



## *House Budget and Research Office*

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### **AMENDED FISCAL YEAR 2013 STATE BUDGET HOUSE BILL 105 HIGHLIGHTS**

The original FY 2013 budget approved during the 2012 Session set spending at \$19.342 billion, \$838 million or 4.5% over the Amended FY 2012. House Bill 105, the Amended FY 2013 Budget (AFY 2013), set spending at a slightly lower amount, \$19.325 billion, based on revised revenue projections.

To that end, the revenue estimate for Amended FY 2013 adjusts state funds, including lottery, down by \$218.8 million and tempers the loss of some of those funds with adjusted payments to the Treasury of \$22 million from some of our authorities, increased Tobacco Settlement Funds of \$7.7 million, and the mid-year adjustment reserve for education of \$172.7 million. The net is a \$16.4 million reduction from the original FY 2013 appropriation.

These revenue sources, coupled with reductions to agencies enable the funding for growing needs in the state within a protracted but recovering economy. This budget exemplifies the spirit and intent of an "amended" budget and is limited to making only the changes needed to balance within the new revenue estimate, funding the mid-term adjustment for K-12 education, and realigning agency budgets based on need. Highlights of the changes include:

#### K-12 Education

- HB 105 provides \$167 million to fully fund enrollment growth and charter system adjustments.
- QBE, Equalization, and State Schools were exempt from reductions.
- The General Assembly softened reductions to programs that directly impact students including Career/Technical and Agricultural Education, Communities in Schools, Georgia Youth Science and Technology Centers, Governor's Honors program, Residential Treatment Centers and RESAs.
- Reductions to School Nutrition and Sparsity Grants were completely restored.

#### Higher Education

- The \$2.7 million reduction to the special appropriation for Georgia Gwinnett College was restored.

#### Public Safety

- The House and Conference Committee agreed to restore a reduction of \$749,551 for senior judges, which helps prevent a backlog of cases and serves as a cost-saving measure to the creation of new judgeships.

### Economic Development

- The House and Conference Committee agreed to restore \$436,557 in funding for the supplemental firefighter program in the Forestry Commission. These firefighters logged more than 23,000 service hours across the state last year.
- \$90,000 was also restored for 1,000 hours of aerial fire detection by the air patrol in Georgia. This is one of the most efficient uses of resources and the best method for early fire detection.
- The Amended FY 2013 budget provides \$567,958 to keep the Xpress buses running through the end of the fiscal year. Xpress buses operate in 13 metro counties, but draw riders from 40 counties statewide.
- HB 105 includes \$27 million in motor fuel funds for the removal of the Georgia-400 Toll Plaza.
- The Amended FY 2013 budget also includes \$350,000 for operational costs for the Department of Agriculture to issue Georgia Agricultural Tax Exemption (GATE) certificates issued statewide.

### Health

- The Amended FY 2013 budget appropriates over \$19 million (\$16.6 million in state funds and \$2.4 million in Indigent Care Trust Fund reserves) to draw down federal Disproportionation Share Hospital (DSH) payments for deemed and non-deemed private hospitals. The net effect to these hospitals is \$56 million.
- Medicaid received a mid-year infusion of \$193 million for the benefit plans that provide health care coverage to the aged, blind, and disabled population, as well as low-income Georgians. PeachCare received an additional \$20 million to cover children's health services through the rest of FY 2013.
- The General Assembly continues to address the state's physician shortage by restoring \$659,320 for new residency development programs at Gwinnett Medical Center and Southwest Georgia Consortium and reinstating \$1.25 million in recommended cuts to the graduate medical education residency slots, the Mercer School of Medicine operating grant and the Morehouse School of Medicine operating grant.
- HB 105 maintains funding for hypertension services provided through Public Health districts to 3,381 of Georgia's low-income citizens and restores \$180,036 to the hemophilia contract to provide lifesaving services to Georgians living with hemophilia.

### Human Services

- HB 105 includes \$5 million for the Georgia Vocational Rehabilitation Agency Roosevelt Warm Springs Institute to help the new agency with rising costs in its medical programs. This funding will also assist the vocational rehabilitation program at Warm Springs to maximize its program funding at a 4:1 federal matching rate.

### General Government

- HB 105 provides \$200,000 to convert DSL lines to T1 lines at Department of Driver Services customer service centers to provide additional bandwidth for Real ID documentation and \$510,134 for archival storage for Real ID implementation.
- The Amended FY 2013 budget also includes \$625,000 to maintain the Fraud Detection contract in the Department of Revenue.