. On top of this, the state must also continue its regular operations for other programs. To ensure that eligibility workers at the Division of Family and Children Services receive fair compensation for their increased workload, the state should prioritize giving them bonuses.

One-time bonuses should be a supplement to higher wages, not a substitute. Cost-of-living adjustments are also necessary to prevent wage stagnation. Under this proposal, the state could offer critical employees a bonus of $5,000 in FY 2024. That bonus could shift into a permanent $2,000 increase in pay in 2025, with a $3,000 one-time bonus. The state could continue this pattern of phasing out bonus payments and phasing in higher salaries over the next several years to ensure sufficient resources are available to lift pay scales in the highest priority areas.

In FY 2023, the state allocated $405 million to give $5,000 cost of living adjustments to approximately 81,000 state employees. While it's probable that most employees would need cost-of-living hikes to maintain salary competitiveness, the state can utilize its reserve funds to design suitable bonuses and gradually introduce related salary increases. This approach can lead to significant improvements in employee retention and recruitment.

Conclusion

For four consecutive years, Georgia’s budget has fallen short of the state’s capacity to meet the needs of its residents, as conditions across state government have worsened and vast needs continue to go unmet. Abundant untapped resources are now available—both in the form of recurring state revenues and undesignated reserves—that could be deployed to strengthen the economy, create and sustain jobs, and improve the quality of life for Georgians statewide. Georgia’s leaders must take full advantage of the substantial resources available to enact bold solutions that equitably invest in the future of our people. By expanding access to quality, affordable child care, ensuring all children can get to school safely and on-time, and prioritizing frontline workers that support the needs of countless residents, we can build a stronger future for all Georgians.

[1] Governor’s Budget Report, Fiscal Year 2024 and Amended Fiscal Year 2023.

[2] Georgia State Accounting Office. (2023, October 13). *State of Georgia revenues and reserves report, Fiscal Year ended June 30, 2023.* (Analysis of ending fund balance, Revenue Shortfall Reserve [Preliminary], $5,391,680,822), p. 1. https://sao.georgia.gov/document/document/fy23grrrfinal101323rlc-securedpdf/download

[3] Governor’s Budget Report, FY 2024 and AFY 2023; Governor’s Budget Report, FY 2021 and AFY 2020; to generate this comparison, the 2019 midyear adjustment was deducted before calculating the rate of spending growth.

[4] Governor's Office of Planning and Budget population estimates, 2022-2060; U.S. Census, "State Population Totals and Components of Change: 2020-2019; U.S. Bureau of Labor Statistics, Inflation Calculator, July 2018 to July 2023. Note the midyear adjustment for 2019 was deducted before adjusting for changes in population and inflation.

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[6] Kanso, D. *Georgia budget trends primer for state fiscal year 2021.* Retrieved August 31, 2023, from https://gbpi.org/georgia-budget-trends-primer-for-state-fiscal-year-2021/

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[8] Department of Administrative Services, Human Resources division. (2023, January). State of Georgia TeamWorks HCM system Fiscal Year 2022 workforce report: July 1, 2021 – June 30, 2022.

[9] Owens, S. *Three Ways to Fix Georgia Education Funding.* Retrieved September 14, 2023, from: https://gbpi.org/three-ways-to-fix-georgia-education-funding/

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[11] Metro Atlanta CEO. “Georgia businesses took $24.9 billion in PPP funds”. Retrieved August 31, 2023 from http://metroatlantaceo.com/news/2023/01/georgia-businesses-took-249-billion-ppp-funds/

[12] In FY 2009, year-over-year state revenues declined by 9.8%, the most on record since 1980. See Governor’s Budget Report Amended FY 2020 and AFY 2019.

[13] Department of Revenue, Comparative Summary of State General Fund Receipts, August 2023.

[14] Bureau of Labor Statistics seasonally adjusted monthly employment data, July of 2019 to August, 2023; GBPI estimates of median nominal wages, 2019-2023; Georgia Department of Revenue Annual Statistical Report, FY 2019-2022 and CY 2019-2022.

[15] Ibid.

[16]U.S. Bureau of Economic Analysis, Personal Consumption Expenditures [PCE], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/PCE, September 5, 2023.

[17] High-quality early child care and education: The gift that lasts a lifetime | Brookings; Education Sciences | Free Full-Text | Kindergarten through Grade 3 Outcomes Associated with Participation in High-Quality Early Care and Education: A RCT Follow-Up Study (mdpi.com);

[18] Impacts of Early Childhood Education on Medium- and Long-Term Educational Outcomes - Dana Charles McCoy, Hirokazu Yoshikawa, Kathleen M. Ziol-Guest, Greg J. Duncan, Holly S. Schindler, Katherine Magnuson, Rui Yang, Andrew Koepp, Jack P. Shonkoff, 2017.

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[20] Teachers Retirement System of Georgia Annual Comprehensive Financial Report. Fiscal Year ended June 30, 2022.

[21] The Constitution of the State of Georgia, Article X.

[22] The Child Care and Dependent Block Grant provide federal funding for to state for child care subsides for families with low income and child under age 13. Head Start is a federally funded program that provide comprehensive early childhood education, health, nutrition, and parent services to families with low income.

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