



## *Legislative Update*

**January 21, 2022**

After the MLK holiday, legislators were back under the Gold Dome this week for joint Appropriations Committee budget hearings. Led by Senate Appropriations Chairman Blake Tillery (R-Vidalia) and House Appropriations Chairman Terry England (R-Auburn), members of the committees gathered for three full days of meetings Tuesday through Thursday to hear from leaders of the dozens of state agencies about their budget requests for the Amended Fiscal Year 2022 and Fiscal Year 2023.

The economic forecast and revenue projections are very positive. State economist Jeffery Dorfman told legislators that a recession is unlikely even though growth is likely to slow down to a more typical rate in the coming year as federal stimulus payments wind down and the economy begins to normalize. This economic strength has resulted in the state receiving higher than expected revenues. There is a \$3.7 billion surplus from the last fiscal year, and state tax collections are up about 18 percent for the first six months of FY22 compared to last year.

While there will be plenty of other measures for members to consider this session, passing a balanced budget is the only constitutionally required action item for the General Assembly each year. Governor Kemp, who released his AFY22 and FY23 budget recommendations last week following his State of the State address, kicked the hearings off Tuesday morning by walking committee members through his budget proposal.

Kemp's \$30.2 billion budget includes pay raises and bonuses for state employees and teachers, an increase of hundreds of millions for healthcare and mental health programs in the state, fully restoring austerity cuts made to both K-12 and higher education, \$600 million for new prisons, and \$1.6 billion in refunds for taxpayers which would come out to \$250 back in the pockets of single filers and \$500 for joint filers.

Georgia's budget forecast looks significantly sunnier than it did two years ago when Governor Kemp asked agencies to cut four percent from their budgets in response to lagging 2019 tax revenues and warnings of an impending economic slowdown from state economists. Of course, an economic slowdown did ensue in 2020, though not for the reason economists predicted. Despite the economic effects of the coronavirus pandemic, Georgia was able to safely reopen its economy before most other states.

Late Wednesday afternoon Speaker David Ralston (R-Blue Ridge) announced several changes among committee leadership positions in the House of Representatives.

New committee chairmen are appointed as follows:

Banks & Banking – Rep. Noel Williams (R-Cordele), Chairman

Code Revision – Rep. John LaHood (R-Valdosta), Chairman

Creative Arts & Entertainment – Rep. Kasey Carpenter (R-Dalton), Chairman

Legislative & Congressional Reapportionment – Rep. Houston Gaines (R-Athens), Chairman

Special Committee on Election Integrity – Rep. Stan Gunter (R-Blairsville), Chairman

New committee vice chairmen are appointed as follows:

Judiciary Non-Civil – Rep. Tyler Paul Smith (R-Bremen), Vice Chairman

Juvenile Justice – Rep. Beth Camp (R-Concord), Vice Chairman

Rules – Rep. Mandi Ballinger (R-Canton), Vice Chairman

Transportation – Rep. Marcus Wiedower (R-Watkinsville), Vice Chairman

After a busy week in budget hearings, the General Assembly reconvenes Monday for Day 5 of the legislative session. In the coming weeks we anticipate a significant uptick in number of bills introduced and committee and subcommittee meetings held so that members can consider newly introduced and already-active legislation from the 2021 legislative session.