Acknowledgments

The author would like to thank David Sjoquist and Carolyn Bourdeaux for their thoughtful guidance and input to this report. All errors or omissions, though, remain the responsibility of the author.
Current Charges and Miscellaneous General Revenue: 
A Comparative Analysis of Georgia and Selected States

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Current Charges and Miscellaneous General Revenue:  
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Executive Summary

In fiscal year 2007, Georgia collected $15.4 billion in state and local current charges and miscellaneous revenue, which was 32 percent of Georgia state and local own source revenue.\(^1\) State and local current charges and miscellaneous revenue is a census revenue category made up of many subcategories. For instance, current charges include public college tuition and fees, highway tolls, and revenue from public hospitals, while miscellaneous revenue includes interest earnings, fines and forfeits, and lottery revenue.

In this report Georgia’s current charges and miscellaneous general revenue are examined and compared to the AAA bond rated states (AAA), the Southeastern neighbor states (SE) and the U.S. average for fiscal years (FY) 2007 and 1992.\(^2\) We use several measures of state, local and total current charges and miscellaneous revenue to compare Georgia across these different state groups, including per capita, per beneficiary, and as a share of own source revenue.

We find that Georgia's per capita state and local current charges and miscellaneous revenue are at or near the bottom in rankings among all the states, the AAA states, and the SE neighbor states for FY 2007. Georgia was in the middle of these rankings for the three groups in fiscal year 1992. Since FY 1992, Georgia has not kept pace with the AAA states or the SE states in the growth of current charges and miscellaneous revenue. Georgia had the lowest percentage of growth in per capita terms from 1992 to 2007 among the SE states and was second to last among the AAA states.

For miscellaneous revenue, Georgia collected below the U.S. state average and ranked last of the AAA states and the SE states. The difference in per capita collections is largely attributed to Georgia's low per capita interest collections. Additional research is needed to further understand why Georgia collects so little

\(^1\) Own source revenue is money collected by state and local governments from their “own sources” such as taxes, fees, special assessments, tuition, and all other general sources except federal transfers.

\(^2\) The AAA bond rated states are: Delaware, Utah, Minnesota, Virginia, North Carolina, South Carolina, Missouri, Maryland, and Georgia. The southeastern neighbor states are: South Carolina, Alabama, Virginia, Florida, Tennessee, Mississippi, North Carolina, and Georgia.
interest per capita when compared to the U.S. state average, the AAA states, and the SE states.

Most of the difference in state and local current charges and miscellaneous revenue is due to relatively low state government collections of per capita current charges. Georgia’s local governments collected $774 per capita which was more than the U.S. state average of $698 for local per capita current charges. For state government current charges, Georgia collected $312 per capita in fiscal year 2007; this is $153 less than the U.S. state average of $465 per capita. Georgia ranked last among the nine AAA states and the eight SE states in state government per capita current charges.

In Georgia, state government current charges and miscellaneous revenue represent a smaller share of total own source revenue compared to the AAA states, the SE states and the U.S. state average. Nationally, state government current charges account for 8 percent of average state and local own source revenue. In Georgia, state government current charges account for only 6 percent of state and local own source revenue. This ranks Georgia last among the AAA states and second to last among the SE states.

In the three categories of current charges that represent most of the current charge revenue for states: higher education, hospitals, and highways Georgia also ranked below the U.S. state average. Georgia institutions of higher education collected less general revenue per full time equivalent student than the U.S. state average, the AAA states, or the SE states. For instance, Georgia collected $4,493 less than the U.S. state average per full time equivalent student. For total higher education revenue per full time equivalent student, Georgia ranked 48th nationally, last of the AAA states, and second to last of the SE states.\(^3\)

Georgia collected $41 per capita in state hospital revenue in FY 2006. This ranked Georgia sixth of the AAA states and sixth of the SE states. Georgia collected considerably less revenue than the U.S. state average of $106 per capita.

\(^3\) In this report, total higher education revenue does not include hospital sales and services from institutions of higher education.
Hospital revenue generated at institutions of higher education can account for much of this state revenue. For instance, for the high revenue AAA states of Utah, $318 per capita, and Missouri, $92 per capita, almost all hospital current charge revenue was generated at institutions of higher education. For the SE states, Alabama collected $215 in per capita state current charges for hospitals, while Mississippi collected $157 per capita. Again, almost all hospital current charge revenue was generated at institutions of higher education. Georgia generated $19 per capita of hospital revenue at its institutions of higher education, the lowest amount of the six states that generated any hospital revenue at institutions of higher education.

Georgia collected $4.24 per capita for highway current charge revenue, ranking Georgia sixth of the AAA states and fourth among the SE states. However, Georgia collected considerably less than the U.S. state average of $20 per capita in highway current charge revenue.

If Georgia collected the U.S. state average in the three categories of higher education, hospitals, and highways state current charge revenue would increase by approximately $1.46 billion. Further research is necessary to better understand how revenues are generated in the subcategories of higher education, hospitals and highways in Georgia and how they differ from those in other states.
Current Charges and Miscellaneous General Revenue: A Comparative Analysis of Georgia and Selected States

I. Introduction

In fiscal year 2007, Georgia collected $15.4 billion in state and local current charges and miscellaneous revenue, which was 32 percent of Georgia state and local own source revenue.\(^1\) State and local current charges and miscellaneous revenue is a census revenue category made up of many subcategories. For instance, current charges include public college tuition and fees, highway tolls, and revenue from public hospitals, while miscellaneous revenue includes interest earnings, fines and forfeits, and lottery revenue. A 6.5 percent increase in revenue in this category would yield an additional $1 billion to state and local governments.

In this report Georgia’s current charges and miscellaneous general revenue are examined and compared to the AAA bond rated states (AAA), the Southeastern neighbor states (SE) and the U.S. average for fiscal years (FY) 2007 and 1992.\(^2\) We use several measures of state, local and total current charges and miscellaneous revenue to compare Georgia across these different state groups, including per capita, per beneficiary, and as a share of own source revenue. Those categories of state and local current charges and miscellaneous revenue are identified in which Georgia collects less than the comparison states. We present estimates of additional revenue that would be generated if Georgia was at the average of other states.

State governments generally collect more revenue from current charges than from the sources included in miscellaneous revenue. Thus, current charges are examined in greater detail. Three main categories of current charges represent most of the current charge revenue for states: higher education, hospitals, and highways.

This report is organized as follows: in section 2, the combined state and local current charges and miscellaneous general revenues are discussed. Section 3 examines state level current charges. State higher education revenue is more closely examined in section 4. In section 5, state miscellaneous general revenue is briefly reviewed. In section 6, selected local current charges are examined. Section 7

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\(^1\) Own source revenue is money collected by state and local governments from their “own sources” such as taxes, fees, special assessments, tuition, and all other general sources except federal transfers.

\(^2\) The AAA bond rated states are: Delaware, Utah, Minnesota, Virginia, North Carolina, South Carolina, Missouri, Maryland, and Georgia. The southeastern neighbor states are: South Carolina, Alabama, Virginia, Florida, Tennessee, Mississippi, North Carolina, and Georgia.
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summarizes state, local, and hospital revenue from institutions of higher education. Section 8 concludes.
II. State and Local Current Charges and Miscellaneous Revenue

Current Charges and Miscellaneous Revenue is a census revenue category. Current Charges are fees imposed for providing current services or for the sale of products in connection with general government activities. Miscellaneous state and local general revenue is composed of general revenue that does not fall into one of the following categories: taxes, intergovernmental revenue, or current charges.

Georgia was in the middle of the three groups of states in FY 1992 for per capita charges and miscellaneous revenue. By 2007, Georgia had fallen to the bottom of the national rankings for per capita current charges and miscellaneous revenue. While Georgia did increase its collections from these revenue sources, the states that were below it in 1992 increased collections at a greater rate, and all but three surpassed Georgia by 2007.

However, as percentage of total own source revenue, current charges and miscellaneous revenue did not change much from 1992 to 2007. The U.S. state average has stayed about the same, roughly 30 percent of own source revenue. This suggests that taxes, the other 70 percent of state and local own source revenue, on average across all states have also increased at about the same rate as current charges and miscellaneous revenue. (For a more detailed discussion, see the companion report on Georgia tax revenue by Buschman [2009]).

Georgia’s per capita annual current charges and miscellaneous revenue collected for fiscal years 1992 and 2007 as well as a share of 2007 own source revenue are examined next.

The U.S. Census state and local government finance data are used to compare across states. These data have limitations when trying to probe deeper into the differences among the states. However, the census data are the only data that allows

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3 This is a complete list of state and local current charges: air transportation (airports), elementary-secondary education school lunch, elementary-secondary education school tuition, higher education auxiliary enterprises, other higher education charges, public hospitals, regular highways, toll highways, housing and community development charges, other natural resources, parking facilities, parks and recreation, sewerage, solid waste management, sea and inland port facilities, and all other general current charges.

4 This is a complete list of the census categories for state and local miscellaneous general revenue: special assessments, interest earnings, sale of property, other dividends, fines and forfeits, rents, royalties, donations from private sources, and net lottery revenue.
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comparisons across states for these different revenue categories (see the Note on Census Governmental Financial Data at the end of this report for a more thorough discussion of the Census data). We also use data from the National Center for Education Statistics. Data specific to Georgia, such as the fiscal year 2006 audits report and financial summary report are used to gain greater insight into Georgia revenue sources.

Per Capita Revenue

In Table 1, per capita annual current charges and miscellaneous revenue collected are examined for fiscal years (FY) 1992 and 2007. Georgia is compared to the AAA rated bond states (AAA), the Southeastern Neighbor states (SE) and the U.S. State average for FY 1992 and 2007.5

<table>
<thead>
<tr>
<th>FY 2006 AAA States</th>
<th>Per Capita Amnt '92</th>
<th>Per Capita Amnt '06</th>
<th>% Change '92 - '06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware AAA State</td>
<td>$1,993</td>
<td>$2,772</td>
<td>39%</td>
</tr>
<tr>
<td>South Carolina AAA</td>
<td>$1,254</td>
<td>$2,234</td>
<td>78%</td>
</tr>
<tr>
<td>Alabama SE State</td>
<td>$1,376</td>
<td>$1,989</td>
<td>45%</td>
</tr>
<tr>
<td>Utah AAA State</td>
<td>$1,318</td>
<td>$1,931</td>
<td>46%</td>
</tr>
<tr>
<td>Minnesota AAA State</td>
<td>$1,728</td>
<td>$1,882</td>
<td>9%</td>
</tr>
<tr>
<td>Virginia AAA State</td>
<td>$1,263</td>
<td>$1,847</td>
<td>46%</td>
</tr>
<tr>
<td>Florida SE State</td>
<td>$1,445</td>
<td>$1,846</td>
<td>28%</td>
</tr>
<tr>
<td>Tennessee SE State</td>
<td>$1,167</td>
<td>$1,671</td>
<td>43%</td>
</tr>
<tr>
<td>Mississippi SE State</td>
<td>$1,149</td>
<td>$1,608</td>
<td>40%</td>
</tr>
<tr>
<td>North Carolina AAA</td>
<td>$1,073</td>
<td>$1,577</td>
<td>47%</td>
</tr>
<tr>
<td>Missouri AAA State</td>
<td>$993</td>
<td>$1,471</td>
<td>48%</td>
</tr>
<tr>
<td>Maryland AAA State</td>
<td>$1,137</td>
<td>$1,457</td>
<td>28%</td>
</tr>
<tr>
<td>Georgia AAA State</td>
<td>$1,218</td>
<td>$1,435</td>
<td>18%</td>
</tr>
<tr>
<td>U.S. State Average (rank)</td>
<td>$1,335 (32)</td>
<td>$1,805 (47)</td>
<td>35% (45)</td>
</tr>
<tr>
<td>AAA State Average (rank)</td>
<td>$1,331 (6)</td>
<td>$1,845 (9)</td>
<td>40% (8)</td>
</tr>
<tr>
<td>SE State Average (rank)</td>
<td>$1,243 (5)</td>
<td>$1,776 (8)</td>
<td>43% (8)</td>
</tr>
</tbody>
</table>

5 The bond rankings are from 2007 U.S. Census.
In 1992, Georgia collected approximately $1,255 per capita in annual current charges and miscellaneous general revenue. Georgia ranked 32nd out of 50 states and the District of Columbia (D.C.). The U.S. state average was approximately $1,375. Georgia ranked lower than all but three AAA states, Maryland, North Carolina, and Missouri, in per capita current charges and miscellaneous revenue. Delaware collected the greatest amount of per capita current charges and miscellaneous revenue with approximately $2,053 per capita, while Missouri collected the least with $1,023 per capita. For the SE states, four states, Florida, Alabama, Virginia, and South Carolina, collected more than Georgia. Florida collected the greatest amount of current charges and miscellaneous revenue with $1,489 per capita while North Carolina collected the least with $1,106 per capita. In FY 1992, Georgia collected $116 less than the per capita average of $1,371 for the AAA states for current charges and miscellaneous general revenue, but collected only $25 less than the SE state average of $1,280.

In FY 2007, Georgia ranked 44th nationally in annual current charges and miscellaneous general revenue collected with approximately $1,615 per capita. The U.S. state average was approximately $1,943 per capita. This was the second lowest amount of the AAA states and the lowest of the SE states. Delaware collected the greatest amount among the AAA states, with $3,145, while South Carolina collected the most of the SE states, with $2,369 per capita. In FY 2007, the gap between the per capita collections of Georgia and the AAA state average grew. The per capita average collected by the AAA states for current charges and miscellaneous general revenue was $2,018 in FY 2007, $403 more than Georgia collected. This gap grew by a greater amount for the SE state average. Recall that in 1992 Georgia collected $25 less than the SE state average. By 2007, the gap had grown to $326, as the SE state average collection for current charges and miscellaneous general revenue increased to $1,941 per capita. This increase in the SE state average made it almost equal to the U.S. state average of $1,943 and to the AAA state average of $2,018.

6 All future national rankings include the 50 states and D.C. we will just state the national rank for ease of exposition.
Table 1 also examines the percentage change in per capita annual charges for the AAA states and the eight SE states for fiscal year 1992 to fiscal year 2007. Georgia has not kept pace with the growth in current charges and miscellaneous revenue when compared to AAA states, SE states, and the U.S. state average. Georgia had a 29 percent increase in per capita annual current charges from 1992 to 2007. The U.S. state average increase was 41 percent. Of the nine AAA states, eight had greater rates of growth in per capita annual charge collections than Georgia. Missouri had the greatest percentage change in per capita charges and miscellaneous revenue, with an increase of 61 percent. Minnesota had the lowest rate of increase, 13 percent. For the SE states, all the other states had higher growth rates than Georgia. South Carolina had the highest rate with an 83 percent increase in per capita charges and miscellaneous revenue.

Georgia has generally collected less current charges and miscellaneous revenue per capita than the nation and the AAA states. However, in 1992 Georgia collected about the same amount as the SE state average. In FY 2007, Georgia still collected less per capita current charges and miscellaneous revenue when compared to the nation and the AAA states. However, the SE state average increased and was about the same as the AAA states and the U.S. state average. Thus, by FY 2007 Georgia collected considerably less per capita in current charges and miscellaneous revenue than its SE state neighbors. The comparative rankings of Georgia to the other SE states from 1992 to 2007 further illustrate Georgia’s decline in current charges and miscellaneous revenue relative to other states. In FY 1992, Georgia was in the middle of the group for the SE states, however by FY 2007, Georgia ranked last in per capita current charges and miscellaneous revenue for the SE states. Finally Georgia’s low percentage of growth in these revenue sources from 1992 to 2007, second to last among the AAA states and last among the SE states, further shows that Georgia has not kept pace with the AAA states or the SE states in the growth of current charges and miscellaneous revenue.
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Revenue as a Share of Own Source Revenue

In Table 2, we compare Georgia's per capita collections of current charges and miscellaneous revenue as a percentage of own source revenue for fiscal year 1992 and 2007 to the AAA and SE states. In 1992, Georgia had a reliance on current charges and miscellaneous revenue that was in the middle of the group of AAA states and the SE states and close to the U.S. state average. In FY 1992, current charges and miscellaneous revenue represented approximately 32 percent of Georgia's total own source revenue. This ranked Georgia 24th nationally. The U.S. state average was 30 percent. Of the AAA states, Georgia's share of own source revenue was greater than that of Maryland, Missouri, North Carolina, and Virginia. In FY 1992, Georgia ranked sixth for the SE states for share of own source revenues from current charges and miscellaneous revenue. Alabama had the highest share with 40 percent, while North Carolina had the lowest with 29 percent.

<table>
<thead>
<tr>
<th>States</th>
<th>% Own Src. Rev. '92</th>
<th>% Own Src. Rev. '06</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Carolina</td>
<td>36%</td>
<td>44%</td>
</tr>
<tr>
<td>Alabama</td>
<td>40%</td>
<td>42%</td>
</tr>
<tr>
<td>Delaware</td>
<td>37%</td>
<td>39%</td>
</tr>
<tr>
<td>Utah</td>
<td>35%</td>
<td>38%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>35%</td>
<td>37%</td>
</tr>
<tr>
<td>Mississippi</td>
<td>38%</td>
<td>36%</td>
</tr>
<tr>
<td>Florida</td>
<td>35%</td>
<td>33%</td>
</tr>
<tr>
<td>Virginia</td>
<td>31%</td>
<td>32%</td>
</tr>
<tr>
<td>Missouri</td>
<td>29%</td>
<td>32%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>29%</td>
<td>32%</td>
</tr>
<tr>
<td>Georgia</td>
<td>32%</td>
<td>30%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>33%</td>
<td>30%</td>
</tr>
<tr>
<td>Maryland</td>
<td>25%</td>
<td>24%</td>
</tr>
<tr>
<td>U.S. State Average (rank)</td>
<td>30% (24)</td>
<td>31% (34)</td>
</tr>
<tr>
<td>AAA State Average (rank)</td>
<td>32% (5)</td>
<td>33% (7)</td>
</tr>
<tr>
<td>SE State Average (rank)</td>
<td>34% (6)</td>
<td>36% (8)</td>
</tr>
</tbody>
</table>

In FY 2007, Georgia's national rank declined as well as when compared to the other AAA and SE states. Current charges and miscellaneous revenue still accounted for 32 percent of Georgia's own source revenue, however Georgia ranked 32nd nationally in its dependence on non-tax revenue sources. The U.S. state average for the share of own source revenue from current charges and miscellaneous revenue was 31 percent. Georgia ranked about the same when compared to the other AAA states. In 2007, of the AAA states, Georgia ranked fourth in own source revenue from these sources. Among the SE states, Georgia had the lowest share of own source revenue from charges and miscellaneous revenue. South Carolina and Alabama had the highest share of own source revenue from current charges and miscellaneous revenue with 43 percent.

Table 2 suggests that from 1992 to 2007 Georgia’s mix of revenues has changed relative to the SE states, and the U.S. state average. In 1992, Georgia ranked 24th nationally in its percent of own source revenue from current charges and miscellaneous revenue. This ranking was in the middle for all states as well as the AAA and SE States. In 2007, Georgia’s national rank changed to 32nd. This ranked Georgia last among the SE states. We next examine the components of current charges and miscellaneous revenue and try to pinpoint the differences between Georgia and selected AAA and SE states.

**Share of Charges and Miscellaneous Revenue from State and for Local Governments**

Generally, current charges are a larger share of total own source state and local revenue than miscellaneous revenue. Local governments generally collect more per capita in current charges than state governments because they provide more services for which residents must pay charges, such as sewerage and solid waste. For instance, Georgia has a 9 percentage point greater share of total own source revenue from local current charges than state current charges. We explore these differences in state and local current charge collections in greater detail in later sections. State governments generally collect more miscellaneous revenue than local governments.
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However, in Georgia, local governments collect slightly more miscellaneous revenue than the state government.

Table 3 examines the reliance of state and local governments of the AAA states and the SE states on current charges and miscellaneous revenue in FY 2007 as a percentage of total state and local own source revenue. We separate out current charges and miscellaneous revenue into state and local components to determine which level of government relies more heavily on each revenue source.

**Table 3. State and Local Charges and Miscellaneous Revenue as a Percent of Own Source Revenue**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Utah</td>
<td>17%</td>
<td>7%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>South Carolina</td>
<td>15%</td>
<td>7%</td>
<td>18%</td>
<td>4%</td>
</tr>
<tr>
<td>Delaware</td>
<td>14%</td>
<td>18%</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>Alabama</td>
<td>13%</td>
<td>6%</td>
<td>18%</td>
<td>5%</td>
</tr>
<tr>
<td>Virginia</td>
<td>12%</td>
<td>8%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>Mississippi</td>
<td>9%</td>
<td>4%</td>
<td>19%</td>
<td>4%</td>
</tr>
<tr>
<td>Missouri</td>
<td>8%</td>
<td>8%</td>
<td>12%</td>
<td>4%</td>
</tr>
<tr>
<td>Maryland</td>
<td>8%</td>
<td>6%</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>7%</td>
<td>5%</td>
<td>16%</td>
<td>4%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>7%</td>
<td>5%</td>
<td>12%</td>
<td>6%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>7%</td>
<td>11%</td>
<td>15%</td>
<td>5%</td>
</tr>
<tr>
<td>Georgia</td>
<td>6%</td>
<td>4%</td>
<td>14%</td>
<td>6%</td>
</tr>
<tr>
<td>Florida</td>
<td>5%</td>
<td>5%</td>
<td>16%</td>
<td>8%</td>
</tr>
</tbody>
</table>

| U.S. State Average (rank) | 8% (42) | 7% (48) | 11% (12) | 5% (13) |
| AAA State Average (rank)  | 10% (9) | 7% (9)  | 11% (3)  | 4% (2)  |
| SE State Average (rank)   | 9% (7)  | 6% (7)  | 15% (7)  | 5% (2)  |

For the AAA states, those that relied more heavily on local government current charges tended to rely less heavily on state government current charges as a share of own source revenue. For instance, in Georgia, state current charges collected represented 6 percent of total state and local own source revenue and local current charges collected represented 15 percent of total state and local own source revenue. Georgia ranked second in local current charges as a share of own source revenue, behind South Carolina. Of the AAA states, South Carolina, North Carolina, Missouri,
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and Minnesota, relied more heavily on local government current charges and miscellaneous revenue than on state government current charges and miscellaneous revenue when expressed as a share of own source revenue; while Utah, Delaware, and Virginia collected more state current charges and miscellaneous revenue than local current charges and miscellaneous revenue when expressed as a share of own source revenue. The U.S. state average for share of own source revenue represented by local current charges was 11 percent while state governments collected 8 percent of own source revenue from these sources.

The SE states tended to have local current charges account for a greater share of own source revenue than state current charges. However, some of the SE states have both high percentages of own source revenue from state current charges and local current charges (see Table 3). For instance, South Carolina’s share of own source revenue represented by state current charges was 15 percent while local governments collected 17 percent of own source revenue from these sources. For the SE states, Georgia ranked eighth in state and sixth in local current charges as a share of own source revenue.

Georgia was one of three states of the AAA and SE states that collected less state miscellaneous revenue than local miscellaneous revenue. States generally collect more miscellaneous revenue than local governments. The U.S. state average, for share of own source revenue, represented by state miscellaneous revenue was seven percent while local governments collected five percent of own source revenue from this source. For the AAA states, six states had greater state miscellaneous revenue than local miscellaneous revenue. Georgia was one of the two AAA states that collected less state miscellaneous revenue than local miscellaneous revenue with four percent and six percent, respectfully. For the SE states, five states had greater state miscellaneous revenue than local miscellaneous revenue. Only Georgia and Florida had greater local miscellaneous revenue than state miscellaneous revenue. For Mississippi, state and local miscellaneous revenues were approximately equal.

As can be seen from Table 3, Georgia relied less on state level current charges and miscellaneous revenue than it did on local current charges and
miscellaneous revenue in FY 2007. We will examine the constituent components of
these broad state and local revenue categories next.
III. State Current Charges and Miscellaneous Revenue

In this section, we examine the subcategories of current charges and miscellaneous revenue. We will focus primarily on the larger revenue category, current charges. We first examine the state components of these two broad categories. The remainder of the analysis will focus on per capita current charges and miscellaneous revenue, as this measure is more useful in comparisons across current charge and miscellaneous revenue component categories.

The 2007 census data list 11 categories of current charges: education, hospitals, highways, airports, parking facilities, sea and inland port facilities, natural resources, parks and recreation, housing and community development, sewerage, solid waste management, and other charges. The category of education includes institutions of higher education and school lunch sales. Three of these categories represent most of the current charge revenue for states: higher education, hospitals, and highways. Table 4 illustrates this point; 85 percent of all the U.S. state average current charges are from these three categories. Of the AAA states, Missouri received the greatest share from education, hospitals, and highways, with 93 percent, while Delaware received the lowest share, with approximately 74 percent. In Georgia, these three categories comprised 79 percent of total current charges. For the SE states, Alabama had the greatest share of current charge revenue from these three sources with 93 percent; Florida had the least with 60 percent.

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7 This is not the full list given earlier in the report. Some categories are combined.
8 For state current charge revenue, institutions of higher education account for almost all of the total category revenue. The U.S. state average is 99 percent of all education revenue at the state level received from institutions of higher education. Note for the remainder of the section we will refer to the education sector as institutions of higher education even though it includes other education revenues.
TABLE 4. MAJOR COMPONENTS OF STATE CHARGES AS A PERCENT OF TOTAL STATE CHARGES

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Missouri</td>
<td>68%</td>
<td>25%</td>
<td>0.2%</td>
<td>93%</td>
</tr>
<tr>
<td>Mississippi</td>
<td>54%</td>
<td>39%</td>
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<td>92%</td>
</tr>
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<td>Alabama</td>
<td>56%</td>
<td>35%</td>
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<td>92%</td>
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<tr>
<td>Utah</td>
<td>51%</td>
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<td>Florida</td>
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<td>23% (26)</td>
<td>8% (25)</td>
<td>85% (34)</td>
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<tr>
<td>AAA State Average (rank)</td>
<td>60% (5)</td>
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<td>4% (4)</td>
<td>85% (8)</td>
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<td>SE State Average (rank)</td>
<td>55% (3)</td>
<td>24% (6)</td>
<td>3% (3)</td>
<td>83% (6)</td>
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</table>

Higher education revenue provided the greatest share of total state current charges, accounting for 57 percent of the U.S. state average. Higher education revenue in Georgia accounts for 64 percent of all state level current charges. Minnesota had the greatest share of state current charge revenue from education, with 81 percent, while South Carolina had the least, with 48 percent. Among the SE states, Tennessee collected the greatest share of state current charge revenue from higher education, with 74 percent. Florida collected the least, with 35 percent.

Hospital charges comprise the second-largest category of current state per capita charge revenue. The U.S. state average is 24 percent of the total state current charge revenue. Georgia collected 14 percent of state current charges from hospital sources. Utah collected 38 percent of state current charges from hospitals, ranking it first among the AAA states. Delaware collected the least, with 2 percent.

Highways are the third ranked named category for state current charges. The U.S. state average revenue from highways accounted for approximately 4 percent of
Current Charges and Miscellaneous General Revenue: A Comparative Analysis of Georgia and Selected States

total state per capita current charge revenue. Georgia collected 1.4 percent of state current charge revenue from highways. Delaware collected the greatest share of state current charge revenue from highways, with approximately 14.2 percent. Missouri collected the least, with 0.3 percent. Of the SE states, Georgia ranked third for the greatest share of state highway collections as a percent of current charges, tied with Virginia with 1.4 percent. Florida collected the greatest share with 18.1 percent. None of the other SE states collected more than 0.6 percent of state current charges from highways.

There is considerable variation among the AAA states and SE states in the amount of current charges collected per capita (see Table 5). We will discuss the 2007 data only; however, the 1992 data show a similar pattern. Delaware, Utah, South Carolina, and Virginia collected considerably more current charges per capita than the other AAA states. Recall from Table 3, these four states also rely more heavily on current charges measured as percentage of own source revenue.

<table>
<thead>
<tr>
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<td>$249 (46)</td>
<td>$106 (28)</td>
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<td>$333 (9)</td>
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<td>$466 (6)</td>
<td>$251 (7)</td>
<td>$133 (6)</td>
<td>$10 (3)</td>
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</tr>
</tbody>
</table>
Current Charges and Miscellaneous General Revenue:  
A Comparative Analysis of Georgia and Selected States

Delaware, Utah, South Carolina, and Virginia collected $1,083, $883, $808, and $765, respectively, in per capita annual current charges. These four states ranked second, fifth, sixth, and eighth nationally for per capita annual charges. The national average for per capita charges collected is approximately $465. Georgia collected $312 per capita, which ranked Georgia last among the AAA states. Georgia ranked sixth among the SE states, with Tennessee and Florida collecting less. South Carolina ranked highest, with $808 per capita. We next discuss the three leading components of state current charge revenue: institutions of higher education, hospitals and highways.

For higher education, Georgia collected the lowest amount of the nine AAA states, with approximately $200 per capita. Delaware collected the highest amount, with approximately $629 per capita. The U.S. state average for higher education for current charges is $265 per capita. Georgia collected more than only Florida in per capita education current charges, with $108. South Carolina collected the greatest amount of per capita education current charges, with $389.

Georgia collected $42 per capita in hospital charge revenue, this is less than the U.S. state average of $110 per capita. Georgia also generally collected less than the AAA states and SE states. We will discuss state, local, and university level hospital revenue in greater detail in a later section.

Georgia collected $4.24 per capita for highway current charge revenue, ranking Georgia sixth out of the nine AAA states. Delaware collected the most with approximately $153 per capita, while Missouri collected the least with approximately 0.98 cents per capita. For highways, Georgia ranked fourth among the SE states. Florida, Virginia, and South Carolina collected more per capita, with $56, $11 and $4.95, respectfully. Mississippi collected the least with 0.01 cents per capita. The U.S. state average is $20 per capita in highway current charge revenue.
The category of highways includes regular highways and toll highways.\(^9\) Examining the FY 2006 Georgia audits report, the Georgia Toll-way Authority collected approximately $20.1 million in tolls. The census lists highway current charges revenue for Georgia as approximately $40.1 million. Thus it would appear that Georgia state highway revenue is roughly equally split between toll collections and DOT collections for road maintenance and construction services.\(^10\) Additional research will be needed to determine how highway revenue is allocated between toll highways and state transportation department maintenance and construction services in other states. Feasible options for increasing this revenue source for Georgia could then be suggested, beyond the High Occupancy Toll roads already planned.

If Georgia collected the U.S. state average in the three categories, state current charge revenue would increase by approximately $1.46 billion. (This is the difference between the Georgia current per capita amount and the U.S. average per capita amount times the 2007 Georgia population.)

Later sections of this report will examine in greater detail Georgia's current charge collections for higher education and hospitals. These two categories would generate an additional $1.3 billion if Georgia collected the U.S. state average per capita. How Georgia might increase its current charge collections from hospitals is closely tied to federal Medicare policies and other healthcare issues and is beyond the scope of this report. Rather, we will discuss the three sources of hospital current charges, state, local, and higher education revenue and compare them to the AAA states, SE states and U.S. state average.

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\(^9\) The census defines regular highway current revenue as: “Reimbursements for street construction and repairs; fees for street cuts and special traffic signs; and maintenance assessments for street lighting, snow plowing, and other highway or street services unrelated to toll facilities.” The census defines toll highways current revenue as: “Fees from turnpikes, toll roads, bridges, ferries, and tunnels; rents and other revenue from concessions (service stations, restaurants, etc.); and other charges for use of toll facilities… and Includes: Lease of toll roads.”

\(^10\) Further research would be needed to ascertain from which agencies DOT collected the remainder of its highway revenue.
IV. State Higher Education Revenue

We next examine in greater detail state revenue generated from higher education. Institutions of Higher Education include all those institutions that grant associates or higher degrees and participate in Title IV federal financial aid programs. These data came from Digest of Education Statistics 2008, published by the National Center for Education Statistics and are for fiscal year 2006, the most current year data are available. Georgia is compared to the AAA states, the SE states, as well as the U.S. state average. To compare across states we use the revenue collected per full-time equivalent student, (FTE) in public institutions.\footnote{A full-time equivalent student is a numerical measure used for reporting purposes. For example, a full-time equivalent student measure is calculated by summing up total credit hours and dividing by 15 for undergraduate, professional, and certificate students, and by 12 for graduate students for a specified time period.} We examine only revenue from public institutions in Table 6. We exclude from total higher education revenue the category of hospital sales and service to avoid double counting of revenue. However, we will discuss hospital sales and service revenue per FTE in this section so it can be related to other institution of higher education revenue categories. This category is reported in the census data under the general category of state hospital current charges. We will examine all the state, local, and higher education hospital sales and service charges in a later section.

Georgia collected less total revenue per FTE generally than the AAA states, the SE states and the U.S. state average. Georgia collected $19,084 in total higher education revenue per FTE, which was lowest among the AAA states. Only Florida collected less among the SE states, with $18,387 per capita. Delaware collected the most with $32,438 per capita while North Carolina collected the most for the SE states, with $26,226 per capita. The U.S. state average is $23,577 per capita.
The Institute of Higher Education report breaks up total operating revenue into 8 separate categories. For federal grants, state and local grants, and sales and services, Georgia collected more than 90 percent of the U.S. state average in FY 2006. We examine in greater detail those categories in which Georgia's revenue collections diverge from the U.S. state average. In tuition and fees, Georgia collected $3,431 per FTE; this is 78 percent of the U.S. state average of $4,395. Tuition and fees comprised 19 percent of U.S. state total average education revenue. For the AAA states, only North Carolina collected less in tuition and fees than Georgia, with $3,421 per FTE. Delaware collected the most of the AAA state, with $8,497 per FTE. Of the SE states, Mississippi also collected less tuition and fee revenue than Georgia, with $3,027. South Carolina collected the most tuition and fee revenue, with $6,032 per FTE.

12 They are tuition and fees, hospital sales and services, independent operations and other revenue, other revenue additions, state appropriations, federal grants, state and local grants, sales and services, as well as local appropriations.
Hospital Sales and Services

Hospital sales and services generated $2,326 per FTE and accounted for approximately 10 percent of the U.S. state average for total higher education revenue. However, there is great variation in hospital sales and service revenue among the AAA states and the SE states. Among the AAA states, only Virginia, Maryland, Utah, and Georgia collect any higher education hospital revenue. Georgia collected the least of these four AAA states, with $686 per FTE, roughly 30 percent of the U.S. state average. Utah collected the most with $8,035 per FTE.

For the SE states, only four states had any revenue under the category of higher education hospital sales and services: Virginia, Alabama, Georgia, and Mississippi. Alabama had the greatest hospital sale revenue, with $5,481 per FTE; Georgia had the least of the four states, with $686 per FTE. We will examine these hospital numbers on a per capita basis in the next section.

Independent Operations and Other Revenue

Independent operations and other revenue include major federal research and development centers. For the United States, individual operations and other revenue contribute seven percent to total higher education general revenue, with $1,591 per FTE. Georgia collected only 34 percent of the U.S. state average with $535 per FTE in this revenue category. Of the AAA states, North Carolina collected less than Georgia, with $356. Utah collected the most with $4,976 per FTE in this category. Among the SE states, only North Carolina and Florida collected less than Georgia, while South Carolina collected the most with $1,418 per FTE.

Independent operations contribute very little to this revenue category for most states. Most Other Revenue is found at the state’s largest public universities. However, trying to figure out what is in other revenue is difficult as it is a catch-all category and could differ from state to state. At Georgia State University parking fees make up a large portion of other revenue. Additional items of other revenue at Georgia State include fines, insurance recoveries, and commissions from vending machines.
A large subcategory of revenue for universities that is included in university financial reports but does not yet have its own category in the Digest of Education Statistics for public universities is Sales and Services of Educational Activities. An example of an activity classified as a sale or service of educational actives is the sale of an academic journal published by the university.\textsuperscript{14} Utah is the per capita leader in independent operations and other revenue of all the states we analyzed. The University System of Utah generated $382 million in sales and services of educational activities for FY 2006. The University of Utah also had approximately $72 million characterized as other revenue (Utah University System 2006). The University System of Georgia listed approximately $106 million as sales and services of educational activities and $77 million as other revenue for FY 2006 (Georgia Board of Regents 2006). This suggest that much of the gap between Georgia and the U.S. state average in FTE independent operations and other revenue could be due to Georgia’s smaller than average revenue from sales and services of educational activities. Further research is necessary to determine how much other states generate in sales and services of educational activities, and what type of products and services are sold.

\textbf{Other Revenues and Additions}

The other revenues and additions category includes capital items from appropriations, grants and gifts, as well as additions to endowments. The U.S. state average for this category is $1,372 and comprises 6 percent of the U.S. state average higher education total revenue. Georgia collected $851 per FTE, 62 percent of the U.S. state average. For the AAA states, two states collected less than Georgia: Delaware, with $539 per FTE, and Missouri, with $519 per FTE. North Carolina collected the most in the category of other revenues and additions, with $2,137 per

\textsuperscript{14} Sales and services of educational activities are defined by the National Center for Education Statistics as: "...the sales of goods or services that are incidental to the conduct of instruction, research or public service, and revenues of activities that exist to provide instructional and laboratory experience for students and that incidentally create goods and services that may be sold. Examples include film rentals, scientific and literary publications, testing services, university presses, dairies, and patient care clinics that are not part of a hospital."
FTE. Georgia collected the least of the SE states, while North Carolina collected the most in other revenues and additions.

In only one higher education revenue category did Georgia’s colleges and universities collect more than the U.S. state average, this was for state appropriations. (Of course appropriations are revenue to colleges and universities, but are not revenue to the state.) The Georgia State government appropriated $7,426 per FTE for higher education. This was 120 percent of the U.S. state average of $6,179 per FTE for state appropriations. State appropriations are the largest share of U.S. average higher education total revenue representing 26 percent of the total. Georgia ranked highly among both AAA states and the SE states in this category. Only North Carolina collected more in both groupings with $9,550 per FTE. South Carolina collected the least among the AAA and the SE states with $5,261 per FTE in state appropriations.

Summary of Higher Education Revenue

Georgia institutions of higher education did not collect very much general revenue per FTE as compared to the U.S. average, the AAA states, or the SE states. In two of the largest revenue sources examined in Table 6, tuition and fees and independent operations and other revenue, Georgia ranked below the U.S. state averages. Georgia did provide higher levels of state appropriations than the U.S. state average, the AAA rated states, and the SE states. If Georgia increased its tuition and fees and independent operations and other revenue per FTE to the U.S. state average, Georgia institutions of higher education would generate approximately $671 million in additional revenue. If Georgia lowered its level of state appropriations per FTE to the U.S. state average, Georgia would save approximately $329 million. If Georgia did both, the net gain to Georgia institutions of higher education would be approximately $342 million. We next discuss state miscellaneous general revenue.
Current Charges and Miscellaneous General Revenue: 
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V. Miscellaneous General Revenue

Miscellaneous general revenue includes: interest earnings, special assessments, and other general revenue. Georgia collected approximately $225 per capita in total miscellaneous general revenue. The U.S. state average is $431 per capita. The difference in per capita collections is partially attributed to Georgia’s low per capita interest collections. Georgia collected $38 in interest per capita while the U.S. state averages $159 per capita. Georgia ranked last among all the states, the AAA states, and the SE states. Several possible explanations exist for Georgia’s lack of interest collections. First, it is not clear from our initial analysis what interest-bearing deposits and accounts are included for Georgia and if these accounts are consistent across states. Second, Georgia includes interest on motor fuel tax collected in its general fund. If other states also account for interest on motor fuel tax in a similar fashion, they will likely collect more interest, as Georgia has a low motor fuel tax rate. Additional research would be necessary to further analyze Georgia’s low relative per capita interest collections. Local current charges are discussed next.

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15 The census defines interest earnings as: “Amounts from interest on all interest-bearing deposits and accounts; accrued interest on investment securities sold; interest on funds held for construction; and interest related to public debt for private purposes.”
VI. Local Current Charges

Georgia collected above the U.S. state average for local current charges. It does not appear that Georgia local governments are far below the U.S. state average in any of the particular revenue categories. Table 7 lists many of the individual categories for current local charges for the AAA states, SE states and the U.S. state average.\(^{16}\) We will discuss briefly three categories of interest for Georgia local governments: sewerage, airports, and hospitals. Hospital revenue will also be discussed in greater detail in the next section.

<table>
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<tr>
<th>States</th>
<th>Current Charges</th>
<th>Hospitals</th>
<th>Sewerage</th>
<th>Education</th>
<th>Air Transp. (airports)</th>
<th>Solid Waste Management</th>
<th>Other Charges</th>
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<td>$76</td>
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</table>

Georgia collected $774 per capita in local government current charges. This was greater than the U.S. state average of $698 per capita. For hospitals, Georgia collected $383 in per capita in local revenue compared to the U.S. state average for local governments of $192 per capita.

\(^{16}\) Recall from the state section, the categories are hospitals, sewerage, education, air transportation, solid waste, parking facilities, sea and inland ports, natural resources, Parks and Recreation, housing and community and development, and other charges. Sub-categories under education are, higher education institutions and school lunch sales.
Georgia collected $106 per capita for sewage for fiscal year 2007; this is below the U.S. state average of $120 per capita and ranked Georgia last among the AAA states. Delaware collected the most with $167 per capita. Georgia local government’s collection for sewage ranked Georgia fourth among the SE states. North Carolina collected the most with $132; Mississippi collected the least with $63 per capita. However, Georgia local government collections are likely to be considerably higher in recent years given the sewer rate hikes by the city of Atlanta that have occurred since 2007.

Georgia collected $62 per capita in local current charges from air transportation. This is above the U.S. state average of $52 per capita for local governments. However, three AAA states collect more than Georgia, they are: Utah with $64 and Virginia at $87 per capita. Of the SE states, only Florida with $84 and Virginia collect more local air transportation current charges than Georgia. This is somewhat surprising given that Atlanta's airport; Hartsfield Jackson Memorial Airport is considered one of the busiest in the world, although landing fees are considered low by industry standards. Additional research would be necessary to further analyze the sources of these differences in air transportation local revenue.
VII. Hospital Current Charge Revenue

In Table 8 we examine the three components of current charges for hospitals: state level, local level, and institutions of higher education. Hospital revenue from institutions of higher education is included in the general census category of hospitals. Georgia collected below the U.S. state average in state hospital revenue and ranked among the bottom of the AAA and SE states. By examining the component of state hospital revenue generated from institutions of higher education, we can better understand the state's role in this revenue source. As institutions of higher education hospital data is only available for FY 2006, we will use state and local hospital data of the same year for ease of comparison. State and local hospital revenues are fairly similar from FY 2006 to 2007 for Georgia and the comparison states.

<table>
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Georgia collected $41 per capita in state hospital revenue in FY 2006. This ranked Georgia sixth out of the AAA states and sixth out of the eight SE states. Georgia collected considerably less revenue than the U.S. state average of $106 per
Utah collected the greatest amount of per capita state hospital revenue, with $318, while Delaware collected the least with $16 per capita. For the SE states, South Carolina collected the most with $276 per capita, while Tennessee collected the least with $10 per capita.

However, hospital revenue generated at institutions of higher education can account for much of this state revenue. For instance, Utah generated all $318 of its hospital current charge revenue at its institutions of higher education, while Missouri generated $89 of its $92 of hospital current charge revenue at institutions of higher education. If per capita hospital charges for institutions of higher education are subtracted from state hospital current charge revenue, South Carolina ranked highest of the AAA states, with $276 per capita. Georgia remains ranked sixth, with $22 per capita. Missouri and Utah rank eighth and ninth, respectively.

Hospital revenue from the institutions of higher education also played a prominent role in several of the SE states in FY 2006. For instance, Alabama collected $213 of the $215 per capita of state hospital current charges at institutions of higher education. Mississippi collected $150 of its $157 of per capita state current charges for hospital at institutions of higher education. When institutions of higher education hospital charge revenue is subtracted from the SE states, Georgia ranked fourth instead of sixth, collecting $22 per capita. South Carolina is still first and Alabama falls to eighth.

Generally, AAA states that collect a higher amount of state hospital current charges, collect a small amount of local hospital charges and vice versa. Georgia collected $312 per capita in local hospital current charges, which was considerably more than its state per capita charges of $41. Georgia also collected more than the U.S. state average of $174 per capita. Hospital current charges made up the largest share of local current charges, accounting for 26 percent of U.S. average total of local current charges. For the AAA states, Georgia ranked third of the nine states for local current hospital charges. South Carolina ranked first, with $587 per capita, while Delaware and Maryland are last, collecting zero dollars per capita for local hospital current charge revenue.
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The pattern of low state collection of hospital revenue offset by high local collection of hospital revenue is not as generally true of the SE states. South Carolina, Alabama, and Mississippi all ranked high in state revenue and local revenue for hospital current charges. For the SE states, South Carolina collected the most local hospital current charge revenue, with $537 per capita, while Virginia collected the least, with $30 per capita. Georgia ranked sixth out of the eight SE states in per capita local hospital current charge collections.

Combining state and local hospital revenue, Georgia collected $353 per capita in FY 2006. This ranked Georgia third of the AAA states, behind South Carolina with $864 per capita. Georgia collected more than the U.S. state average of $280 per capita. State and local hospital revenue is a major component of U.S. state average total current charge revenue, accounting for 25 percent. Georgia ranked fifth out of the SE states. South Carolina collected the most with $864 per capita, while Florida collected the least with $275 per capita.

Exploring greater details of current state and local hospital charges is beyond the scope of this report. However, several factors that affect hospital current charges reported by the census should be kept in mind. The census includes Medicare payments in the hospital current charge category. However, Medicaid payments are accounted for under the intergovernmental revenue category. Thus, the age and income level of the state's population likely play a role in current hospital charges received. The institutional character of hospitals also seems to play a role in the distribution of funds between state and local governments. Those states with hospitals affiliated with institutions of higher education often draw significant state hospital current charges from them, while states without “teaching hospitals” tend to generate more per capita current charges from local hospitals.

17 Hospital current charges are defined by the census as: “Charges from patients, private insurance companies, and public insurance programs (such as Medicare) of public hospitals and of institutions for care and treatment of the handicapped; and receipts of hospital canteens, cafeterias, gift shops, etc…. As of fiscal year 1974 data, intergovernmental aid for hospital medical care under public assistance programs (such as Medicaid) has been reported at Public Welfare, …”
VIII. Conclusion

We find that Georgia's per capita state and local current charges and miscellaneous revenue are at or near the bottom in rankings among all the states, the AAA states, and the SE neighbor states for FY 2007. Georgia was in the middle of these rankings for the three groups in fiscal year 1992. Since FY 1992, Georgia has not kept pace with the AAA states or the SE states in the growth of current charges and miscellaneous revenue. Georgia had the lowest percentage of growth in per capita terms from 1992 to 2007 among the SE states and was second to last among the AAA states.

For miscellaneous revenue, Georgia collected below the U.S. state average and ranked last of the AAA states and the SE states. The difference in per capita collections is largely attributed to Georgia's low per capita interest collections. Additional research is needed to further understand why Georgia collects so little interest per capita when compared to the U.S. state average, the AAA states, and the SE states.

Most of the difference in state and local current charges and miscellaneous revenue is due to relatively low state government collections of per capita current charges. Georgia collected more than the U.S. state average for local per capita current charges. In per capita terms, Georgia collected $312 in fiscal year 2007 in state government current charges; this is $153 less than the U.S. state average of $465 per capita. Georgia ranked last among the nine AAA states and the eight SE states.

In Georgia, state government current charges and miscellaneous revenue represent a smaller share of total own source revenue compared to the AAA states, the SE states and the U.S. state average. Nationally, state government current charges account for 8 percent of average state and local own source revenue. In Georgia, state government current charges account for only 6 percent of state and local own source revenue. This ranks Georgia last among the AAA states and second to last among the SE states.

In the three categories of current charges that represent most of the current charge revenue for states: higher education, hospitals, and highways Georgia also ranked below the U.S. state average. Georgia institutions of higher education
collected less general revenue per FTE student than the U.S. state average, the AAA states, or the SE states. For total higher education revenue, Georgia was ranked 48th nationally, last of the AAA states, and second to last of the SE states.\(^\text{18}\)

Georgia collected $41 per capita in state hospital revenue in FY 2006. This ranked Georgia sixth of the AAA states and sixth of the SE states. Georgia collected considerably less revenue than the U.S. state average of $106 per capita.

Hospital revenue generated at institutions of higher education can account for much of this state revenue. For instance, for the high revenue AAA states of Utah, $318 per capita, and Missouri, $92 per capita, almost all hospital current charge revenue was generated at institutions of higher education. For the SE states, Alabama collected $215 in per capita state current charges for hospitals, while Mississippi collected $157 per capita. Again, almost all hospital current charge revenue was generated at institutions of higher education. Georgia generated $19 per capita of hospital revenue at its institutions of higher education, the lowest amount of the six states that generated any hospital revenue at institutions of higher education.

Georgia collected $4.24 per capita for highway current charge revenue, ranking Georgia sixth of the AAA states and fourth among the SE states. However, Georgia collected considerably less than the U.S. state average of $20 per capita in highway current charge revenue.

If Georgia collected the U.S. state average in the three categories of higher education, hospitals, and highways state current charge revenue would increase by approximately $1.46 billion. Further research is necessary to better understand how revenues are generated in the subcategories of higher education, hospitals and highways in Georgia and how they differ from those in other states.

\(^{18}\) Recall, in this report total higher education revenue does not include hospital sales and services from institutions of higher education.
Note on Census Governmental Financial Data

The U.S. Bureau of the Census produces an annual report of revenues and expenditures by state. Separate data are provided for the total of local governments and for state government. Local governments include county, municipal, school districts, and special districts. Data for authorities connected to one of these governments are included. The Census relies on financial data provided by these governments. The Census Bureau reviews the data and follows up on items that seem incorrect, for example, a major change from one year to the next.

For any government, the Census Bureau includes all revenues received by the government or any of its affiliated agencies or authorities from outside that government. Revenue includes grants from other governments (for example, state funds provided to school districts or Medicare grants from the Federal government), taxes, charges for services that are provided (for example college tuition or charges for medical care whether it comes from the patient, private insurance, or another government), and fees. All expenditures by the individual government are included. Thus, state funding for K-12 education is an expenditure of the state government. This is counted as revenue by the local government, and when it is spent is counted as an expenditure of the local government. The transfers are netted out when local and state government revenues and expenditures are combined. Revenue and expenditures for utilities, such as water-sewer systems, state operated liquor stores, and insurance trust funds are reported separately.

In order to make the data comparable across time and governments, the Census Bureau has adopted a classification manual. Generally, the categories of revenue and expenditures have obvious interpretations. But in some cases, certain revenues and expenditures are classified in a way that might not correspond to how a particular government might classify them. For example, Medicare is a Federal grant program, but the Census classifies the revenue received by a hospital as current charges paid for services provided. A copy of the Census Bureau’s manual that describes in detail it procedures and classification system can be found at http://ftp2.census.gov/govs/class06/2006_classification_manual.pdf.
Obviously, trying to merge the data for over 80,000 governments is a monumental task. Governments have different fiscal years and accounting systems. Comparisons for specific classifications may be distorted because some governments may organize a service or consider a tax in a unique way. For example, a one percent local sales tax would be classified as local revenue even if the state collects the revenue. But if the state has a grant program in which it allocates revenue from a penny sales tax to local governments based on the local government’s share of sales tax base, the sales tax would be considered state tax revenue and an intergovernmental grant to the local governments. Compromises have to be made to create one data set, thus the Census Bureau’s procedures are likely to result in different values for revenue and expenditures than what might be found in a government’s budget. Despite these limitations, it is the best attempt to produce government finance data that is generally comparable across governments and over time.
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A Comparative Analysis of Georgia and Selected States

References


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**Publisher(s):** Fiscal Research Center of the Andrew Young School of Policy Studies

**Author(s):** Peter Bluestone

**Date Published:** 2009-12-01

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**Subject(s):** Community and Economic Development; Government Reform