Money Moves Georgia

Trace where state money comes from and how leaders decide to spend it.

SS8CG2.d "Describe how state government is funded and how spending decisions are made."

NAME ____________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Underline each source of state revenue. Then number the steps that show how a budget moves from agency requests to approved spending.

From Revenue to Services

1 Georgia pays for public services with money called revenue. Major state revenue sources include individual and corporate income taxes, sales and use taxes, fees, and federal funds. When people buy taxable goods, part of the price is sales tax. Income taxes are collected from earnings. Fees may be charged for services such as licensing. Federal funds come from the national government and often must be used for specific programs. Lottery proceeds are set aside for education programs, including prekindergarten and HOPE scholarships.

2 Each year, state leaders make a budget, a plan for collecting and spending public money. State agencies estimate what they need for work such as operating prisons, protecting natural resources, and supporting schools. The governor reviews agency requests and proposes a budget. The General Assembly studies the proposal, holds committee meetings, changes spending amounts, and passes appropriation bills. An appropriation is legal permission to spend a stated amount for a purpose. Georgia's constitution requires a balanced budget, so planned spending cannot be more than expected revenue.

3 After the General Assembly passes the budget, the governor may sign it or use a line-item veto to reject particular spending items. The General Assembly can reconsider a veto. Agencies then use the approved money for the purposes named in the budget and report on their spending. During the year, revenue estimates can change when economic conditions change. Lawmakers and the governor may adjust spending through later laws, but they must still follow the balanced-budget requirement. This process lets elected officials debate priorities while limiting spending to available funds.

2 ANSWER WITH EVIDENCE

Use the passage

1. Name two sources of Georgia state revenue from the passage. What does the passage say sales tax is collected on?

2. Which source of money comes from the national government, and what limit often applies to its use?

3. How do the governor and the General Assembly each take part in making spending decisions?

4. Why must Georgia change or limit planned spending if expected revenue drops?

3 YOUR TURN

Your own words

Suppose Georgia's expected revenue drops during the year. Write exactly four sentences explaining one spending priority you would protect, one area you would reduce or delay, which leaders would make the changes, and the budget rule they must follow.

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PART 1 · READ AND MARK

Underline each source of state revenue. Then number the steps that show how a budget moves from agency requests to approved spending. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Name two sources of Georgia state revenue from the passage. What does the passage say sales tax is collected on?	**Answers include income taxes, sales and use taxes, fees, federal funds, and lottery proceeds. Sales tax is collected when people buy taxable goods.**
2	Which source of money comes from the national government, and what limit often applies to its use?	**Federal funds come from the national government and often must be used for specific programs.**
3	How do the governor and the General Assembly each take part in making spending decisions?	**The governor reviews agency requests and proposes a budget. The General Assembly studies it, holds committee meetings, changes spending amounts, and passes appropriation bills.**
4	Why must Georgia change or limit planned spending if expected revenue drops?	**Georgia's constitution requires a balanced budget, so planned spending cannot be more than expected revenue.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

If Georgia's expected revenue drops, I would protect funding for school operations and reduce a lower-priority agency request. The governor could propose a revised spending plan. The General Assembly could change the amounts in appropriation bills and pass them. The final plan must keep planned spending at or below expected revenue.

Accept any revenue sources and process details stated accurately in the passage. For Part 3, accept varied priorities or reductions if the response names the governor and General Assembly and explains that spending cannot exceed expected revenue.