

EXHIBIT E

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**GEORGIA LATINO ALLIANCE *
FOR HUMAN RIGHTS, et al., ***

Plaintiffs , *

V. *

1:11-CV-1804-TWT

**NATHAN DEAL, Governor of the *
State of Georgia, et al., ***

Defendants. *

AFFIDAVIT OF DEBBIE DLUGOLENSKI

Personally appears before me, the undersigned officer duly authorized to administer oath in and for the State of Georgia, Debbie Dlugolenski, who, after being duly sworn, deposes and states his oath as follows:

1.

My name is Debbie Dlugolenski. I am *sui juris* and competent to testify in this matter and under no civil or legal disability. I give this Affidavit as evidence in the above-styled action and for any lawful purpose. I make this Affidavit based on my personal knowledge of its contents.

2.

I serve as Director of the Governor's Office of Planning and Budget (OPB), a position I have held since June 16, 2010. Prior to becoming

Director, I served as Deputy Director of OPB for two years and a Division Director at OPB for two years. In my role as Director, I am responsible for daily direction and supervision of agency staff and resources, and advising the Governor on state budget and financial matters, including revenue projections and agency financial and performance data. Based upon this position, I am familiar with the details of the state budget over the past five years.

3.

The economic downturn of the past several years has had substantial impact on the state budget. Total available state revenues in Fiscal Year 2007 (July 1, 2006 through June 30, 2007) were \$19,895,976,559. Those revenues declined from FY 2007 to \$19,799,134,318 in FY 2008, and then to \$17,832,365,614 in FY 2009, and then to \$16,251,244,424 in FY 2010, the last full fiscal year. FY 2011 will not close until June 30, 2011, and so final numbers are not yet available. Projected numbers for FY 2011 and FY 2012 are revenue of \$18,063,622,184 in FY 2011, and \$18,295,831,853 in FY 2012.

4.

This downturn in revenues has resulted in substantial budget cuts across state government. The state budget is split into seven sectors:

Education, Healthcare, Public Safety, General Government, Economic Development, Transportation, and Debt Service. Other than Debt Service, the budgets for each of these sectors has been cut substantially from the original FY 2009 budget (passed during the 2008 session of the General Assembly, before the full extent of the downturn was clear). From the original FY 2009 budget to the FY 2012 budget, Education has fallen from \$11,786,997,371 to \$9,973,726,081, a drop of 15.38%; Healthcare has fallen from \$4,201,549,981 to 4,068,522,916, a drop of 3.17%; Public Safety has fallen from \$1,783,300,947 to 1,576,553,071, a drop of 11.59%; General Government has dropped from \$1,341,291,667 to \$793,695,401, a drop of 40.83%; Economic Development has dropped from \$186,850,974 to \$94,881,049, a drop of 49.22%; and Transportation has dropped from \$856,216,563 to \$723,260,906, a drop of 15.53%.

5.

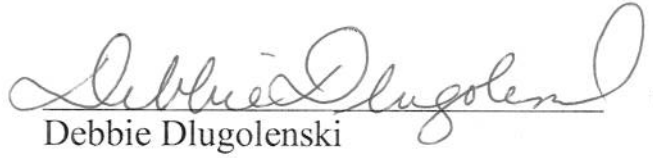
In addition to these substantial budget cuts, other state resources have also been heavily utilized to prevent year end deficits and offset revenue losses. The state's Revenue Shortfall Reserve has fallen from a peak of \$1.545 billion in FY 2007 to \$116 million at the end of FY 2010 (FY 2011 numbers are not yet available, as FY 2011 does not close until June 30, 2011). \$116 million would fund one and a half days of operations in the FY

2012 budget. Other one-time funds sources have also been used to offset revenue shortfalls, including \$582 million in reserves from the State Health Benefit Plan, \$287.9 million in monetization of the Georgia Fund loan portfolio managed by the Georgia Environmental Finance Authority, and \$3.3 billion in funds provided through the American Recovery and Reinvestment Act of 2009. Although the state projects revenue to begin growing in FY 2011 and FY 2012, projected growth is insufficient to offset the loss of these temporary funds sources. The FY 2012 Appropriations Act included significant reductions to bring spending in line with recurring revenues.

6.

Although the budget reductions over the past several years have taken numerous and varied forms, a few examples include the following. State employees were furloughed a minimum of 6 days in FY 2010. The Department of Corrections will have closed 35 correctional facilities by the end of FY 2011, including 9 state prisons. K-12 funding for education has been reduced from the 2009 budget to the 2012 budget by over \$1.2 billion, or 15%, despite a 1.2% growth in enrollment during the same time. At the same time that healthcare spending has decreased, combined Medicaid and PeachCare enrollment has increased 13.7% from FY 2008 to FY 2011.

Further Affiant Saith Not.


Debbie Dlugolenski

Sworn to and prescribed
before me this 16th day
of June, 2011.


NOTARY PUBLIC

My commission expires:
may 22, 2015