

Georgia Fiscal Managers Conference 2013

*Representative Terry England
Chairman, House Appropriations*

Common Sense Steps to Being “Fiscally” Fit

Meet Mr. George Uhh in 2008



Closely follow the instructions of your
Personal Trainer!



Muscles MacCartney

You took it off; now keep it off.

- **Budget submissions at current FY 14 levels for AFY 14 and FY 15 requests!**
 - Since the use of reserves to close out AFY 2008, budget instructions for the last 6 years have required a cut plan from departments:
 - AFY 09, FY 10 (6, 8, 10%)
 - AFY 10, FY 11 (4, 6, 8%)
 - AFY 11, FY 12 (6, 8, 10%)
 - AFY 12, FY 13 (2%)
 - AFY 13, FY 14 (3%)
 - AFY 14, FY 15 -----
- **Capped amounts for bond projects**

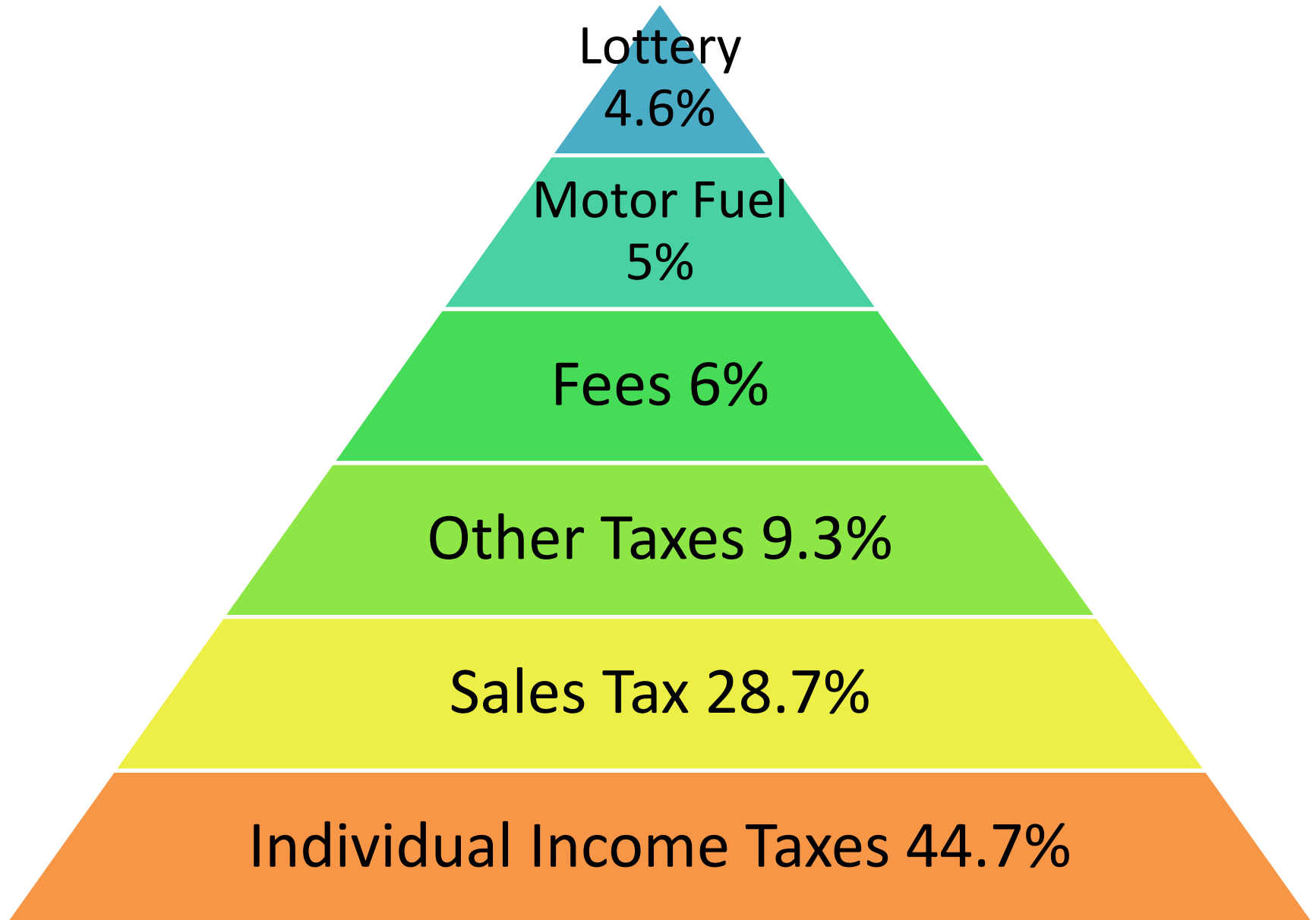
Build your muscles.

- Increases allowed for certain workload adjustments, such as education enrollment growth and Medicaid
 - Department of Behavioral Health
 - Department of Community Health
 - Department of Human Resources
 - Department of Education
 - Board of Regents, University System of Georgia
 - Technical College Systems of Georgia

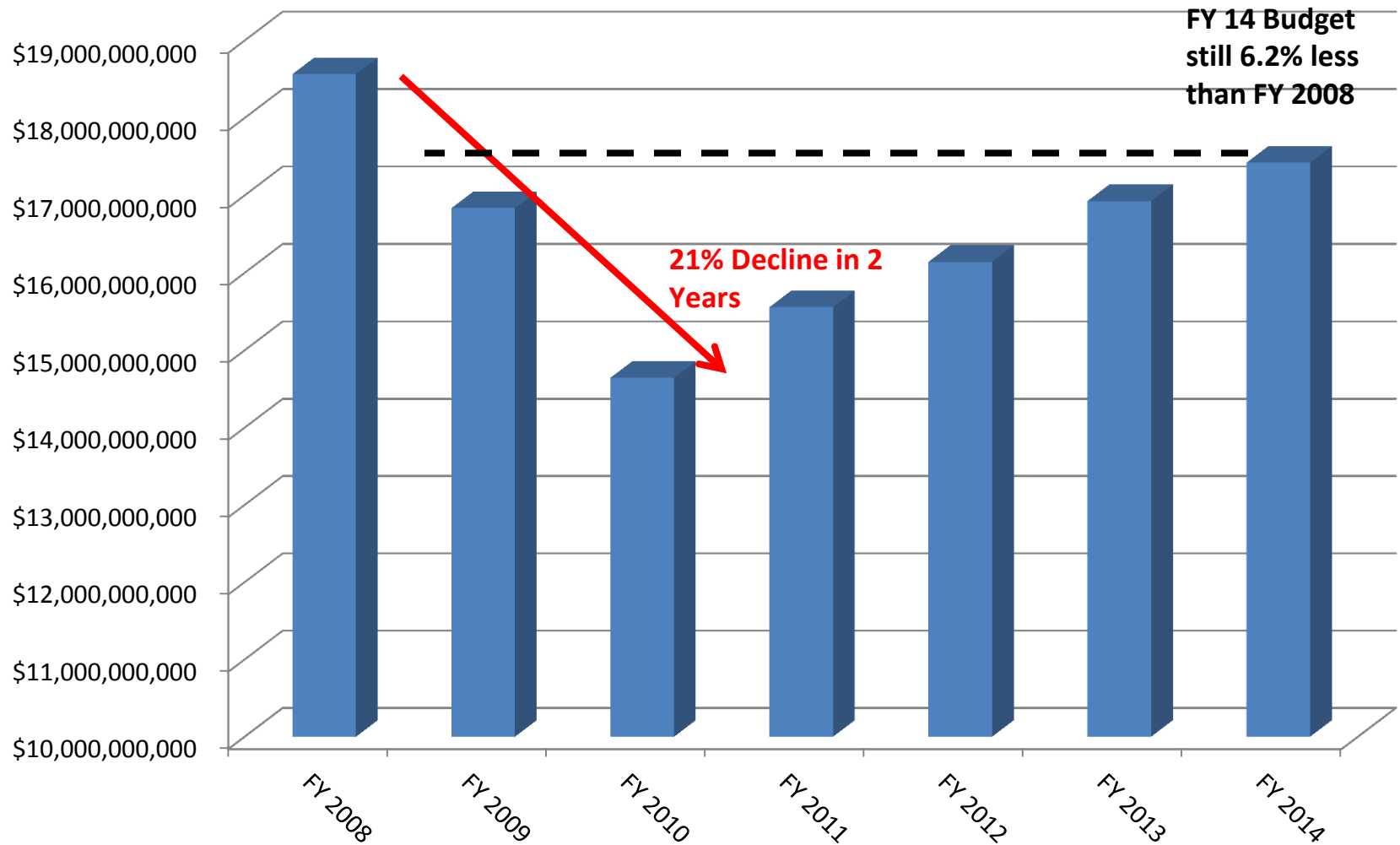
Set your work-out schedule.

- **WEIGHT LIFTING** – July to September
Governor issues budget instructions.
Agencies develop budget proposals.
Boards approve budget proposals.
Proposals sent to the budget offices (September 3rd).
- **CARDIO** – October to December
Meetings with departments and budget staff.
Governor develops a revenue estimate based on trends in collections and economic forecasting.
- **ENDURANCE & FLEXIBILITY** – January to March
Legislature reviews and revises the governor's proposal.
A conference committee reconciles differences between the House and Senate versions.
- **STRETCHING** – April to June
Governor signs, line-item vetoes - 40 days sine die.
Agencies adjust spending, complete year-end close.
Programs are evaluated for performance.

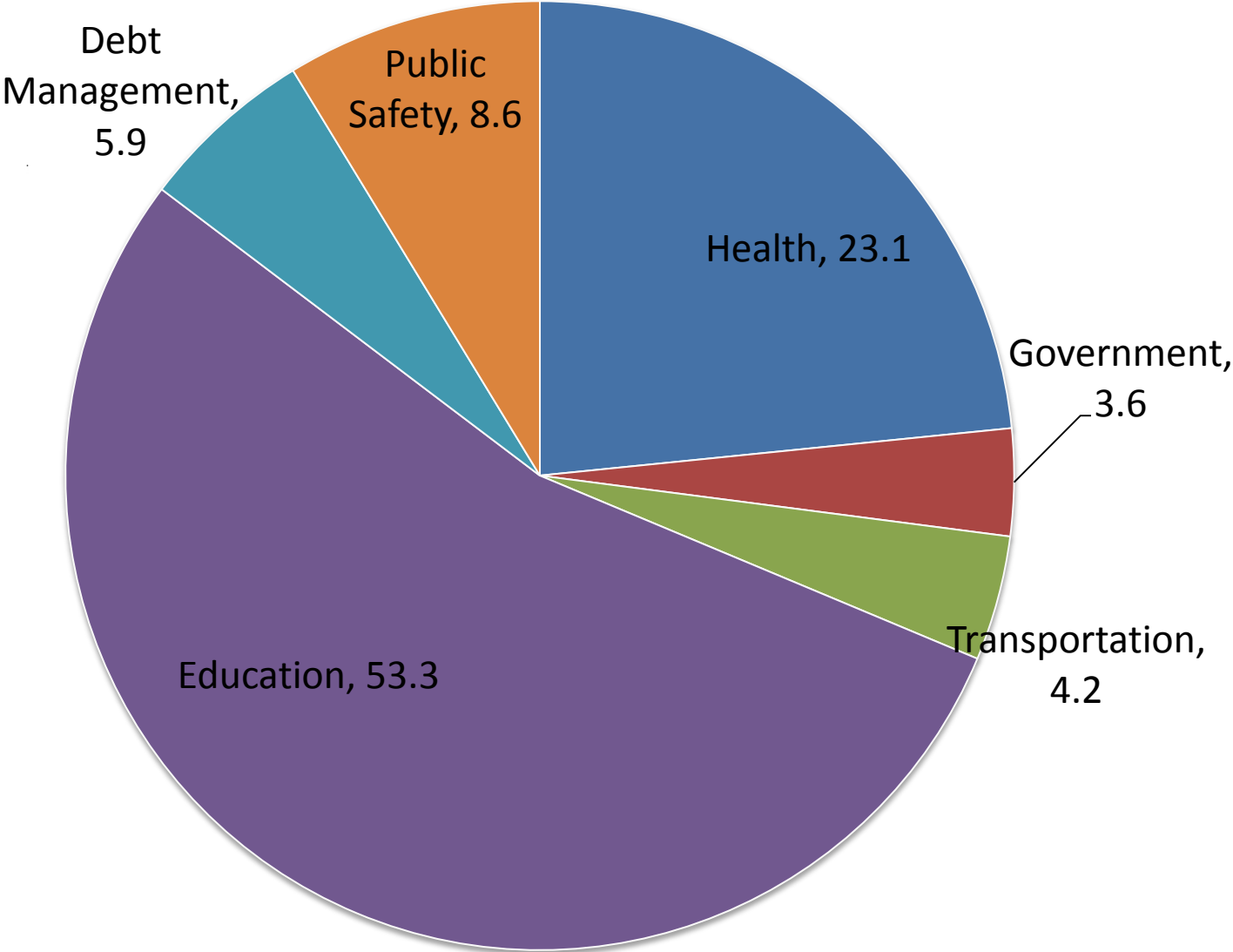
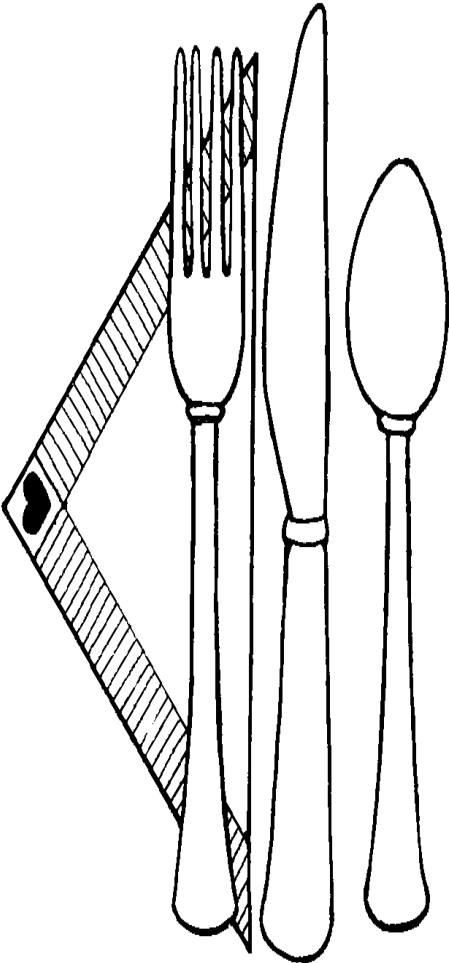
State Nutrition – Healthy Budget Blocks



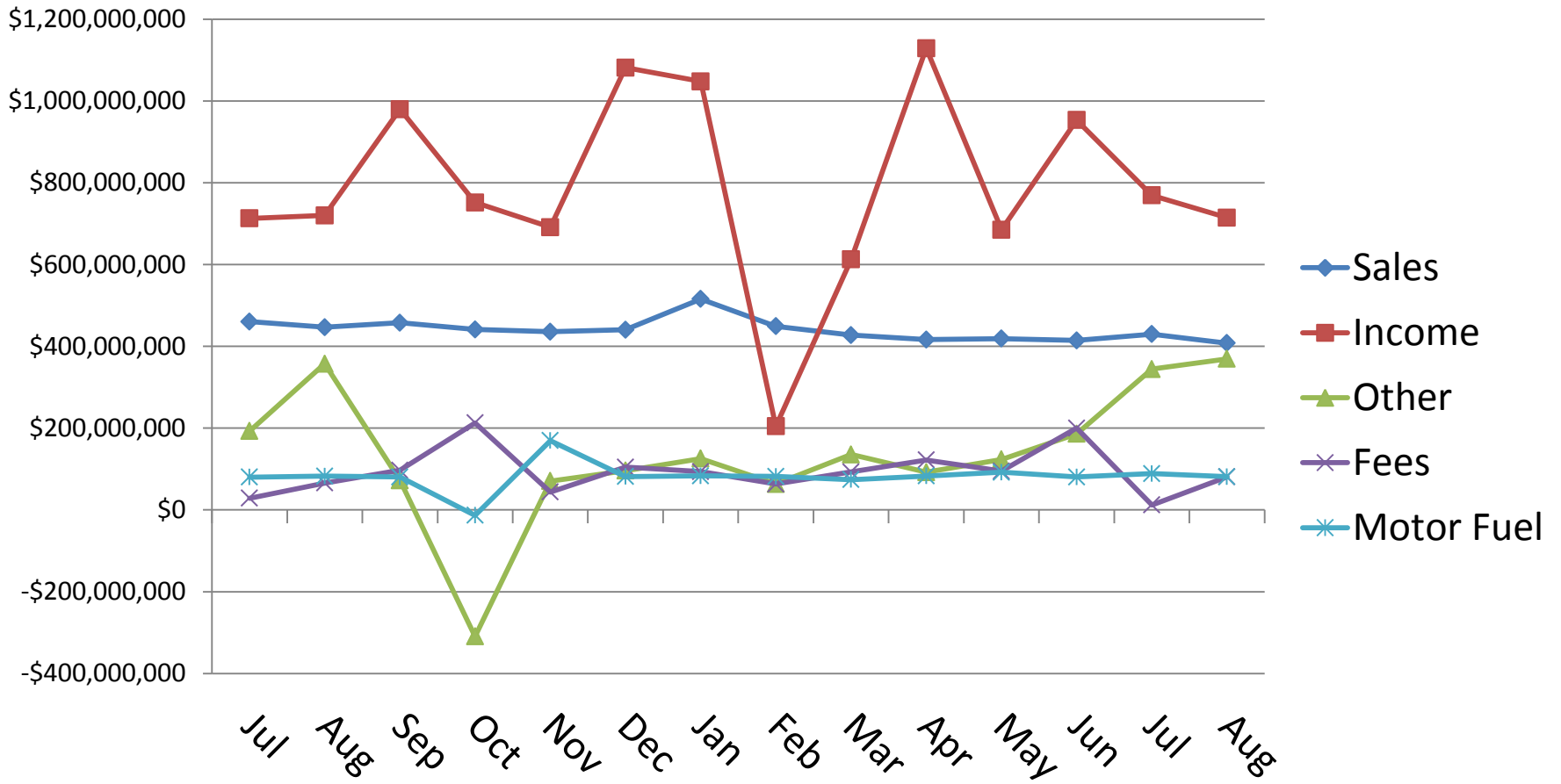
Know your B.M.I. (Budget Mass Index)



Balance Your Diet



Count your calories.

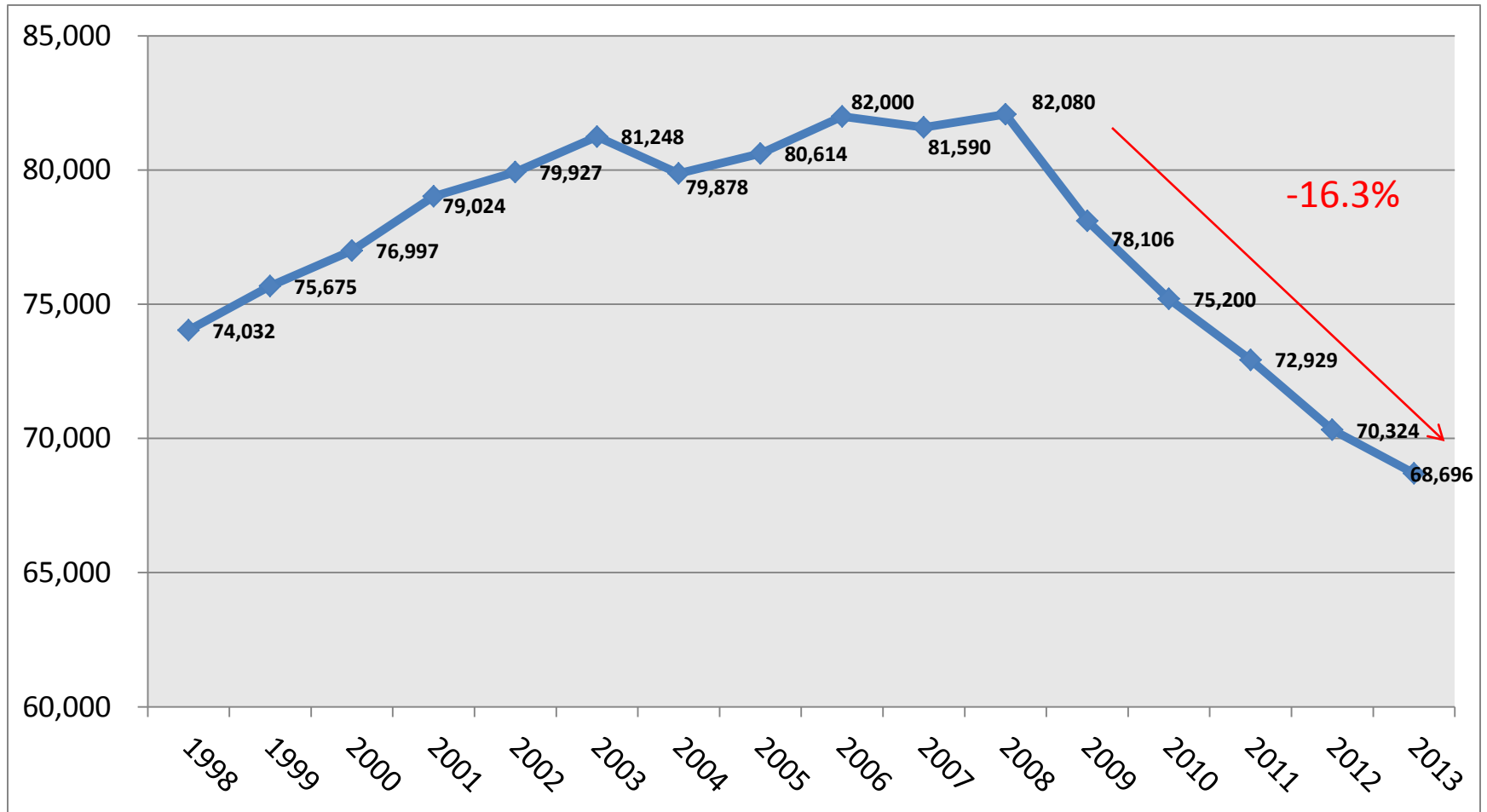


Meat and Potatoes

- \$155 million Medicaid & PeachCare growth and reform
- \$183 million K-12 Education growth
- \$130 million Retirement Systems
- \$ 73 million Higher Education Enrollment Growth*
- \$ 50 million Behavioral Health improvements
- \$ 14 million Human Services workload
- **\$605 million** **Required growth of 3.5%**

Cooks in the Kitchen

State Employees



Can we ever have dessert?

Employee Raises

- \$125 million per 1% in FY 08 and FY 15!



– \$125 to \$130 million per 1% 4.22%



– \$250 to \$260 million for 2% 4.97%



– \$375 to \$390 million for 3% 5.72%

– \$ 50 million for Public Safety
retention and compression issues

SURGEON GENERAL'S WARNING: Binge bonuses and sweet salary snacks stockpiled for consumption at the end of the fiscal year may cause long-term financial effects and may lead to surgical budgetary by-pass procedures.

Set your long term goals.

- **Rebuild the Revenue Shortfall Reserve**

- Maximum allowed is 15% of the previous year's net revenue.
- Peak \$1.5 billion FY 2007
- Recent Low \$103.6 million FY 2009
- Rebuilding \$378 million in FY 2012
- Preliminary \$682 million for FY 2013
 - Estimate enough revenue at the close of FY 2013 to provide \$183 million for the 1% mid-year adjustment for Education, as well a significant increase to the RSR balance

- **Maintain the Triple-A Bond Rating Designation**

- Most widely accepted performance standard for measuring state budgets and making sound, long-term investments
- Maintains low interest rates, which frees up state funds for operating
- Throughout the lean times, we have sustained our Triple-A bond rating from all three rating agencies.

Get a check-up.



- **Zero-based Budgets**

- Piloted in FY 12 and became law in 2012 (SB 33, O.C.G.A. 45-12-75.1)
- Requires all agency programs to complete the process one time.
 - FY 2013 - 35 programs or 9.5% of the budget
 - FY 2014 - 57 programs or over 15% of the budget;
 - FY 2015 - 42 programs or over 11%

- **Performance Audits**

Track your progress.

Meaningful Performance Measures

Workload: How much?

Efficient: How well?

Effective: How beneficial?

Survey Your Consumers

Share Your Results

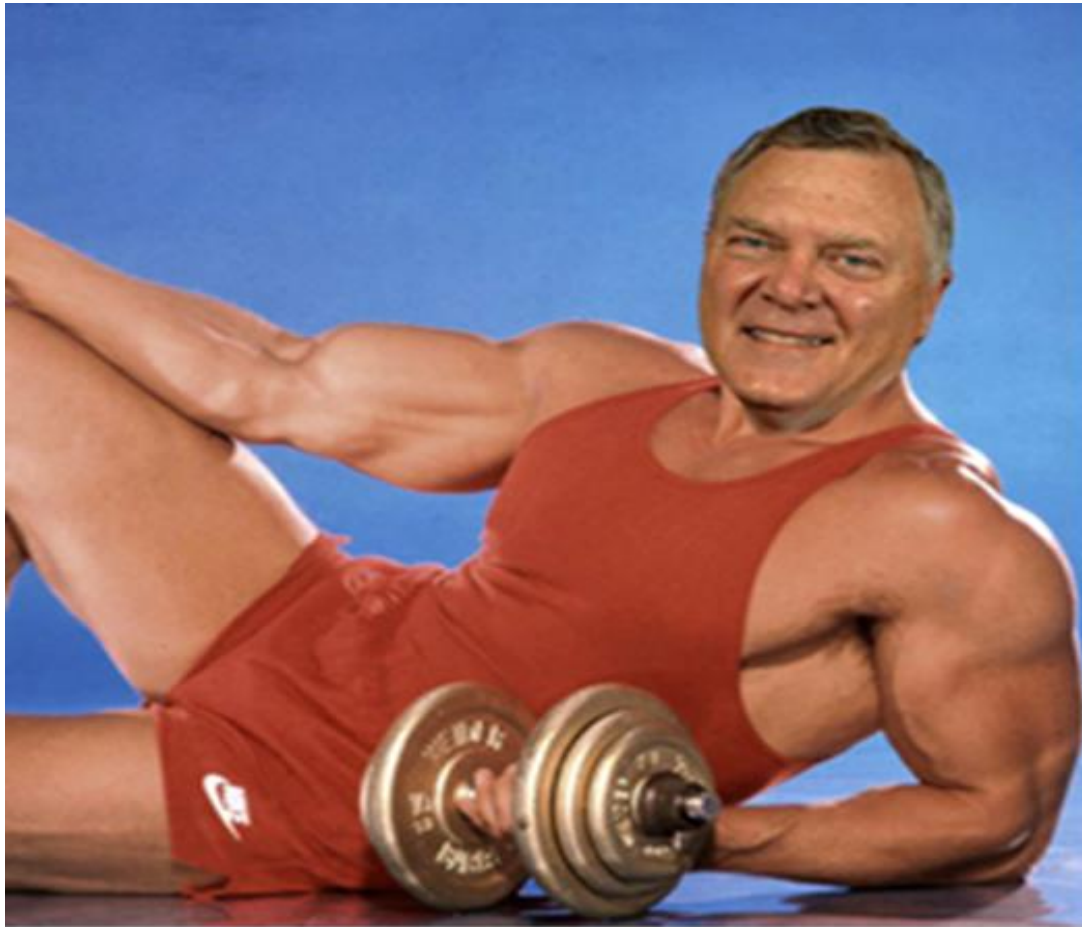
Work out with friends.

- **Establish partnerships with the legislature and other agencies**
 - Communicate
 - Support anecdotal information with data
 - Avoid presenting the “worst case scenario” as the norm
 - Have a consistent message
 - Be honest



Kung Fu Cagle and Rambo Ralston

Mr. George Uhh now!



The Governator

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