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CURRENT CHARGES AND MISCELLANEOUS GENERAL REVENUE: A COMPARATIVE ANALYSIS OF GEORGIA AND SELECTED STATES

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 brief 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 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.

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.

NOTES:

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.
3. In this brief, total higher education revenue does not include hospital sales and services from institutions of higher education.

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