



FY 2022 Year End to FY 2024 Budget Development

Georgia Fiscal Management Council

April 27, 2022



Agenda

- Revenue Update
- AFY 2022 and FY 2023 Budget Highlights
- FY 2024 – A Look Ahead
- Strategic Planning
- Questions





AFY 2022 and FY 2023 Revenue Estimates

(In millions)

	FY 2020 Actuals	FY 2021 Actuals	Δ FY 2020 Actual	FY 2022 Estimate	AFY 2022 Estimate	Δ FY 2021 Actual	FY 2023 Estimate	Δ AFY 2022
General Funds								
Taxes								
Income Tax - Individual	\$12,408	\$14,221	14.6%	\$12,739	\$14,112	-0.8%	\$14,102	-0.1%
Income Tax - Corporate	1,233	1,751	42.0%	881	1,425	-18.6%	1,397	-2.0%
Sales and Use Tax-General	6,174	6,947	12.5%	6,649	7,305	5.2%	7,402	1.3%
Motor Fuel	1,873	1,782	-4.9%	1,954	1,954	9.7%	2,003	2.5%
Other Taxes	2,030	2,148	5.8%	1,979	2,121	.07%	2,062	-2.8%
Total Taxes	\$23,719	\$26,849	13.2%	\$24,201	\$26,917	0.3%	\$26,966	0.2%
Total Regulatory Fees and Sales	\$1,760	\$1,743	-0.9%	\$1,582	\$1,656	-5.0%	\$1,669	0.8%
Total General Funds	\$25,479	\$28,592	12.2%	\$25,783	\$28,574	-0.1%	\$28,635	0.2%
Lottery, Tobacco, Other Funds	1,893	2,436	28.7%	1,469	1,759	19.7%	1,569	-10.8%
TOTAL STATE TREASURY RECEIPTS	\$27,372	\$31,028	13.4%	\$27,253	\$30,332	-2.2%	\$30,500	0.5%





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 2021	FYTD 2022	\$ Change	% Change
Net Taxes: DOR				
Income Tax - Individual	\$10,138,604	\$11,992,976	\$1,854,371	18.3%
Income Tax - Corporate	920,370	1,240,260	319,890	34.8%
Sales and Use Tax - General	4,933,068	6,066,357	1,133,288	23.0%
Motor Fuel Taxes	1,381,018	1,495,726	114,708	8.3%
Tobacco Taxes	177,450	178,068	618	0.3%
Alcoholic Beverage Tax	167,956	169,800	1,843	1.1%
Property Tax	1,210	1,429	219	18.1%
Motor Vehicle Revenues				
Highway Impact Fees	14,775	17,339	2,564	17.4%
Tag, Title and Fees	297,708	306,425	8,717	2.9%
Title Ad Valorem Tax	519,039	582,414	63,375	12.2%
Motor Vehicle Subtotal	<u>831,523</u>	<u>906,178</u>	<u>74,656</u>	9.0%
Total Net Taxes - DOR	18,551,200	22,050,793	3,499,593	18.9%
Hotel/Motel Fees	95,621	136,923	41,302	43.2%
Other Interest, Fees and Sales (1)	<u>289,850</u>	<u>335,260</u>	<u>45,410</u>	15.7%
Total DOR Receipts	<u>\$18,936,670</u>	<u>\$22,522,975</u>	<u>\$3,586,305</u>	18.9%

(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.

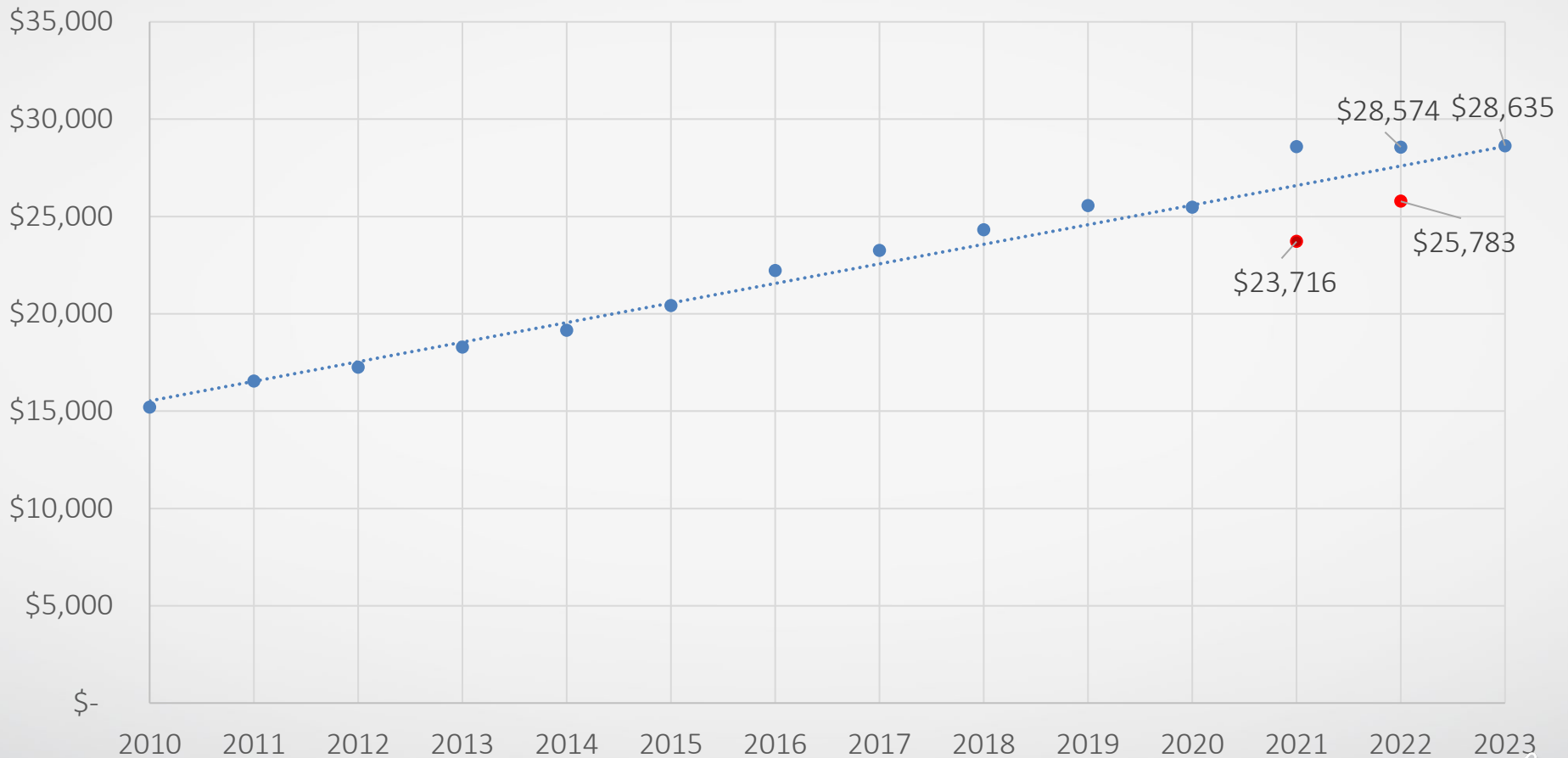
Source: Georgia Department of Revenue (unaudited amounts). Amounts as shown may not add precisely due to truncating amounts less than \$1,000.





Historical State Revenues

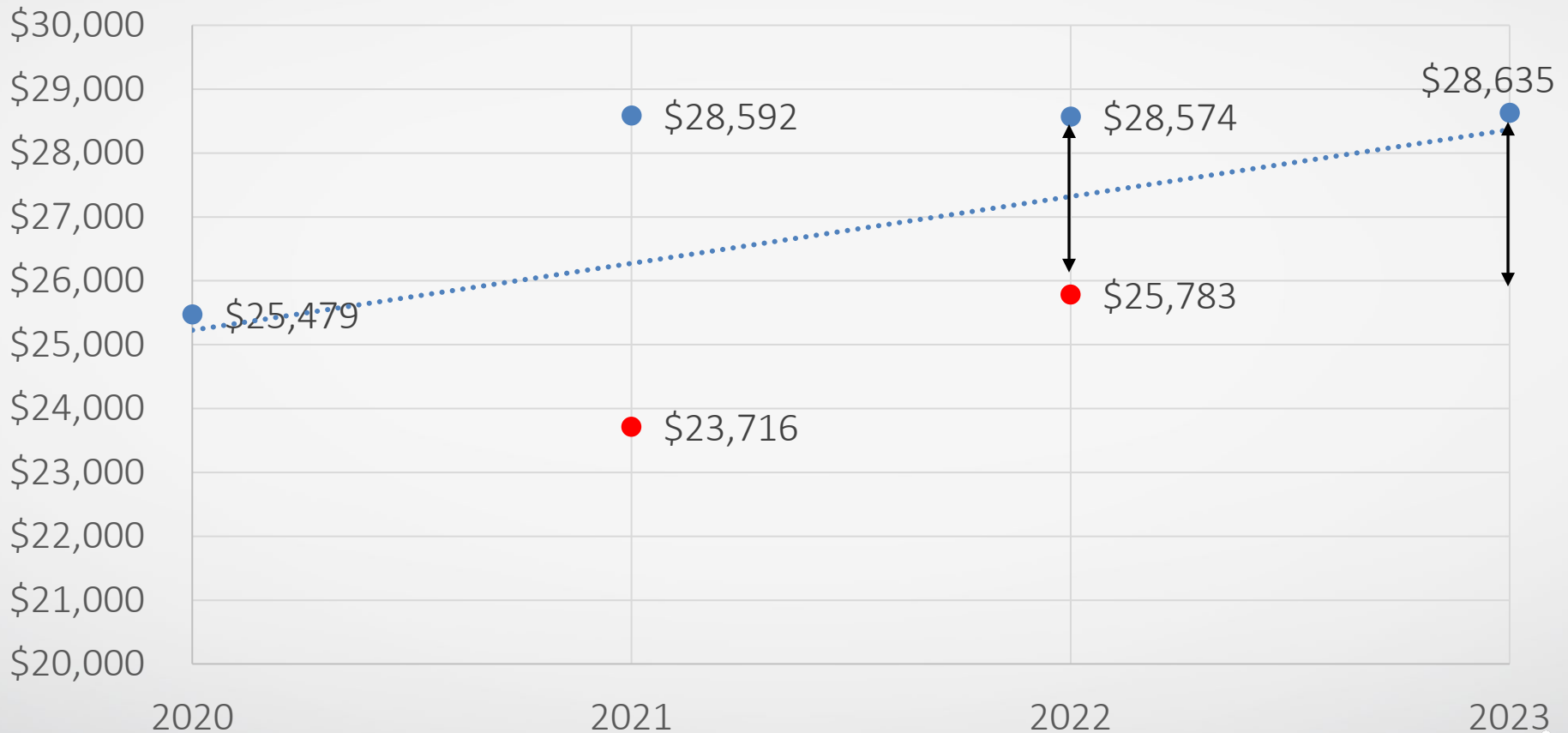
State General Fund Revenue
(in millions)





Revenue Estimates vs Budget

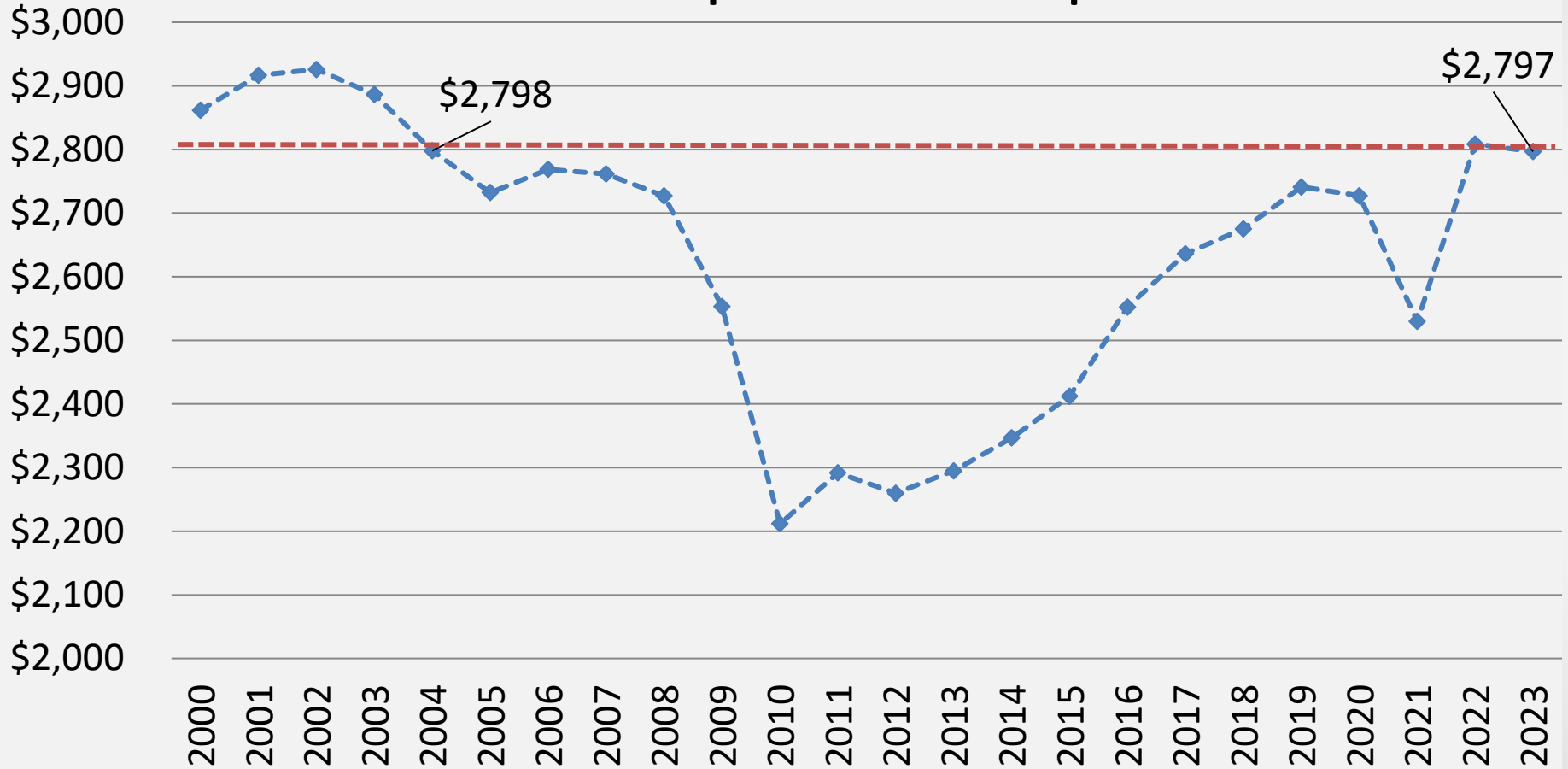
State General Fund Revenue
(in millions)





State Funds Expenditures Per Capita

State Funds Expenditures Per Capita



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





Amended FY 2022 Budget Highlights

The Amended FY 2022 budget increased the revenue estimate over the original budget by \$2.8 billion in general fund revenue, based on FY 2021 actual revenue performance. Governor Brian Kemp signed the Amended FY 2022 budget on March 17, 2022. The Amended budget prioritized restoring funds for K-12 education, funding retention initiatives for teachers and state employees, and maximizing one-time investment opportunities.

Over \$1 billion for the Department of Education for K-12 education, including:

- \$383 million austerity restoration for the K-12 Quality Basic Education funding formula
- \$188 million for local schools to replace out of cycle school buses over 3 years
- \$405 million to provide a \$2,000 supplement for teachers and support staff





Amended FY 2022 Budget Highlights

Capital and economic investments:

- \$432.5 million for the state prison facility transformation initiative
- \$175 million for vehicle and equipment replacement, facility rehabilitation and repair, and project design funding
- \$45 million to consolidate state agency rental space on Capital Hill
- \$83 million for the Department of Transportation to provide the match for the federal Infrastructure Investment and Jobs Act (IIJA)
- \$112.6 million for land acquisition and development in support of the Rivian, Inc. economic development project

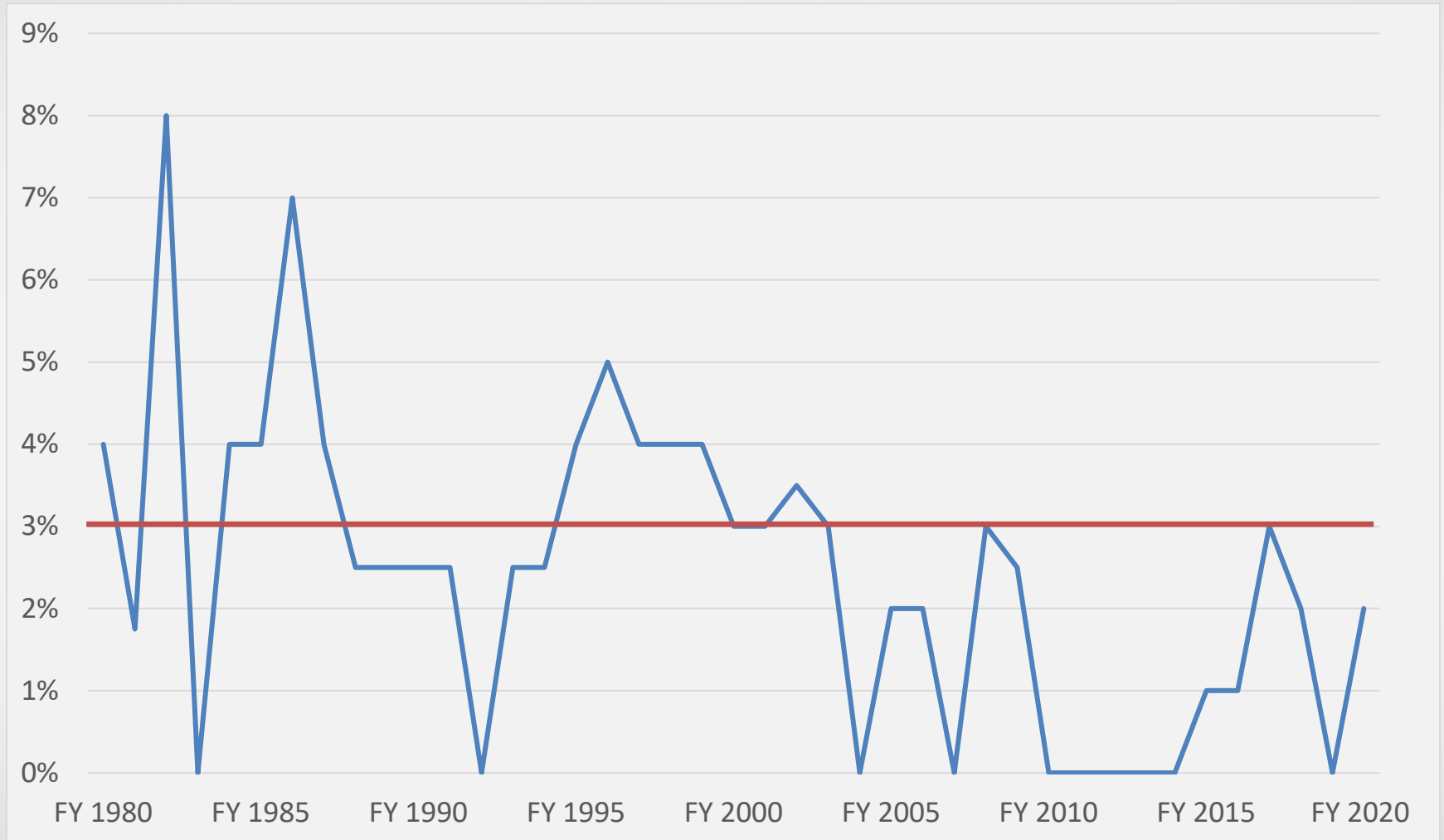
Employee retention and recruitment:

- \$556 million to provide a \$5,000 cost-of-living adjustment to state and University System employees
- \$230 million for the State Health Benefit Plan



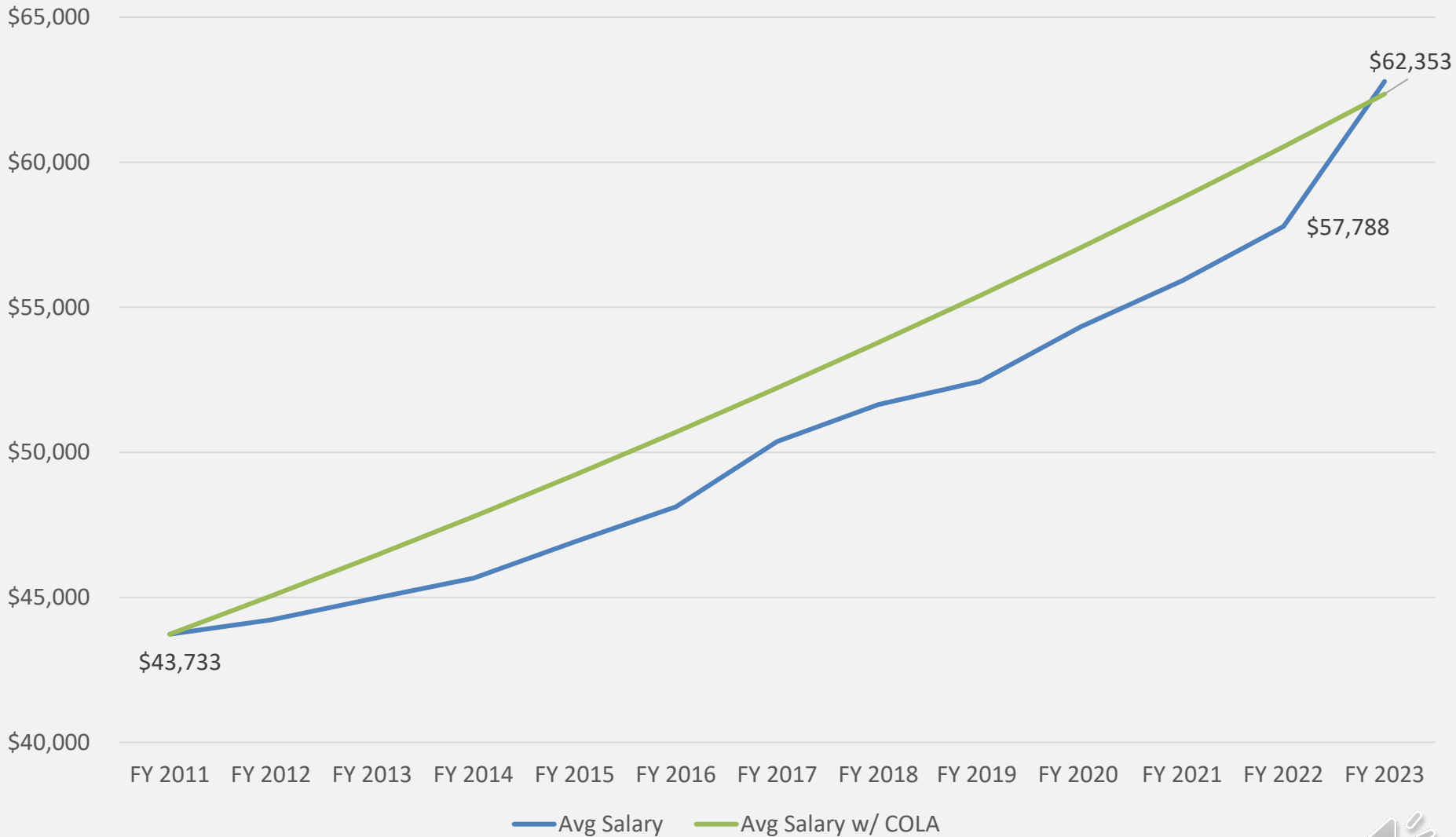


State Employee Annual Salary Adjustments 1980 - 2020





Average State Employee Salary Since FY 2011





FY 2023 Budget Highlights

The General Assembly approved the \$30 billion FY 2023 appropriations act on April 4. The FY 2023 budget provides an additional \$2.85 billion over the base budget but is built on a state general fund revenue increase of 0.2% compared to the AFY 2022 budget.

Investments in K-12 and higher education:

- \$320 million to provide a \$2,000 pay raise for K-12 teachers, Pre-K teachers, and assistant teachers, nurses, bus drivers, and nutrition workers.
- \$207 million for a \$5,000 COLA for University System of Georgia (USG) full-time employees
- \$388 million to restore austerity to QBE and other programs directly supporting K-12 instruction
- \$230 to restore austerity in the USG teaching formula and enable institutions to eliminate the Special Institutional Fee and \$100 million to fully fund a 1.2% increase in credit hour enrollment.
- \$33 million to restore austerity in the Technical College System (TCSG) funding formula to enable TCSG to expand instruction in high-cost, critical workforce programs





FY 2023 Budget Highlights, cont.

Expanding access to affordable, comprehensive, and quality healthcare:

- \$365 million for the Medicaid services
- \$98 million for the Department of Behavioral Health and Developmental Disabilities
- \$139 million to implement the Patients First Act and implement the state reinsurance program

Investments in state workforce, facilities, and technology:

- \$405 million to provide a \$5,000 cost of living adjustment for state employees.
- \$120 million for the Employees' Retirement System
- \$25 million to allow employees to withdraw up to 40 hours of leave as salary annually
- \$138 million in ongoing capital facility maintenance and repairs for state agencies
- \$51 million for the Georgia Technology Empowerment Fund for next generation information technology projects





A Look Ahead

- FY 2022 Year End
- June Bond Sale
- FY 2023 AOB
- FY 2024 Budget Development

