



TOP TEN TUNES
for
Georgia
Budgeting

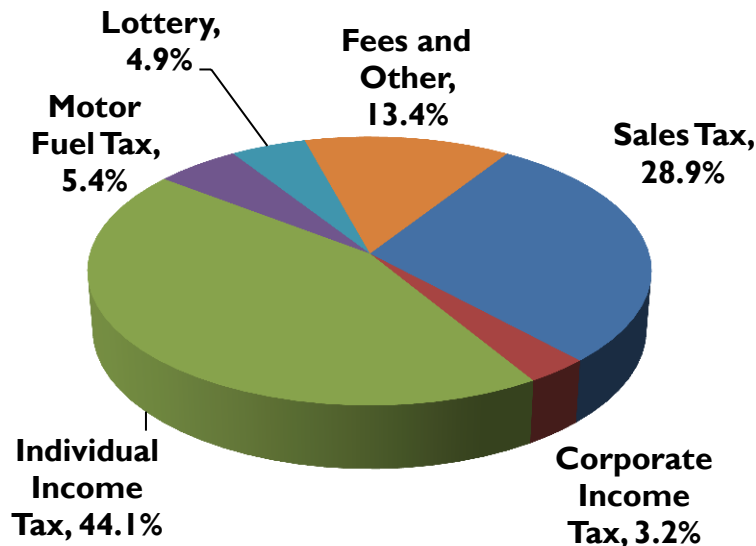
Terry England
Grandmaster Flash
House Appropriations

Back in Black

- 8 straight quarters of net positive revenue growth
- Met the \$18.5 billion revenue targets for FY 12
- Secured \$172.5 million for the Mid-year adjustment for K-12 education
- 3rd consecutive year with a deposit to the RSR, est. \$353.8 million or three times what it was in 2009

Taxman

- 4.8% increase of \$742 million over FY 11, slightly over the 4.3% increase budgeted. Performance in our major categories includes:
- Individual Income +\$484 million, 6.3%
- Gross Sales +\$462 million, 4.8%
- Motor Fuel +\$ 83.5 million, 9.1%
- Corporate Income -\$ 81 million, -12.1%



Go On, Take the Money and Run

- Triple-A designation is critically important as the most widely accepted performance standard for measuring state budgets and making sound, long-term investments. Throughout the lean times, we have sustained our Triple A bond rating from all three rating agencies.
 - Our bonds also reflect our long-term priorities for the state's future. Education bonds for K-12 construction, higher education institutions and school equipment account for nearly 74% of all the debt authorized by the state this year.
- | | | |
|------------------------|-----------------|-------|
| • Higher Ed | \$430.8 million | 53.3% |
| • K-12 | \$166.8 million | 20.6% |
| • Economic Development | \$140.2 million | 17.2% |

Mama Said There'd Be Days Like This

- National growth slowed to 1.9% in GDP
- Georgia trending with the nation - final months of FY 12 slowed to 2.3% average growth
- Cautiously watching global influences:
 - European debt crisis
 - Federal tax increases
 - Internet sales
 - Sequestration



Mack the Knife

Federal Sequestration

'The Budget Control Act of 2011'

- \$1.2 trillion automatic cuts over 10 years
- Begins January 2nd, unless a “balanced” agreement for deficit reduction is made
- Average state’s budget is 1/3rd federally financed
- Of total \$39.3 billion FY 13, \$11.2 billion is federal

Go Back, Jack, And Do It Again

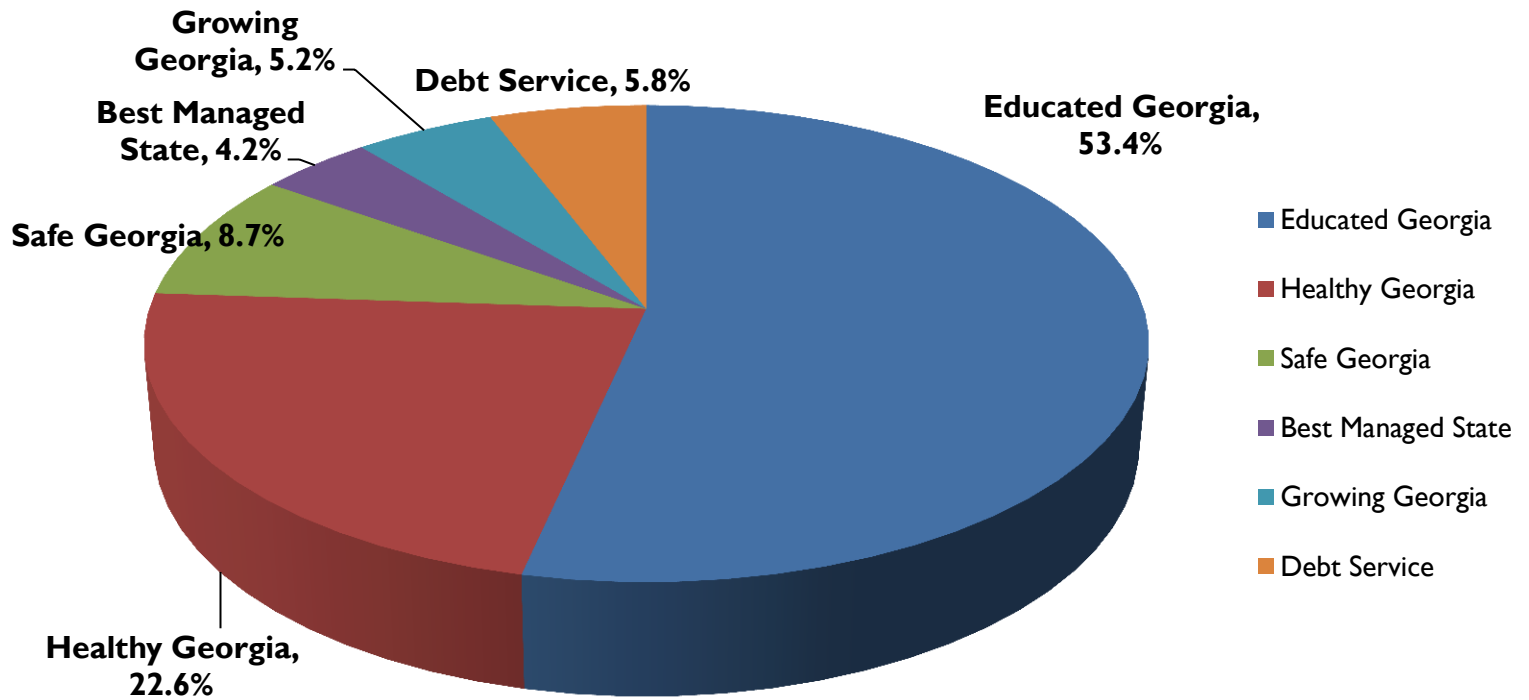
- 3% reduction plans, exempting QBE, equalization and state schools FY 13 = **(\$271m)**
- FY 13 projected growth of \$835 million adjusted down to \$505 million mirrors the 2% growth being forecasted
- Three *must have* FY 13 items - education growth, pensions and SHBP use over 84% or \$425m of those funds
- Add 5% reduction plan for Medicaid in FY 14 = **(\$331m)**



"Sayyyyy... do you know anything about budgets?"

American Pie

FY 2013 Appropriations by Policy Area



Stayin' Alive

- Since the use of reserves to close the 2008 Amended Budget, budget instructions for every year have required a cut plan from departments:
 - AFY 09, FY 10 (6, 8, 10%) AFY 12, FY 13 (2%)
 - AFY 10, FY 11 (4, 6, 8%) AFY 13, FY 14 (3%)
 - AFY 11, FY 12 (6, 8, 10%)
- FY 08 to FY 10 reductions totaled \$3.7 billion or 20% of state funds.
- FY 2011, per capita spending 30% less than 10 years ago
- State funded positions for the same 5-year time frame down 14.3%, nearly 12,000 positions
- House practices what we preach; streamlined our professional research and budget staff by 25% for a 15% savings in our own operating budget.

Let's Get It On

- Zero-Base Budgets, Senate Bill 33
 - 57 of 370 programs this year
 - Review each program once within an 8-year cycle
- Mergers
- Think outside the box



R-E-S-P-E-C-T



I've Got Friends in Low Places

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