



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

# FY 2023 Year End to FY 2025 Budget Development

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Georgia Fiscal Management Council

June 29, 2023



# Agenda

- Revenue Discussion and Spending Trends
- AFY 2023 and FY 2024 Budget Highlights
- Employee Salaries
- Strategic Planning
- Questions



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# Revenue and Spending Trends

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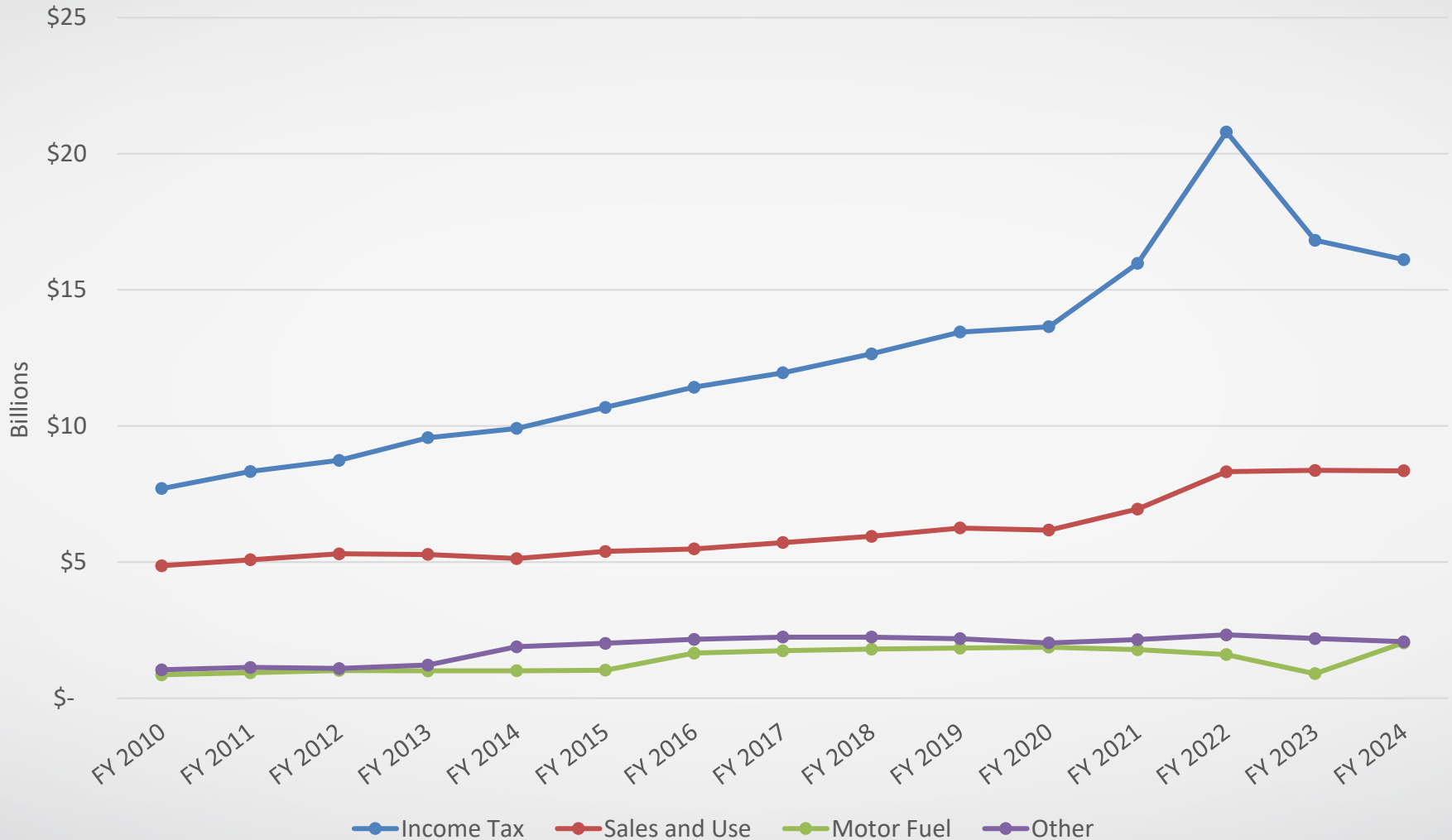
# Department of Revenue Receipts

## YTD Comparisons through May (\$000's)

State General Fund Receipts	Year-to-Date		\$ Change	% Change
	FY 2023	FY 2022		
<b>Net Tax Revenues:</b>				
Income Tax - Individual	\$ 15,680,192	\$ 16,812,267	\$ (1,132,075)	-6.7%
Income Tax - Corporate	\$ 3,398,650	\$ 2,030,235	\$ 1,368,415	67.4%
<b>Sales and Use Tax - General:</b>				
Sales and Use Tax - Gross	\$ 16,419,400	\$ 15,024,170	\$ 1,395,230	9.3%
Local Distribution (Note 1)	\$ (8,066,528)	\$ (7,370,152)	\$ (696,376)	-9.4%
Adjustments \ Refunds	\$ (87,846)	\$ (56,187)	\$ (31,658)	-56.3%
Net Sales and Use Tax - General	\$ 8,265,027	\$ 7,597,831	\$ 667,196	8.8%
Motor Fuel Taxes	\$ 645,734	\$ 1,601,792	\$ (956,059)	-59.7%
Tobacco Taxes	\$ 213,486	\$ 217,950	\$ (4,464)	-2.0%
Alcoholic Beverages Tax	\$ 206,432	\$ 208,760	\$ (2,328)	-1.1%
Property Tax	\$ 1,213	\$ 1,435	\$ (223)	-15.5%
<b>Motor Vehicle Revenues:</b>				
Highway Impact Fees	\$ 26,179	\$ 21,472	\$ 4,708	21.9%
Tag, Title and Fees	\$ 373,392	\$ 372,913	\$ 479	0.1%
Title Ad Valorem Tax	\$ 756,404	\$ 728,514	\$ 27,890	3.8%
Motor Vehicle Subtotal	\$ 1,155,976	\$ 1,122,898	\$ 33,077	2.9%
<b>Total Net Taxes - Subtotal</b>	<b>\$ 29,566,710</b>	<b>\$ 29,593,169</b>	<b>\$ (26,460)</b>	<b>-0.1%</b>
<b>Interest, Fees and Sales:</b>				
Hotel \ Motel Fees	\$ 182,909	\$ 171,931	\$ 10,977	6.4%
Other Interest, Fees & Sales (Note 2)	\$ 538,381	\$ 471,714	\$ 66,668	14.1%
<b>Total State General Fund Receipts</b>	<b>\$ 30,288,000</b>	<b>\$ 30,236,814</b>	<b>\$ 51,185</b>	<b>0.2%</b>

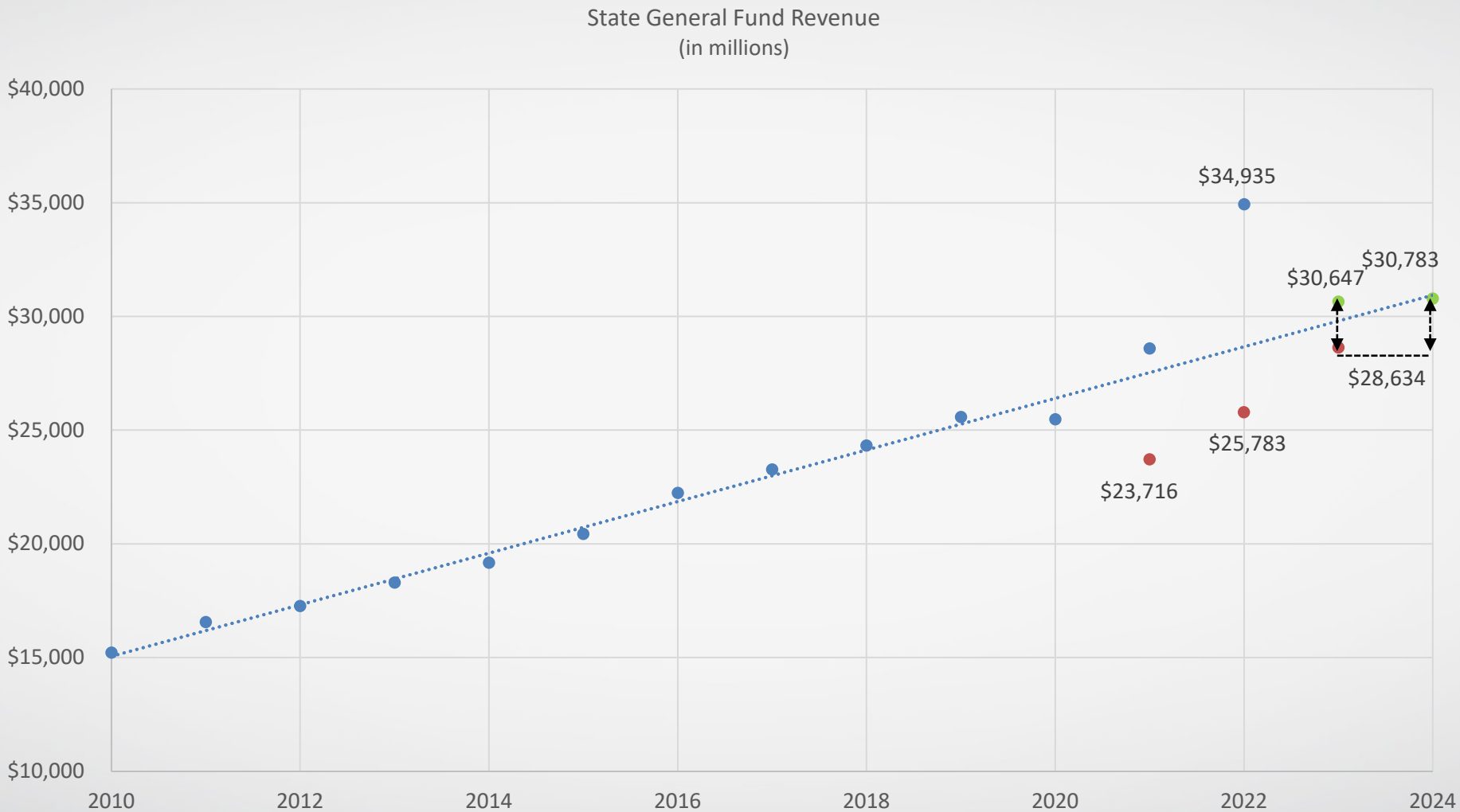


# Revenue by Tax Type Since FY 2010





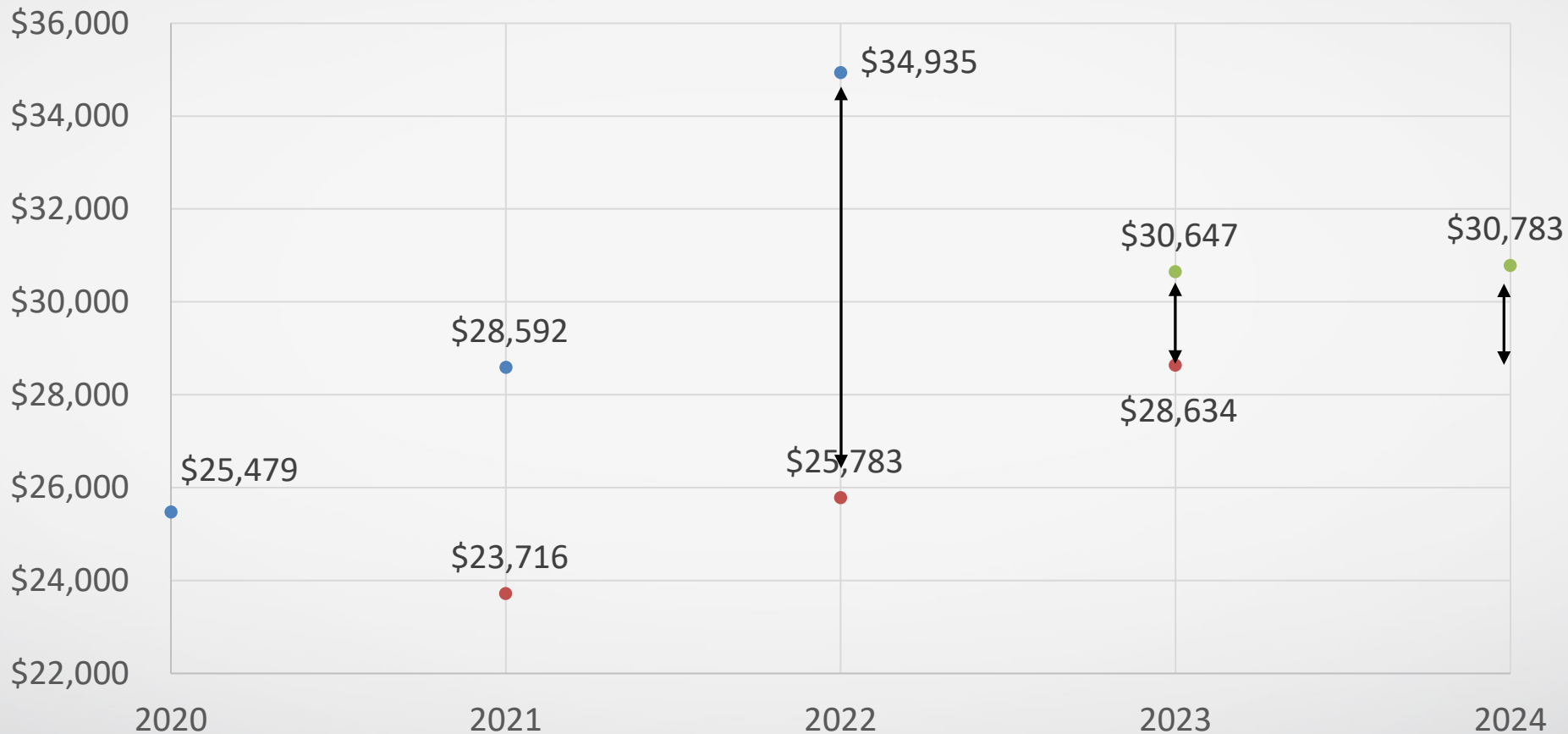
# Tax and Fee Revenue Post Great Recession





# Revenue Estimates vs Budget

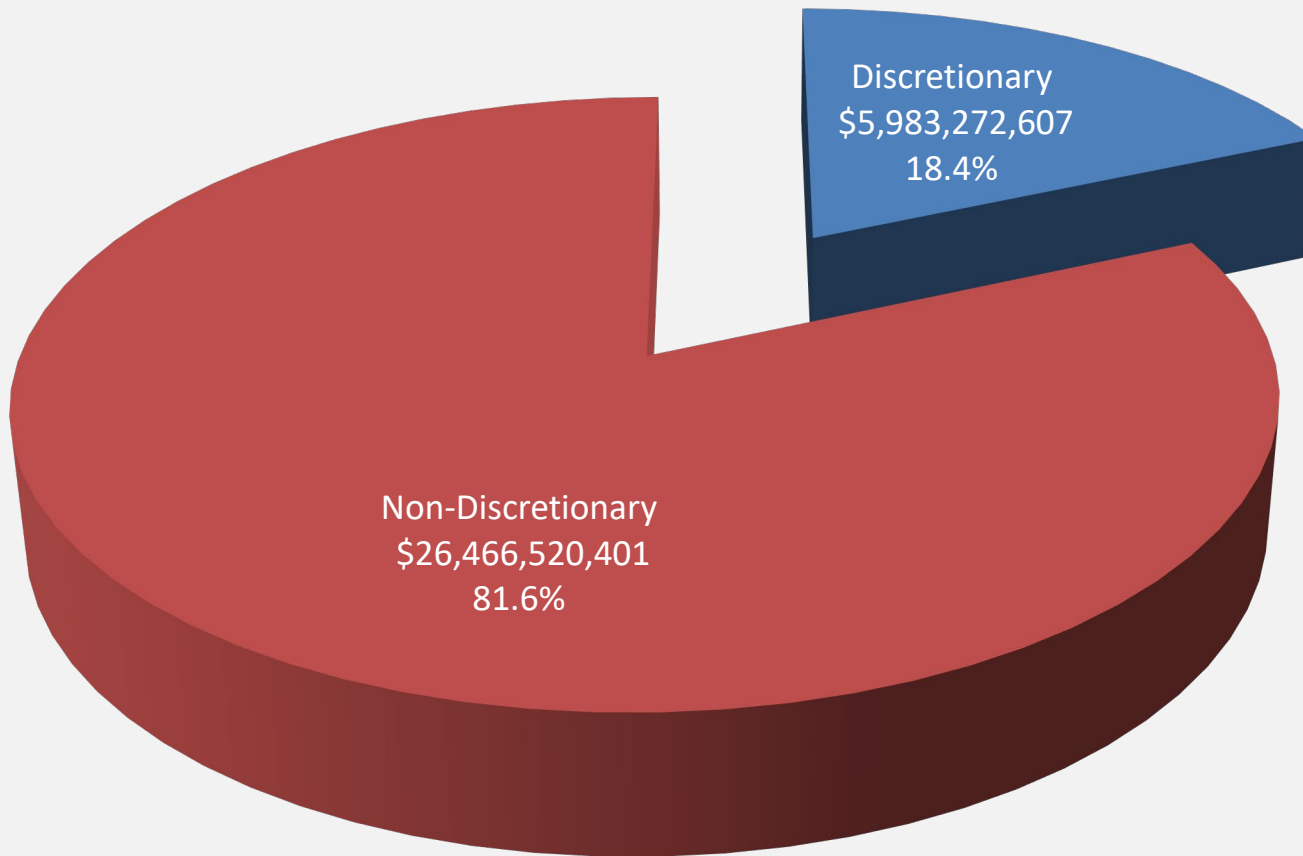
## State General Fund Revenue (in millions)





# State Discretionary Spending

## Discretionary Spending in the State Budget

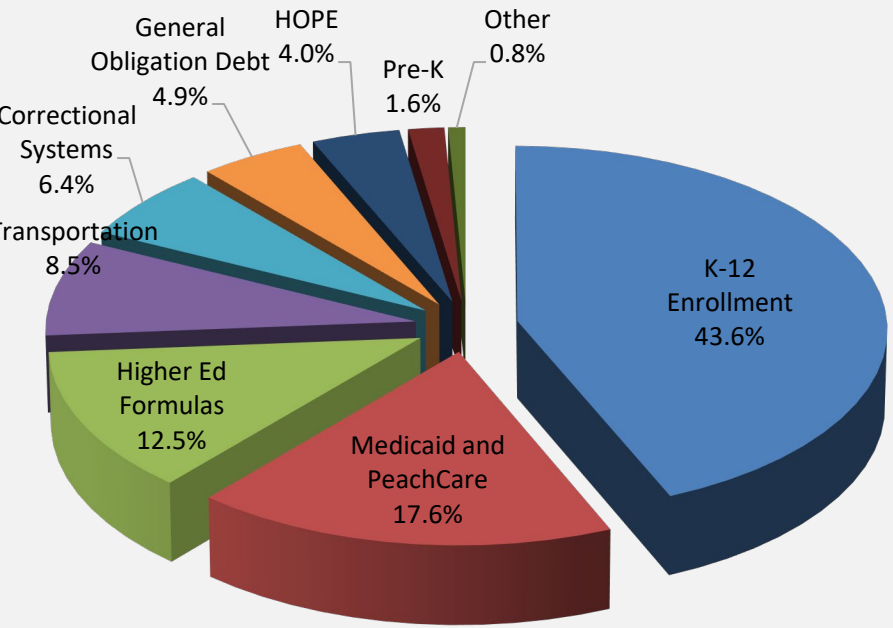




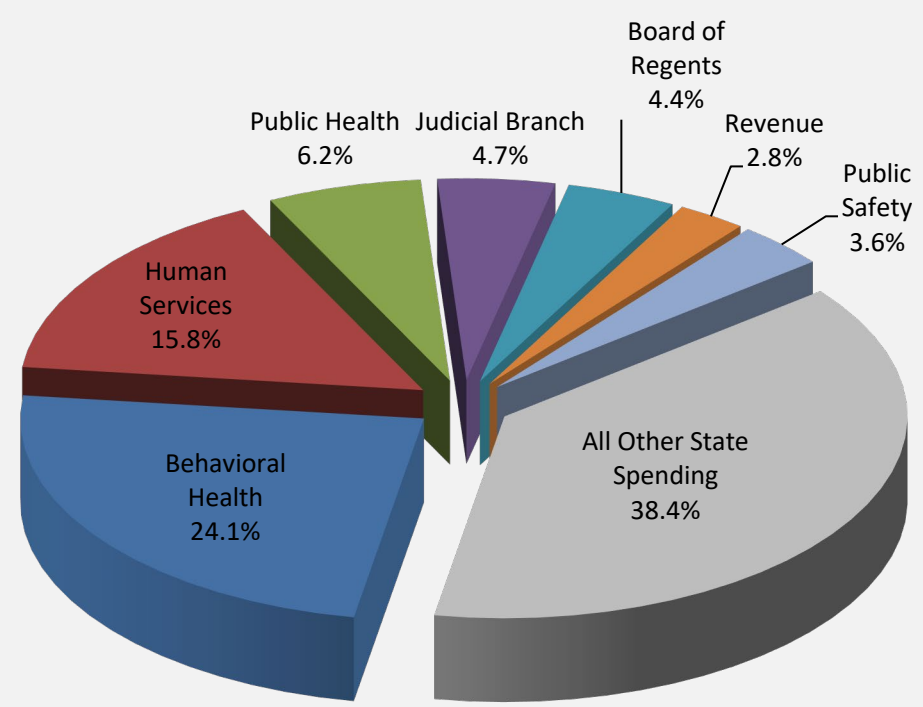


# State Discretionary Spending

### Non-Discretionary Spending by Category



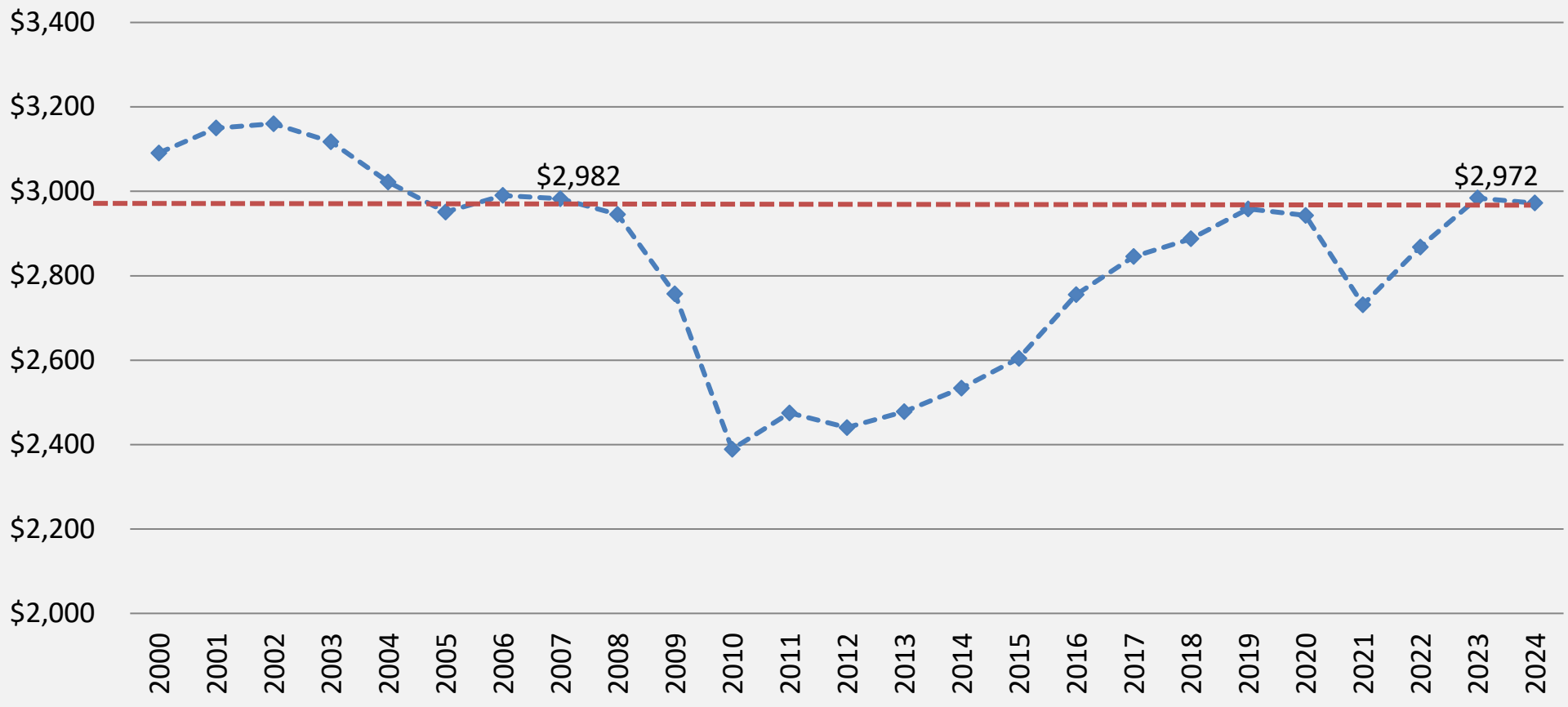
### Discretionary Spending by Agency





# State Funds Expenditures Per Capita

### State Funds Expenditures Per Capita



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



# Amended Fiscal Year 2023 Budget Highlights

The Amended FY 2023 budget increased the revenue estimate over the original budget by \$2.0 billion in general fund revenue, based on FY 2022 actual revenue performance. Governor Brian Kemp signed the Amended FY 2023 budget on March 10, 2023. The Amended budget prioritized tax relief for Georgians, funding for health care needs, and continuing economic development investment opportunities.

Over \$3 billion in tax relief for Georgians without impacting future revenues, including:

- \$1 billion for one-time income tax refunds between \$250 - \$500 for all Georgia taxpayers
- \$1.1 billion to suspend the motor fuel tax between July 1 - December 11
- \$950 million for Homeowner Tax Relief Grants to provide an average of \$500 in property tax relief for homeowners

Prioritizing health care for all Georgians:

- \$92 million for the state reinsurance program to reduce insurance premiums statewide
- \$428 million for K-12 employer contributions for the State Health Benefit Plan to support the Teachers' Plan
- \$241 million for Medicaid enrollment growth offset by \$506 million in FMAP savings from the public health emergency
- \$105 million for an electronic health records system for the Medical College of Georgia
- \$8.4 million for personnel and technology to prepare for expiration of the public health emergency

Economic Development and Infrastructure Investments:

- \$166.7 million for the Regional Economic Business Assistance program
- \$73.2 million for the Quick Start program to support the electric vehicle industry
- \$115.7 million for school security grants of \$50,000 per school
- \$66.5 million for maintenance and security capital expenses for Department of Corrections
- \$35 million to establish a Rural Workforce Housing Fund
- \$20 million for demolition of unoccupied state facilities
- \$34.5 million for a statewide public safety radio network



# Fiscal Year 2024 Budget Highlights

The \$30.8 billion FY 2024 budget was signed by Governor Brian Kemp on May 5, 2023. The FY 2024 budget provides an additional \$2.1 billion in funding over the original FY 2023 budget and assumes state general fund revenue growth of 0.4% over Amended FY 2023. The budget continues the state's investments in its workforce, fully funding education and supporting Georgia's teachers, improving access to affordable health care, and promoting workforce readiness for our citizens. The budget is structurally balanced with no use of one-time revenues or reserves.

## Workforce Recruitment and Retention:

- \$248 million for a \$2,000 cost-of-living adjustment for full-time state employees
- \$296 million for a \$2,000 cost-of-living adjustment for certified K-12 teachers
- \$20.6 million for a \$2,000 cost-of-living adjustment for certified Pre-K teachers and assistant teachers
- \$26.5 million for an additional \$2,000-\$4,000 salary increase for certain law enforcement officers

## Promoting Affordable Health Care Access:

- \$840 million for K-12 education to increase the State Health Benefit Plan employer premiums for the Teacher Plan
- \$237.6 million for Medicaid and PeachCare for Kids for expense and enrollment growth
- \$52.2 million for the Georgia Pathways to Coverage program
- \$46 million for the state's reinsurance program
- \$17.1 million for the Board of Regents for employer health premiums

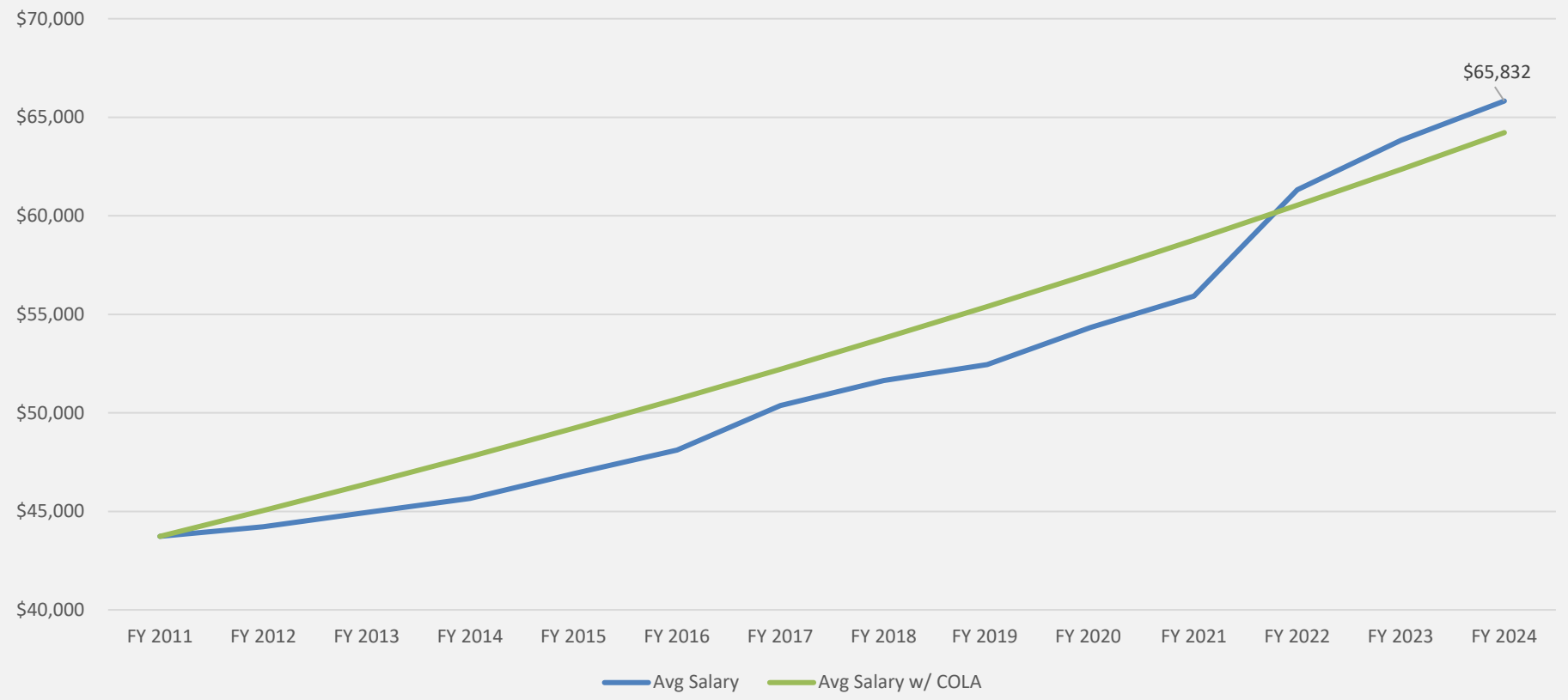
## Building the Workforce Pipeline:

- \$50 million to increase HOPE Scholarship and Grant tuition awards to 100% to keep higher education affordable
- \$46 million for Quick Start for a new electric vehicle training center
- \$8.2 million for Technical Education for high-cost, high-demand programs in Aviation, Nursing, and CDL



# State Employee Salary Update

### Average State Employee Salary Since FY 2011





# Questions?

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