



FULTON COUNTY TAXPAYERS FOUNDATION

501©(3) Non-Profit Advocate of Lower Property Taxes in Atlanta/Fulton

December 2008

During a Recession, the State's Budget of \$20.2 Billion Should Be CUT!

The Problem

The State of Georgia Budget is a whopping \$20.2 billion! According to the National Association of State Budget Officers, Georgia's per capita spending is \$2,234.39 for every man, woman and child in the State! This State budget must be reduced dramatically in spite of increasing population and revenue decline.

With the economic crisis affecting everyone, the State Sales Tax revenues in Georgia have sharply declined. State Sales Tax collections were off 11.6% in August, compared to August 2007. According to the Georgia Department of Revenue, Food Purchases are down 15.9% from 2007, Clothes Purchases down 12.8%, Home Furnishings, 8.2%, Lumber, 14.1%, etc. Exacerbating the situation is the increase in State unemployment. The Governor has asked all agencies to provide him suggested cuts at 6% to 10% of their budgets, with the State holding back 6% of the funding that each State Agency would normally receive.

Since the State budget cuts will result in less funding going to the cities, counties and school districts, the hope and expectation is that local governments would reduce spending commensurately rather than increase taxes to make up the shortfall. However, there are a number of steps the State of Georgia should take to significantly reduce the current budget of **\$20,212,594,557:**

Reducing The State Budget:

Reduce State Employees: The State should adopt Performance-Based Metrics – productivity and quality - for each State job, thereby reducing by at least 10% the 82,238 full-time State employees and 19,700 State Part-Time & Seasonal employees. Performance-Based Metrics are much fairer and far more effective than across the board cuts. The State must hold every employee accountable. To the credit of James R. Lientz, Jr., Chief Operating Officer, State of Georgia, the State has been working to change our culture to more of a meritorious and performance based one. Although there will be no salary increases across the board this year, salary increases do have a performance component.

Sell or lease State-owned property: A professional review of State owned properties should be commissioned without delay. The State owns more than 19,000 buildings! Those properties that are not absolutely essential should be sold or leased.

Outsource State services: A group of outstanding CEOs should be appointed by the Governor to review every State service and determine which should be considered for outsourcing. In any outsourcing, the employees of each department would compete with the private sector. The following State services should be considered by the CEOs for outsourcing, among many others: Community Affairs (Internal Division and External Division), Community

A Few Accomplishments of the Foundation During 2008!

1. The FCTF carefully researched and published a multi-pronged program to reduce the \$1.23 billion pension shortfall in the City of Atlanta.
2. The FCTF advocated once again the implementation of the Turnaround Plan for outsourcing of City services and Performance Metrics for productivity and quality of each City employee.
3. The FCTF uncovered and revealed the fact that the City of Atlanta was using non-existent “cash carry-forward” to illegally balance the budgets in four of the last five years.
4. The FCTF Prevented School Tax From Being Used For Private Development: We took legal which resulted in the Georgia Supreme Court ruling that “school taxes must be used solely for educational purposes.”
5. The FCTF Helped Prevent The City of Atlanta To Increase the 2009 Taxes: We lobbied – successfully – for Atlanta to reduce its spending rather than increase property taxes for 2009.
6. The FCTF successfully lobbied Atlanta, Fulton County and the Atlanta/Fulton Public Schools to roll back the 2008 millage commensurate with the increased reassessments.
7. The FCTF revealed the shocking waste and mismanagement of the Atlanta Public Schools.
8. The FCTF compiled public comments that lead to a lawsuit against the County for back taxing—the County has been ordered to refund all Taxpayers affected by this issue.
9. The FCTF researched the waste and unnecessary spending of Fulton County, leading to its current financial crisis.
10. The FCTF held a successful series of luncheons for 2008 each attended by over 250 members and guests.

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Fulton County

Taxpayers Foundation

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Health, Community Services Department, Georgia Public Broadcasting, Human Resources, Industrial Loan Division, Planning & Environment Management, Rental Assistance, Sign Language Interpreting, State Purchasing, Tourist Information, World Congress Center, etc. Again, to the credit of James Lientz, Jr., Chief Operating Officer, State of Georgia, Medicaid delivery has been outsourced, as has been Fleet Management, while the State is evaluating the privatization of mental health delivery. Rescind the \$100 million annually in interest and principal payments for new State construction projects: During the worst financial crisis since the Great Depression, the State should hold in abeyance any new construction.


Eliminate the "fat": There is a great deal of "fat" in the State budget. For example, a state-owned Golf Course in Fargo, Georgia is losing money, with a cost of operations at \$100,000 annually and revenues less than \$20,000! The State owns several of these Golf Courses in State Parks with most, if not all, losing money. A second example is the fact that the State has spent over \$60 million over the past fifteen years on money-losing Music & Sports Halls of Fame, including the Golf Hall of Fame which was never actually built despite a \$6 million construction bond sold in the mid-1990s. The State of Georgia operates nursing homes that could be privatized at savings of 20%-30%, while State mowing and stripe painting crews could be privatized at savings of 30%-40%. These are a few among many other examples of waste and unnecessary spending.

Instead of Cutting Education & Medicaid, The State Should Cut "The Pork": In 2008, the General Assembly approved of 470 local grants including high school uniforms, instruments for marching bands, etc., totaling multi-millions of dollars. Local grants should be stopped.

Conclusion

In times of the worst financial crisis since the Great Depression, with unemployment in the State at 6.5% plus an additional 3.8% unemployed whose unemployment benefits have expired, Georgia has one of the highest foreclosure rate in the country. In the midst of such a financial crisis, the taxpayers urge the State Legislature to implement the six steps mentioned above and reduce the budget by at least 10%.

John S. Sherman



President, Fulton County Taxpayers Foundation



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**Cordially Invites You
To our luncheon at 103 West (103 West Paces) at Noon, December 10th, 2008**

House Majority Leader Jerry Keen

and

Dr. Don Rooks

Georgia School Boards Association

Will speak on Representative Keen's Bill to substitute the Education Property Tax with a Sales Tax of 5%



Could this lower your taxes by 54%?



Ticket Price: \$50.00 Admission price includes, 3-course lunch and valet parking. Space is limited! Order tickets online

www.fctf.org

via phone 404-869-6066

or send a check payable to:

Fulton County Taxpayers Foundation

309 E. Paces Ferry Rd NE, Atlanta, GA 30305

Proceeds benefit Fulton County Taxpayers Foundation, a 501 (c) 3 organization

Join the Fight To Bring Better Government to Atlanta and Fulton County!

I enclose my annual membership of:

\$50 Family \$100 Patron \$200 Corporate Member \$500 Corporate Sponsor

In addition, I enclose a **tax-deductible** contribution of: \$100 \$500 Other

If you prefer, you can charge your membership or a donation online at www.fctf.org

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