

Georgia CURB

Georgia Coalition United for a Responsible Budget

October 24, 2006

The Honorable Sonny Perdue
Governor
State Capitol
Atlanta, Georgia 30334

Dear Governor Perdue:

We wish to bring to your attention our views regarding the current efforts of the various legislative study committees to develop recommendations for revising the state's system for taxes and other revenues. We call upon the General Assembly to encourage modernizing our tax system, but to insist that any reform must not reduce overall state and local revenues. We believe that the General Assembly's modifications should reflect a focus on the critical link between the vital short and long-term needs of our state and local budgets and the overall tax system.

Further reductions in the revenue base would inhibit Georgia's ability to provide important basic services—services that are becoming even more critical as the state continues to experience unprecedented growth. Georgia is currently the 6th fastest growing state in the country. This growth increases needs for new classrooms, law enforcement personnel, health and social services, and new roads and bridges, and places greater demands on our water supplies.

At present, Georgia is one of the lowest tax states in the nation. Georgia is ranked 43rd nationally in state taxes as a percent of personal income, and Georgians are paying less in state taxes as a percent of personal income than at anytime over the past 25 years. We support Georgia maintaining itself as a moderately low-tax state, but it is not in the state's interest to keep Georgia near the bottom in the nation on that measure while ignoring the critical revenue needs our state faces to meet basic state government obligations for providing services and building and maintaining infrastructure. Doing so would drastically reduce the quality of life of Georgia's citizens and negatively impact continued economic growth.

Georgia has been cutting state budgets for almost 10 years because of budget redirects under Governors Miller and Barnes and the budget reductions under your administration caused by the recent recession. Only recently has Georgia been in the fiscal position to fill some of the many budget gaps resulting from a decade of budget cuts. Approximately 89 percent of Georgia's FY2007 budget was spent on basic traditional government services such as education, healthcare, public safety, transportation, and social services (such as child protective services, aging services and mental health). Enacting reductions or new limitations on tax revenues now without offsetting them with other revenue

sources could soon force the state to reduce these essential government services to levels that would call into question Georgia's ability and commitment to provide the quality of life our citizens expect and deserve.

Our compelling interest is in ensuring that proposed tax reforms protect and enhance the state's ability to make real progress in achieving Georgia's desired policy outcomes for all its citizens. Georgia ranks very low on multiple national indicators:

- Georgia ranks 44th in the nation overall on state profiles of child well-being (2006 KIDS COUNT report, a project by the Annie E. Casey Foundation),
- Georgia ranks 43rd in overall health (United Health Foundation). In addition, well over a million Georgians, including 300,000 children, remain uninsured.
- Georgia's education outcome rankings (math, science, reading and graduation rates) are among the lowest in the nation.

Improvements in these indicators are critical for future economic growth. Policy discussions involving revenue decisions should focus on assuring funding is available to make the needed improvements. We need public discussion of the role of state government in improving Georgia's ranking in education, health, economic, and quality of life indicators.

We urge you to provide leadership in moderating the ongoing tax reform discussions to ensure that we can meet important current and future needs and that the pressure to respond to popular but unwise revenue initiatives does not cost our state the ability to drive its own destiny.

We are firmly convinced that Georgia's interests are best served by the adoption of revenue generation policies that reflect modernization, transparency, fairness, and responsiveness to the education, public safety, transportation, healthcare, and environmental needs of the state as a whole, as well as the specific problems facing our most vulnerable citizens.

Thank you very much for your consideration of our views.

Sincerely,

The Undersigned Organizations

AARP GEORGIA

Ken Mitchell, State Director

ATLANTA COMMUNITY FOOD BANK

Bill Bolling, Executive Director

BARTON CHILD LAW AND POLICY
CENTER

Robin Nash, Director

CHRIS KIDS, INC.

Kathy Colbenson, Chief Executive Officer

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