



Association County Commissioners of Georgia
50 Hurt Plaza, Suite 1000
Atlanta, GA 30303
(404) 522-5022 • Fax (404) 525-2477

POLICY BRIEF

The Quick Reference to
ACCG's Legislative Priorities

November 2009

FISCAL ACCOUNTABILITY

ISSUE AND BACKGROUND: Vested in our Constitution, Georgia counties serve as the local subdivisions of the state, providing required state services at the local level and tailoring additional services to the needs and demands of their unique communities. While discretionary programs are funded at the level the voting public deems appropriate, the bulk of county budgets are consumed in meeting functions required by the state. As the state and county governments are partners in delivering these mandatory services, it is essential that they work together to maximize effectiveness and efficiencies and ensure adequate funding is provided.

Due to the economic downturn, both the state and counties find themselves making budget cuts and reexamining both expenditures and revenues in order to balance their respective budgets. Often times, state budget cuts target state agencies and services that directly impact counties, particularly funds provided to counties to carry out services required by statute. The result is that state agencies are increasingly relying upon county taxpayers to subsidize traditional state responsibilities such as salaries for district attorneys, senior judges and board of health employees, and in funding facilities for the State Patrol, DFACS, DDS, Regional Libraries, GBI and others.

Simultaneously, many state trust funds and other fees collected at the state level that are statutorily dedicated to critical local government services are being redirected to balance the state's budget, including E-911 fees, the Indigent Defense Fund, Peace Officers and Prosecutors Training Fund, Crime Lab Fees, the administrative fee for collecting local sales tax, the Hazardous Waste Trust Fund and the Solid Waste Trust fund. When these dedicated revenues are redirected, local governments must assume the costs or these services are lost.

The result of shifting state responsibilities to the local level and redirecting dedicated funds is that the cost burden necessarily shifts to local property tax payers if these services are to continue to be provided in those counties. These practices compound counties' existing budget challenges created by the downturned economy and the nature of county revenues. For example, it is important to note that most county revenues are legally restricted and cannot be redirected in times of budget crises (e.g. hotel/motel taxes, SPLOSTs, impact fees, business license fees, 911 fees, storm water fees). Further, counties must provide financial support to constitutional officers, the courts and other areas which they do not have day-to-day operational control or oversight over.

Moreover, there are increasing actions taken at the state level to limit or otherwise restrict local governments' ability to raise the revenue required to effectively function. All of this together impedes counties' ability to adequately deliver the programs and services required by law,



provide the discretionary services sought by the local community, and either shift funding or eliminate unnecessary services during trying economic times.

ACCG POLICY (from various positions in the General County Government and Revenue and Finance sections of the Policy Platform):

All levels of government share a common responsibility to provide for the health, safety and welfare of its citizens and to facilitate economic prosperity. As all governments have faced challenging economic times, each has had to evaluate programs and services and make difficult decisions to reduce expenditures. Too often these decisions have been made by individual levels of government without considering how the actions impact the other and the overall responsibilities of government. This impact is particularly profound in the case of county governments which actually administer many vital services on behalf of the state.

State and local elected officials must appreciate the inter-connected nature of both the mandated programs and other services that the public has come to expect in their community. As additional reductions are required, government leaders must work together to prioritize and fund essential services, eliminate or reduce programs and services that cannot be funded at their current levels, and explain their actions to the public. Working independently and unduly restricting county commissioners' ability to be responsive to their communities only further erodes the public trust. Additionally, the public should have a better understanding between state and local services and how they are funded.

ACCG and Georgia counties need to better work with members of the General Assembly and the public so that all have a better understanding that cutting the funding for programs required by law often mean shifting costs to local governments, thus local property tax payers. The state and its local governments must work in partnership to deliberate what services are essential to the public, determine an adequate funding mechanism to carry them out, and understand each other's cost burden and responsibilities in the process.

Action needed: To assure the public of fiscal accountability and true transparency in government, the General Assembly should amend state law and policies to vest the responsibility for providing services and raising the revenues to fund those services under the same elected body. Until such point, ACCG urges state policymakers to carefully consider and weigh the impact of state budget cuts and legislation on counties' ability to provide both required services as well as those demanded by their respective communities.

CONTACT: *Clint Mueller: 404-522-5022; email: cmueller@accg.org*