About the Georgia Budget and Policy Institute

The Georgia Budget and Policy Institute produces research and state budget analysis to show Georgia ways to provide better education, health care and opportunity for everyone. Visit www.gbpi.org for more information.

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Introduction

Georgia plans to spend $21.8 billion in state funds raised through taxes and fees for the 2016 fiscal year. The budget plan anticipates a revenue increase of $991 million, or 4.8 percent more than the prior year.

Most of the new revenue is consumed by needs of a growing and aging population. Budget cuts put in place during the Great Recession continue to hamper the state’s ability to provide the essentials, including a quality education, access to health care and human services. This budget does not include a projected $900 million in additional 2016 revenue resulting from the Legislature’s transportation package, which will likely be accounted for in the amendment process.

The state’s 2016 budget adds $280 million more for K-12 education over the prior year. It is another easing of yearly education austerity cuts after lawmakers added $314 million for public schools last year. But education funding still falls $466 million short measured by the state’s own formula. Education investment is just one opportunity Georgia is missing to develop its workforce and blaze a path to future prosperity.

The Georgia Budget and Policy Institute’s Georgia Budget Primer 2016 is a clear explanation of the state’s revenue collections and its spending plan. It includes basics to help a novice understand the budget’s complexities. Seasoned observers of state government will also find this publication is an authoritative reference during the 12-month fiscal year that starts July 1, 2015.

The governor proposed the 2016 state budget at the start of the Georgia General Assembly in January 2015. State lawmakers made minor changes to it before Gov. Nathan Deal signed the budget into law in May. Lawmakers will amend the 2016 state budget after the next legislative session starts January 2016 to reconcile it with actual revenues, new money for road and bridge maintenance and make other needed adjustments. Please visit www.gbpi.org for up-to-date analysis of the changes.

This booklet tells the story of a state that continues to struggle to return to pre-recession investment levels in its schools, communities and services crucial to its quality of life. Lawmakers took a responsible stand in 2015 to fund the repair of Georgia’s roads and bridges, along with incremental boosts to education and other quality of life investments. Those are promising first steps in a direction that can lead to a better economic future for all Georgians.
Georgia by the Numbers

Importance of the State Budget

Georgia’s budget for 2016 touches the lives of people in every corner of the state. From the mountains of north Georgia to the southern coastal plains, the spending plan affects the quality of life in Georgia’s communities. The state’s future prosperity depends on Georgia’s investments in essential services like education, health care, public safety and transportation, just to name a few. Here are some examples of the wide impact the state budget has on the lives of Georgians:

1.7 million – approximate number of children in the K-12 public school system ($8.5 billion in the 2016 state budget)

1.9 million – approximate number of Georgians who receive health care coverage who are seniors, disabled, children or low-income parents ($2.9 billion in the 2016 state budget)

18,000 – approximate miles of road overseen by the Georgia Department of Transportation ($891 million in 2016 state budget)

52,000 – approximate number of inmates in Georgia Department of Corrections facilities ($1.2 billion in 2016 state budget)

Where Georgia Ranks Among the States

When it’s good to rank higher, Georgia is…
50th* – in Medicaid spending per patient
37th – in spending, per public school student

When it’s good to rank lower, Georgia is…
5th – in the number of residents living in poverty
9th – in the number of children living in poverty

Sources: Federation of Tax Administrators, U.S. Census Bureau, Kaiser Family Foundation State Health Facts
* Out of 50 states and the District of Columbia
Budget Basics

Georgia’s 2016 fiscal year is July 1, 2015 through June 30, 2016 and the total budget available to the state is $40.9 billion. That includes $21.8 billion in state funding, $13.3 billion in federal funding and $5.8 billion in other funds.

The state budget outlines Georgia’s priorities, how it plans to spend money to meet them and how much revenue it expects to collect. It is the most important piece of legislation lawmakers pass. In fact, it is the only legislation that the General Assembly is legally mandated to pass each year. The Georgia Constitution requires the state to maintain a balanced budget, which means the government cannot spend more money than it collects in revenues.

The budget process is ongoing. Even as Georgia is implementing its current budget, it is auditing the previous year’s budget and planning for the next one. Beyond the General Assembly, many others participate in the process, including the governor, state budget director, state economists, agency leaders and budget officials, state auditors, advocates and the public.
Steps Along Georgia’s Budget Path

1. **Budget Request Instructions Sent to Agencies:**
   In early summer, the Governor’s Office of Planning and Budget (OPB) sends guidelines to agencies for budget requests.

2. **Agencies Prepare Budget Request:**
   Agencies prepare requests and get board approval (if applicable).

3. **Budget Request Submitted:**
   Agencies submit all requests for current and upcoming fiscal year to OPB by September 1.

4. **Budget Request Analyzed:**
   The governor, OPB staff, and agency leaders review and assess current and new budget requests.

5. **Governor Finishes Budget:**
   By the end of the calendar year, the governor finalizes the budget proposals.

6. **Budget Documents Sent to the General Assembly:**
   In January, within the first five days of the General Assembly session, the governor presents budget proposals.
Steps Along Georgia’s Budget Path

7. **Legislative Appropriations Process:**
The Appropriations committees in the Georgia House of Representatives and Senate hold budget hearings for the current and upcoming fiscal year.

8. **House Approves Its Budget**
The House votes on changes to governor’s budget proposals. Passes its version to the Senate.

9. **Senate Approves Its Budget**
The Senate reviews the House-passed budget for the current and upcoming fiscal years, can make changes, then votes on latest versions.

10. **Conference Committee Meets**
The lieutenant governor and Speaker of the House appoint a conference committee to negotiate a single version of the budget.

11. **Final Version Approved:**
The House and the Senate each vote to approve the final version.

12. **Appropriations Bill Sent to Governor**
The governor has 40 days from the end of the legislative session to sign the budget bill into law and may veto specific parts of it.
Where Does the Money Come From?

Georgia’s fiscal health depends on the state’s ability to raise money from diverse sources in a reliable way. While Georgia has a mix of income taxes, sales taxes and other fees, the reliability of the revenue structure is faltering. The tax code needs to be updated to reflect Georgia’s shift in recent decades to a more service-based economy from one that relied on sales of cars, household appliances and other tangible goods. Many services in Georgia are not taxed, depleting the state’s revenue year after year. The income tax accounts for about half of all state revenue and is the most stable of Georgia’s revenue sources. The income tax adds the most stability and fairness to the state revenue stream. (See “Georgia’s Tax System Faces Risky Shakeup” on page 8).

**Figure 1  Income Tax Largest Source of State Revenue**

2016 Fiscal Year Total State Revenue Projection is $21.8 billion

- $9.9 B Personal Income Tax
- $5.6 B Sales and Use Tax
- $3.2 B Other Taxes and Fees
- $998 M Motor Fuel Tax
- $141 M Tobacco Settlement
- $978 M Lottery Funds
- $996 M Corporate Income Tax

Source: Georgia’s 2016 Fiscal Year Budget (HB 76), signed by governor
### Figure 2 Revenue Estimate, 2016 Fiscal Year

#### INCOME TAXES

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Revenue (in USD)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Income Tax</td>
<td>9,884,056,193</td>
<td>45.3%</td>
</tr>
<tr>
<td>Corporate Income Tax</td>
<td>995,534,000</td>
<td>4.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,879,590,193</td>
<td>49.8%</td>
</tr>
</tbody>
</table>

#### SALES TAXES

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Revenue (in USD)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Use Tax</td>
<td>5,593,609,000</td>
<td>25.2%</td>
</tr>
</tbody>
</table>

#### OTHER TAXES AND FEES

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Revenue (in USD)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tobacco Tax</td>
<td>208,933,900</td>
<td>1.0%</td>
</tr>
<tr>
<td>Alcohol Beverage Tax</td>
<td>190,315,500</td>
<td>0.9%</td>
</tr>
<tr>
<td>Property Tax</td>
<td>7,000,000</td>
<td>0.2%</td>
</tr>
<tr>
<td>Insurance Premium Tax</td>
<td>389,055,000</td>
<td>1.6%</td>
</tr>
<tr>
<td>Motor Vehicle License Tax</td>
<td>347,238,700</td>
<td>1.6%</td>
</tr>
<tr>
<td>Nursing Home Provider Fees</td>
<td>167,969,114</td>
<td>0.8%</td>
</tr>
<tr>
<td>Title Fee</td>
<td>805,362,430</td>
<td>3.6%</td>
</tr>
<tr>
<td>Hospital Provider Payments</td>
<td>272,255,461</td>
<td>1.3%</td>
</tr>
<tr>
<td>All Other Interest Fees and Sales</td>
<td>833,130,383</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,221,260,488</td>
<td>14.9%</td>
</tr>
</tbody>
</table>

#### DESIGNATED FUNDS

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Revenue (in USD)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Fuel Tax</td>
<td>998,184,000</td>
<td>4.9%</td>
</tr>
<tr>
<td>Lottery Funds</td>
<td>977,772,176</td>
<td>4.6%</td>
</tr>
<tr>
<td>Tobacco Settlement Funds</td>
<td>140,814,002</td>
<td>1.0%</td>
</tr>
<tr>
<td>Brain and Spinal Injury Trust Fund</td>
<td>1,458,567*</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,118,228,745</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

**Total**                     | 21,827,979,507  | 100.0%     |

Source: Governor’s Budget Report Fiscal Year 2016

*Less than .01%
Georgia’s Tax System Faces Risky Shakeup

Georgia’s tax system rests on a balanced foundation of different sources of tax revenue, with the income tax serving as the cornerstone. Georgia’s tax on personal and corporate income is the source of about half the revenue collected by the state. It helps keep the sales tax rate competitive and protects Georgia’s top credit rating. That top rating keeps the cost of borrowing low and provides a reliable stream of funding for schools, health care and other vital needs.

Out of about $21.8 billion in state revenues Georgia expects to collect in the 2016 fiscal year, $10.9 billion is projected to come from Georgia’s tax on income. To put that in perspective, the income tax alone this year could pay all of Georgia’s public education costs – for K-12 schools, universities and technical colleges. It brings in about double the amount the state expects to spend on health care during the year.

But this steady and crucial source of revenue is in jeopardy. Legislators introduced a major tax reform initiative during the 2015 General Assembly. It proposes to slash Georgia’s income tax, increase the state sales tax and eliminate some tax benefits that help families, including the sales tax exemption on groceries and an income tax credit for child care expenses.

Such a tax shift would hurt Georgia’s families and businesses by eroding investments in schools, public safety and other building blocks of a strong economy. Middle-class and low-income Georgians would end up paying more of their earnings in other, less equitable ways, while upper-income Georgians would get a substantial tax break. Lawmakers can pursue better tax reform options, such as raising the standard deduction or passing an Earned Income Tax Credit.
Georgia’s Diverse Funding Sources

Including federal funds, the total 2016 Georgia budget is $40.9 billion and is made up of six funding sources:

- **General Funds** – Education, public safety and most other traditional state services are paid for from the General Fund
- **Federal Funds** – A large share of Georgia’s overall spending for services is through administration of federal funds
- **Other Funds** – These include things like transfers for state employee insurance and tuition and fees from universities
- **Lottery Funds** – These are dedicated to Pre-Kindergarten programs and scholarships for higher education
- **Tobacco Settlement Funds** – This ongoing annual payment resulting from a legal settlement with the country’s four largest tobacco companies over health care costs can be used for any reason in the budget
- **Intrastate Funds** – The $3.8 billion of intrastate transfers include payments from the state health plan and are not counted in the $40.9 billion budget

**Figure 3 General and Federal Funds Make Up Most of the State Budget 2016 Fiscal Year State Budget Total $40.9 Billion**

Source: Georgia’s 2016 Fiscal Year Budget (HB 76), signed by governor
General and Motor Fuel Funds

$20,848,748,764 (51 percent of Georgia’s budget)

General funds come from state taxes and fees. Nearly 95 cents of every dollar collected goes to seven areas:

- K-12 and Post Secondary Education (52 cents of every dollar spent)
- Health Care (21 cents)
- Public Safety (9 cents)
- Debt Service (6 cents)
- Transportation (4 cents)
- Department of Human Services (3 cents)

The remaining five cents of each dollar pays for all other state agencies, boards and commissions, as well as the judicial and legislative branches.

Motor Fuel Funds

Georgia’s Constitution restricts spending of revenues from the state’s tax on motor fuel to public roads and bridges. Funds are used for a mix of new construction, maintenance on existing infrastructure or debt service on past investments. The state’s budget for the 2016 fiscal year anticipates about $1 billion in Motor Fuel Funds. About 86 percent goes to the Department of Transportation and the rest is appropriated to the General Obligation Debt Sinking Fund, or debt service. Before 2015 legislation changed the formula, Georgia collected two separate taxes on motor fuel: an excise tax of 7.5 cents per gallon and a retail sales tax of 4 percent. Provisions of House Bill 170 passed in 2015 replace those levies with a single excise tax of 26 cents per gallon of gasoline and 29 cents per gallon of diesel fuel. More details on the provisions of HB 170 are provided on page 12.
Figure 4  Education and Health Care Dominate General Fund Spending
2016 Fiscal Year State General Fund and Motor Fuel Funds Budget: $20.8 Billion

Source: Georgia’s 2016 Fiscal Year Budget (HB 76), signed by governor

* Education spending details: Georgia’s 2016 budget for K-12 is $8.5 billion, for the University System of Georgia is $2 billion and the Technical College System of Georgia is $339 million

** Health care spending details include tobacco funds: Georgia’s 2016 budget for Medicaid and PeachCare is $2.9 billion; for Behavioral Health & Developmental Disabilities is $987 million; for Public Health is $223 million; and for other health care is $170 million.
Transportation Tax Package

Legislation passed in the 2015 General Assembly includes significant changes to the way Georgia pays for transportation infrastructure. House Bill 170 uses a mix of revenue sources to generate additional money for roads, bridges and potentially transit. Revenue-raisers include an increase in Georgia’s fuel tax of nearly 7 cents per gallon of gasoline and 8 cents per gallon of diesel fuel, indexed to inflation and rising fuel efficiency; new fees on electric vehicles and heavy duty trucks; a $5 per night charge for patrons of Georgia hotels and the elimination of tax breaks for electric car buyers and Delta Air Lines. These changes should generate an estimated $870 million in additional transportation funds during the 2016 budget year, rising to more than $1 billion the following year. That total includes a shift of about $170 million a year from Georgia’s General Fund, which jeopardizes state support for core services like education and health care. The 2016 budget needs to be amended to include new transportation money.

Figure 5  Transportation Package Raises New Revenue, Also Shifts Money from General Fund
Estimated effect of HB 170 on 2016 Fiscal Year revenues, millions

Source: Georgia Department of Transportation 2015 Legislative Overview, April 2015 GDOT Board meeting; Fiscal note for HB 170 (LC 34 46305)
Federal Funds

$13,293,537,224 (32 percent of Georgia’s budget)

Money from the federal government flows to a wide variety of state programs and services. As Congress continues to cut the federal budget, important services are at risk throughout the state. Here is how the great majority of federal money is spent:

- $6.4 billion for Medicaid and PeachCare
- $2.5 billion for students with disabilities, low-income students, school nutrition and other education services
- $1.6 billion for the Georgia Department of Transportation
- $1.7 billion for child welfare, elder services, Temporary Assistance for Needy Families (TANF) and other human services

The state is required to use its own dollars to match federal funding for Medicaid and many human services. Consequently, a cut in state funds for a service can lead to a corresponding cut in federal funds.

Figure 6  Federal Funds Primarily Pay for Health Care, Education, Transportation, and Human Services

2016 Fiscal Year Federal Funds, $13.3 Billion

Source: Georgia’s 2016 Fiscal Year Budget (HB 76), signed by governor
Other Funds

$5,804,012,280 (14 percent of Georgia’s budget)

Other Funds include $2.7 billion in tuition and fees paid by University System of Georgia and Technical College System students and $2 billion in University System of Georgia research funds. The money is retained by the individual schools.

Figure 7  Most Other Funds Come From Higher Education Tuition, Fees and Research

| Tuition and Fees for Higher Education | $2,658,066,964 |
| University System of Georgia Research Funds | $2,012,046,274 |
| All Other | $1,133,899,042 |
| **Total** | **$5,804,012,280** |

Source: Georgia’s 2016 Fiscal Year Budget (HB 76), signed by governor

Intrastate Transfers

$3,805,544,615 (Not included here as a net increase to Georgia’s $40.9 billion budget)

Intrastate transfers are primarily payments from the State Health Benefit Plan.

Figure 8

| State Health Benefit Plan Payments | $3,219,922,699 |
| Medicaid Services Payments-Other Agencies | $280,857,262 |
| Self-Insurance Trust Fund Payments | $165,371,245 |
| Other Intrastate Government Payments | $84,119,833 |
| State Employee and Teacher Retirement Payments | $55,273,576 |
| **Total** | **$3,805,544,615** |

Source: Georgia’s 2016 Fiscal Year Budget (HB 76), signed by governor
Tobacco Funds

$140,814,002 (0.3 percent of Georgia’s budget)

Georgia receives annual payments from a legal settlement with four of the country’s largest tobacco companies, known as the Tobacco Master Settlement Agreement (MSA). Georgia does not earmark MSA payments for specific purposes. As a result, the use of tobacco settlement funds can vary from year to year.

FIGURE 9 Tobacco Settlement Funds Focus on Medicaid

<table>
<thead>
<tr>
<th>2015 Tobacco Settlement Fund Budget</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-Income Medicaid</td>
<td>$109,968,257</td>
</tr>
<tr>
<td>Adult Developmental Disabilities Waiver Services</td>
<td>$10,255,138</td>
</tr>
<tr>
<td>Cancer Treatment for Low-Income Uninsured</td>
<td>$6,613,249</td>
</tr>
<tr>
<td>Elder Community Living and Support Services</td>
<td>$6,191,806</td>
</tr>
<tr>
<td>Cancer Screening</td>
<td>$2,915,302</td>
</tr>
<tr>
<td>Smoking Prevention and Cessation</td>
<td>$2,368,932</td>
</tr>
<tr>
<td>Eminent Cancer Scientists and Clinicians</td>
<td>$1,692,069</td>
</tr>
<tr>
<td>Regional Cancer Coalitions</td>
<td>$1,204,740</td>
</tr>
<tr>
<td>Underage Smoking Compliance</td>
<td>$433,783</td>
</tr>
<tr>
<td>Clinical Trials</td>
<td>$275,000</td>
</tr>
<tr>
<td>Georgia Center for Oncology Research and Education</td>
<td>$225,000</td>
</tr>
<tr>
<td>Cancer Registry</td>
<td>$115,637</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$140,814,002</strong></td>
</tr>
</tbody>
</table>

Source: Georgia’s 2016 Fiscal Year Budget (HB 76), signed by governor
Budget Trends

Modest Revenue Increases Can’t Offset Years of Cuts

Georgia’s 2016 fiscal year budget is based on projected revenue growth of $991 million, or 4.8 percent, over projected revenues from the 2015 fiscal year.

The Great Recession caused a dramatic decline in state revenues from 2008 to 2010 fiscal years, falling by $3.6 billion, or 19.2 percent. Revenues improved at a moderate pace since the 2011 fiscal year. Still, even with moderate revenue growth, new cuts were included in every budget from 2011 and 2014.

The majority of revenue growth in the state’s 2016 budget is obligated to pay for normal growth in government expenses and services. More students are enrolled in Georgia schools, wages lost in the sluggish economy made more Georgians eligible for Medicaid and PeachCare and the state is incurring increased expenses due to state employees and retirees’ health insurance and retirement costs. Revenues are not sufficient to replenish the vast majority of services lawmakers cut from 2008 to 2010, during the depths of the recession. As discussed on page 12, lawmakers did approve a measure to raise significant new revenue for transportation maintenance.

Increases in the 2016 state budget include:

- $280 million for partial restoration of the K-12 funding formula cut
- $80 million for growth in the Medicaid and PeachCare programs
- $195 million for K-12 and University system formula growth
- $140 million for increases in state employee and teacher retirement
- $51 million for a 1 percent merit-based state employee salary increase
- $14 million to improve treatment for people with mental and developmental disabilities under an agreement between the state and the U.S. Justice Department
Georgians Paying Historically Less in Taxes

Georgians now pay less in state taxes as a percentage of income than at any point in the last three decades. During the 1990s, Georgians paid an average of 5.9 percent of their income in state taxes. Even though the state cut taxes during the 1990s, reducing or eliminating various personal and corporate income taxes and approving a sales tax exemption on food, the share of the average Georgian’s income taxed to support state government remained the same. A strong economy allowed the state to cut taxes, while maintaining support for services.

This dynamic changed last decade. The tax cuts, combined with two recessions and the weak recoveries that followed caused a dramatic drop in the percentage of income Georgians pay in taxes. Revenues plummeted as a share of personal income from 2010 to 2012, reaching historic lows of about 4.8 percent, where they are projected to remain through the 2015 fiscal year. This loss of revenue, rather than a major increase in state spending, explains the financial challenge facing the state.

If Georgians paid 5.6 percent per capita in personal state income taxes in 2016, the lowest that share reached in the 1990s, the state would gain $3.8 billion to make investments in necessities such as education and health care.

Figure 10 Revenue as a Share of Income Near Historic Lows
Percentage of Income (1989 – 2016 Fiscal Years)

Sources: Governor’s Budget reports and U.S. Bureau of Economic Analysis
Reserve Fund

The Revenue Shortfall Reserve is Georgia’s “rainy day” fund, meant to provide stability during economic downturns. The fund acts like a savings account for the state to cover expenses and maintain services when revenues decline unexpectedly. Georgia law says the fund cannot exceed 15 percent of the previous year’s net revenue. As this report is published, it holds $863 million. Reserves would need to be about $2.7 billion to match 15 percent of last year’s revenues.

Increasing the amount of money in the fund is important to maintain Georgia’s exceptional AAA bond rating, a top rating that allows the state to borrow money at the most favorable terms, which saves millions of dollars in interest payments. The General Assembly may also use the fund to spend an amount equal to 1 percent of the previous year’s net revenue to pay for increased K-12 education needs.

The General Assembly cannot appropriate money to the fund through the normal budget process. Instead, any money not spent by the end of each fiscal year is automatically transferred to the fund.

Figure 11 Rainy Day Fund Still Lags Behind Historic Highs
Revenue Shortfall Reserve, 2001-2014 Fiscal Years

Source: Governor’s Budget Report 2016
**Tax Expenditures**

Georgia foregoes billions of dollars in state revenue each year through dozens of credits, deductions and other special preferences called tax expenditures. Often described as hidden spending, tax expenditures are intended to promote policy objectives that can range from economic development to support for working families. Georgia’s assortment of tax expenditures is projected to cost the state about $8 billion in the 2016 budget year, or about the amount state lawmakers invest annually in K-12 education.

Some of Georgia’s tax breaks, such as sales tax exemptions on groceries and prescription drugs, are considered sound tax policy. Others, like sizable tax breaks for insurance companies and other large companies, may not deliver enough benefits to offset their cost in lost revenue. State lawmakers lack a reliable way to determine which ones are worthwhile, and many tax breaks remain on the books for years without review. Stronger evaluation of tax breaks could help Georgia get a better bang for its buck.

**Figure 12  Georgia’s Tax Expenditures are Costly**

Source: Georgia Tax Expenditure Report for Fiscal Year 2016. Note: All tax expenditure totals are approximate. Totals for personal income tax exclude the personal exemption, standard deduction and credit for taxes paid to other states.
Employee Cuts

Until recent years, Georgia employed enough people to respond to the needs of a growing population.* Georgia employed nearly 15,000 fewer state workers during the 2015 fiscal year than in 2007, a drop of nearly 18 percent over those seven years.

The result is a much smaller group of state employees trying to serve a much larger population. That means fewer child protection workers watching out for abuse and neglect, fewer state patrol officers keeping our highways safe, fewer health and safety inspectors protecting the public from illness and injury and fewer examiners to meet the demand for business licenses.

*Excludes Board of Regents, University System of Georgia.

Figure 13  Fewer State Employees Serving Larger Population*

Source: Email from Georgia Department of Administrative Services, May 22, 2015.
### Figure 14 Largest State Agency Employers, May 2015

<table>
<thead>
<tr>
<th>Agency</th>
<th>Employees *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrections</td>
<td>11,672</td>
</tr>
<tr>
<td>Human Services-DFCS</td>
<td>6,623</td>
</tr>
<tr>
<td>Technical College System of GA</td>
<td>5,940</td>
</tr>
<tr>
<td>Behavioral Health &amp; Developmental Disabilities</td>
<td>4,308</td>
</tr>
<tr>
<td>Public Health</td>
<td>5,035</td>
</tr>
<tr>
<td>Community Service Boards</td>
<td>4,778</td>
</tr>
<tr>
<td>Transportation</td>
<td>4,175</td>
</tr>
<tr>
<td>Human Services-Other</td>
<td>3,456</td>
</tr>
<tr>
<td>Juvenile Justice</td>
<td>3,741</td>
</tr>
<tr>
<td>Public Safety</td>
<td>1,755</td>
</tr>
<tr>
<td>Labor</td>
<td>1,369</td>
</tr>
<tr>
<td>Revenue</td>
<td>963</td>
</tr>
<tr>
<td>All Other State Agencies</td>
<td>11,898</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>67,306</strong></td>
</tr>
</tbody>
</table>

Source: Email from Georgia Department of Administrative Services, May 22, 2015

*Full-time equivalent employees*
A Detailed Look at Georgia’s 2016 Budget

Education ......................................................................................... 23
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Education Funding in Georgia: Tight Budgets Persist Despite New Funding

Georgia is spending $10.8 billion on education in the 2016 fiscal year, or about 52 percent of the state’s general fund budget. Spending on elementary and secondary education is $8.5 billion. The budget for the university system is $2.02 billion and $339 million for technical colleges.

Education funding gets a bump up in fiscal year 2016. This is a second year of modest increases after years of deep cuts. While this brings some relief, local school districts, universities and technical colleges continue to face budget constraints and are unable to fully mitigate cuts to instructional programs.

The General Assembly restored $280 million to the state’s funding formula for elementary and secondary schools in the 2016 budget. This reduces the austerity cut to $466 million, down from $746 million the previous year. Districts could be able to return to the standard 180-day school calendar, eliminate teacher furlough days, or increase teacher salaries. However most will continue to cope with higher class sizes, fewer teachers and fewer student programs than in earlier years.

The ongoing austerity cuts undermine ongoing efforts to strengthen curriculum, develop and implement high quality assessments and enhance teacher effectiveness. They also limit the instructional support districts can provide to low-income students, who now account for more than 60 percent of the state’s elementary and secondary students. Investing in education matters, especially for low-income students.

State funding for the university system is up about 4.1 percent over fiscal year 2015 and is about 2.4 percent more for the technical college system. Much of this increase is directed to rising retirement and health insurance costs as well as merit-based salary raises. Little will go to increasing the number of full-time faculty positions or lowering class sizes.
Elementary and Secondary Education: K-12 Funding Formula Short $466 Million

Georgia is shortchanging its public schools by $466 million in the 2016 fiscal year, according to the state’s own formula. The General Assembly underfunded public schools every year since 2003, cutting a cumulative $8.8 billion from its Quality Basic Education formula.

Figure 15 Georgia Makes Deep Cuts to Education Through the QBE Formula Each Year

Elementary and Secondary Education:
Funding Falls Short of Student Needs

Georgia’s K-12 funding is 3.6 percent lower on a per-student basis in 2016 than in 2002 when adjusted for inflation. This is an improvement over recent years, but still leaves districts short of what’s necessary to meet the needs of the state’s rapidly growing number of low income students. This challenge is magnified as the state now sets higher academic goals for today’s students than for prior generations.

More than 60 percent of Georgia’s students qualify as low-income, based on participation in the federal free- and reduced-price lunch program, the standard measure of student poverty. These students usually begin school trailing their peers and need extra consideration, such as small class sizes in early grades, tutoring and extra learning time. Providing this support requires additional resources.

The state will no longer cover part of the cost of health insurance for school bus drivers and other support staff starting this school year. Shifting the full employer cost to local school districts makes it harder to meet the needs of all students. Meanwhile, the insurance costs soared 185 percent on average from fiscal year 2009 to 2015, according to GBPI research. Districts will pay even more in 2016.

**Figure 16 Students Needs Climb While Funding Shrinks**

Source: Georgia’s amended fiscal year budgets 2002-2015, 2016 Fiscal Year budget; Georgia Dept. of Education Free /Reduced Price Lunch Enrollment 2015 fiscal year; U.S. Dept. of Labor, CPI Inflation Calculator
Lottery Funds: Support for Young Children and College Students

Georgia anticipates collecting $978 million from lottery sales in the 2016 fiscal year, which is budgeted to fund:

- Helping Outstanding Pupils Educationally (HOPE) scholarships for high-achieving students pursuing a bachelor’s or associate’s degree
- HOPE grants for students with a 2.0 grade average in a certificate or diploma program at a technical college
- HOPE GED grants, one-time awards to students who complete a GED and enroll in postsecondary education
- Student Access Loans (SAL), which provide low-interest loans to college students
- Georgia’s Pre-Kindergarten program

Figure 17 Most Lottery Money Supports HOPE Programs

Source: Georgia’s 2016 Fiscal Year Budget (HB 76), signed by governor
Pre-Kindergarten: Stagnant Funding Threatens Quality

Georgia’s Pre-Kindergarten program is often described as a national model to improve children’s readiness for school, but its quality is threatened. State funding fell an inflation-adjusted 17 percent between the 2009 and 2016 fiscal years. This resulted in larger class sizes and low teacher salaries. That combination makes it hard to keep skilled teachers in the classroom, especially assistant teachers.

Assistant teachers are required to hold a postsecondary credential, but earn just $13,611. Full-time ticket takers at movie theaters earn more. Even if assistant teachers are able to find temporary jobs during the summer months, their annual income is still likely to lag behind many low-skilled jobs, including ticket takers, cashiers and retail sales people. Lead teachers are required to hold a bachelor’s degree. They earn about as much as K-12 teachers to start, but quickly fall behind as they are not compensated for additional professional training and experience with higher salaries.

Figure 18 Diminished Funding Compromises Quality

Source: Georgia Department of Early Care and Learning; GBPI calculations based on data from the Georgia Department of Labor, 2014 Georgia Wage Survey. Assumes median hourly wage, 40 hours/week for 50 weeks/year.
HOPE Financial Aid:
HOPE Losing Ground to College Costs

The 2011 Georgia General Assembly made significant changes to the HOPE financial aid program to cut costs. Lawmakers reduced the award amounts for the HOPE Scholarship and the HOPE Grant. Originally both covered tuition and mandatory fees and provided a book allowance; fees and the book allowance were capped in 2004. Both now cover just a portion of tuition and no mandatory fees. The book allowance is also eliminated. The Zell Miller Scholarship was created in 2011 to cover full tuition for top scholastic performers. It was earned by about 17,500 students, compared to nearly 95,000 HOPE Scholarship recipients in the award year 2015.

![Figure 19 Shrink HOPE Award](image)

<table>
<thead>
<tr>
<th>Average Percent Tuition and Mandatory Fees Covered</th>
<th>2011</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Universities</td>
<td>90.9%</td>
<td>63.0%</td>
</tr>
<tr>
<td>Comprehensive Universities</td>
<td>85.8%</td>
<td>63.8%</td>
</tr>
<tr>
<td>State Universities</td>
<td>88.1%</td>
<td>65.2%</td>
</tr>
<tr>
<td>State Colleges</td>
<td>84.9%</td>
<td>62.9%</td>
</tr>
</tbody>
</table>

Source: GBPI calculations based on tuition and mandatory fees data from the University System of Georgia and HOPE award amounts from the Georgia Student Finance Commission

In the 2016 fiscal year, the HOPE Grant covers about 64 percent of tuition and mandatory fees in the technical college system.

Eligibility requirements for the HOPE Scholarship are tighter this year. High school graduates in 2015 must complete two advanced classes to qualify for HOPE in addition to meeting the 3.0 grade point average requirement. The advanced class requirements increase to three in 2016 and four in 2017 and subsequent years.
University System of Georgia: 
Budget Cuts Part of New Performance Funding System

Funding per student for the university system has plunged in recent years. State funding per full-time equivalent student is an inflation-adjusted 51 percent lower in fiscal year 2016 than in 2001. These cuts spurred the university system to raise tuition (see page 30) and consolidate institutions including the recent initiative to combine Georgia State University and Georgia Perimeter College.

The system also gets by with more part-time instructors, increased teaching loads for faculty, raised class size and deferred technology upgrades as well as maintenance. Salaries below those in many neighboring states make it harder for schools to recruit and keep top faculty.

Figure 20 University Funding Per Student Plummets Since 2001

Tuition Hikes Make College Less Affordable

Years of cuts in state funding for the university system pushed it to raise tuition in recent years with another increase set for the 2016 fiscal year. Tuition and mandatory fees increased an average of 74.6 percent from fall 2008 to fall 2015 across the system. Some schools hiked tuition much more. Tuition and mandatory fees are 92.7 percent higher for freshmen at the University of Georgia in fall 2015 than for freshmen in fall 2008. At Georgia Tech, freshmen will pay 102 percent more in 2015 than in 2008. Tuition and fees have climbed at every institution at the system.

Georgia’s technical college system also faced big cuts in state funding in recent years, which led to tuition increases at schools across the state. Tuition jumped 65 percent from 2008 to 2014. Students are set to get a break from increases in the 2016 budget.

These tuition hikes shift more of the cost of higher education to students and their families at a time when many are less able to pay. Median family income in Georgia remains stuck below pre-recession levels. At the same time, the HOPE Scholarship and Grant cover less than in earlier years (see page 28). Against these changes, a growing number of students rely on loans to pay for college. Fifty-five percent of graduates in 2008 used student loans to cover college costs, according to the “Student Debt and the Class of 2008” report by Matthew Reed and Diane Cheng. The average student loan debt was $17,296. Sixty-one percent of 2013 graduates took out loans with an average debt of $24,517, a 41.7 percent increase, according to the same report.
Technical College System of Georgia:
State Funding Still Trails Pre-Recession Level

State funding per full-time equivalent student in the technical college system in the 2016 fiscal year is about 13 percent below 2007 in inflation-adjusted dollars. The system now relies primarily on part-time faculty. The technical college system also increased class sizes and consolidated colleges to cope with this decline.

**Figure 21** Per-Student Funding Trails Pre-Recession Level

![Inflation Adjusted Funding per Student](chart)


Total state spending on technical colleges inched up 2.4 percent from $331 million in the 2015 fiscal year to $339 million in 2016. However this increase is absorbed by rising retirement costs and merit-based pay increases. It is not enough to mitigate cuts in instruction.
Health Care

Health care services are primarily delivered through three state agencies, the departments of Community Health, Public Health and Behavioral Health and Developmental Disabilities. State funding for these three agencies totals nearly $4.3 billion in 2016, which is about 20 percent of total state spending. General fund appropriations account for nearly $3.7 billion, or about 87 percent, while other sources total about $574 million. General Fund money for these agencies dropped nearly $19 million from 2015.

Figure 22 $4.3 Billion for Health Care is Distributed to Three Agencies

- The Department of Community Health is the largest of Georgia’s three health care agencies. It accounts for nearly $3 billion, or 71 percent of total state spending on health care. It operates Georgia’s Medicaid and PeachCare programs, operates some planning and regulatory functions, and the State Health Benefit Plan that provides health care to state employees and teachers. (Funding for the state healthplan comes from school districts, state agencies and their employees and retirees and is not counted in the $3 billion in state spending shown above.)
- Georgia plans to spend about $987 million on behavioral health and disabilities, or about 24 percent of total health care expenses. This includes some services funded through Medicaid.
- The Department of Public Health operates population-based health programs such as immunizations, health screening and infectious disease control. It receives $223 million, or about 5 percent of Georgia’s health spending.

Source: Georgia’s 2016 Fiscal Year Budget (HB 76), signed by governor
Medicaid and PeachCare Enrollment and Spending

Medicaid and PeachCare are expected to serve about 1.9 million Georgians in the 2016 state budget year. The programs are important sources of health coverage for children, pregnant women, low-income seniors and people with physical and developmental disabilities. Medicaid and PeachCare cover nearly half of all children in Georgia. More than 1.2 million children are likely to get covered through the two programs in 2016, or more than 63 percent of all Georgians enrolled in them. Medicaid also pays for more than half of all births in Georgia.

Medicaid is the main source of coverage for Georgians with long-term care needs, both in nursing homes and in community-based settings. Medicaid is the primary payer for three-fourths of nursing home patients in Georgia. Medicaid also helps pay Medicare premiums for more than 160,000 older Georgians.

Low-Income Medicaid serves pregnant women, children and some parents with very low incomes. The Aged, Blind & Disabled portion of the program serves the elderly and people with a qualifying disability. Most enrollees qualify through the low-income Medicaid program, but the majority of spending is for elderly and disabled patients. PeachCare is a separate program serving children from families with income above the Medicaid threshold, but who often lack access to employer-sponsored coverage.

Figure 23  Bulk of Medicaid Spending is for Seniors and Disabled

Source: Georgia’s 2016 Fiscal Year Budget (HB 76), signed by the governor, enrollment forecast provided by Dept. of Community Health
Georgia’s Medicaid Investment Ranks Near Bottom

Georgia expects to spend $3 billion in state funds to serve more than 1.9 million residents covered by Medicaid and PeachCare, a modest amount by national standards. Georgia’s spending per Medicaid enrollee ranked second lowest among the states, coming in about 30 percent below the national average in 2011, the most recent year this data is available. Georgia spent the fourth lowest amount per-capita of any state, nearly 35 percent below the national average in 2012, the most recent year per capita data is available.

Georgia’s low rank by both measures belies the harsh health and economic realities faced by much of its population. Georgia’s population consistently scores poorly in national health assessments, suggesting higher per-enrollee spending than most states is needed. Georgia ranked fifth worst for poverty in 2013, also suggesting higher per-capita spending is appropriate to pay for a large population of Medicaid-eligible residents.

Figure 24  Georgia’s Spending Per Medicaid-Enrollee About 30 Percent Below U.S. Average

Source: Kaiser Family Foundation, 2011

Pinpointing the exact reasons for Georgia’s low rankings is inexact, but factors likely at play include:

- Georgia’s strict eligibility levels, especially for adults. Forty states offer less strict standards for working parents. Twenty-five offer less strict standards for children.
- Low reimbursement rates to providers serving Medicaid patients have not increased in more than a decade.
More than 300,000 Georgians Fall into Coverage Gap

New coverage options from the Affordable Care Act are increasing health insurance opportunities for many Georgians. More than 450,000 Georgians enrolled in health insurance through the federal health insurance marketplace for 2015. Nearly nine in 10 Georgians who enrolled through the Marketplace receive tax credits that make their health insurance more affordable. About 120,000 more children are expected to get coverage through Medicaid compared to 2013, and potentially 100,000 young adults stayed covered through their parents’ health insurance as a result of the law.

However, nearly 300,000 uninsured Georgians fall into a coverage gap, as their income is too low to qualify for Medicaid. Federal tax credits kick in when family income reaches the federal poverty level, about $20,100 for a family of three or $11,800 for an individual. Georgia Medicaid covers non-disabled adults only if they have dependent children and also have income below about 38 percent of the federal poverty level. To date, Georgia’s leaders have rejected federal money available to cover these uninsured Georgians through Medicaid.

Figure 25 Uninsured Adults Living In Poverty fall into Georgia’s Coverage Gap
Behavioral Health and Developmental Disabilities

The Department of Behavioral Health and Developmental Disabilities operates a variety of programs that serve Georgians with mental health needs, addiction and developmental disabilities. The department also operates programs for forensic evaluation and treatment for Georgians under court jurisdiction. The department is budgeted to receive $977 million in 2016 from the General Fund along with $10.3 million in Tobacco Funds, a combined increase of $19.6 million compared to 2015.

Georgia entered into a legal settlement in 2010 with the U.S. Department of Justice that laid out a plan for the state to increase its mental health and developmental disability services in home or community settings relative to institutions. The 2016 budget adds $13.6 million for the department to continue to add new community-based services. Since 2010, Georgia directed $172.7 million to meet the terms of the settlement. This new settlement-related investment related drove overall spending growth for the department, or its predecessor departments. That total amounts to nearly $160 million, an increase of more than 20 percent.

Public Health

The Department of Public Health operates a variety of programs focused on health promotion, disease prevention and health-related disaster response and preparedness. The department is budgeted to receive $209.2 million from the General Fund and $13.7 million in Tobacco Settlement funds. The trauma care network commission, which is attached to the department’s budget, receives $16.4 million from the General Fund. The largest state-funded programs provide financial assistance to county health departments, aim to prevent the spread of infectious disease and provide treatment and health promotion services aimed at children and infants.

Georgia’s public health programs also receive significant federal support. Federal money accounts for more than 60 percent of department’s $651 million budget in 2016, while state funding accounts for the rest. The federally-funded Special Supplemental Nutrition Program for Women, Infants and Children, also known as WIC, makes up the bulk of the federal funds and more than a third of the department’s total budget for 2016.
Human Services

Georgia’s spending to help children, the poor and the elderly is overseen by the state Department of Human Services. State funding for the agency is $550 million in 2016, less than 3 percent of total state spending.

Child welfare-related services represent the largest share of the department’s responsibilities, accounting for $259 million, or 47 percent, of the department’s 2016 budget. These services include protecting children from abuse, abandonment and neglect, as well as safeguarding them in suitable temporary and permanent homes.

About $116 million of the human services budget helps low-income families gain access to Temporary Assistance for Needy Families (TANF), nutrition assistance, Medicaid and other federal services. These temporary supports help people stay healthy and prepared for job opportunities, putting them on a path to financial independence.

Other human services functions protect and sustain older Georgians, enforce parents’ responsibility to financially support their children and help people with disabilities get jobs. Human Services employees also license, monitor and inspect temporary foster homes.

Figure 26  Georgia’s Children a Major Focus of Human Services

Source: Georgia’s 2016 Fiscal Year Budget (HB 76), signed by governor
Foster Care Gets Boost, Budget Challenges Remain

Foster families, child placement agencies and child care institutions, or group homes, continue to cope with significant unmet needs.

Georgia’s 2016 budget adds $9.8 million to address growth in foster care. Recent child deaths and a new centralized toll-free number for suspected child abuse reports contributed to a 19 percent increase of children placed in foster care since early 2014.

The additional money is only enough to pay for increased capacity at current rates. Rates paid to foster families, child placing agencies and group homes could still prove inadequate to cover the cost of caring for children.

A family caring for a foster child younger than five is paid as little as $15 a day, while daily rates to institutions can be as low as $105 per day. This is expected to cover food, shelter, clothing, supervision and oversight. Child care institutions shoulder greater costs than foster homes, retaining more workers and paying higher insurance expenses.

Private providers often raise outside money to cover the cost of care. Some providers closed in recent years, which perpetuates the shortage of homes for children around the state.

Figure 27 Foster Care and Adoptive Placements Up 19 Percent in One Year

Source: Georgia’s 2009 and 2015 fiscal year budgets, Dept. of Human Services
Child Welfare: Partial Relief Granted to Strained Workers

The largest portion of the Human Services budget, $259 million, pays the salaries of staff who investigate allegations of child abuse, abandonment and neglect, and goes to support families and organizations that provide temporary and permanent homes for children in need.

Nearly $12.5 million was added to the department’s budget in 2016 to employ 278 additional Child Protective Services workers. Caseworkers are often a child’s first line of defense against abuse, abandonment, and neglect.

Gov. Deal added money in 2016 for new caseworkers to lower the average caseload per worker to 15 by the end of 2017 to allow them time to meet with families face to face. State child welfare workers handled an average of 17.1 cases per month in 2015 through April.

A new centralized phone number for people to report suspected child abuse and neglect is a positive development, but is also adding to the workload. In the year after implementation began, workers saw the number of cases they handled increase by 23 percent.

The child welfare budget also reflects many recommendations of the governor’s 2014 Child Welfare Reform Council. These requests include money to improve foster care parent training and recruitment, purchase mobile technology and enhance caseworker safety training.

Figure 28  Child Welfare Caseworkers Stretched Thin Across Georgia*

Source: Georgia Department of Human Services
*Note: A court settlement sets service benchmarks for Fulton & Dekalb counties.
Low-Income Supports: Sustained Poverty Challenges Workers

Georgians continue to struggle with high poverty, unemployment or, in many cases, jobs offering fewer hours than they are willing to work. The state’s human services workers are handling nearly 1.7 times as many cases as they did before the 2007 recession.

These workers help families obtain TANF, food assistance and Medicaid. TANF is a state-federal partnership designed to help low-income families become financially independent through job preparation, temporary cash assistance and other support. The Supplemental Nutrition Assistance Program (SNAP, formerly called food stamps) helps low-income families afford the nutrition they need to work, attend school and otherwise contribute to their communities. Medicaid provides some low-income Georgians with health insurance.

The highest growth rate among these low-income supports is for food assistance, which grew by 108 percent in Georgia from November 2007 to February 2015. To qualify for food assistance, families must earn less than 130 percent of the federal poverty level, so the number of families receiving SNAP increased along with poverty during the Great Recession and subsequent recovery. (A family of three with income of $26,100 per year is living at 130 percent of the federal poverty level). Elevated poverty levels continue to fuel Georgians’ need for assistance.

**Figure 29** Families Reliant on Food Assistance Grew Along With Poverty

[Graph showing the increase in families reliant on food assistance from 2010 to 2013.]

Source: Georgia Department of Human Services; U.S. Census Bureau
Older Georgians to Receive Overdue Support

Georgians age 65 and older are the state’s fastest growing age group. The aging population will require an increased level of support services. The 2016 budget sets aside some money in anticipation of this growth.

Georgia’s Adult Protective Services aims to prevent abuse, neglect and exploitation of Georgians 65 or older who are not in long-term care, and investigates violations. A spike in crime targeting the state’s senior and disabled citizens for financial gain is creating the need for more workers to protect their interests. Adult Protective Services cases nearly doubled from 2008 to 2014.

The 2016 budget plan adds $690,000 to hire 11 additional Adult Protective Services workers. The 2016 addition is the second year in a three-year plan to add 33 new Adult Protective Services workers. That hiring pace still lags about a year behind the need, according to aging experts.

The budget also adds $1.7 million for adult community living and support services. These services allow older Georgians to live independent lives in their own communities instead of nursing homes. Lawmakers included additional money for these services in the budget in response to aging experts’ request for $50 million over the next five years to help shrink a waiting list of more than 13,000 requests for assistance.

Figure 30 Adult Protective Services Cases Rise, Staff Levels Remains Same

Source: Georgia Department of Human Services
Looking Ahead to Next Year

Taxes and education are set to top Georgia’s legislative agenda when lawmakers return to the Gold Dome January 2016. Also ahead is the perennial need to ensure more Georgians can get the medical treatment they need to fully participate in the state’s economy.

These initiatives alone make for an ambitious agenda. A bill on the docket for 2016 proposes cuts to the state’s income tax, the source of nearly half of Georgia’s budget. Meanwhile, education funding consumes more than half the state budget, so pending proposals tinkering with the formula to fund public schools offer both tremendous opportunity and great risk to Georgians who need to compete in the global economy. Meanwhile, the state’s health care system is in dire need of a lifeline, as more than 1 million Georgians lack insurance or the means to pay for treatment, and many rural hospitals struggle to stay open.

Six years after the official end of the Great Recession Georgia continues to slowly claw its way back. State revenues are finally above pre-recession levels, but population growth and inflation offset most of those gains.

State lawmakers over the past two years partly reversed austerity cuts in education that took a toll on classrooms across Georgia for more than 10 years. But 2016 state education funding still falls $466 million short of what the state’s funding formula says is required. Lawmakers answered the call during the 2015 General Assembly after experts said Georgia needed about $1 billion more just to maintain its roads and bridges. The state continues to rebuild its “rainy day” reserves to prepare for the next economic downturn, but the fund is still well short of pre-recession levels. So Georgia finds itself at a crossroads. The state’s economy is mostly healed from the worst of the recent deep recession. The question is, which of two paths to take next?

One path leads Georgia into a state of uncertainty, where revenues could plummet through a diminished income tax, students suffer as the state shifts money from public schools and rural hospitals close in the absence of a plan to accept federal dollars to close the health insurance coverage gap.

The other path is to invest in the proven building blocks of economic growth for our state’s families, to make sure our state has the resources needed to promote the broad prosperity that brings a secure future. The time for Georgia to choose wisely is now.
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