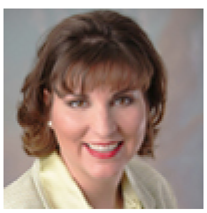
News from GATES...

Georgia Association of Training, Employment and Supports

The GATES PORTAL

Budget Cuts Continue at the Capitol...



By Dawn A. Randolph, MPA
GATES Legislative Consultant

After two weeks carefully reviewing the FY 2011 budget and a week back the legislature was confronted with more dire news from Governor Perdue. February revenues were again down 10% over February 2009. In many ways this was no surprise since the unemployment rate hangs in the double digits and is two percent higher than this time last year, greatly impacting revenues collected from income and sales tax.

The Governor announced at the end of the day on Thursday he would be lowering his revenue projections for both Amended FY 2010 and FY 2011. Over the weekend he transmitted a letter to the House and Senate Appropriation Chairs outlining his specific recommendations.

On the revenue side of the equation the Governor reduced Amended FY 2010 by $342,626,224 and replaced the state funds with ARRA (American Recovery and Reinvestment Act) that were originally designated for FY 2011. This brings down the state revenue estimate from $17,417,279,403 to $17,074,653,179. The ARRA money will be put into the Department of Education for K-12, Technical Education Programs, and teaching programs in the University System.

In FY 2011 he lowered the revenue by $442,923,307 from $18,156,435,820 to $17,713,512,513. The ARRA money is only good through 2011 so there is no option to pull more money from the federal level. On the revenue side the Governor proposes to increase some fees ($96 million), lift the sales tax exemption on non-profit hospitals ($130 million) and collect additional payments from the Georgia Technology Authority ($18 million).

In This Issue

****

Special Announcements

State Use Council
10:00 AM
March 25, 2010
Floyd Building (Capitol Square), Atlanta

****

Working Wonders Day Luncheon
Noon
March 25, 2010
Empire Room -

While the Governor would still like to see the Hospital Bed Tax of 1.6% take effect the hospital community has fought against this strongly and so he proposed a 10.25% cut to Medicaid rates (excluding Home and Community Based and Community Health Providers). The additional cut did not sit well with the medical community, so at a meeting on Friday with Hospital Administrators the Governor asked for new ideas. The tobacco tax option has been supported widely and was offered by hospital leaders as an alternative, but the Governor was firmly and adamantly against this tax.

Without any major revenue sources the Governor has proposed cuts across state agencies to cover the $442,923,307 reduction. The largest cuts will be to Medicaid Providers ($215 million), another 3% across most state agencies ($107 million) and $227 million from other sources. The Commissioners will have to present the details of how they plan to take the 3% cut later in the week.

Commissioner Michael Thurmond has invited Vocational Rehabilitation Contractors to attend a meeting on March 26th at 9am to discuss the impact of cuts and propose ways the cuts can be minimized and ARRA funds can be optimized.

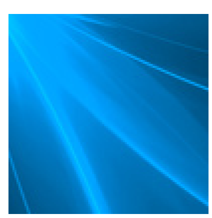
ACTION for GATES members:
While 2010 cuts have removed opportunities they have been anticipated. Things will be much worse in 2011 as the cuts become annualized with the potential for an additional 3% more. GATES has been collecting data on the impact of the current FY 2010 cuts and needs to complete the data collection for the meeting with the Commissioner.

GATES members should develop a 1-page summary of the impact to their agency during 2010 and the continued cuts for FY 2011 (examples; people unable to be served, furloughs, staff layoffs, closing services, etc). GATES will follow-up soon to ensure all data is collected and compiled to show a statewide impact. However, it is critical to capture each organizations situation.

back to top

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



Floyd Building (Capitol Square), Atlanta

****

GATES Board Meeting
9:30 AM
April 30, 2010
Location - TBD

****

THE PORTAL is a regular publication of GATES. If you have staff or others associated with your organization that you would like to receive THE PORTAL, please send their email address to: Charles Hall, chall@asginfo.net

****

GATES
Georgia Association of Training, Employment and Supports

44 Broad Street
Suite 503
Atlanta, GA 30303
Phone: 404-523-6674