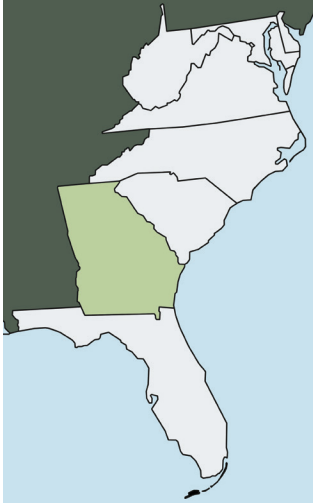# GEORGIA Budget Report Card

GEORGIA RECEIVED AVERAGE GRADES of B or higher for fiscal 2015 through 2019 in four of the five categories covered. The one exception was its C in budget forecasting. Unlike twenty-nine states that use the consensus method of revenue forecasting, Georgia's estimates are produced by the state fiscal economist, who is appointed by the governor. Budgets built on the economist's estimates offer no information about how they were calculated.

The best showing in Georgia's report card was its top A average in budget maneuvers. With a healthy economy and diversified tax structure, the state avoided common actions to achieve balance, such as shifting money from special funds into the general fund, deferring expenditures, or using other one-time revenues for recurring expenditures.

The state averaged a B in legacy costs, including funding of public worker pensions and other postemployment benefits (OPEB), primarily health care. It provided annual pension contributions in line with actuarial recommendations in all years studied but applied the same standard to OPEB only in 2017–19. Its pension was 79 percent funded in 2019, 8 percentage points above the total for all states.

Georgia, which has withdrawal and replenishment policies for its Revenue Shortfall Reserve, averaged a B in the reserve funds category. Any general fund surplus at the end of the fiscal year must be added to the reserve, which held $2.8 billion, or 11 percent of expenditures, in 2019. Georgia does not consider historical revenue volatility in reserve fund policies.

SOUTH ATLANTIC STATES SIDE BY SIDE: Five-Year Average Grades, Fiscal 2015–19

	BUDGET FORECASTING	BUDGET MANEUVERS	LEGACY COSTS	RESERVE FUNDS	TRANSPARENCY
Delaware	B	A	C	B	B
Florida	A	B	C	B	B
Georgia	C	A	B	B	B
Maryland	A	C	C	C	B
North Carolina	A	B	C	B	B
South Carolina	A	A	D	B	C
Virginia	A	C	D	A	C
West Virginia	B	B	B	B	B
US AVERAGE	C	B	C	B	B

NOTE States are grouped by US Census Bureau divisions.

Average grades are based on annual numerical scores. For more information, download *Truth and Integrity in State Budgeting: Preparing for the Storm* at VolckerAlliance.org.

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GEORGIA Budget Report Card, Fiscal 2015–19

BUDGET FORECASTING

	2015	2016	2017	2018	2019	TREND				
						'15	'16	'17	'18	'19
CATEGORY GRADE	C	C	C	C	C					
Consensus Revenue Forecasts	✗	✗	✗	✗	✗					
Multiyear Expenditure Forecasts	✓	✓	✓	✓	✓					
Multiyear Revenue Forecasts	✓	✓	✓	✓	✓	●	●	●	●	●
Revenue Growth Projections	✗	✗	✗	✗	✗					
5-YEAR AVERAGE C										

BUDGET MANEUVERS

	2015	2016	2017	2018	2019	TREND				
						'15	'16	'17	'18	'19
CATEGORY GRADE	A	A	A	A	A					
Deferring Recurring Expenditures	✓	✓	✓	✓	✓	●	●	●	●	●
Revenue and Cost Shifting	✓	✓	✓	✓	✓					
Funding Recurring Expenditures with Debt	✓	✓	✓	✓	✓					
Using Asset Sales and Up-Front Revenues	✓	✓	✓	✓	✓					
5-YEAR AVERAGE A										

LEGACY COSTS

	2015	2016	2017	2018	2019	TREND				
						'15	'16	'17	'18	'19
CATEGORY GRADE	C	C	A	A	A					
Public Employee OPEB Funding	✗	✗	✓	✓	✓			●	●	●
Public Employee Pension Funding	✓	✓	✓	✓	✓	●	●			
Public Employee Pension Funded Ratio*	81%	76%	79%	80%	79%					
5-YEAR AVERAGE B										

RESERVE FUNDS

	2015	2016	2017	2018	2019	TREND				
						'15	'16	'17	'18	'19
CATEGORY GRADE	B	B	B	B	B					
Positive Reserve or General Fund Balance	✓	✓	✓	✓	✓					
Reserve Funds Disbursement Policy	✓	✓	✓	✓	✓	●	●	●	●	●
Reserve Funds Replenishment Policy	✓	✓	✓	✓	✓					
Reserves Tied to Revenue Volatility	✗	✗	✗	✗	✗					
5-YEAR AVERAGE B										

TRANSPARENCY

	2015	2016	2017	2018	2019	TREND				
						'15	'16	'17	'18	'19
CATEGORY GRADE	B	B	B	B	B					
Consolidated Budget Website	✓	✓	✓	✓	✓					
Provides Debt Tables	✓	✓	✓	✓	✓	●	●	●	●	●
Discloses Deferred Infrastructure Replacement Costs	✗	✗	✗	✗	✗					
Discloses Tax Expenditures	✓	✓	✓	✓	✓					
5-YEAR AVERAGE B										

KEY

✓	Followed best practice
✗	Did not follow best practice

BUDGET FORECASTING evaluates whether and how states estimated long-term revenue and expenditure trends. **BUDGET MANEUVERS** evaluates whether states used one-time revenues, borrowings, asset sales, and other measures to achieve short-term budgetary balance. **LEGACY COSTS** evaluates whether states provided adequate funding, as defined by retirement system actuaries, for pensions and other promised retirement benefits for public workers. **RESERVE FUNDS** evaluates states' rainy day funds and other fiscal reserves, as well as any policies governing their use and replenishment. **TRANSPARENCY** evaluates the accessibility to the public of states' budget practices.

* **SOURCE** Bloomberg.

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