

New Governor calls for job cuts, end to teacher furloughs in budget proposal

By Rep. Debbie Buckner

On Jan. 12, Gov. Nathan Deal delivered his first State of the State address and laid out his proposals for the midyear adjustment to the fiscal year 2011 state budget as well as the annual budget for fiscal year 2012.

Responding to an anticipated revenue shortfall of up to \$2 billion for FY 2012, the Governor is calling for the elimination of approximately 14,000 state employees' jobs, a reduction of more than 10 percent. His proposal requires state agencies to reduce spending by an average of 4 percent for the remainder of FY 2011 and by 7 percent in the next fiscal year, which begins July 1.

Gov. Deal promised to end teacher furloughs and restore a full school year, proposing a \$30 million increase in Quality Basic Education formula funding for K-12 schools, which had been cut severely in seven of the last eight budgets. He also said he would shore up the HOPE Scholarship program but did not specify how that would be done.

Gov. Deal's proposal also includes \$563 million in bonded debt for capital projects, about half the annual amount borrowed during the previous administration. The governor's 2012 spending proposal totals almost \$18.2 billion, an increase of \$273 million over the current year.

Tax Reform: The Special Council on Tax Reform and Fairness, created last year by the legislative majority to conduct a study of the state's current revenue structure, has made its recommendations to the Governor and General Assembly. The council is recommending a reduction in the top income tax rate from 6 percent to 4 percent, to be phased in over a period of three years. The council is also recommending that the state reinstate the 4 percent state sales tax on groceries, which was eliminated in the early 1990s, and increase the cigarette tax from 37 cents per pack to 68 cents per pack. New sales taxes on 50 personal services not currently taxed, ranging from haircuts to dry cleaning to automobile oil changes, are also part of the Council's recommendations, along with eliminating sales tax holiday periods that were enacted in previous years. The Council's full report is available online at <http://fiscalresearch.gsu.edu/taxcouncil/>. A special legislative committee will consider the recommendations, with any legislation approved by that committee going directly to the floor of the House of Representatives for a vote – bypassing the regular process of debate and consideration of amendments.

Committee Assignments: House members received our committee assignments for the 2011-12 term on Jan. 14. I will be serving on the House Ethics Committee, the Natural Resources & Environment Committee, the Retirement Committee and the State Institutions & Property Committee.

Inauguration Ceremony: On Jan. 10, Gov. Deal took the oath of office in the House of Representatives chamber, the ceremony having been forced indoors due to the winter storm. In his inaugural speech, the governor laid out his vision for the state in the next four years, in which he pledged to improve public education, which he said is “not just the responsibility of educators. I ask parents to read to their young children and cooperate with teachers so that educational excellence is a family goal.” Gov. Deal also said he would work to save the HOPE Scholarship program, address problems in the criminal justice system by adding probation and treatment options for offenders with drug addictions, fight against federal healthcare reform mandates and shrink the size of government in order to balance the budget. The state’s other constitutional officers were sworn in as well, including Lt. Gov. Casey Cagle, Secretary of State Brian Kemp, Agriculture Commissioner Gary Black, Attorney General Sam Olens, Insurance Commissioner Ralph Hudgens, Labor Commissioner Mark Butler and School Superintendent John Barge.

Budget Hearings: The General Assembly is in official recess the week of Jan. 17 to observe the Martin Luther King Jr. Holiday and for joint House and Senate Appropriations Committee hearings on the amended state budget for the remainder of fiscal year 2011 and the annual budget for fiscal year 2012. Department heads from agencies in the executive and judicial branches of state government will make their funding requests for consideration by the committee members. The state is facing a potential budget deficit of up to \$2 billion for FY 2012, which begins July 1, 2011. The full legislature will return for Day 3 of the 40-day session on Jan. 24.

- *State Rep. Debbie Buckner (D-Junction City) represents the 130th District (Harris, Muscogee and Talbot counties) in the Georgia House of Representatives. Contact her at 511 Coverdell Legislative Office Building, Atlanta, GA 30334; by phone at 404-656-6372; or by email at debbie.buckner@house.ga.gov.*