



Governor's Office of
PLANNING AND BUDGET
THE STATE OF GEORGIA

FY 2021 Year End to FY 2023 Budget Development

Georgia Fiscal Management Council

April 28, 2021



Agenda

- Pandemic Impact on State Revenues
- Pandemic Impact on the State Budget
- FY 2023 – A Look Ahead
- FY 2021 Year End
- FY 2022 Annual Operating Budget
- OPB Grant Management Division
- Questions



Revenue Estimates Since FY 2020

(In millions)

	AFY 2020 Estimate	FY 2020 Actuals	FY 2021 Orig. Estimate	FY 2021 Gov Revised (Enacted)	AFY 2021 Estimate	Change Over FY 2020 Actual	FY 2022 Estimate	Change Over AFY 2021
General Funds								
Taxes: Revenue								
Ind. Inc. Tax	\$12,299	\$12,408	\$12,653	\$12,070	\$12,469	0.5%	\$12,739	2.2%
Corp. Inc. Tax	1,408	1,233	1,536	770	789	-36.0%	881	11.7%
Sales and Use Tax	6,450	6,174	6,722	6,272	6,197	0.4%	6,649	7.3%
Motor Fuel	1,852	1,873	1,926	1,734	1,898	1.3%	1,954	3.0%
Other Taxes	1,998	2,030	2,066	1,825	2,000	-1.5%	1,979	-1.1%
Total Taxes	\$24,008	\$23,719	\$24,904	\$22,671	\$23,353	-1.5%	\$24,201	3.6%
Regulatory Fees and Sales	\$1,731	\$1,760	\$1,728	\$1,476	\$1,493	-15.1%	\$1,582	5.9%
Total General Funds	\$25,739	\$25,479	\$26,632	\$24,147	\$24,846	-2.5%	\$25,783	3.8%
TOTAL TREASURY RECEIPTS	\$27,558	\$27,372	\$28,109	\$25,912	\$26,567	-2.9%	\$27,253	2.6%



Department of Revenue Receipts

YTD Comparisons through March (\$000's)

This table provides information only for those revenues received by the Department of Revenue (DOR).

DOR Receipts	FYTD 2020	FYTD 2021	\$ Change	% Change
Net Taxes: DOR				
Income Tax - Individual	\$8,957,282	\$10,138,604	\$1,181,322	13.2%
Income Tax - Corporate	770,019	920,370	150,351	19.5%
Sales and Use Tax - General	4,703,968	4,933,068	229,100	4.9%
Motor Fuel Taxes	1,381,476	1,381,018	(458)	0.0%
Tobacco Taxes	165,324	177,450	12,126	7.3%
Alcoholic Beverage Tax	150,762	167,956	17,194	11.4%
Property Tax	1,119	1,210	91	8.1%
Motor Vehicle Revenues				
Highway Impact Fees	12,332	14,775	2,443	19.8%
Tag, Title and Fees	295,536	297,708	2,172	0.7%
Title Ad Valorem Tax	533,428	519,039	(14,389)	-2.7%
Motor Vehicle Subtotal	841,296	831,523	(9,773)	-1.2%
Total Net Taxes - DOR	16,971,246	18,551,200	1,579,953	9.3%
Hotel/Motel Fees	130,459	95,621	(34,838)	-26.7%
Other Interest, Fees and Sales (1)	288,987	289,850	863	0.3%
Total DOR Receipts	\$17,390,692	\$18,936,670	\$1,545,978	8.9%

(1) Other Interest, Fees and Sales include payments that have been deposited in the bank, but for which returns may have not been processed. These undistributed tax payments then are re-classified to the appropriate revenue tax account (once the return is processed). It also includes Unclaimed Property collections.

Source: Georgia Department of Revenue (unaudited amounts). Amounts as shown may not add precisely due to truncating amounts less than \$1,000.



Revenue Shortfall Reserve

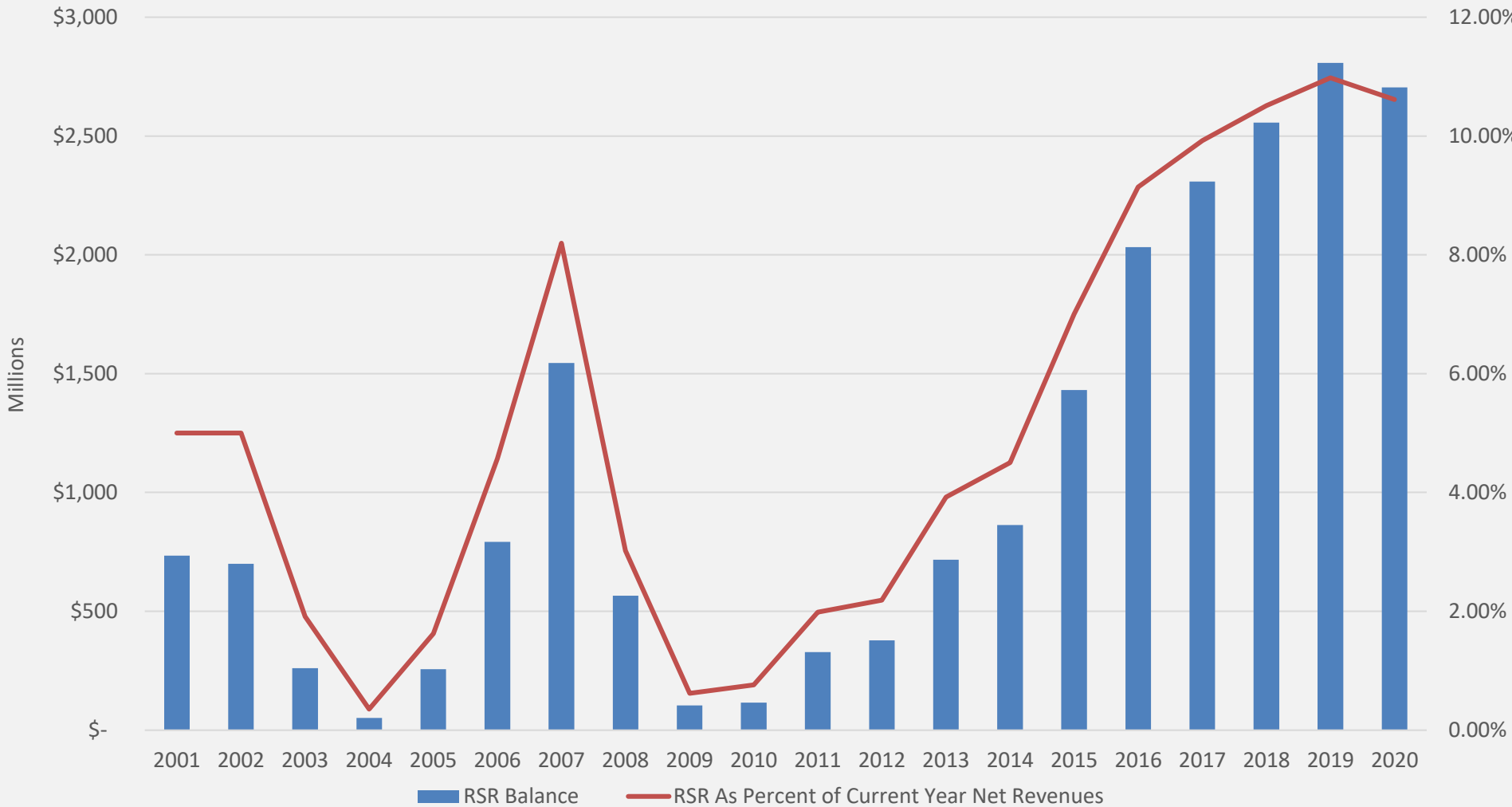
Preliminary Revenue Shortfall Reserve

Total Beginning Revenue Shortfall Reserve - July 1, 2019	\$ 3,063,294,257
FY 2019 Appropriation of Mid-Year Adjustment for Education	<u>(255,710,647)</u>
Adjusted FY 2019 Revenue Shortfall Reserve	2,807,583,610
FY 2020 Excess Funds	(263,113,740)
FY 2020 Audited Lapse	<u>415,314,668</u>
SubTotal	\$2,959,784,579
Less: FY 2021 1% Mid-year Adjustment for K-12	<u>(254,789,164)</u>
June 30, 2020 RSR	\$2,704,995,415
Change Over Prior Year	(\$102,588,195)

FY 2020 RSR balance is 10.6% of prior year revenues.

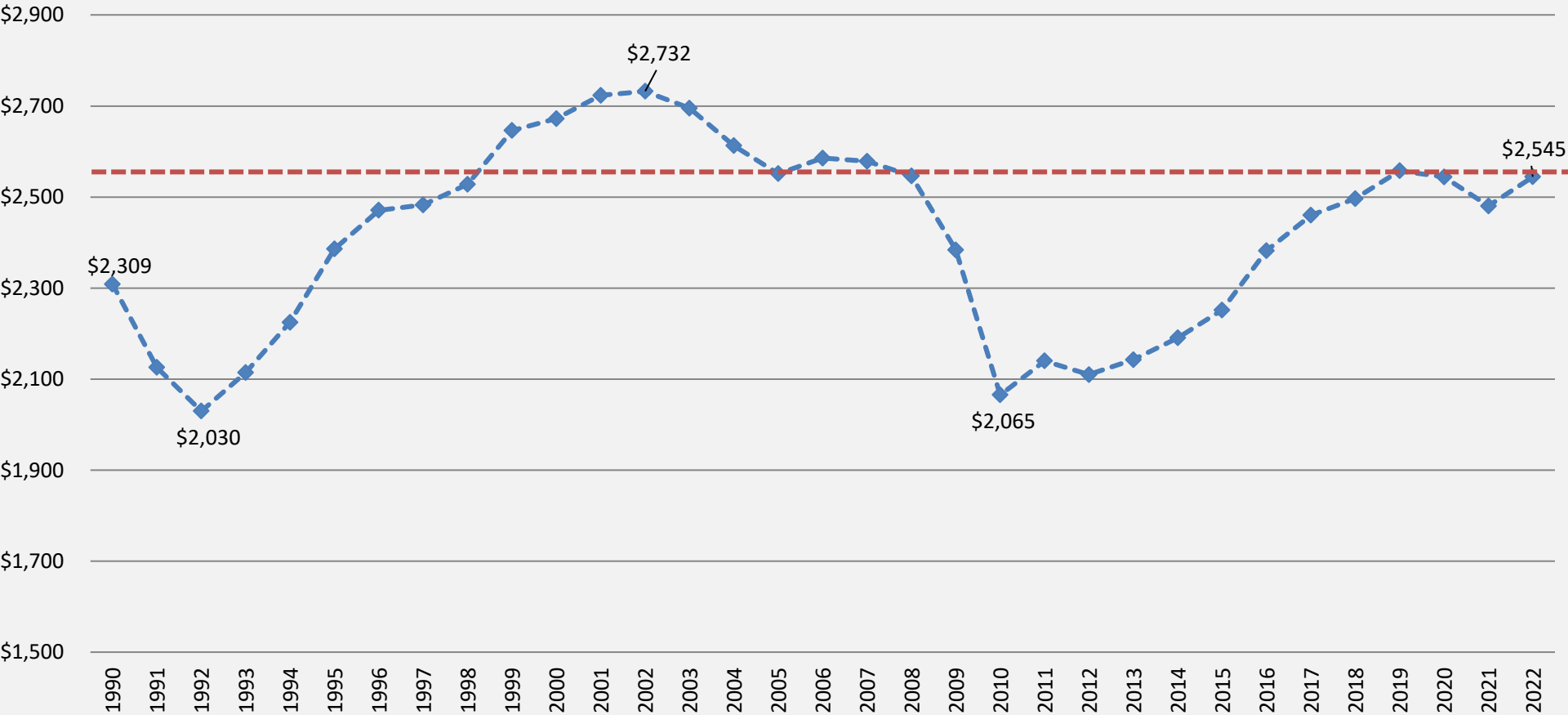


Revenue Shortfall Reserve





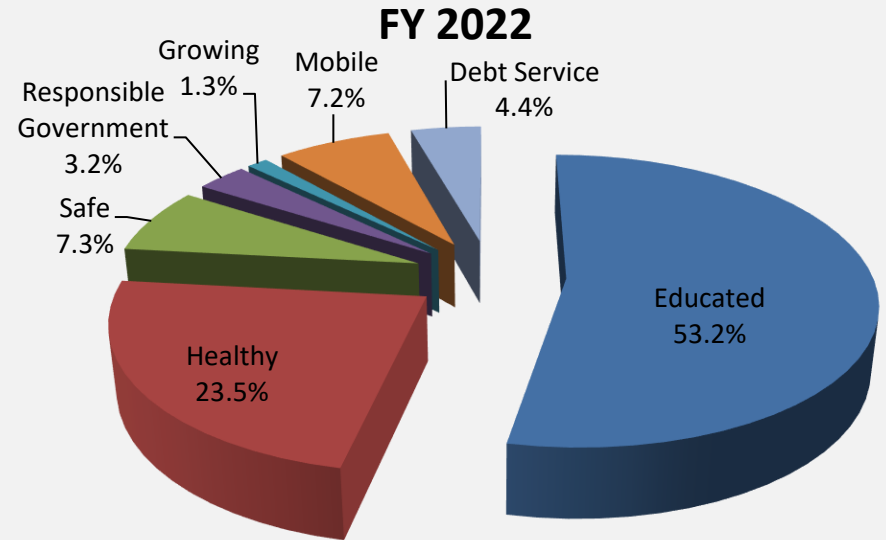
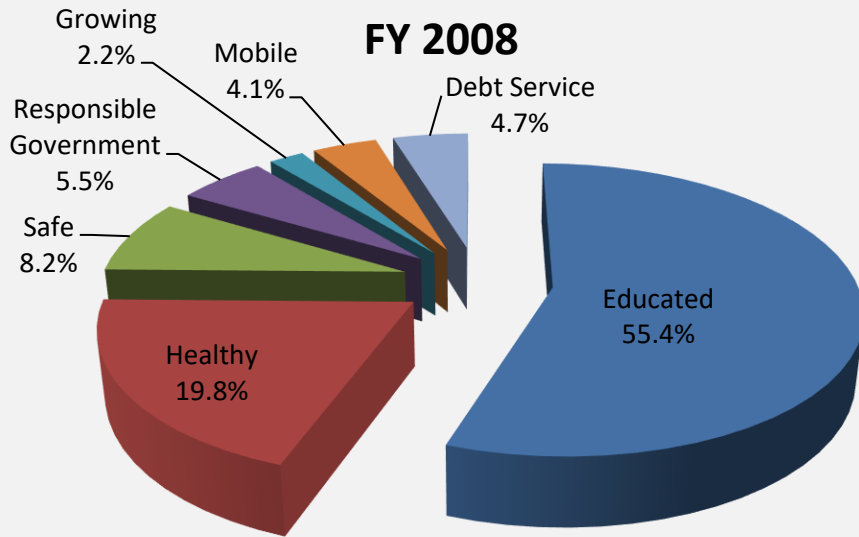
State Funds Expenditures Per Capita



*All amounts shown are adjusted for inflation to current fiscal year dollars



Budget by Policy Area: FY 2008 to FY 2022



Policy Area	FY 2008	FY 2022
Educated	\$11,389,069,118	\$14,510,467,592
Healthy	4,075,882,914	6,394,660,075
Safe	1,691,104,443	1,985,235,263
Responsible Government	1,134,248,784	862,337,802
Growing	452,134,967	351,878,271
Mobile	832,725,819	1,954,165,517
Debt Service	969,780,103	1,193,825,076
Total	\$20,544,946,148	\$27,252,569,596



State Funds by Policy Area

Since FY 2020

Policy Area	FY 2020 Final Budget	Original FY 2021	Amended FY 2021	Original FY 2022	Change from FY 2020
Educated	\$15,131,086,393	\$13,748,159,619	\$14,436,026,691	\$14,510,467,592	-4.1%
Healthy	5,888,074,018	5,993,572,241	5,631,881,947	6,394,660,075	8.6%
Safe	2,033,814,362	1,982,356,888	2,020,679,828	1,985,235,263	-2.4%
Responsible Government	988,144,268	813,861,928	857,960,623	862,337,802	-12.7%
Growing	306,009,919	307,678,809	346,998,853	351,878,271	15.0%
Mobile	1,993,429,093	1,730,676,529	1,930,601,903	1,954,165,517	-2.0%
Debt Service	1,143,272,036	1,336,111,366	1,342,561,781	1,193,825,076	4.4%
Total	\$27,483,830,089	\$25,912,417,380	\$26,566,711,626	\$27,252,569,596	-0.8%



Amended FY 2021 Budget

Revenues

- \$702 million in additional general funds over the base, including \$159 million in motor fuel funds
- Assumes a 2.5% general fund revenue decline over FY 2020

Educated Georgia

- \$577 million to restore austerity for K-12
- \$13 million reduction to K-12 formula for enrollment growth
- \$73.6 million for prior-year higher education formula growth

Healthy Georgia

- \$421 million in savings for the enhanced FMAP percentage



Growing/Mobile Georgia

- \$20 million to establish the Rural Broadband Infrastructure Grant Program
- \$200 million for the Department of Transportation

Other

- \$56 million for a one time pay supplement for state employees earning less than \$80,000
- \$25 million for Forestland Protection Grants
- \$26 million for vehicles and equipment for state agencies



FY 2022 Budget

Revenues

- \$1.6 billion in general funds over the FY 2021 base budget, including \$256.3 million in dedicated transportation funding
- Assumes 3.8% general fund growth over AFY 2021 revenue estimate

Educated Georgia

- \$577 million to restore austerity for K-12
- \$177 million for QBE, Equalization, and State Charter School Supplement
- \$65.6 million for higher education funding formulas
- \$73.6 million for prior-year higher education formula growth
- \$67 million for ADEC for Teachers Retirement System

Healthy Georgia

- \$335 million for Community Health
- \$59 million for Behavioral Health



FY 2022 Budget

Growing Georgia/Mobile Georgia

- \$40 million for the Rural Innovation Fund
- \$10 million for Broadband Infrastructure Grant Program
- \$223.5 for the Department of Transportation

Capital Outlay

- \$94 million in debt service for \$983 million capital outlay package
- \$232 million in Debt Sinking Fund savings from low rates



FY 2023 Growth Needs

- Retirement Systems
- K-12 Education Growth
- Higher Education Growth – Regents, TCSG, Dual Enrollment
- Medicaid Growth
- Transportation Funding
- HB 511 Trust Funds
- Debt Service



FY 2021 Year End



FY 2021 Year End Spending

- Coronavirus Relief Funds
 - Use 3Y999 after reimbursement is received
- Aging Purchase Order Review
 - Review of purchase orders with little or no activity since FY 2020
- Motor Vehicles
 - Requests due to DOAS by May 15
- One-Time Purchases
 - Discuss with your budget analysts



FY 2021 Year End Key Dates

- Fiscal Affairs
 - May 21 – Deadline for transfer requests
 - June 17 – Fiscal Affairs Meeting
- Final Amendments
 - **Close 1: July 28 Close 2: August 11**
 - Allow for flexibility with post closing adjustments in final amendment as PBCS extensions will not be granted to correct for overspending



FY 2021 Year End Key Dates

- FY 2021 Reserve Requests and Surplus
 - AFY 2021 appropriations must be encumbered and will not be reserved
 - Spending Order Policy
 - Will coordinate reserve requests with SAO to ensure amounts requested tie to BCR reported amounts



FY 2022 Annual Operating Budget



FY 2022 Annual Operating Budget

- Governor to sign budget by May 10
- PBCS available for AOB entry May 17
- PBCS will be preloaded with financial information
- Agencies responsible for object class spending plan
- AOBs due in PBCS by May 31