We are right in the middle; in the middle of the session with the 20th day passing on February 18th; in the middle of a two-week break, with the session going back on March 8th for the 21st day; and in the middle of the biggest budget challenge at the beginning of a new decade and century. Even long-time legislators like Senator George Hooks, former Chair of the Senate Appropriations Committee, are concerned and perplexed about what to do to balance the budget and move Georgia forward.

The Legislature took the two-week break to concentrate on the FY 2011 State Budget. Governor Perdue presented a budget that assumed a 4.2% growth for the next fiscal year. Unfortunately current revenue collections are telling a completely different story. The FY 2010 Amended budget faces a $1.2 billion cut from 2009 and there are many budget leaders and analysts who see another $200 million cut necessary. So how does one go into a new fiscal year coming out of such a weak one?

This is why the legislature took off two weeks. This past week they held budget hearings to bring in every state agency head to review the Governor's recommendations for their department's budget and explore the impact of various expenditure cuts and revenue options. While the Republican leadership originally bulked at any thoughts of new or increased taxes those options are being discussed. Speaker David Ralston said everything is being considered. While Lt. Governor Casey Cagle put together a lengthy full color paper to provide talking points to Republican Senators and emphasized more aggressive cuts to state government. The Atlanta Journal Constitution reported on February
24th:

"These are unprecedented times. We've gone from a $21 billion budget to what is virtually a $15 billion budget," Cagle said in an interview Wednesday. "I'm very committed to producing a budget that is fiscally responsible and does not increase the tax burden on the citizens of this state." Does that include revenue enhancements by any other name? Cagle wouldn't go there.

While Governor Perdue, term limited and not seeking election for any other office at this time, stands behind the fees and hospital bed tax (estimated at $275 million in new funds) in his budget recommendations. However, there is speculation that he could lower the revenue projects for FY 2011 by $200-300 million. During a public hearing this past week regarding the impacts on the Department of Community Health's budget, which covers Medicaid, PeachCare and the State Health Benefit Program, most hospital administrators spoke against the hospital tax and everyone supported an additional $1 tax on tobacco. This would increase the tax to $1.37 and raise around $237 million initially.

**Commissioner Michael Thurmond finally presented the Department of Labor's Budget very late on Friday afternoon before a dozen fatigued and anxious legislators.** The Commissioner focused his entire presentation on the unemployment numbers and his efforts around this predicament. He began by telling legislators the key to their budget woes was to get Georgian's working again. He reviewed his current program, Georgia Work's, with the various elements getting those currently claiming unemployment and seeking jobs into on-the-job training with employers. He reviewed his efforts around extending the unemployment benefits and using the stimulus funds for programs to employ Georgians. He did not discuss Vocational Rehabilitation in his presentation.

**So where to now?** Two months into 2010 and halfway through the 2010 General Assembly, where do we go from here? The most important thing is to continue to connect with your Representative and Senator on the importance of community rehabilitation services in their community. There are a few critical legislators that we must engage and help them prioritize VR funding, reminding them that the 1 to 4 match of federal funds creates jobs, keeps Georgians with disabilities employed and supports the goal of getting Georgian's back to work.

In additional to your own legislator please call to support restoring the state funds for Vocational Rehabilitation community contracts of $288,627 (average 8% cut).

**House Budget Leaders**  
Rep. Ben Harbin, Appropriations Chair at 404-463-2247  
Rep. Penny Houston, Subcommittee Chair at 404-463-2247  
Speaker David Ralston at 404-656-5020

**Senate Budget Leaders**
Call for Information

THE PORTAL is a communication tool for GATES and GATES members. If you have stories about your organization, staff announcements, program descriptions, or other information you want to share with other GATES members, please send the info to Charles Hall, chall@asginfo.net

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