

Welfare Watch - March 05, 2009 - FY2010 Budget

The State fiscal year for 2010 begins on July 1, 2009. The Department of Human Resources presented the Governor's recommendations this afternoon. Tomorrow there will be public testimony on this budget.

The economy is taking no prisoners. Governor Perdue last week presented more bad news to the state. He reduced the estimate of the amount of money that the State can expect to collect through taxes and fees. Sales taxes and income taxes have been especially weak. His reduction amounted to \$1.6 billion. Virtually all state agencies will see extra spending cuts. The only exception is education.

New sources of revenue have not been forthcoming during this session. The fees on hospitals and health care insurers were to bring in \$324 million. The policy makers rejected this new tax as a non event. Even the tobacco tax is receiving a lukewarm reception.

Children in the custody of the State are especially hit hard by this revised estimate. Seven million additional dollars will be shaved from the Out of Home Care budget. Fewer foster children will be served with lower levels of care. This is the planned strategy to achieve these savings. We are working with the Legislature to restore these cuts and to modify the language so that best practice can be a strategy for savings.