

# Georgia House passes draconian budget

Ed Hightower  
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The Georgia House of Representatives recently approved an \$18.25 billion state budget for the 2012 fiscal year that makes drastic cuts to essential services and raises state workers' and retirees' insurance premiums by 20 percent.

Georgia has slashed some \$3 billion in state funds from the budget over the last three years and faces the drying up of \$1 billion in federal stimulus funds, which helped plug holes in last year's budget. According to the non-profit Georgia Budget and Policy Institute, the current budget proposal decreases total state expenditures by \$2.9 billion compared to 2009, or by 14.6 percent. The \$18.25 billion budget figure is even smaller than the budget for 1992, despite an 18 percent growth in the population over the past decade.

The fiscal year 2012 budget is now under discussion in the state Senate. Once passed by the Senate, it will head to Republican Governor Nathan Deal's office for his signature. As it currently stands, the budget cuts funding for state agencies by \$500 million, for an average reduction of 7 percent of revenue per agency. It does not account for enrollment growth in education and Medicaid-related programs, projected to cost another \$500 million.

Lawmakers reduced reimbursement rates for doctors accepting Medicaid by 0.5 percent, which will serve to reduce access to health care for rural and poorer workers. Education funding, which is tied to lottery sales, faces a \$300 million hole to be filled by gutting college scholarships and scaling back free preschool services from 180 days to 160 days per year, leaving working families to pick up the slack.

The budget proposal eliminates \$3.6 million in funding for employment programs, at a time when the state's unemployment rate stands above 10 percent; \$5.4 million is also cut from support to families with foster children and for group homes. Total funding for the Department of Human Services will be cut by \$153

million, according to the Georgia House proposal.

Perhaps the most shocking aspect of the budget, and one that seems least likely to change in the state Senate due to broad bipartisan support, is the tremendous increase in state employee and retiree health insurance premiums. The state's health plan insures nearly 700,000 state workers, retirees, school employees and their dependents. For the affected workers, the 20 percent increase translates to an additional \$15 to \$80 a month, depending on the plan purchased. The budget would increase health costs for non-certified workers, like custodians and bus drivers, at an even higher rate.

Bill Tomlinson, a retired state budget director, told the *Atlanta Journal-Constitution* that the average retiree on a state pension makes approximately \$28,000 a year, and thus cannot afford to pay an additional \$1,200 or \$2,000 a year in insurance premiums. What's more, the surge in premiums follows year after year of previous premium hikes, combined with no cost-of-living pay raises for state workers.

The 2012 budget attacks education with similar severity. It allots \$6.9 billion to K-12 education, the lowest per-pupil figure in a decade, or 16.1 percent less than 2001. The 2012 budget underfunds programs for students with severe emotional disturbances and for preschoolers with special needs. As with other vital social services, the cuts in education funding are compounded by years of declining funding. Since 2009, K-12 funding has fallen by \$1.6 billion.

While the plan reduces the number of free days of childcare from 180 to 160 days, an earlier proposal sought instead to decrease the hours of care per day from 6.5 to 4, but was withdrawn after a public outcry. As it stands, working parents will have to find money for 20 full workdays of childcare or make other arrangements. Georgia was the first state to provide free universal pre-kindergarten education to all four-year-olds, beginning in 1995.

Georgia's 35 state colleges and universities must deal with a loss of \$197.3 million in state and federal funds in 2012, despite ever-increasing enrollment. Governor Deal prides himself on balancing the state's HOPE scholarship fund, also funded through declining lottery revenues, by steeply increasing academic requirements and lowering scholarship award amounts to future and even current students, who must now take out loans or delay their education. As a consolation, college graduates can receive a credit for tuition for every year they teach math or science in a Georgia school, a form of indentured servitude that paves the way for eradicating the HOPE scholarships altogether.

The budget renews a sales tax exemption for jet fuel purchased by Atlanta-based Delta Airlines, an estimated \$23 million value. The tax break has saved the company \$120 million since 2006.



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