GEORGIA

IN PERSPECTIVE

2011

Best Managed Georgia

Statistics, Trends, Facts & Figures

GOVERNOR'S OFFICE *of* PLANNING & BUDGET

BEST-MANAGED STATE 2011

LEADING INDICATORS

Georgia's ranking on the Camelot Index's prudent government measure mproved from 19th in 2003 to 2nd in 2009.

(Federal Funds Information for States, State Policy Reports)

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Economic Freedom and Fiscal Policy Rankings

2009 Freedom in the United States Report Rankings

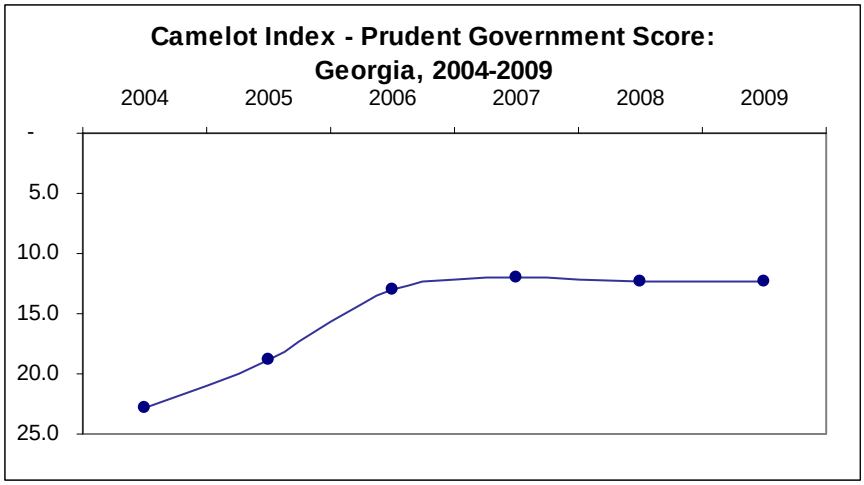
Economic Freedom Ranking	
State:	Score:
1. South Dakota	0.385
2. New Hampshire	0.345
3. Colorado	0.337
4. North Dakota	0.315
5. Idaho	0.257
6. Georgia	0.253
7. Texas	0.225
8. Tennessee	0.225
9. Missouri	0.210
10. Alabama	0.200

Fiscal Policy Ranking	
State:	Score
1. New Hampshire	0.28
2. South Dakota	0.26
3. Tennessee	0.25
4. Texas	0.22
5. Colorado	0.21
6. Missouri	0.19
7. North Dakota	0.15
8. Montana	0.13
9. Georgia	0.13
10. Idaho	0.12

- According to the 2009 Freedom in the 50 United States report published by the Mercatus Center at George Mason University, Georgia ranks 6th in Economic Freedom and 9th in Fiscal Policies.
- The Freedom in the 50 States report ranks states in four main areas: Fiscal Policy, Regulatory Policy, Economic Freedom, and Personal Freedom.

Source: Mercatus Center, George Mason University

- Georgia is the highest ranking southeastern state in the Mercatus Center's economic freedom rankings and the second highest ranking southeastern state in the fiscal policy rankings.
- Georgia's ranking on the Camelot Index's prudent government measure has improved from 19th in 2003 to 2nd in 2009.



State	2004	2005	2006	2007	2008	2009	2009 Rank
Delaware	13.8	20.3	11.8	10.8	10.0	9.3	1
Georgia	22.8	18.8	13.0	12.0	12.3	12.3	2
Maryland	19.8	28.3	17.0	15.8	14.3	12.3	2
Virginia	14.5	18.8	10.0	9.5	11.8	12.3	2
South Dakota	13.8	11.0	12.8	12.8	11.8	12.5	5
Florida	22.8	22.0	18.8	20.3	18.3	12.8	6
Arizona	22.3	22.8	17.3	17.0	13.8	13.5	7
Colorado	14.8	19.5	14.3	14.0	14.3	14.5	8

Source: Federal Funds Information for States (FFIS), State Policy Reports; The 2008 Camelot Index.

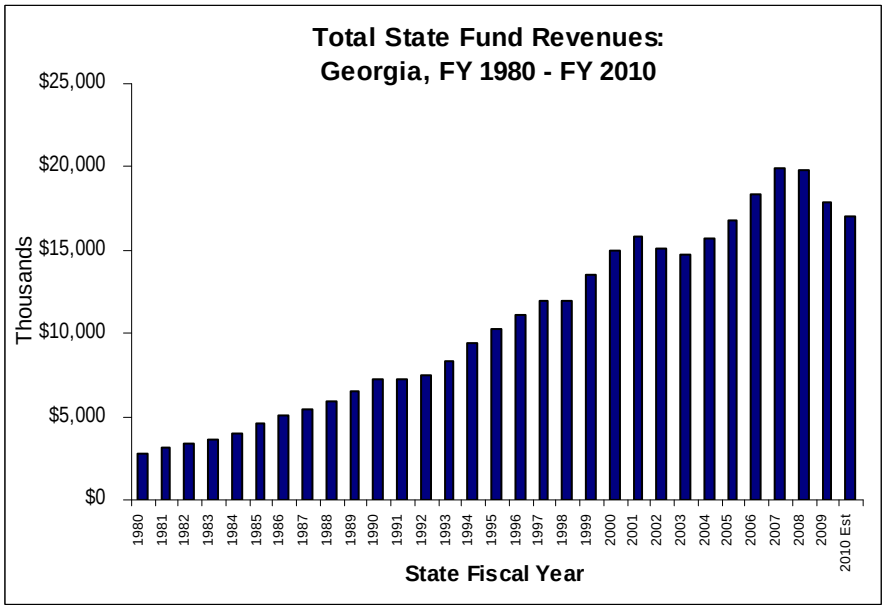
Camelot Index Criteria

Four criteria are used to determine a state's "Prudent Government" score.

1. State and local taxes as a percentage of personal income.
2. The state solvency index that deducts state and local debt and unfunded pension liabilities from assets.
3. Structural surpluses and deficits, which compares anticipated revenue growth to what is necessary to maintain current levels of service.
4. Bond ratings.

BEST MANAGED STATE

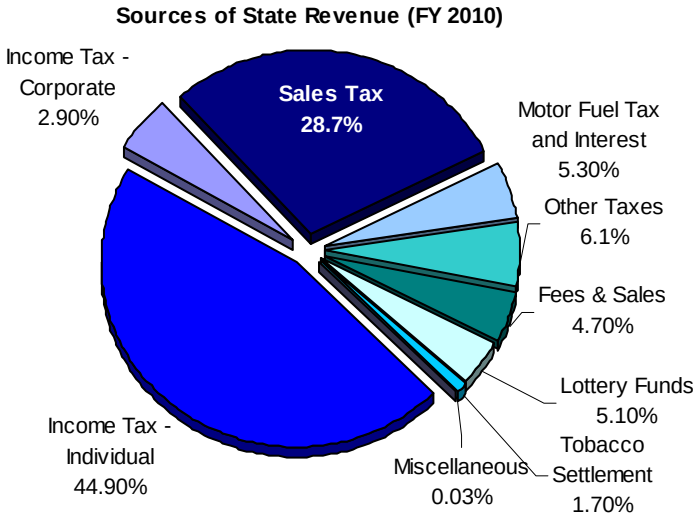
- Since 1980, state fund revenues have increased from $2.8 billion to $17.0 billion in FY 2010.
- Fiscal year 2009 revenues declined –9.9% compared to the previous year.
- Since 1980 the state has experienced four periods of flat or declining revenues: 1991-1992, 1997-1998, 2002-2004, and 2008-2010.
- The state aggressively funded the revenue short fall reserve in FY 2006 and FY 2007, which helped to cushion the impact of the latest revenue decline.



Source: Governor's Office of Planning and Budget, Budget In Brief, Amended FY 2010 and Fiscal Year 2011

- The state sales tax is set at 4%. Local governments may assess additional sales tax with the approval of its voters.
- On average, for every dollar spent on a lottery ticket, 26 cents funds the Pre-K and HOPE programs and 63 cents goes to lottery prizes.

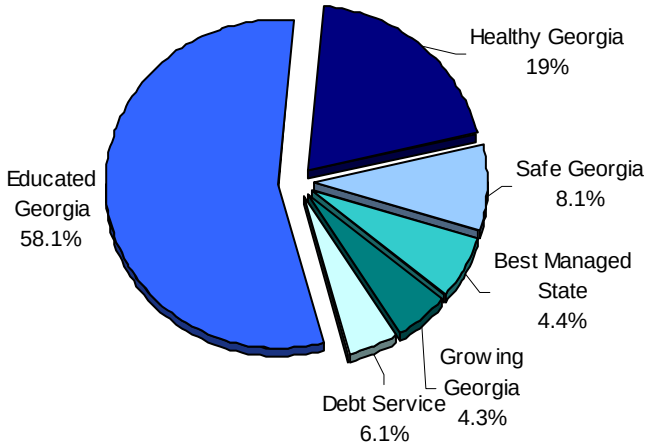
- Georgia has a diversified tax base with nearly 29% of revenues coming from sales tax and almost 45% coming from income tax.
- Motor fuel tax is 7.5 cents per gallon plus 4% sales tax on every gallon of gas.
- The state constitution stipulates that motor fuel funds can only be used for the construction and maintenance of roads and bridges.



Source: Governor's Office of Planning and Budget, FY 2010 Budget In Brief

State Expenditures and Bond Ratings

How State Dollars are Spent (FY 2010)



- Approximately 58% of the state funds budget is for education, from Pre-K to college to HOPE scholarships and grants.
- Healthy Georgia is 19% of state expenditures which includes both health care programs such as Medicaid and the State Health Benefit Plan, as well as human service programs, such as mental health services, child protective services, foster care, and welfare assistance.

Source: Governor's Office of Planning and Budget , FY 2010 Budget in Brief

- Georgia ranks 8th in state economic outlook rankings in the 2009 American Legislative Exchange Council's State Economic Competitiveness Index, the highest of any southeastern state.
- Georgia is 1 of 7 states with a triple-A bond rating from all three major bond rating agencies.

Bond Ratings Fiscal Year 2009	
Moody Investor Services	Aaa
Standard and Poors	AAA
Fitch's Investor's Service	AAA

Source: Rating Agencies

- The state has maintained its triple-A bond rating from all three rating agencies for over 20 years.
- The better a state's bond rating, the lower the interest it must pay for borrowing.

BEST MANAGED STATE

- Georgia's net outstanding debt increased 22% between FY 2006 and FY 2010, while debt as a percent of personal income ratio increased only slightly.
- The ratio debt service as a percent of prior year receipts declined slightly during this period.

Historical Debt Ratios

Fiscal Year Ended June 30	Debt Outstanding ($millions)	Debt as % of Personal Income	$ Debt per Capita	Debt as % of Estimated Full Value	Debt Service as % of Prior Year Receipts	% of Debt Retired in 5 Years	% of Debt Retired in 10 Years
2006	7,524.7	2.6	829	0.9	5.7	40	69
2007	8,259.5	2.7	876	1.0	6.1	39	67
2008	8,441.1	2.6	886	0.9	5.7	38	67
2009	9,115.5	2.8	939	0.9	5.6	37	66
2010	9,150.9	2.7	909	0.9	6.7	38	67

Source: Official Statements for State of Georgia General Obligation Bonds

Note: Rating agencies have noted increased borrowing in response to population growth, but ratios have remained very moderate.

- The debt management plan guides the State in determining the proper level of bonds that can be sold to meet these needs without jeopardizing its triple-A rating.

Debt Ratio Results

	Triple-A Average	Planning Level	2011	2012	2013	2014	2015
Debt Service to Prior Year Receipts	NA	7.0%	8.0%	7.5%	7.3%	6.9%	7.0%
Debt Service to current Year Receipts	NA	NA	7.3%	7.3%	7.0%	6.7%	6.7%
Debt to Personal Income	2.9%	3.50%	2.8%	2.7%	2.5%	2.4%	2.3%
Debt per Capita	$1,158	$1,200	$932	$938	$921	$905	$886
Debt to Actual Value	----	NA	0.9%	0.9%	0.9%	0.8%	0.8%

Note: Peak debt ratios shown in bold. Based on debt outstanding at the end of the year.
**Georgia's constitutional debt limit is for both general obligation and guaranteed revenue debt, the highest aggregate annual debt service requirements, including proposed debt, for the current year or any subsequent year, cannot exceed 10 percent of the prior year's total treasury receipts. In addition, 10 percent is the standard used by rating agency analysts as a warning level that should not be exceeded, as a greater percentage could place too heavy a fixed-cost burden on the budget, thereby limiting fiscal flexibility.*

- Georgia continues to be one of 8 states currently rated triple-A by each of the 3 major rating agencies.
- Georgia is close to the triple-A average in all categories.

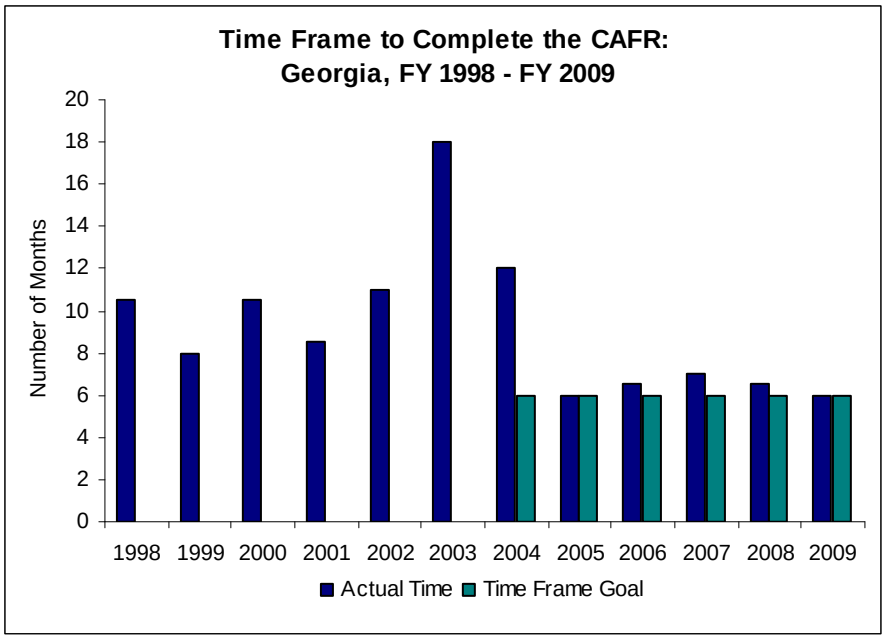
Comparison of Debt Ratios for Triple-A States

State	Net Tax-Supported Debt Per Capita (1)	Ranking Among 50 States (1)	Net Tax-Supported Debt as a % of 2005 Personal Income (1)	Ranking Among 50 States (1)	Percent FY2006 Debt Service to Prior Year Revenues (2)	Debt to Full Value (3)
Georgia	**$1,120**	**21**	**3.3%**	**19**	**5.7%**	**0.9%**
Delaware	2,489	6	6.2	6	5.8	1.2
Iowa*	73	49	0.2	48	0.1	NA
Maryland	1,608	14	3.4	18	6.0	1.2
Missouri	780	31	2.2	33	2.6	1.3
North Carolina	765	32	2.3	31	3.78	1.0
Utah	957	24	3.2	21	5.4	0.5
Virginia	895	29	2.1	35	3.9	0.89
Triple-A Median	926	NA	2.8	NA	5.4	1.0
Triple-A Average	1,086	NA	2.9	NA	4.7	1.0
50-State Median	936	NA	2.5	NA	NA	NA
50-State Average	1,297	NA	3.2	NA	NA	NA

*(1) Compiled from Moody's Investor's Service, 2010 State Debt Medians. (2) Compiled from FY 2009 Comprehensive Annual Financial Reports and various official statements. *Iowa attained triple/triple-A rating status as a result of rating agency recalibrations in April 2010.*

Source: Georgia State Finance and Investment Commission, State Debt Management Plan

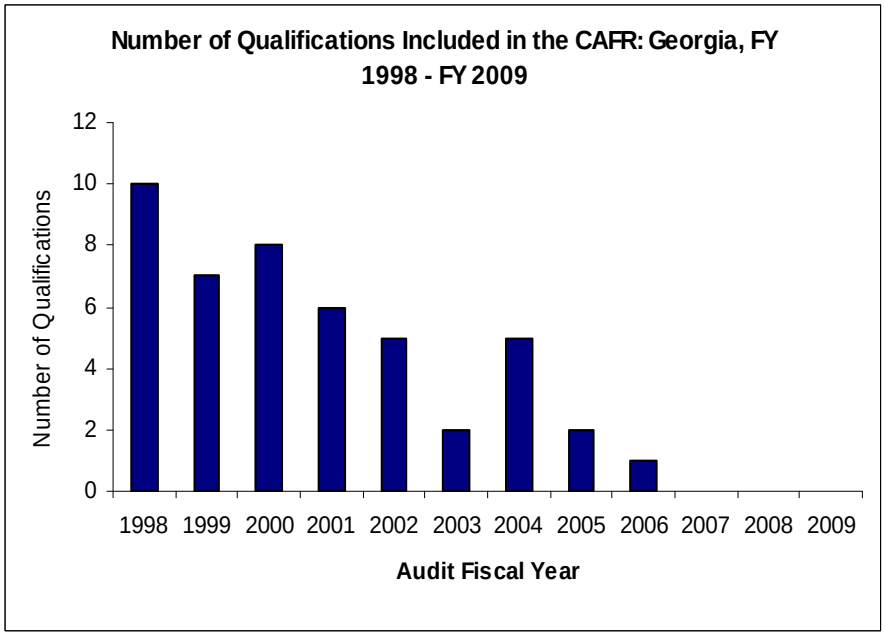
Comprehensive Annual Financial Report



- In 2004 Governor Perdue set a goal and challenged state agencies to complete the CAFR in 6 months or less.
- The amount of time to compile the CAFR has decreased from 18 months in FY 2003 to 6 months in 2009, representing a 67%decrease.

Source: State Accounting Office and Department of Audits and Accounts

- Georgia created a State Accounting Office on July 1, 2005 to establish statewide standards and practices and align responsibility for the state's financial reports and the accounting system.
- CAFR stands for Comprehensive Annual Financial Report and is a standard annual financial report prepared by most governments that includes basic information about the state, the auditor's report, financial statements and a statistical section.

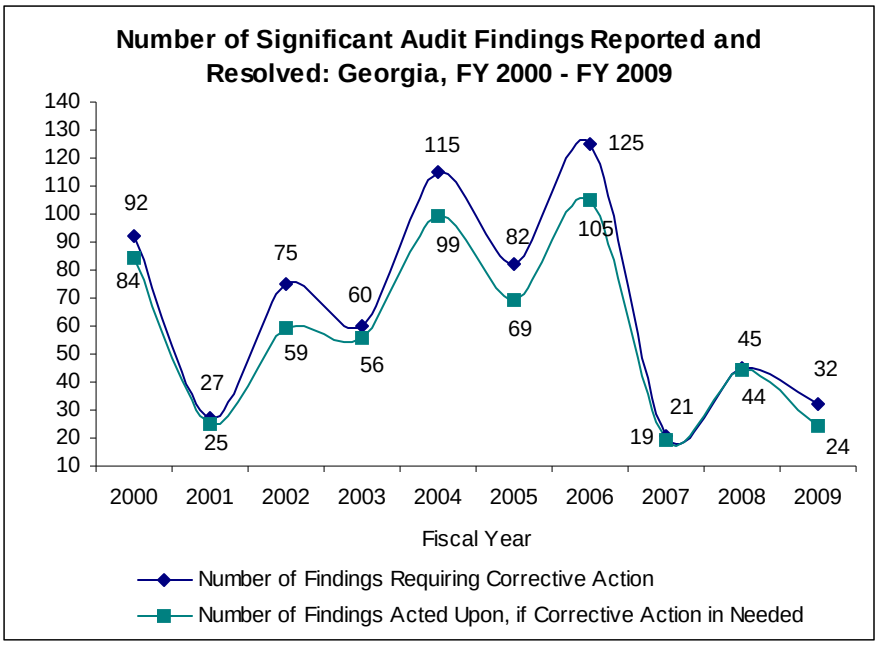


- The number of qualifications to the CARF have ranged from a high of 10 in 1998 to 0 in 2007.
- The number of qualifications fluctuated between 1998 to 2004, and declined from 2004 to 2007.
- There were no qualifications to the CAFRs between 2007 and 2009.

Note: The Department of Audits and Accounts gave an unqualified opinion of the FY 2007-FY 2009 CAFRs, meaning that no qualifications were issued. The goal of the State is to achieve an unqualified opinion on the CAFR.

Source: Department of Audits and Accounts

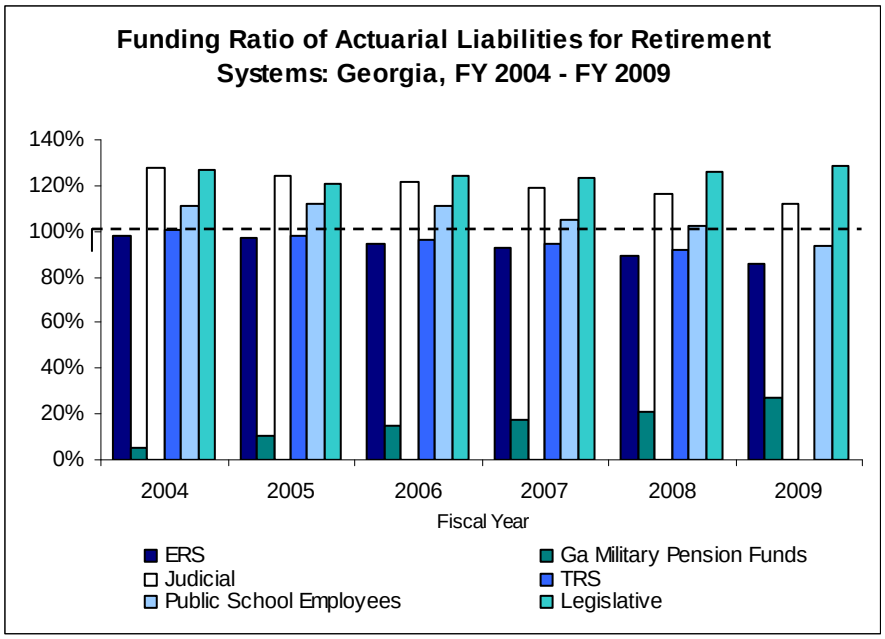
- The goal of the Department of Audits and Accounts is for 80% of its recommendations be implemented within 24 months of the release of the report. The department has met or exceeded this goal.
- The Department of Audits has 316 employees. The major offices and divisions include: Administrative, Education Audit, Healthcare Audits, Information Systems Audit and Assurance Services, Information Technology, Nonprofit and Local Government Audits, Performance Audit Operations, the Sales Ratio, and State Government Division.



Source: Georgia Department of Audits and Accounts

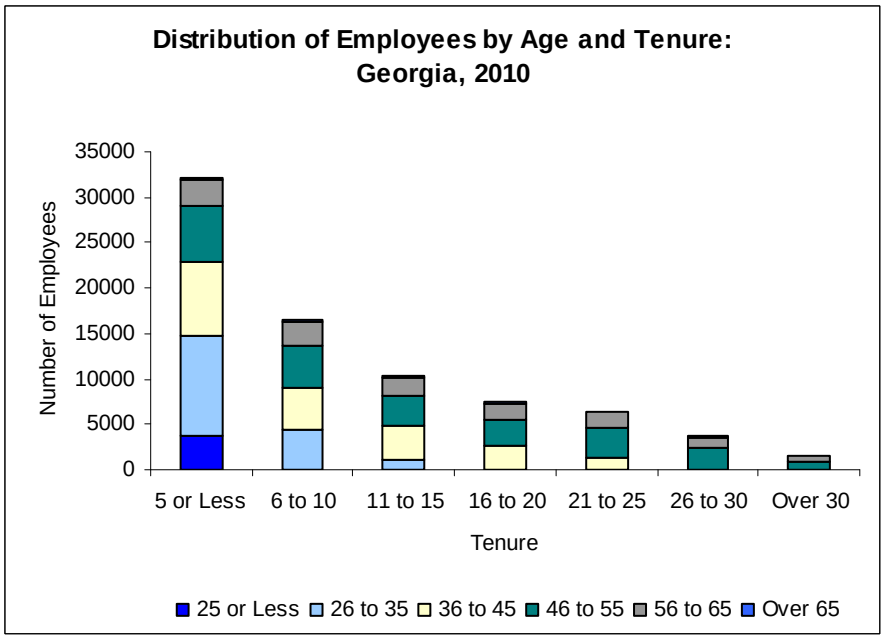
- Benefit payments paid to Employee's Retirement System (ERS) retirees and beneficiaries increased by $92.7 million, (8.1%) from $1.15 billion in 2008 to $1.24 billion in 2009. This increase was the result of increases in the number of retirees and beneficiaries receiving benefits across all plans and post-retirement cost-of-living increases in benefits as well as a contingent liability involving retroactive benefit payments (2009 ERS Auditors Report).
- There are more than 71,000 active members in the Employee's Retirement System.

- The net assets of the Employees Retirement System (ERS) decreased by nearly $3.0 billion, (18.5%), from $16.1 billion on June 30, 2008 to $13.2 billion on June 30, 2009. The decline was primarily due to declining equities markets in 2009 (2009 ERS Annual Report).
- The Teachers Retirement System (TRS) is the largest public retirement system in the State of Georgia and the 28th largest retirement system in the United States, the System pays out $2.7 billion in benefits per year (Source: 2008 TRS CAFR).



Source: Year-end financial reports

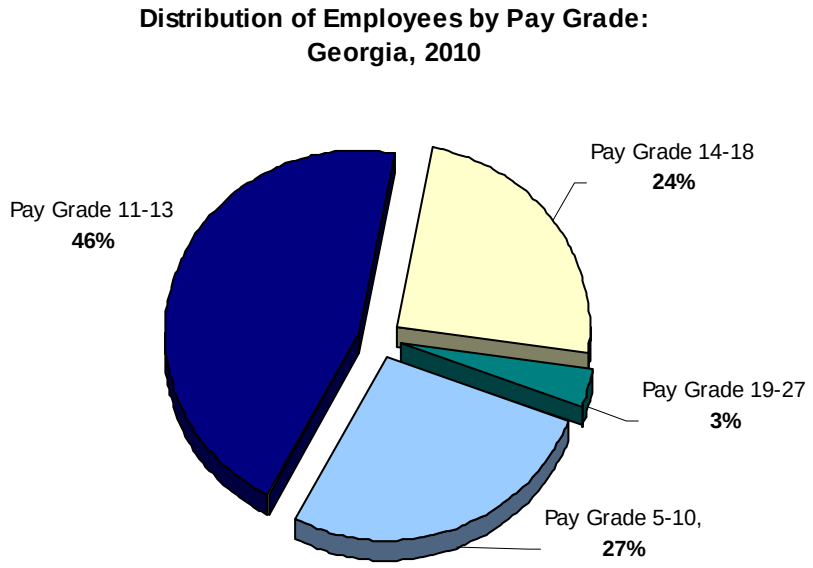
State Personnel



Source: State Personnel Administration Enterprise Workforce Report, Fiscal Year 2010

- 41% of state employees have been employed with the state 5 years or less.
- 21% of state employees have 6 to 10 years of employment with the state.
- 48% of state employees are age 45 or older.
- The state positions with the highest turnover are Juvenile Correctional Officer 1 and Social Services Specialist.

- The State workforce is aging; 48% of the workforce is currently over the age of 45; yet over 62% of the workforce has less than 10 years of tenure with the State.
- The average tenure of State employees based on reported service date is 9 years.
- State government is an "at-will" employer meaning either party may end the employment relationship at any time for no reason at all, without incurring a penalty. The state eliminated its civil service system in 1996.



Pay Grade	Minimum	Maximum
Pay Grades 5-10	$14,600	$38,600
Pay Grades 11 to 13	$24,300	$51,400
Pay Grades 14-18	$32,400	$82,900
Pay Grades 19-27	$52,100	$195,600

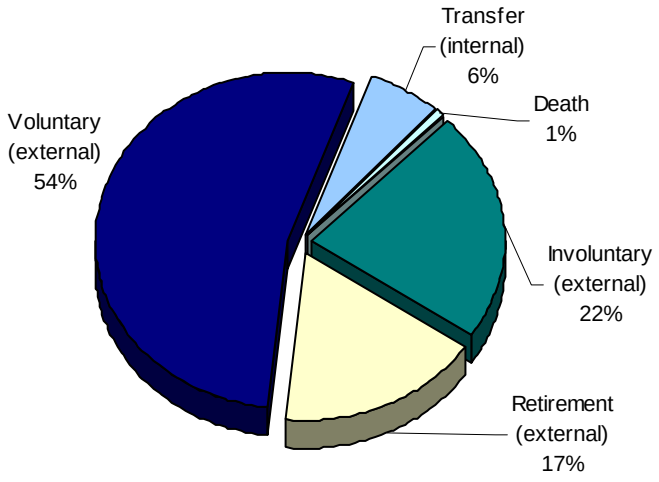
- Over 73% of state employees are in pay grade 13 and below.
- The state personnel administration issues an annual report and regular analytical reports on the state's workforce. These reports can be found at www.spa.ga.gov.

Source: State Personnel Administration Enterprise Workforce Report, Fiscal Year 2010

State Employee Turnover and Customer Service

- Voluntary turnover includes resignations and employees departing for professional and personal reasons.
- The percentage of retirements increased from 12% to 17% from 2007 to 2010.
- Involuntary turnovers include dismissals, releases, and reductions in force.
- Annual turnover in the state of Georgia is near 13%, while annual turnover in the private sector is 48.7%.
- 6% of turnover is comprised of interagency transfers (internal).

Major Categories of Turnover
State Employees, 2010



Source: State Personnel Administration Enterprise Workforce Report, Fiscal Year 2010

- Three agencies have an average tenure of 7 years or less. These agencies include: Public Defender Standards, State Road and Tollway Authority, and the State Financing and Investment Commission.
- Faster, Friendlier, and Easier has been the slogan of a sustained effort to improve customer service in the state. Significant progress is being made to improve state services. For example, State call centers have improved speed to answer from 5 minutes to nearly 2 minutes. Furthermore, of the call centers, 60% are meeting the goal of answering within 1 minute. See below for additional results.
- A 2009 survey measured public opinion of state customer service of various services. The statewide customer service quality score was 76% or very good.

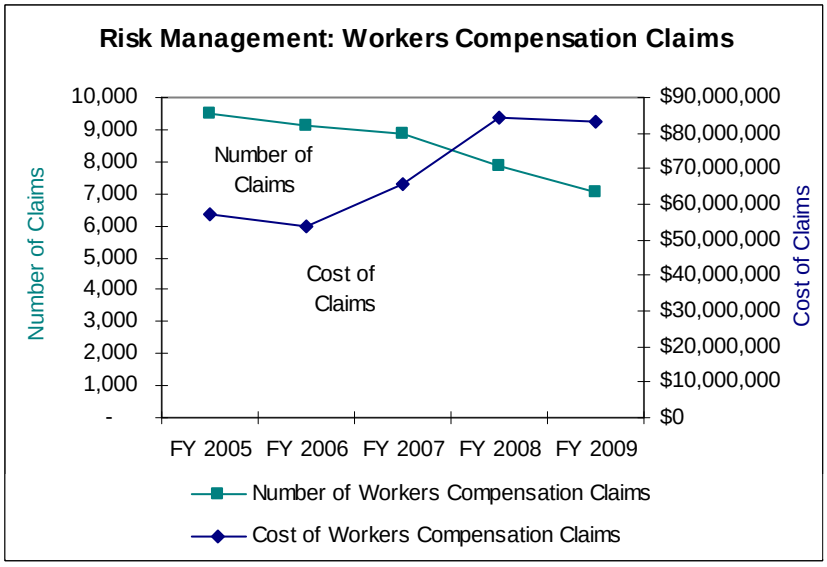
- The state has over 31 service specific call centers 11 of which are outsourced. The state created a statewide call center (1-800-Georgia) to connect Georgians to the right government service on their first call.
- State call centers receive over 1,000,000 calls per month.
- 1-800-Georgia has a 98% customer satisfaction rating.
- Georgia's national ranking among the 50 states for its ability to collect and distribute child support has improved dramatically from 47th in FY 2006 to 30th in FY 2009.

Statewide Rapid Process Improvement Results

Process	Baseline		Today
Issuance of Driver Licenses	2 hours	to	8 minutes
Financial Aid Applications	3.5 months	to	1 month
Child Support	14 weeks	to	Same-day service
PeachCare for Kids/Medicaid Approval	15 weeks	to	15 days
Motor Vehicle Titles	6 weeks	to	5 days
Adoption Records	4 months	to	3 weeks

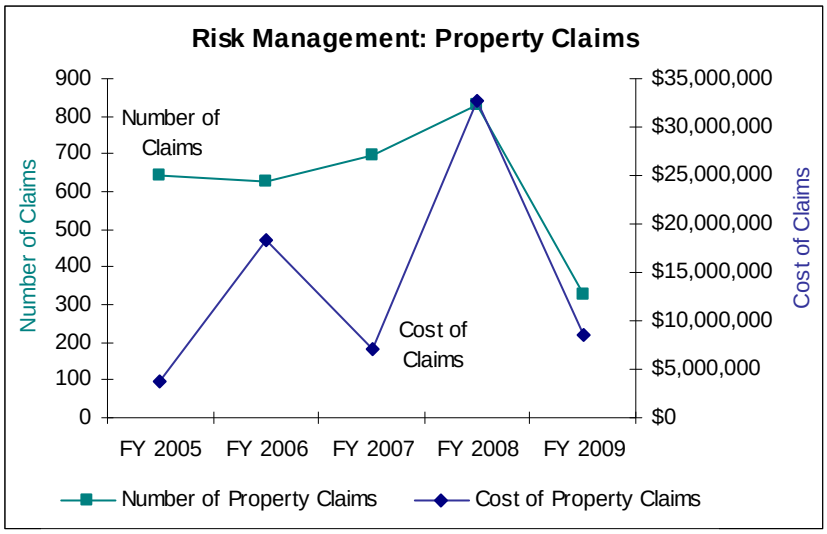
Source: Office of Customer Service

Risk Management

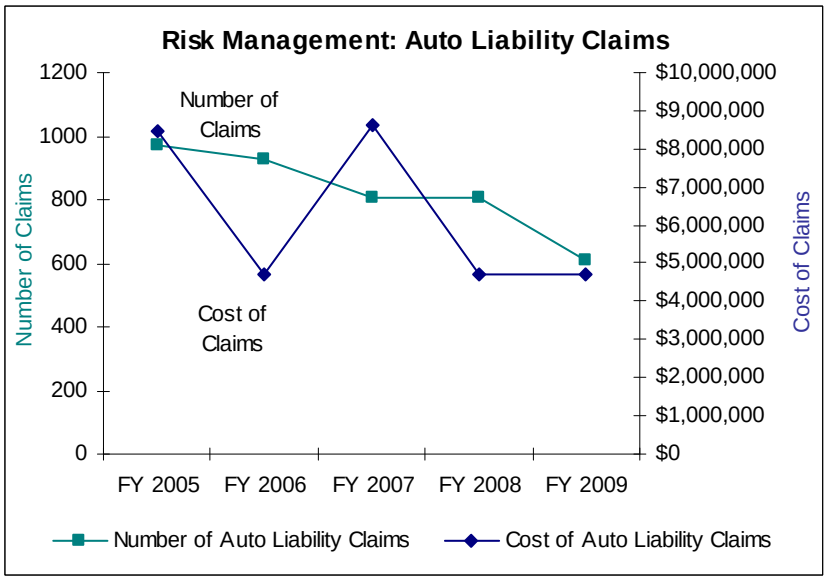


- There were 2,465 fewer workers compensation claims in FY 2009 compared to FY 2005. 57% of all claims come from three state agencies: Board of Regents (21%), Department of Corrections (19%), and Department of Behavioral Health and Developmental Disabilities (17%).
- The cost of claims has risen due to inflation in medical costs, increase in utilization of medical treatments, severity of injuries, and an increase in rehabilitation services and costs.

Note: To reduce long-term exposure, approximately 240 permanent total disability cases were settled in FY 2008, increasing the lump sum indemnity paid out during the year.



- Property Claims increased from FY 2005 to FY 2008, and decreased from FY 2008 to FY 2009. The cost of claims increased from $3.7 million to $32 million in FY 2008 due to the storms (tornadoes) in March and May of 2008.
- 56% of all claims in FY 2009 came from two agencies: Board of Regents (44%) and the Department of Corrections (12%).

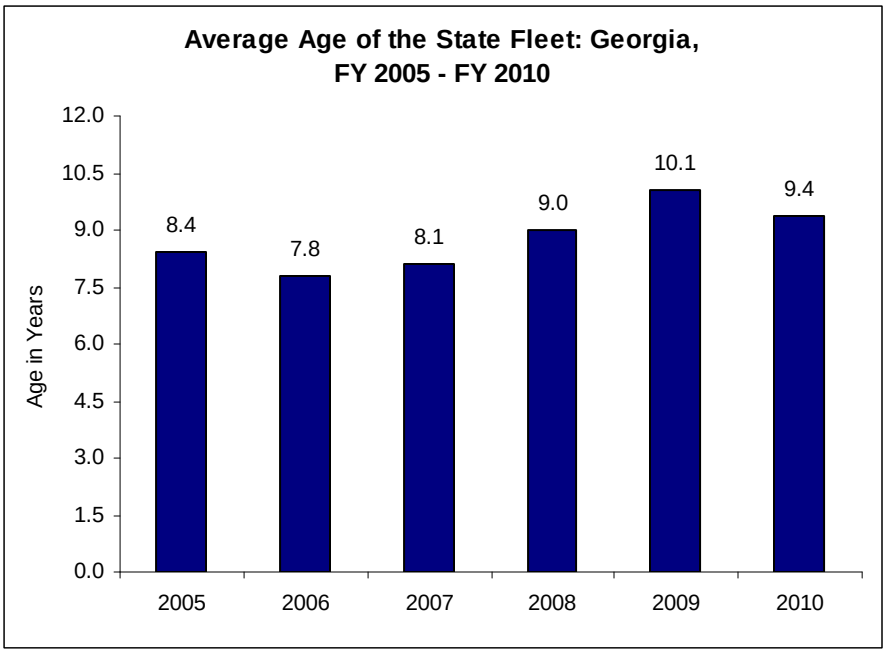


- Auto liability claims decreased by 362 claims from FY 2005 to FY 2009.
- The cost of auto liability claims has fluctuated between $8 million and $4.7 million over the past four years while at the same time the number of claims has decreased.
- The agencies that have the most auto liability claims are: Board of Regents (24%), Community Service Boards (15%), Transportation (13%), Public Safety (9%), and Corrections (8%).

Source: Department of Administrative Services

- The average age of a vehicle in the state fleet is approximately 10 years.
- Largest (Top 10) Fleet Agencies are listed below:

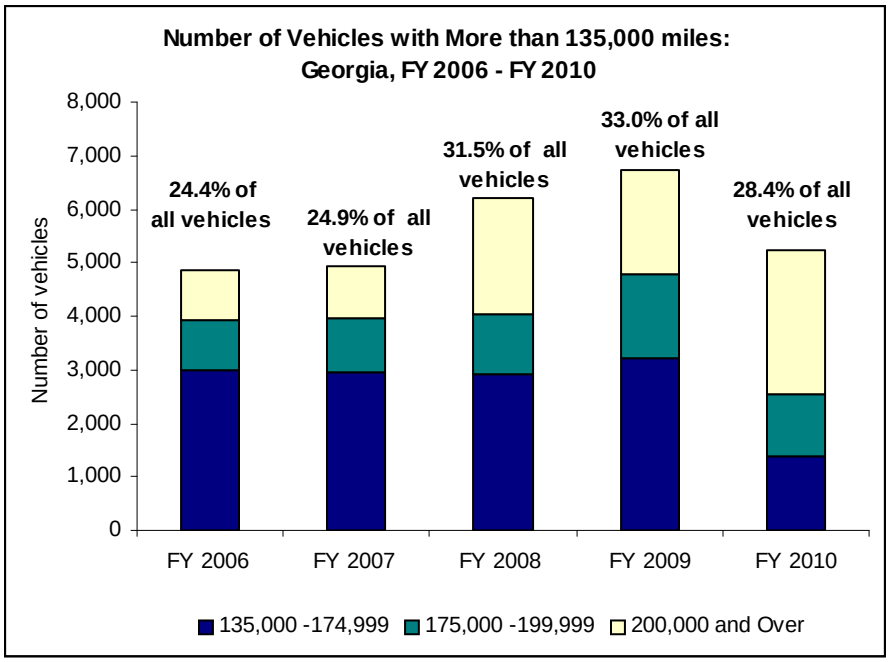
Agency	Vehicles
Transportation	4,119
Corrections	1,921
Natural Resources	1,440
Public Safety	1,401
Behavioral Health	985
Georgia Forestry	691
Bureau of Investigation	456
Dept. of Agriculture	345
Dept. of Juvenile Justice	289
Georgia Ports Auth.	212



Source: Department of Administrative Services

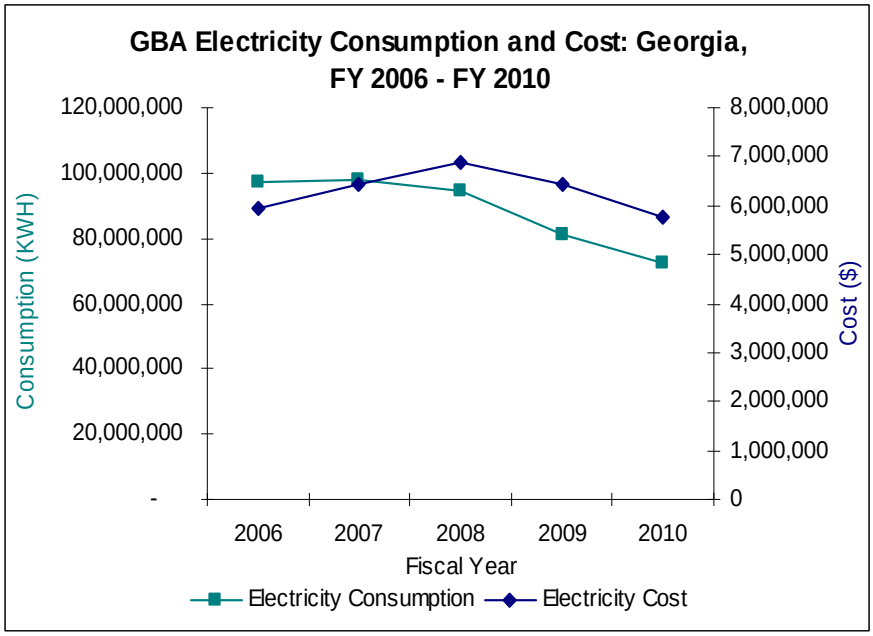
- The number of vehicles in the state fleet has decreased 5.4% from 19,538 in June 2004 to 18,415 in June 2010.
- The state operates the fourth largest state government fleet with over 20,000 on-road passenger vehicles.

- The average mileage of a vehicle in the state fleet is approximately 110,000 miles.
- The percent of the state fleet with over 135,000 miles has increased from 24.4% of the fleet in FY 2006 to 28.4% in FY 2010. This percentage is likely to increase due to limited funding for replacement vehicles.
- The number of vehicles with over 200,000 miles increased 48% from 937 in FY 2006 to 1,391 in FY 2010.



Source: Department of Administrative Services

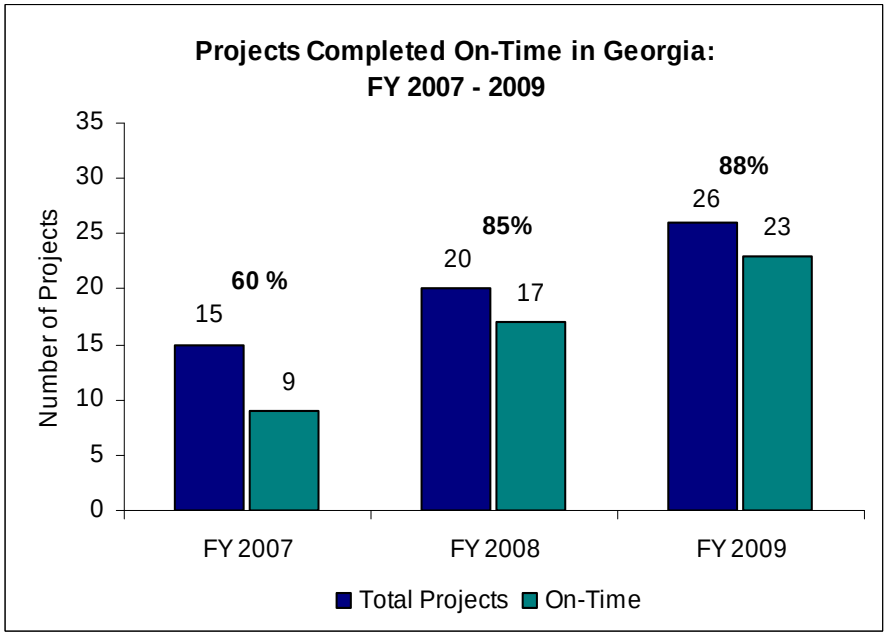
Facilities and Construction



Source: Office of the State Property Officer

- Electricity consumption at all GBA operated facilities has decreased 24.8 million kilowatt hours or nearly 26% from FY 2006 to FY 2010.
- The cost of electricity for all GBA operated facilities decreased by $675,184 from FY 2007 to FY 2010.
- GBA manages space totaling approximately 7.6 million gross square feet.
- GBA provides access control and security to state facilities for over 13,000 state employees and contractors.

- The Georgia Building Authority (GBA) operates 67 buildings and various other structures which include the state capitol building, surrounding office buildings, and the Governor's Mansion. It also operates or manages 19 parking facilities, 4 parks or plazas, 6 confederate cemeteries and 2 warehouse complexes.
- State treasury proceeds generated from State Properties Commission leases and property sales for FY 2010 totaled $14.5 million.



Source: Office of the State Property Officer

- A state property officer (SPO) was established in 2006 with responsibility for the State Properties Commission, Georgia Building Authority, and Georgia State Finance and Investment Commission (GSFIC) to oversee all of the states' real estate and facilities.
- A new state construction manual was issued in 2007. This is the first update since 1954.
- GSFIC managed construction projects completed on time increased from 60% in FY 2007 to 88% in FY 2009.

IT Systems and Commission for a New Georgia

- Georgia Technology Authority's 2009 report is the second assessment of the security of the state's IT systems. The first assessment was completed in 2008.
- The table shows the total number of systems reported for each impact categorization. It also shows the number of systems reported to have security plans and the number with independent assessments. The requirement for independent assessments only applies to high-impact systems, and it is an annual requirement.
- The full IT security report can be downloaded on the GTA website.

2009 Security Status of State IT Systems

Critical Impact	Number of Systems Reported	With Security Plans	Independently Assessed	With Disaster Recovery Plans	Tested Disaster Recovery Plans
High	67	27	13	15	11
Moderate	229	78	40	65	51
Low	97	11	15	14	20
All	393	116	68	94	82

High Impact – Those systems where an incident affecting information confidentiality, integrity, or availability would have a *severe or catastrophic* adverse effect.

Moderate Impact – Those systems where an incident affecting information confidentiality, integrity, or availability would have a *serious* adverse effect.

Low Impact – Those systems where an incident affecting information confidentiality, integrity, or availability would have a *limited* adverse effect.

Source: GTA Enterprise Information Security Report, FY 2009

- Since 2003, 86% of Commission for a New Georgia (CNG) recommendations reviewed by implementation teams have been instituted.
- Governor Purdue was named a 2009 Innovator in Action by Reason Magazine for the work of the Commission for a New Georgia.
- CNG Task Force recommendations initiated improvements affecting several indicators noted in this report: fleet reduction, risk claims, process improvement in customer service, energy consumption and on-time construction projects.

COMMISSION for A NEW GEORGIA
GOVERNOR'S OFFICE of IMPLEMENTATION

For seven years, the private-sector Commission for A New Georgia has served as state government's "real world consultant" in the mission to make Georgia the best-managed state in America. CEOs, business leaders and management experts have analyzed a broad range of state functions and recommended changes that are enabling government to work better and cost less.

All 24 CNG task forces have been catalysts for transformation in key operational areas. Streamlined processes, best practices, and new technologies have produced validated results in efficiency, effectiveness, accountability and cost-savings.

On a higher level, CNG-related projects have created the platform for enterprise-wide systems for managing assets, costs, risks and service delivery. Major initiatives in leadership-building and customer service are embedding a culture of service and performance in the government workforce.

The Governor's **Office of Implementation** initiates and organizes administration and agency action on CNG recommendations. Since 2004, inter-agency teams have processed recommendations of all 24 task forces.

IMPLEMENTATION SCORECARD

Commission for A New Georgia
2003-2010

24	**Task Forces in Key Areas**
130	**Recommendations**
127	**Implemented**
98%	**In Action**

Source: Commission for a New Georgia Implementation Scorecard

BEST MANAGED STATE