

## GSTA Legislative Update

As summer draws to a close and schools begin opening their doors to students and teachers, your GSTA lobbyists continue to monitor legislative happenings.

On August 1<sup>st</sup>, the Governors Office of Planning and Budget (OPB) issued a memo announcing that agencies will be directed "...to submit reduction plans of 6%, 8% and 10% for both Amended FY 2009 and FY 2010." Additionally, "State employee pay raises will be deferred until further notice." (*Link to memo below*)

According to the article below, published by InsiderAdvantage, pay raises for teachers who have already contracted with school systems appear safe. Like many things in politics, however, this is another wait and see.

During the session, the legislature voted to restore \$50,000,000 to the austerity cuts in education. As an appropriation, OPB can release up to \$50 million toward restoring the cuts. If revenue shortfalls and budget cuts continue, it is possible OPB may not release all of the restoration funds. Right now, conversations about the budget crisis are happening at a pay-grade above principals, superintendents and lobbyists. We will keep you informed as information comes our way.

### State Worker Raises On Hold, New Hiring Curtailed

By Dick Pettys InsiderAdvantage Georgia

(8/4/08) State agencies have been told to suspend new or replacement hiring, to stop buying motor vehicles and to eliminate non-essential travel to help the state offset an expected \$1.6 billion budget deficit.

In addition, state employee raises have been deferred "until further notice" and state employee layoffs or furloughs have not been ruled out. The orders went out Friday, shortly after a telephone conference between Gov. Sonny Perdue and top legislative leaders over his plans for managing the problem. The consensus was that he has the tools necessary to manage until lawmakers return to session in January. In other words: no special session. The management plan includes holding back 6 percent of agency allotments for the foreseeable future (except for QBE and Medicaid, which won't be hit as hard) and putting at least a temporary freeze on the homeowners' tax relief plan, a \$428 million state program designed to partially offset assessment creep in local property taxes.

In addition, agencies have been told to prepare budgets anticipating cuts of as much as 10 percent. Instructions sent to the agencies Friday by the Office of Planning and Budget spelled out the additional instructions, including orders for agencies to curtail purchases of supplies, equipment and printing services. While teacher pay raises appear safe, since most of those contracts for next school year already have been signed, state worker pay raises – due to take effect Jan. 1 – will be put on hold, the memo said. Perdue had indicated he was considering that step with the idea of making state workers whole later on. There has been no public mention yet of layoffs or furloughs, although with the depth of this shortfall (the \$900 million rainy day fund notwithstanding), some budget watchers believe it is only a matter of time until one or the other is brought into play. Gov. Zell Miller gave the axe to 800 employees in 1991 during that year's budget crunch. The following year, he put 800 jobs back into the budget, but not in the same places. Some state agencies also have employed furloughs in the past.

OPB Director Trey Childress said he expects "agency reduction" plans will be part of the proposals some departments submit for meeting the 6, 8 and 10 percent cuts. "We have not ruled that out," he said. The governor would then evaluate any such proposal.

[Here](#) is the text of the memo sent Friday.

### Upcoming Education Finance, Teacher Training and Tax Policy Meetings

The **Senate Education Finance Study Committee** has rescheduled its meetings over the summer, but now plans to meet August 20<sup>th</sup>. Sen. Dan Moody (R-Alpharetta) will chair the committee that was formed by [SR 1213](#). An agenda has not yet been set for this meeting.

The **Joint House and Senate Study Committee on Teacher Training and Certification** will meet on August 27<sup>th</sup>. This study committee was created by [HR 1103](#) and will be co-chaired by House Education Committee Chair, Rep. Brooks Coleman (R-Duluth) and Senate Education Committee Chair, Sen. Dan Weber (R-Dunwoody).

On September 11<sup>th</sup>, your lobbyists will attend a conference on **Property Taxes and Proposed Policies**. Sponsored by the Andrew Young School of Policy Studies, it is expected to draw legislators and other key state budget leaders. This event will serve as a networking opportunity where we hope to gauge the current financial climate and listen for upcoming legislation on the funding horizon.

### The Legislative Session – 2008 and 2009

The 2008 legislative session was filled with controversy over tax and healthcare issues, along with several education issues including the most anticipated IE2 Task Force recommendations via legislation. The IE2 Task Force legislation ([HB 1209](#)) passed, along with a return to work bill ([SB 327](#)). We expect some of the more controversial issues to re-surface in 2009, and will be prepared. The Amended FY 2009 and FY 2010 budgets will fall into the “controversial” category as all anticipate the budget cuts.

It's time to rework legislative priorities for the 2009 session. Send your thoughts to GSTA lobbyists Lasa Joiner or Michelle Crider: [lasaj@jlh-consulting](mailto:lasaj@jlh-consulting) or [michelle@jlh-consulting.com](mailto:michelle@jlh-consulting.com). Meanwhile,

Stay tuned...

*Lasa Joiner & Michelle Crider*