



Georgia Advancing
Communities
Together, Inc.
2015 Affordable
Housing
Conference

Making the Pieces Fit

Budget, Revenues and Economic Opportunity

Taifa Smith Butler

October 28, 2015



Who We Are

The Georgia Budget and Policy Institute produces research and state budget analysis to show ways Georgia can provide better education, health care and opportunity for everyone.

- Taxes
- Budget
- Education
- Health Care
- Economic Security
- Economic Development



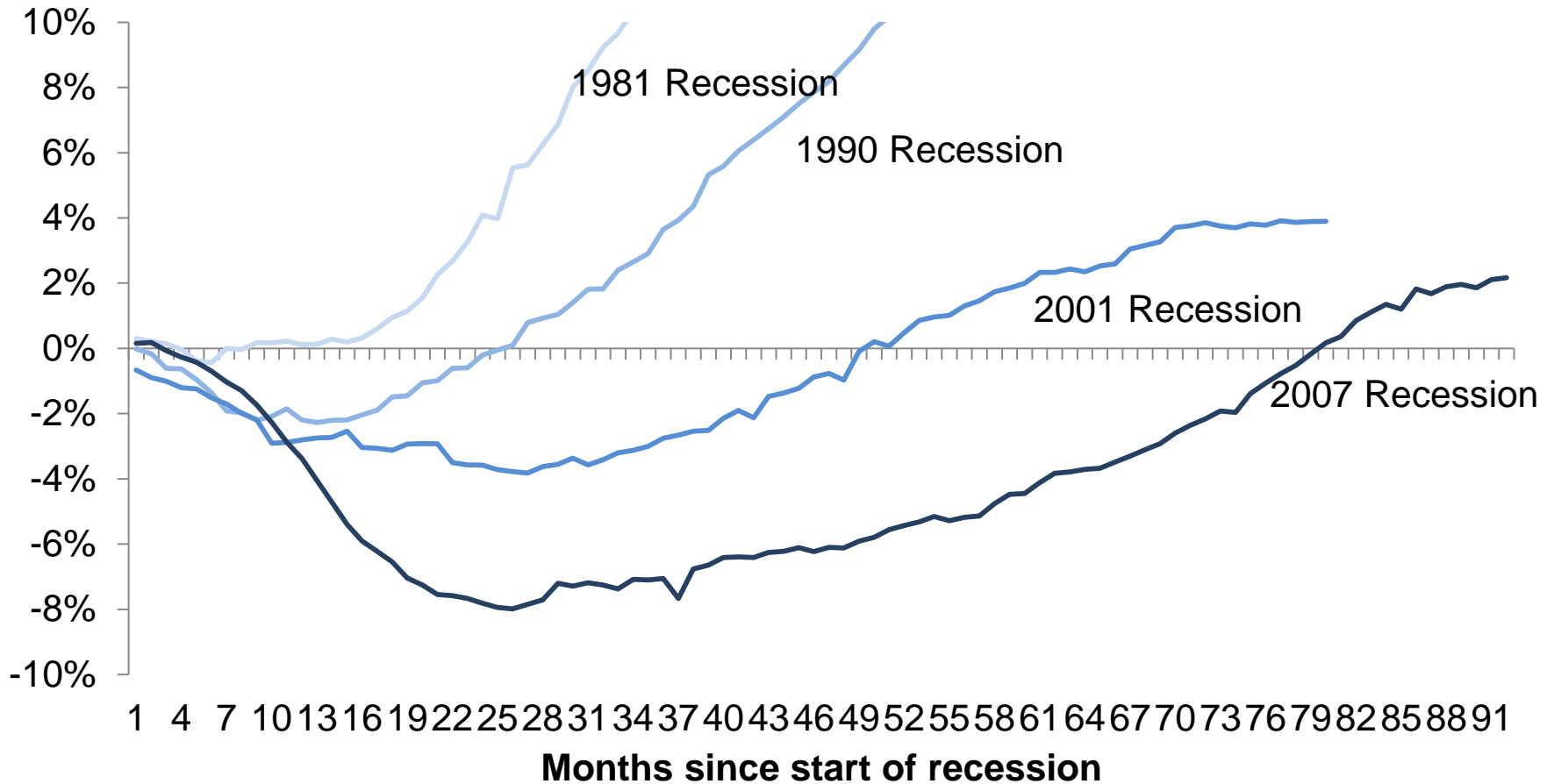


Economy Growing but Many Left Behind

- Modest economic recovery from Great Recession... but low- and middle-income Georgians still struggling
- Economy isn't generating enough jobs to go around
- Lots of new jobs are low-wage or part-time
- Minority workers and those with less schooling faring worst
- Wages and family incomes are flat or falling for most

Deeper Fall, Slower Recovery than Past

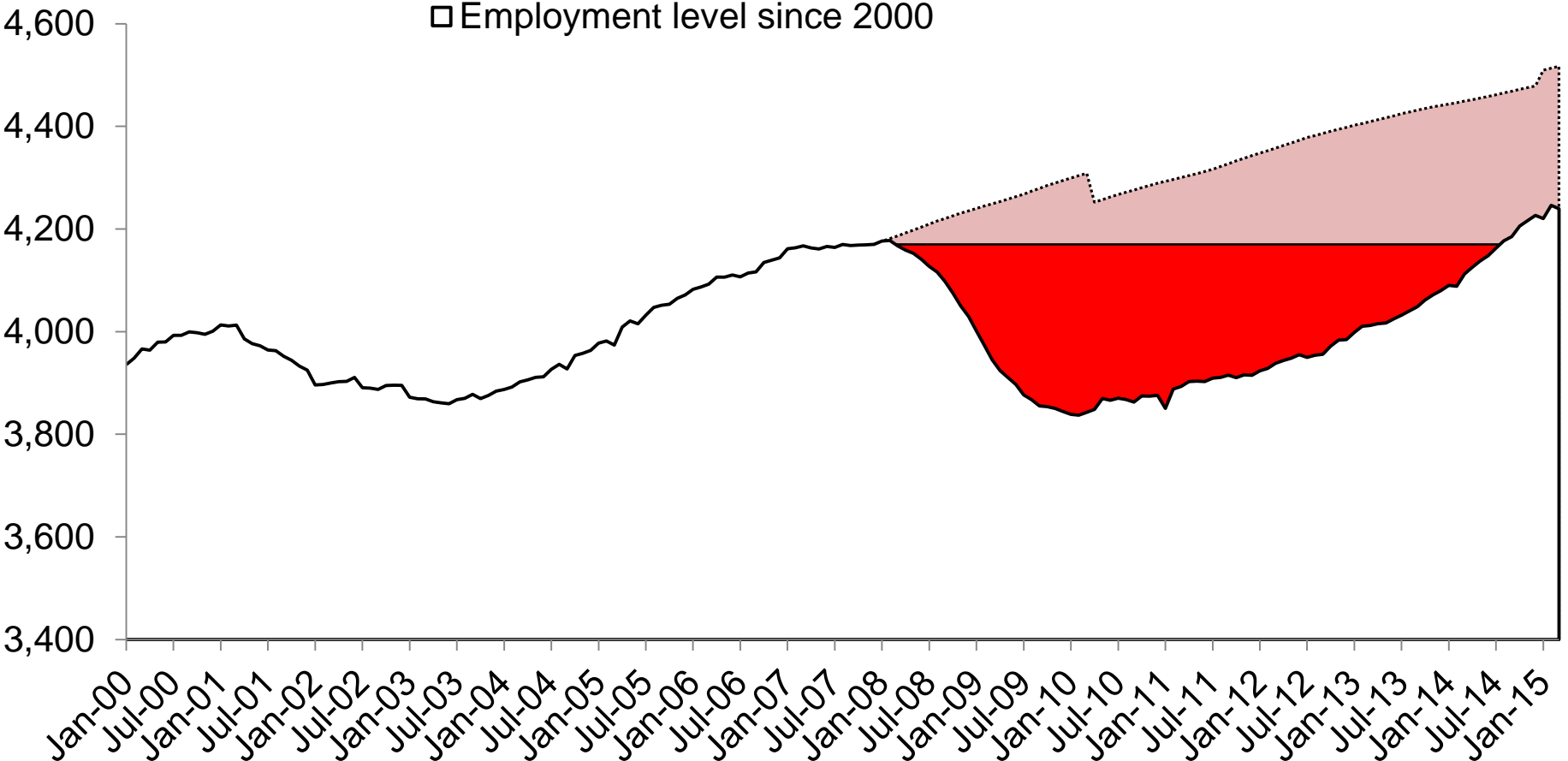
Percent change in nonfarm jobs from start of recession



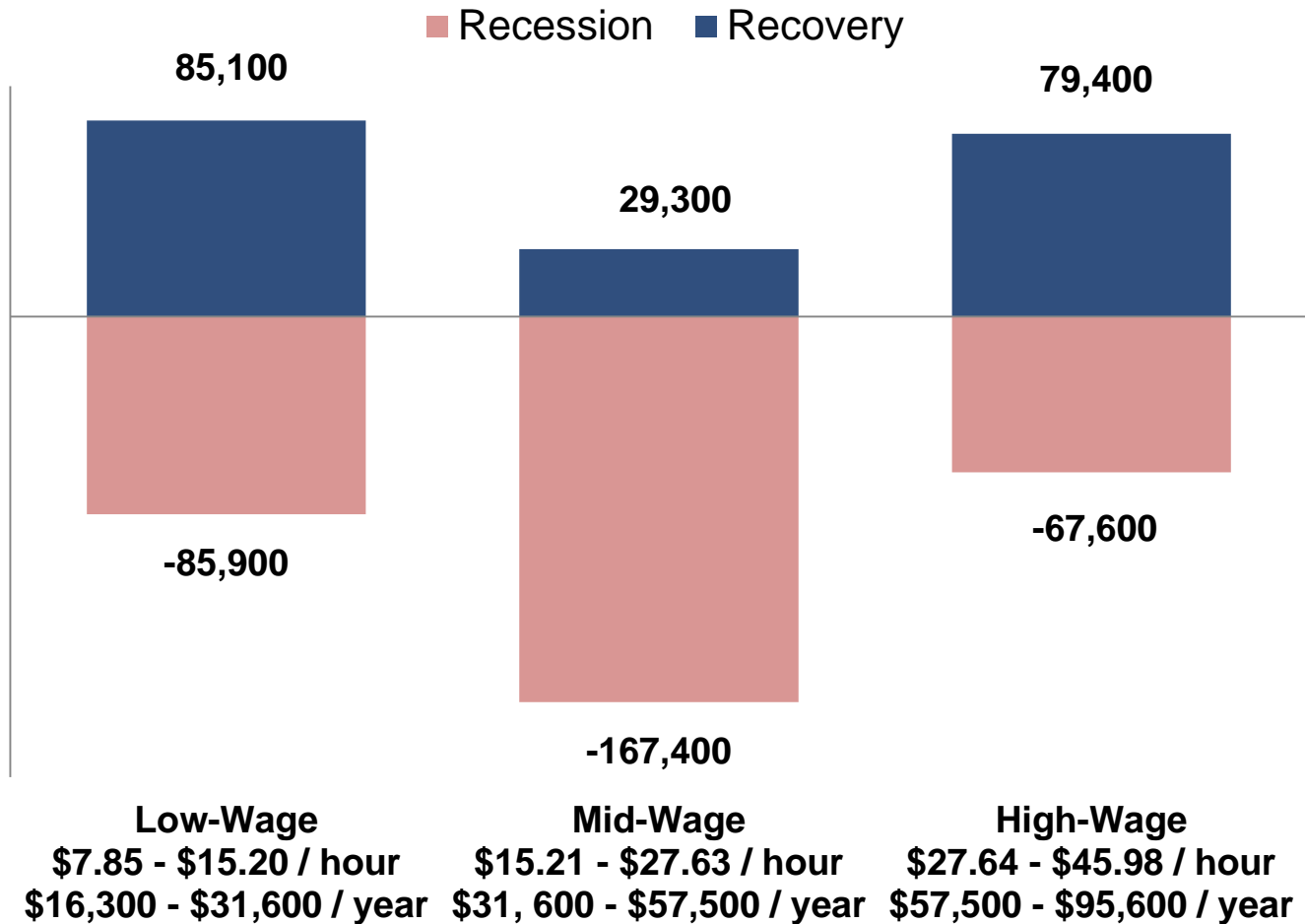
Not Enough Jobs to Keep Up With Growth

nonfarm jobs, in thousands, seasonally adjusted

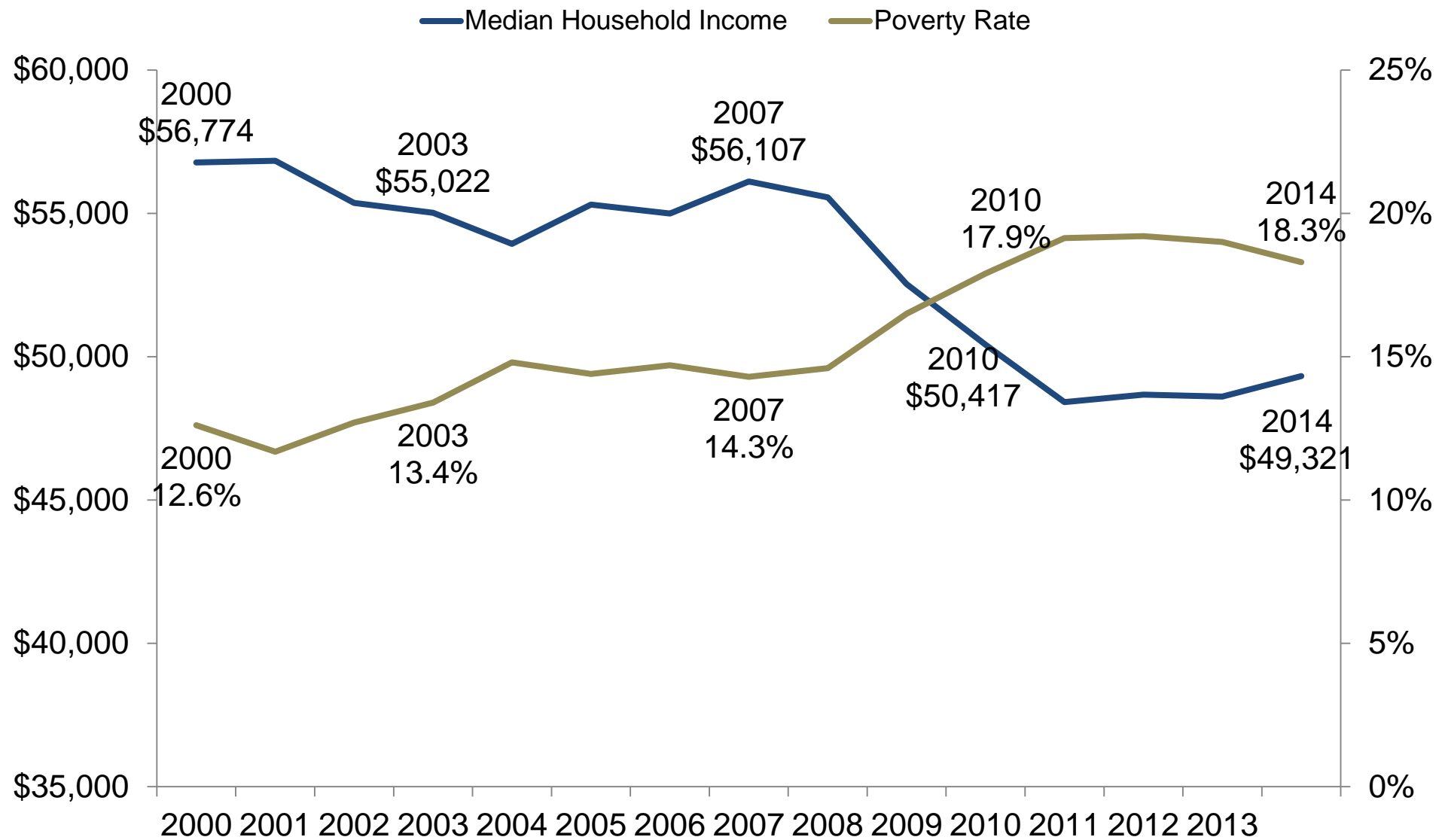
- Jobs needed to keep up with population growth
- Jobs lost since December 2007
- Employment level since 2000



Mid-Wage Industries Fell Further, Growing Slower

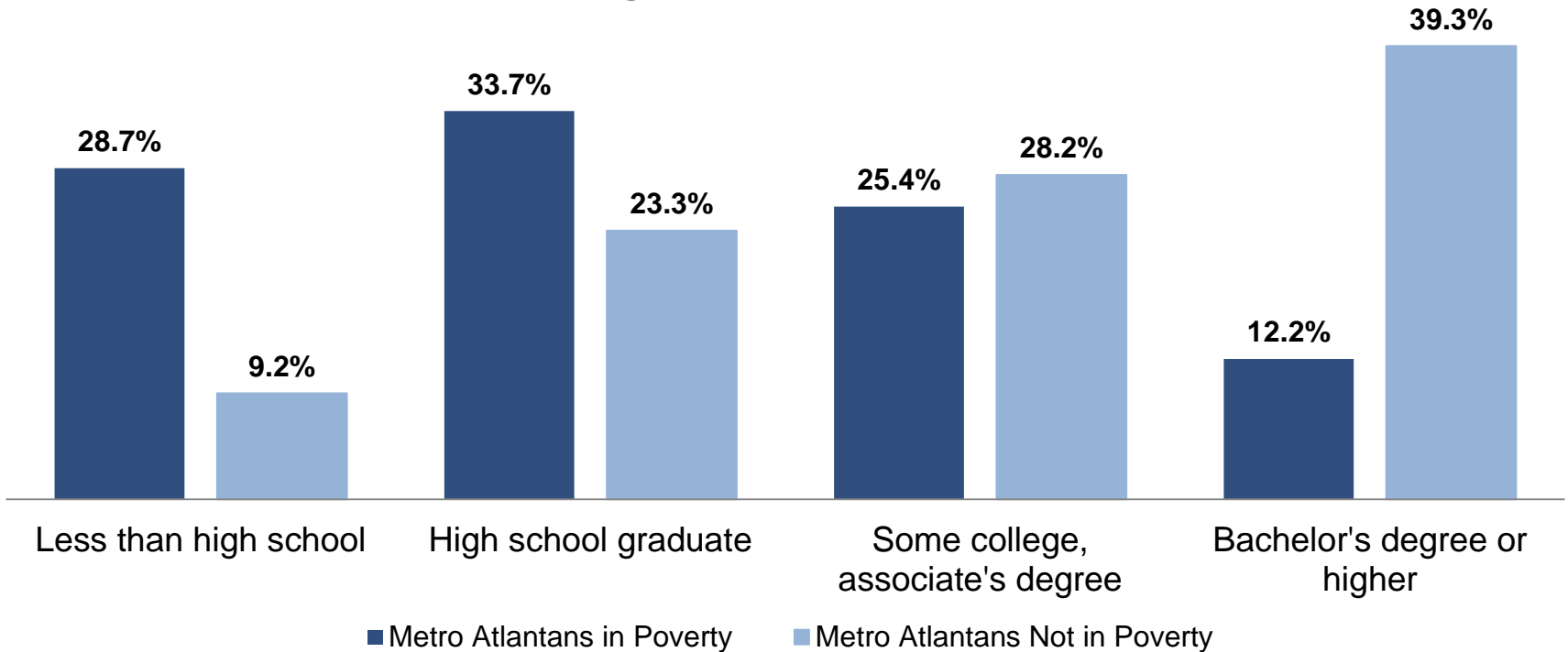


Incomes Down, Poverty Up in Georgia



Lack of Education Increases Likelihood of Poverty

Educational Attainment by Poverty Level for Atlanta Metro Population Age 25 and Over





HOW TO TAKE CARE OF THE STATE'S BUSINESS?



Revenues



Georgia Revenue by the Numbers

A background image showing the silhouettes of a family of four (a man, a woman, and two children) walking together, holding hands. The silhouettes are light gray and positioned behind the main text.

49th

State tax revenue per person (2012)

46th

State tax revenue as percentage of income (2012)

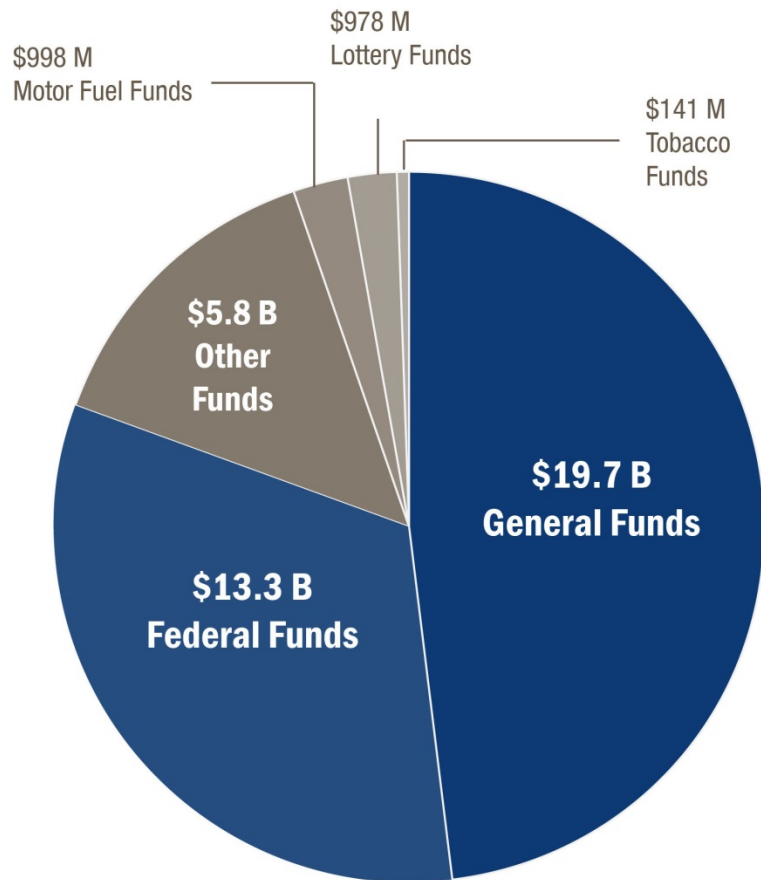
46th

State and local tax revenue per capita (2011)

46th

State and local business taxes as share of economy (2012)

Revenues Come from Six Sources

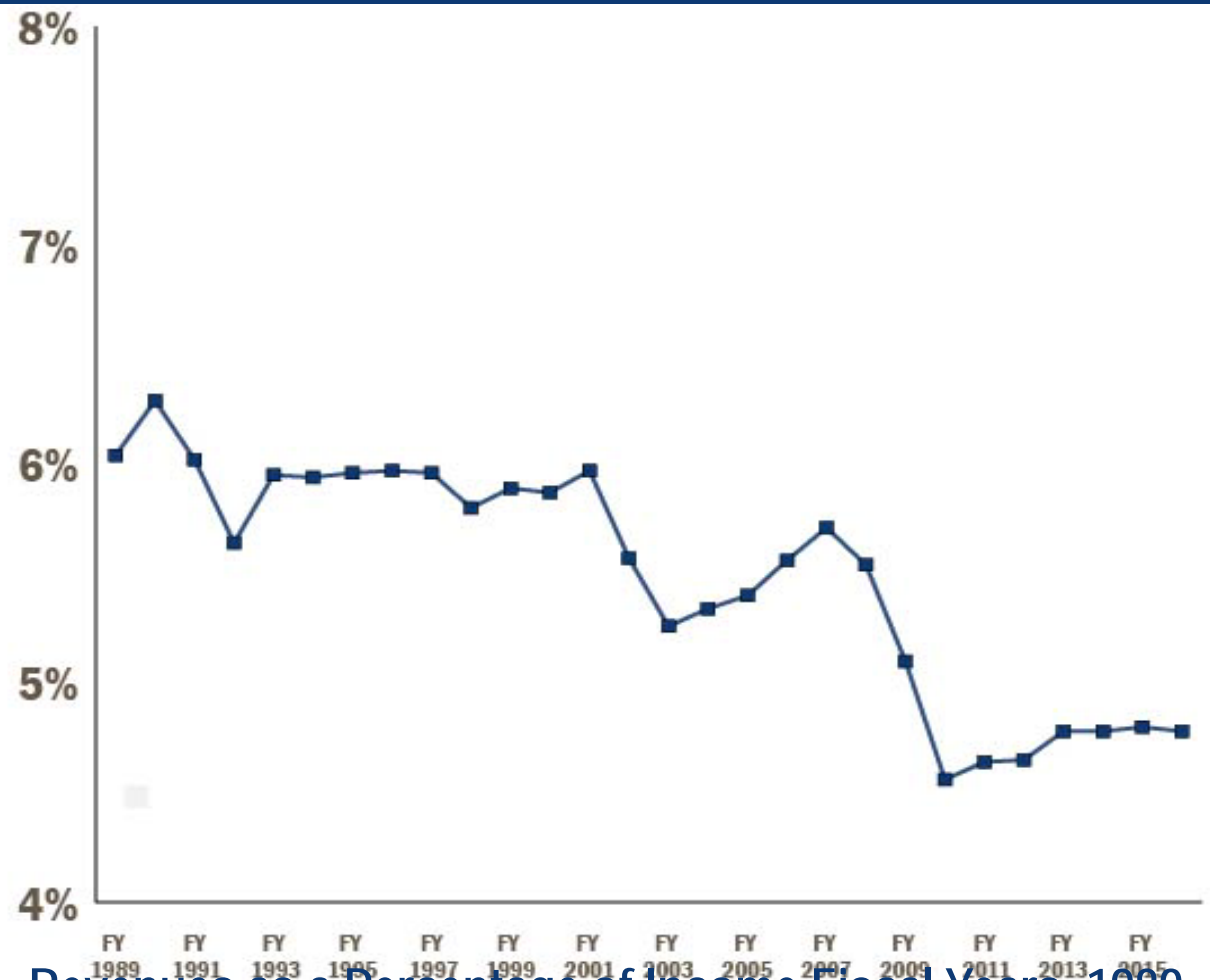


2016 Fiscal Year
GA State Budget
Totals \$40.9 Billion

General Fund	48.1%
Federal	32.5%
Other	14.1%
Motor Fuel	2.4%
Lottery	2.4%
Tobacco	.3%

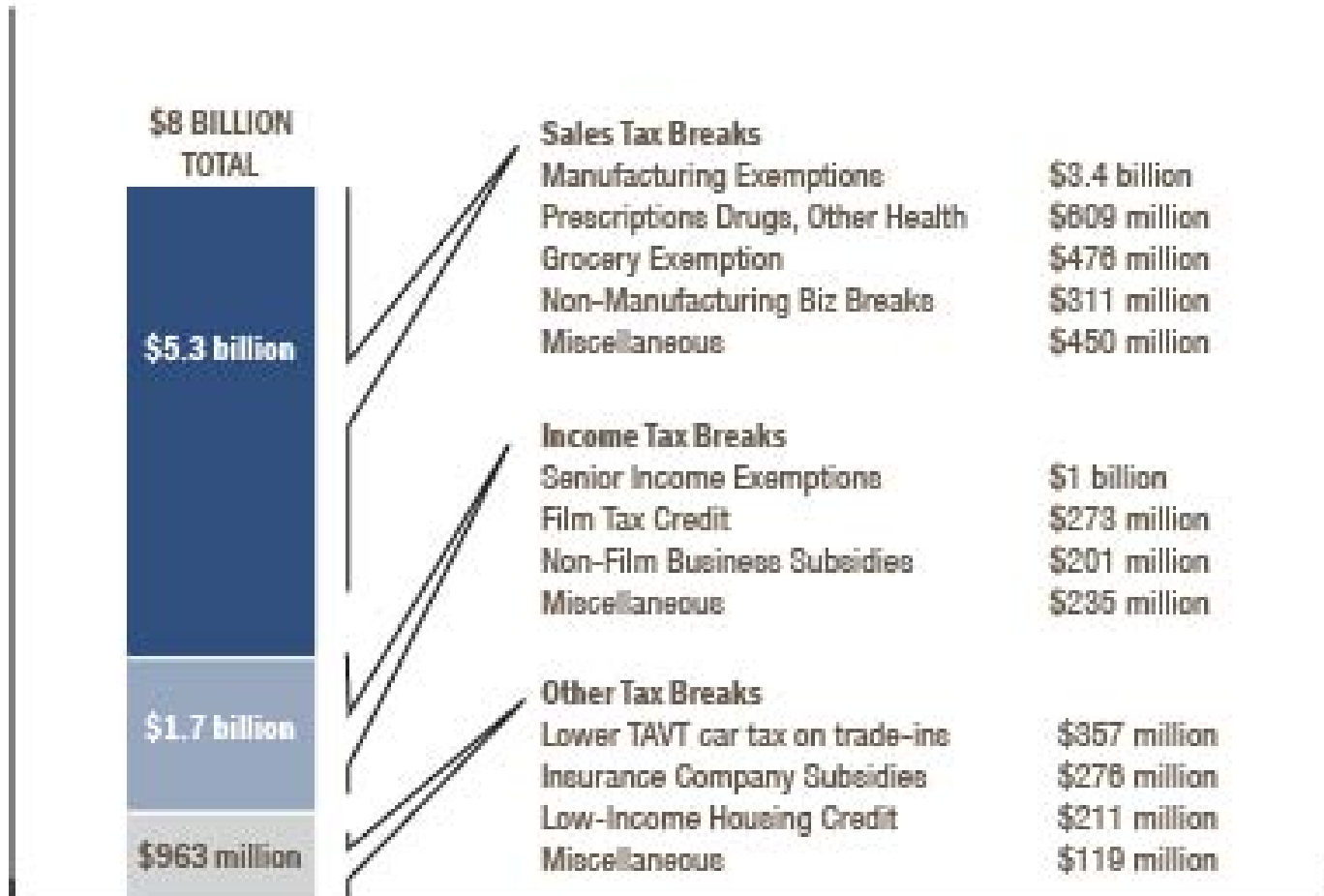


Revenue as Percent of Income Historic Low



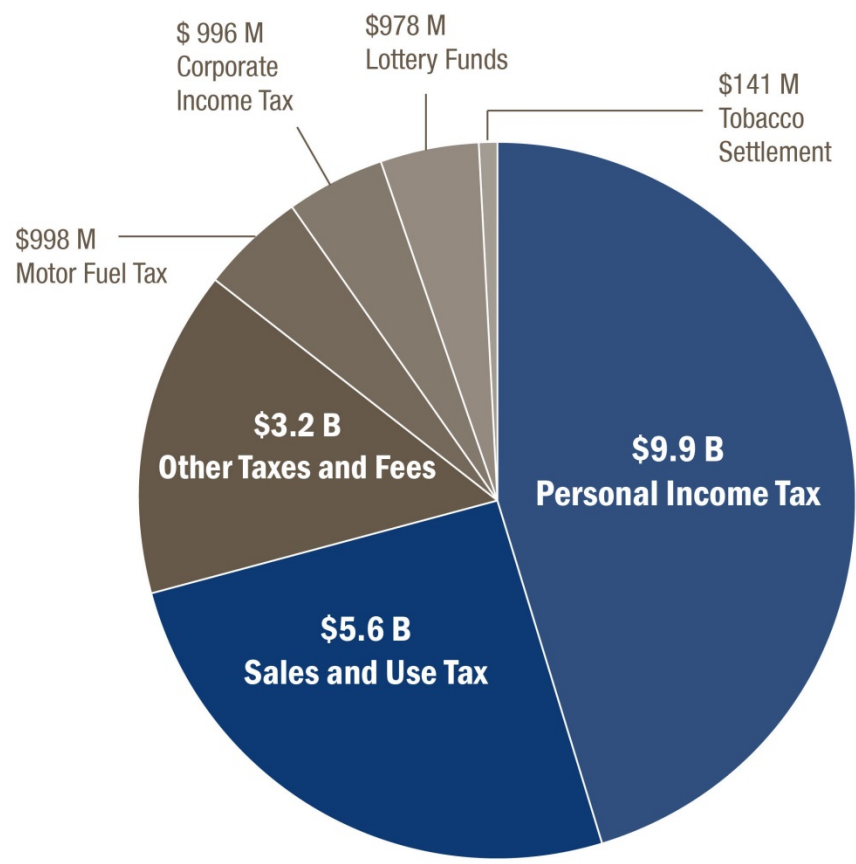
Revenues as a Percentage of Income Fiscal Years 1989 – 2016

Tax Breaks





Georgia Services Rely on Income Tax

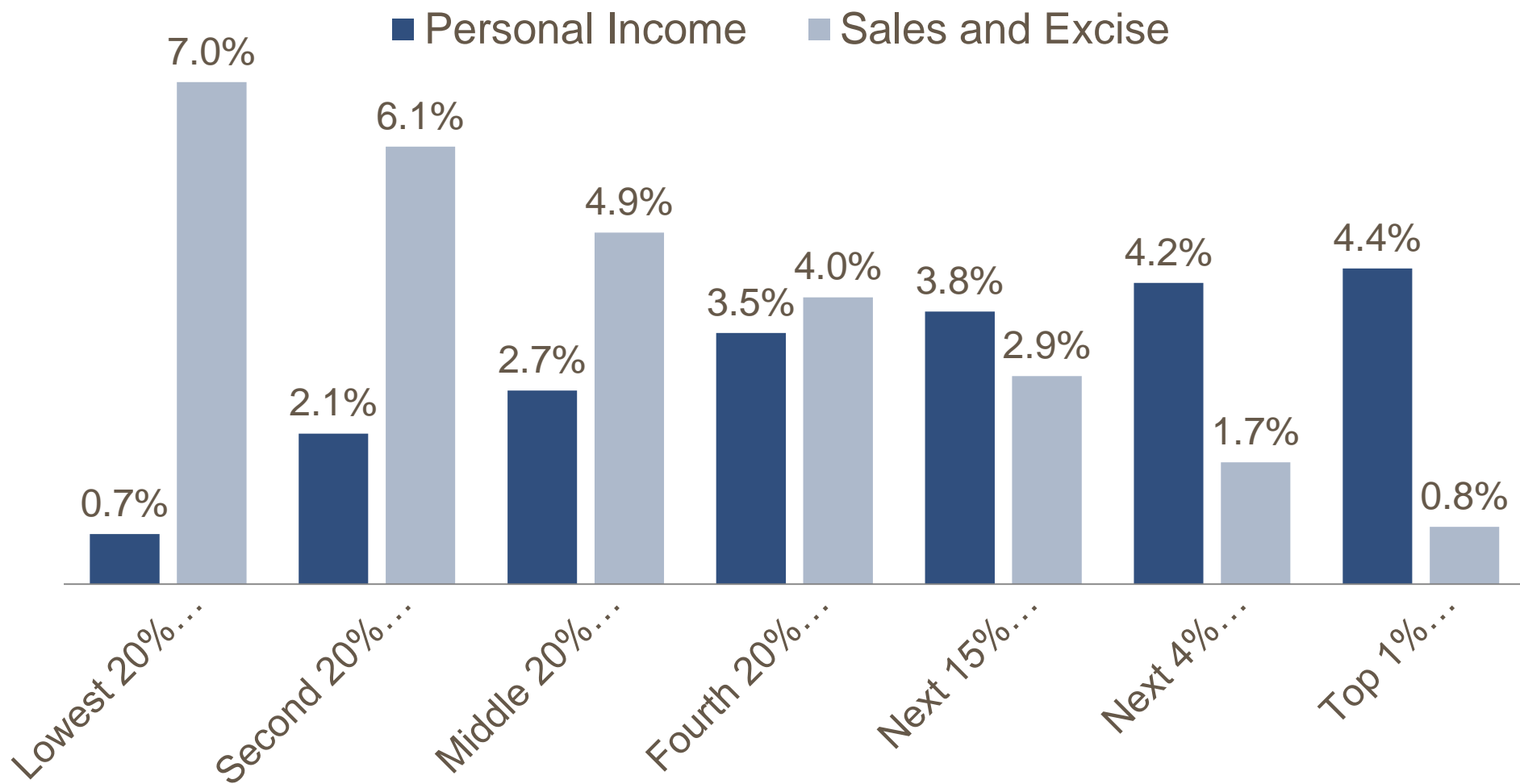


GEORGIA BUDGET & POLICY INSTITUTE  GBPI.org

Georgia's Projected Fiscal Year 2016 Revenues: \$21.8 billion

Higher Sales Taxes Hit Working Families Harder

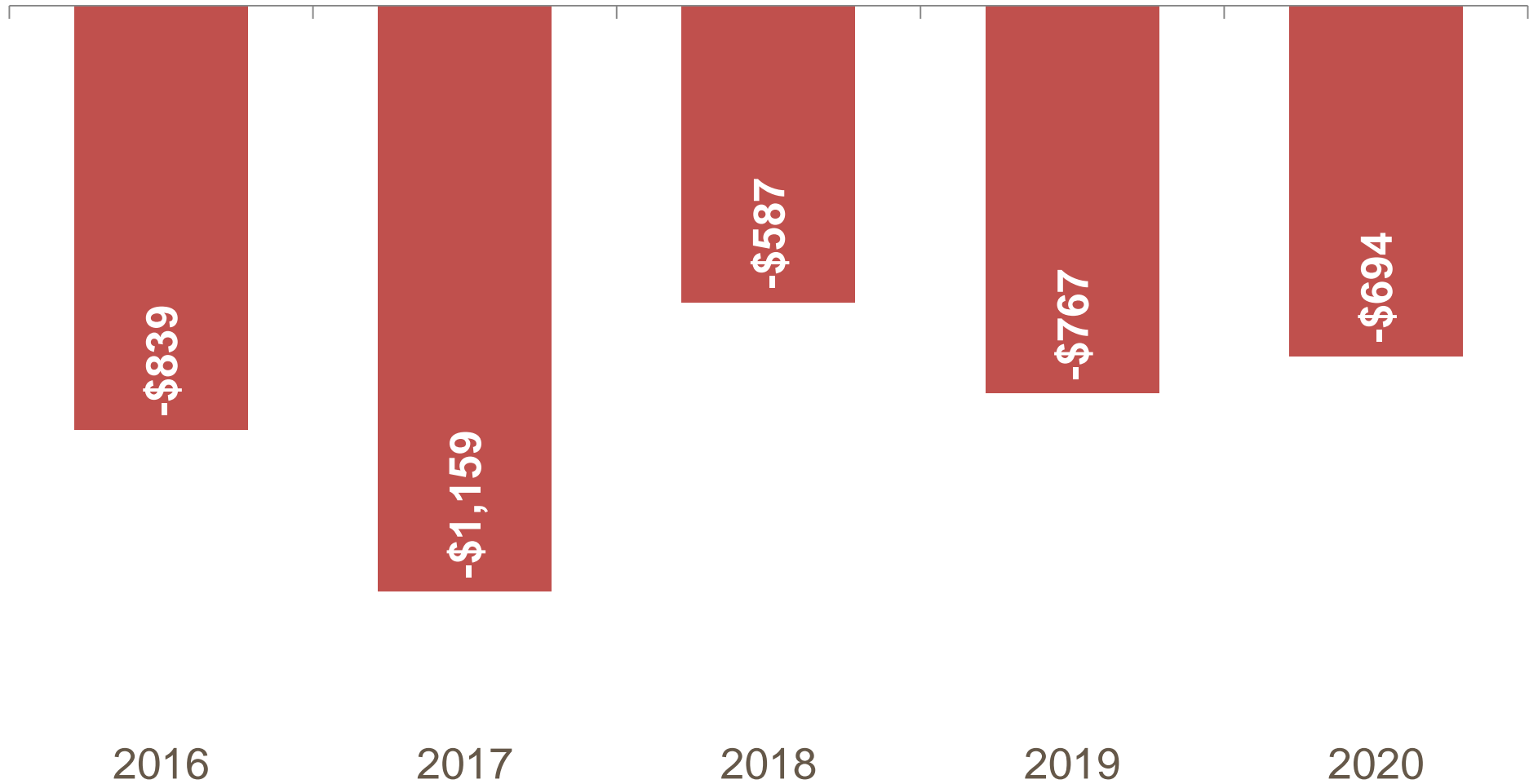
Georgia state and local taxes as share of family income (non-elderly taxpayers), 2015





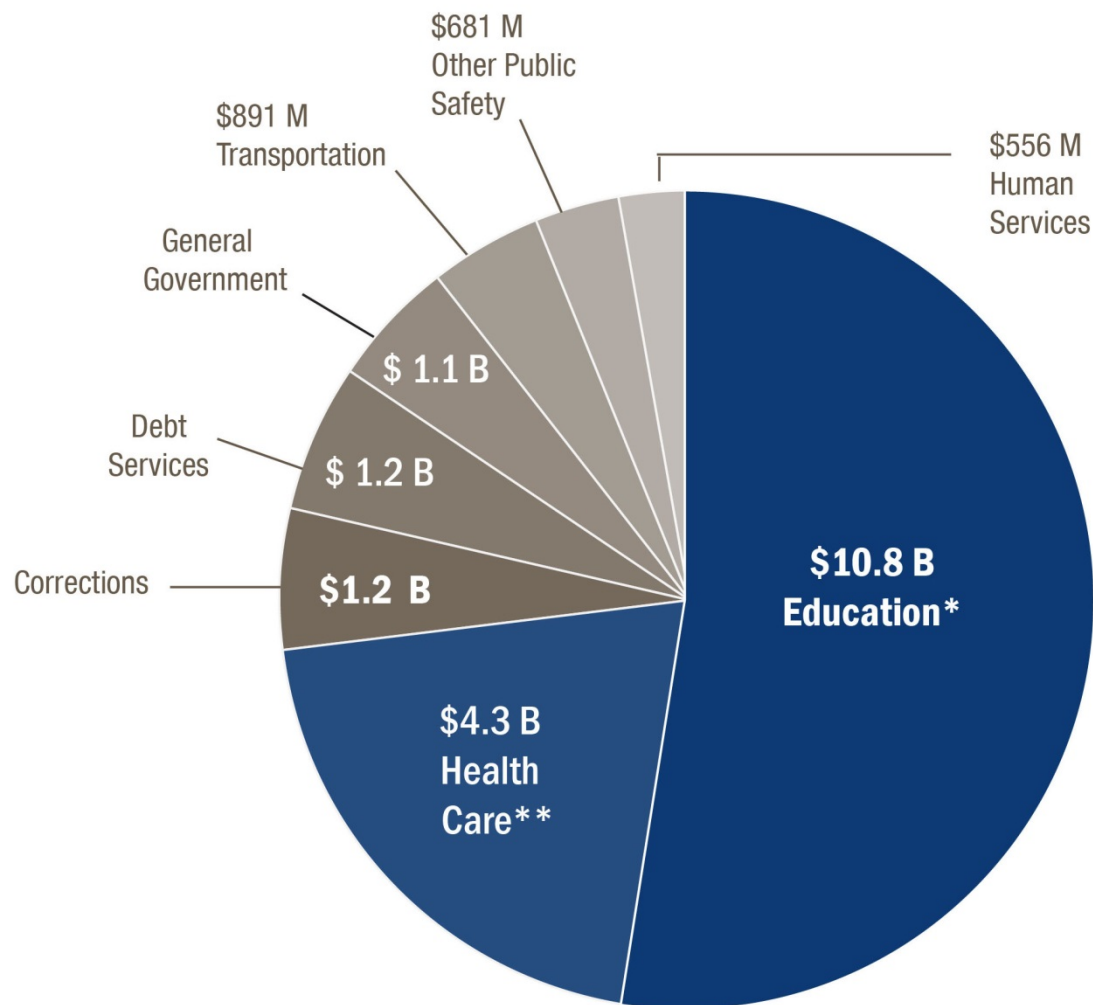
Tax Shift Plan Could Lead to Shortfalls

Estimated annual loss in state revenue from House Bill 445, LC 34 4535, in millions



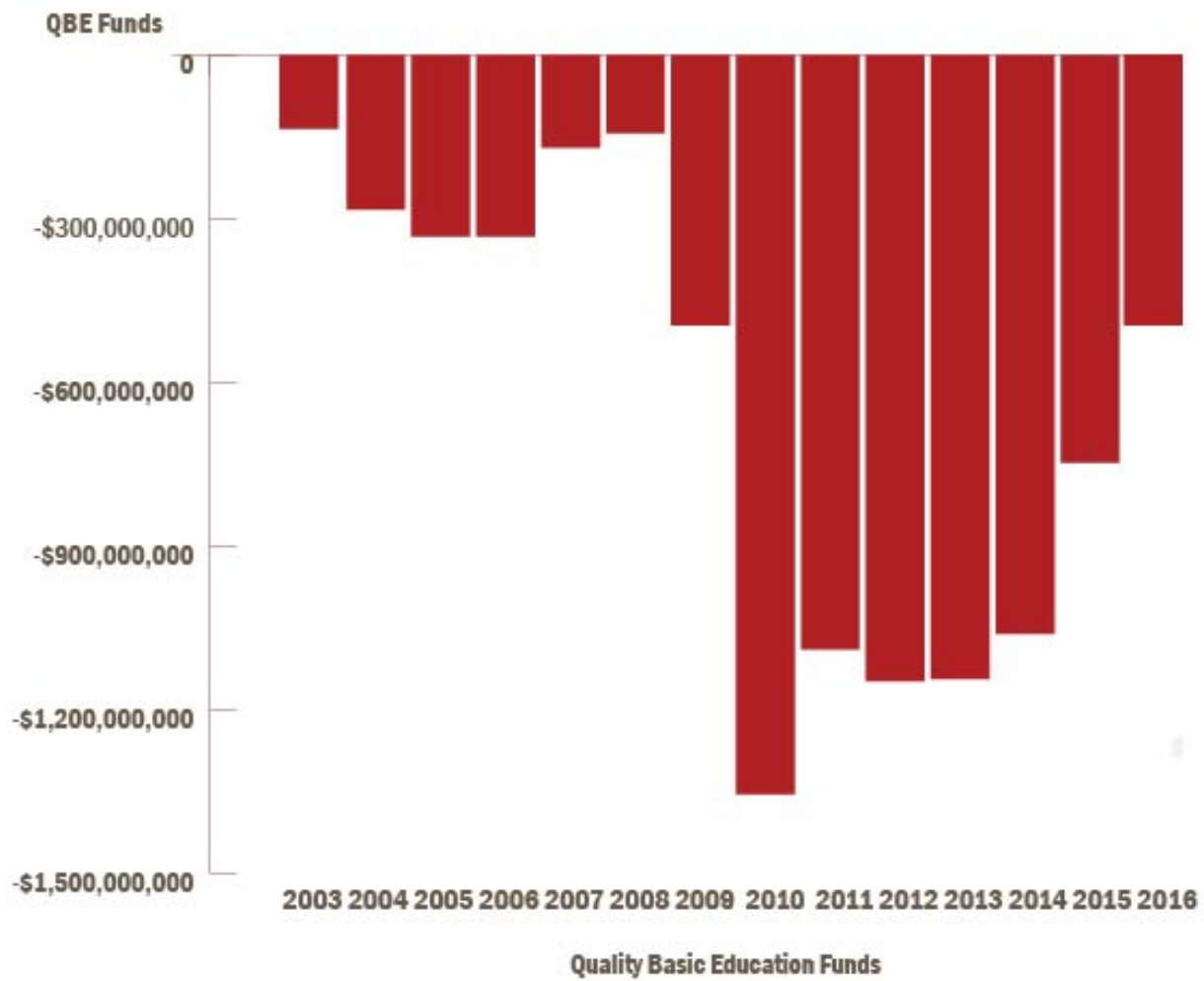


FY 2016 General Funds Budget (\$21.8 Billion)

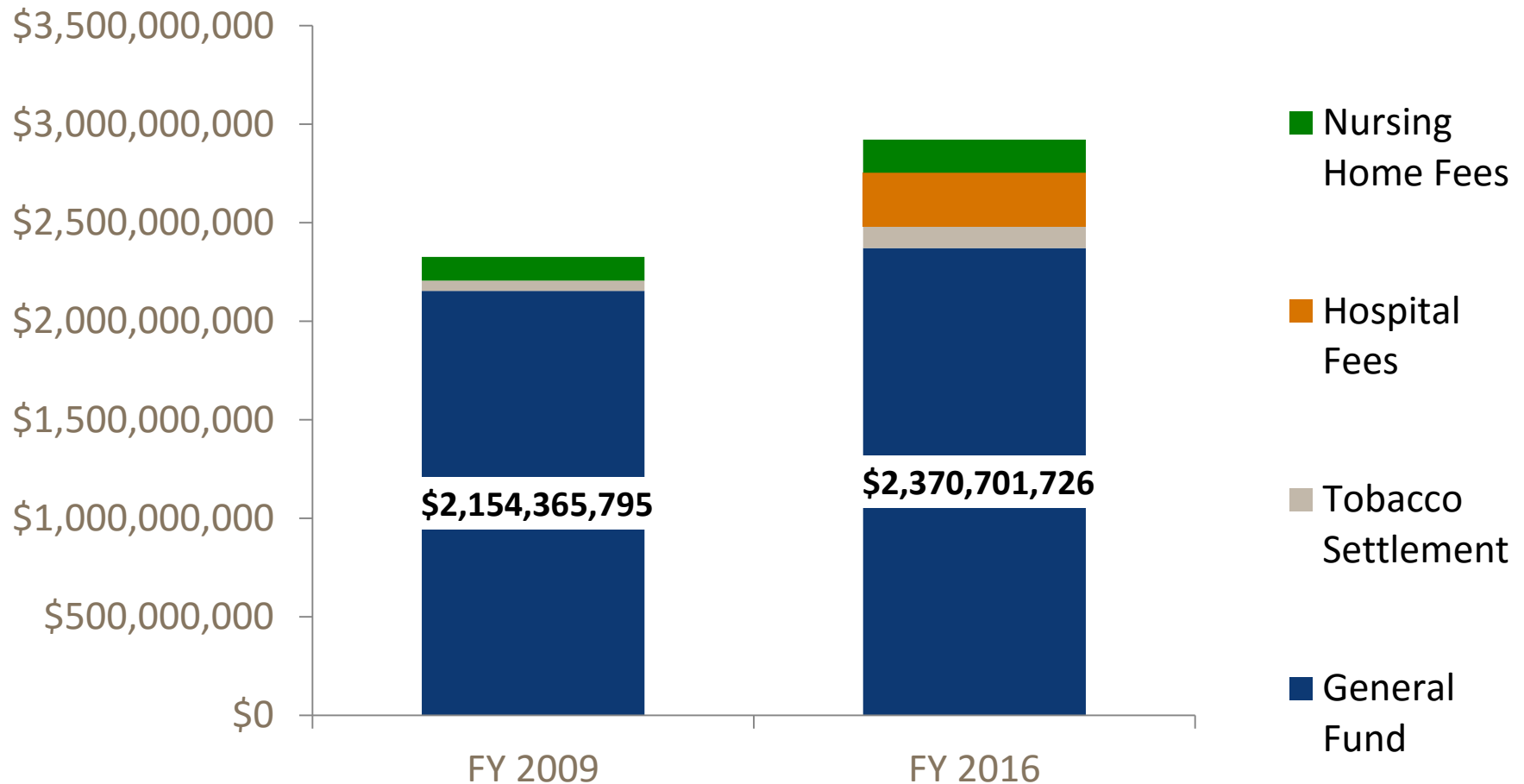




K-12 Formula Underfunded by \$465 Million in 2016



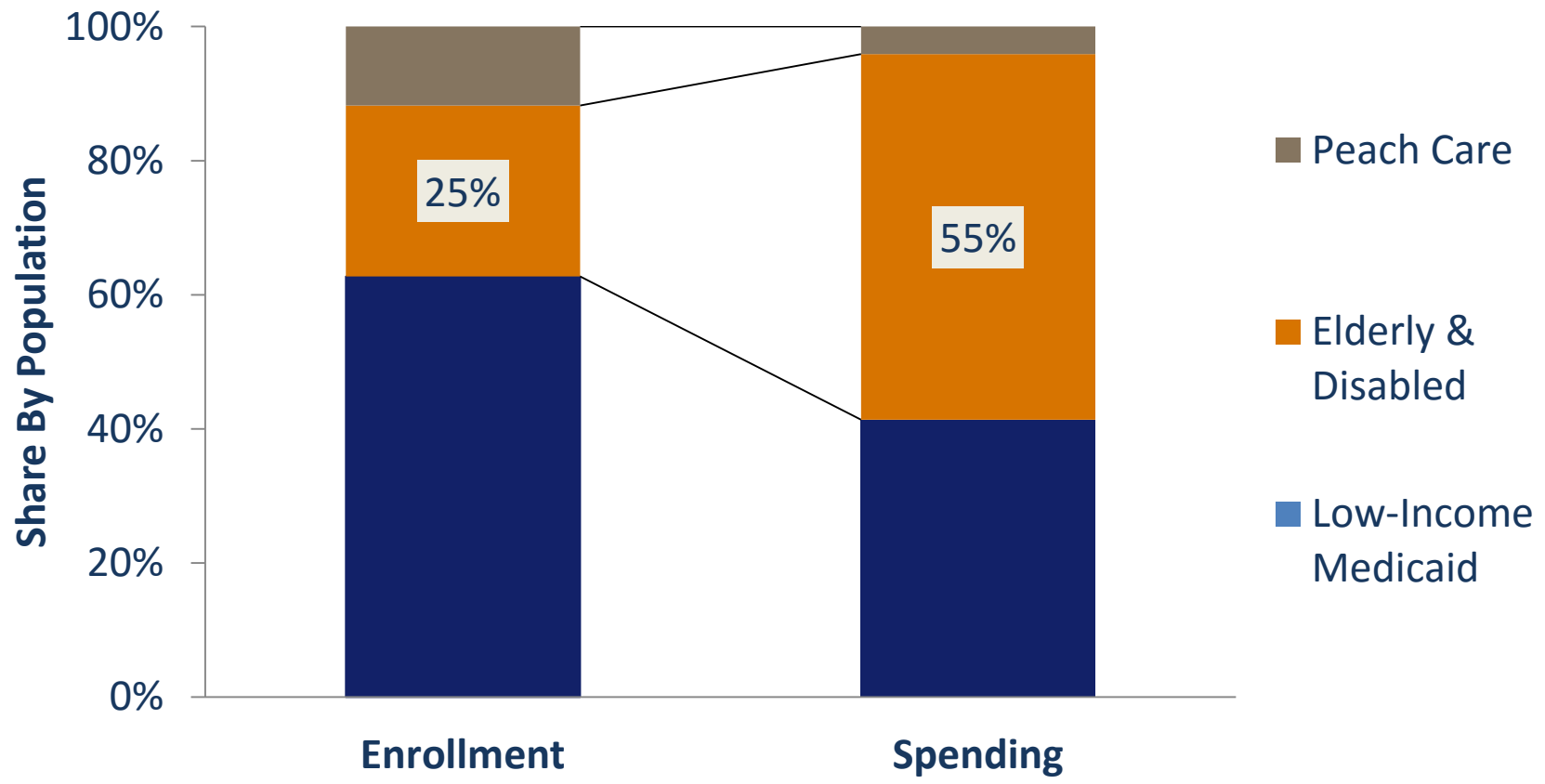
General Funds a Smaller Share of Medicaid and PeachCare Than in 2009





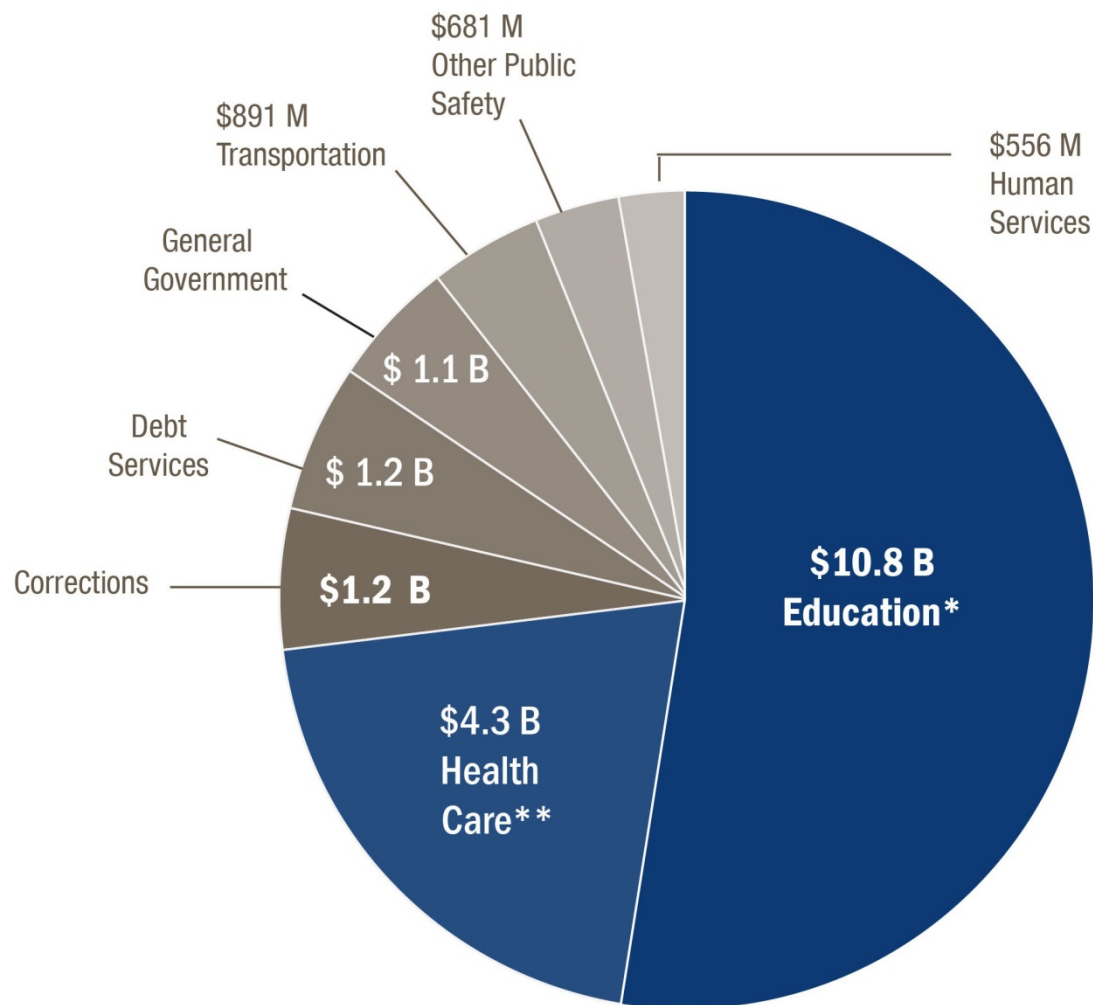
Enrollment vs Spending Medicaid - PeachCare

Bulk of enrollees are children, bulk of costs for elderly & disabled

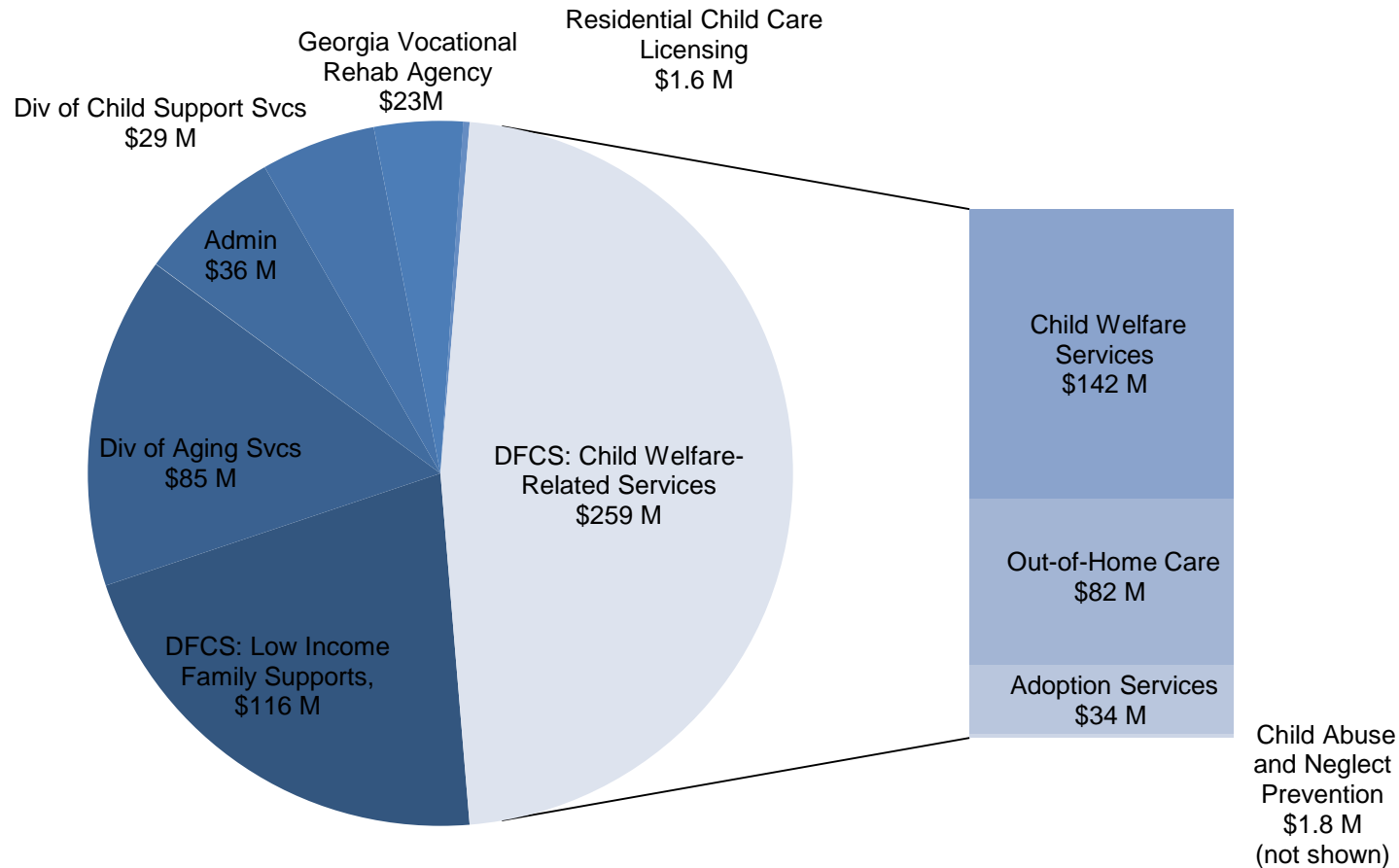




FY 2016 General Funds Budget (\$21.8 Billion)



DHS \$547 Million Budget, FY 2016





Policy Update Implications for the Future 2015 - 2016



Key Opportunities in 2016

- Education Reform Commission findings and funding
- Tax Reform, State Earned Income Tax Credit Campaign
- State Plan Workforce Opportunity and Investment Act
- Closing the Coverage Gap through Medicaid Expansion
- TANF reauthorization (one to watch)

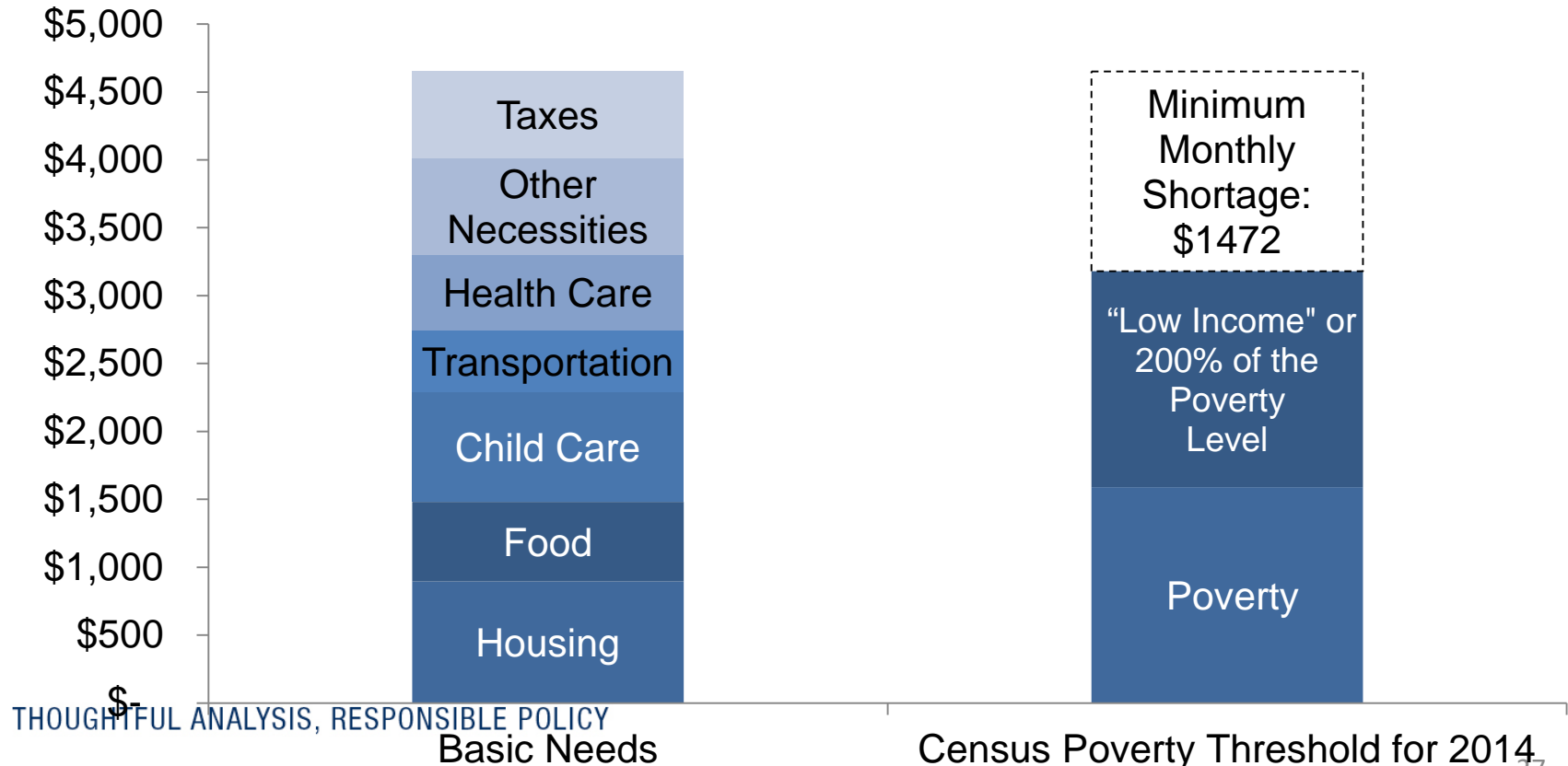


Suburban Poverty Caused by Many Factors

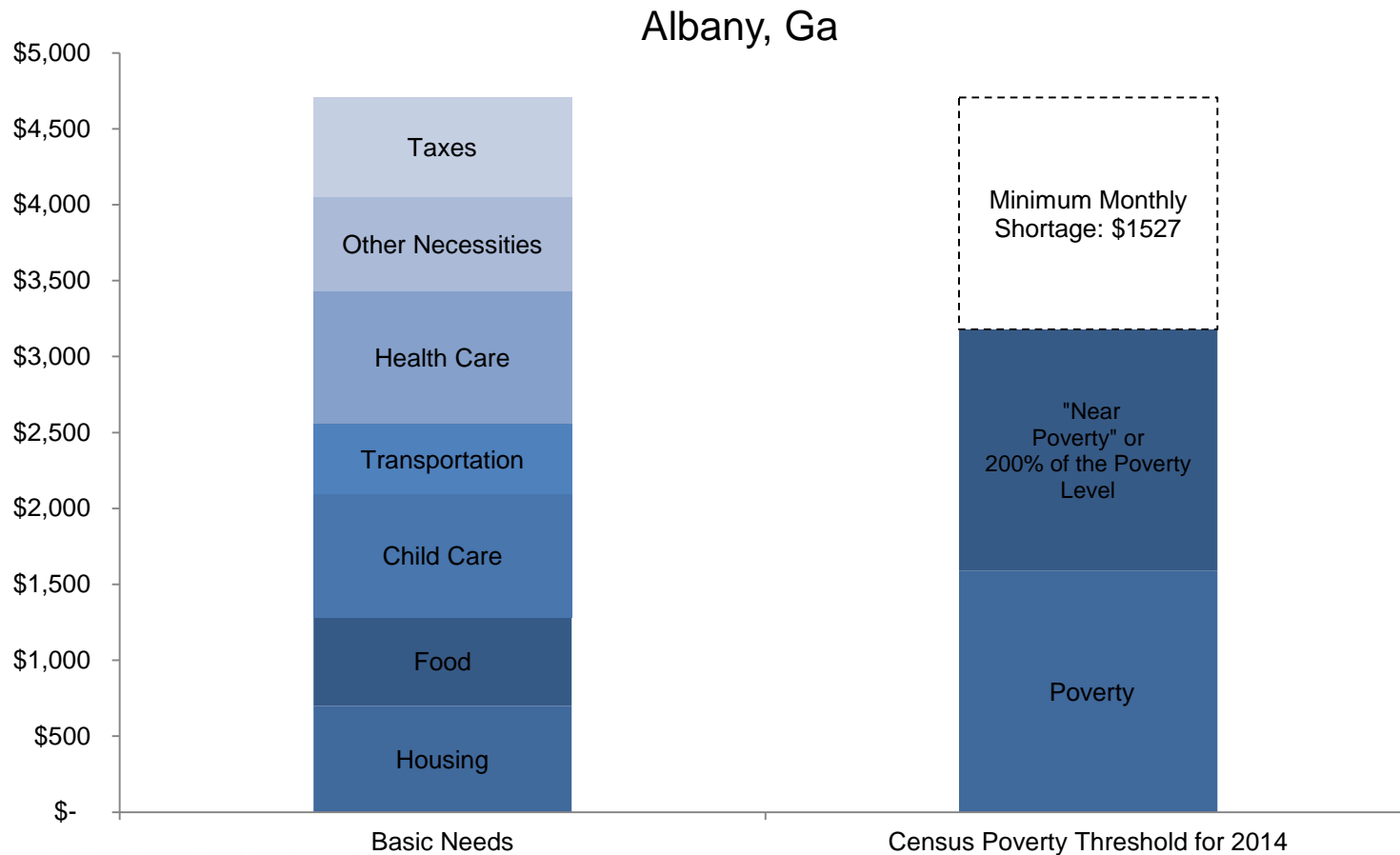
- Pursuit of more affordable housing
- Quest for better schools
- Hunt for jobs
- General population growth and immigration

Big Gap Between Poverty, Low Income and Meeting Basic Needs

Metro Atlanta



Big Gap Between Poverty, Low Income and Meeting Basic Needs



THOUGHTFUL ANALYSIS, RESPONSIBLE POLICY



Pervasive Poverty Affects Us All

- Poverty Weakens the Economy
- Poverty Lowers Long-Term Competitiveness
- Poverty Increases Health Costs



Poverty is Not Inevitable – Policy Matters

Policy Solutions for Addressing Poverty

- Protect the Safety Net
- Close the Health Care Coverage Gap
- Increase the HOPE Grant Award
- Bolster Support for Adult Education
- Expand Access to Subsidized Child Care
- Create a State Earned Income Tax Credit
- Affordable Housing, Transportation/Transit



Q & A



Let's Keep in Touch

Taifa S. Butler, Executive Director
tbutler@gpbi.org
404.420.1324 x102
@taifabutler



www.facebook.com/gabudget
www.gbpi.org



@gabudget

About the Georgia Budget & Policy Institute

GBPI seeks to build a more prosperous Georgia. We rigorously analyze budget and tax policies and provide education to inspire informed debate and responsible decision-making, advancing our vision of a state in which economic opportunity and well-being are shared among all. GBPI is an independent, nonpartisan nonprofit founded in 2004.