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FISCAL YEAR 2016 STATE BUDGET HOUSE BILL 76 – CONFERENCE COMMITTEE VERSION HIGHLIGHTS

House Bill 76, the Fiscal Year 2016 budget effective for state spending beginning July 1, 2015, is set by a revenue estimate of \$21.8 billion. This reflects an increase of \$992 million, or 4.7%, over the original Fiscal Year 2015 budget.

The House was able to fund a number of its priorities in the FY 2016 budget including enhanced funding for transportation; maintaining State Health Benefit Plan coverage for non-certificated school employees; full funding for Equalization grants for public schools; salary adjustments for critical positions in state agencies; support for rural hospitals and provider rate adjustments.

K-12 Education

- K-12 education receives an infusion of \$574.7 million, or 58% of all new revenue.
- HB 76 provides \$165.1 million to fully fund Quality Basic Education (QBE) enrollment growth of 1.33% as well as training and experience for teachers, charter system grants and State Commission Charter School supplements.
- The budget includes an adjustment in Local Five Mill Share of \$9.4 million to recognize the decline in local property tax digests.
- Equalization Grants, the additional funds for school districts to narrow the gap between systems in terms of property tax wealth per pupil, are increased by \$18.8 million and when combined with \$8.2 million in pre-payments through the Amended FY 2015 budget reflect the required full formula funding.
- HB 76 includes \$280 million to offset the QBE austerity reduction. This additional funding may be used at the discretion of local school systems to eliminate teacher furlough days, increase instructional days and teacher salaries.
- The budget provides \$772,058 to RESAs to increase their base grant and provide additional funds for Positive Behavioral and Intervention Supports (PBIS) trainers and \$1.2 million for Agricultural and Career/Technical Education.
- HB 76 includes \$6.5 million to expand the reading mentor program.

Higher Education

- HB 76 provides \$124 million, or 12.5% of all new revenue, for higher education needs.
- This includes \$56.2 million for formula earnings based on enrollment and increased square footage at both the University System of Georgia and the Technical College System of Georgia and \$14.4 million for merit-based pay adjustments and employee recruitment and retention initiatives.
- The General Assembly agrees with the Governor's proposal to provide \$2.5 million in funding for the establishment of the Georgia Film Academy through a cooperative partnership between the University System of Georgia and the Technical College System of Georgia.
- The budget includes \$520,000 in additional funding for the Agricultural Experiment Station for research and scientist positions and \$300,000 in Forestry Cooperative Extension for research positions.
- HB 76 provides \$18.3 million in additional funds for the Accel program to meet the projected need.

Public Safety

- HB 76 provides an additional \$5 million for grants to expand the state's accountability courts and provide additional funding for community-based treatment options for juveniles. It also includes \$914,691 for 11 additional assistant district attorneys to support accountability courts and \$1,247,305 for 15 additional assistant district attorneys to support juvenile courts across the state. It also supports a \$6,000 annual supplement to the salaries of all Superior Court Judges, District Attorneys, and Public Defenders in circuits with an accountability court.
- The budget includes \$137,444 for a new judgeship and associated expenses in the Western Judicial Circuit; \$1,496,111 for three new Court of Appeals judgeships and associated staff; and \$1,558,507 to provide a 5% salary increase to all Supreme Court Justices, Court of Appeals Judges, Superior Court Judges, Workers' Compensation Judges, District Attorneys, and Public Defenders.
- The budget also provides \$456,185 in start-up costs for a new Youth Challenge Academy to be located in Milledgeville and \$1.6 million for eight new GBI agents specializing in elder abuse cases.
- The General Assembly agrees with the Governor's recommendation to provide \$12 million for a salary increase for prison staff working at close security and special mission prisons. In addition, \$12.1 million was budgeted to implement a charter high school, expand GED programming to transitional Centers and Day Reporting Centers and provide additional academic and vocational opportunities in state prisons.

Economic Development

- The budget includes \$260,000 for the Department of Agriculture to continue the Consumer Protection salary adjustments. The budget provides \$1.84 million dollars to the Georgia Forestry Commission for the final year of an employee retention plan for front-line forest protection employees including rangers, chief rangers, foresters and forest inventory personnel. This is in addition to merit-based pay adjustments in both departments.
- HB 76 provides for the consolidation of soil and water conservation activities by moving those respective activities as an attached and reformulated agency to the Department of Agriculture. Funding for water resource and land use planning and flood control watershed structures remain with the attached agency. Consolidation savings of \$151,000 will go to the 40 soil and water conservation districts throughout the state for operations.
- The Public Service Commission is provided with \$105,000 in new funding for a utilities cost analyst position for Plant Vogtle.
- HB 76 includes an infusion of funds in both cash and bonds for transportation. This includes a recognition of \$3.9 million in prior-year funds; \$2 million to match federal funds for traffic management and control projects; preservation of \$7.6 million specifically dedicated to funding projects through the Georgia Transportation Infrastructure Bank; \$1.25 million in new funds for Airport Aid and \$18.5 million in debt service for \$175 million in bonds for bridge repair and rehabilitation and transit projects statewide. Additionally, there is \$6.8 million in bonds for various rail projects throughout the state.

Health

- The budget provides \$408,810 to the Georgia Composite Medical Board, the Department of Public Health and the Georgia Bureau of Investigation for the implementation of HB 1, Haleigh's Hope Act, that provides for the regulated medicinal use of cannabis for certain conditions.
- HB 76 includes \$3 million to support the work of the Rural Hospital Stabilization Committee in order to improve the financial health of struggling rural hospitals and leverage technology to improve patient outcomes.
- The General Assembly provides \$199,000 to continue the operation of the Prescription Drug Monitoring program; \$250,000 for a start-up grant for a community health center (Wheeler County); and \$75,000 that will be matched dollar for dollar with private funds to enhance the Center for Oncology Research and Education (GA CORE) cancer website, gacancerinfo.org.
- An increase of \$180,000 is included in HB 76 to support the Memorial Health-Mercer School of Medicine partnership campus; \$172,768 for 11 additional primary care residency slots; \$799,981 to increase all Georgia Board for Physician Workforce capitation residency grants by \$500 in state funds; and \$250,000 to establish a rural clinical rotation for primary care students in Sandersville. The budget includes \$500,000 to support the work of the state's network of charity care clinics.

- \$200,000 is appropriated to revive a rural dentistry program that provides debt relief with a service commitment to practice in a rural or underserved area and an additional \$9.05 million is provided for both the Mercer and Morehouse School of Medicine operating grants.
- The General Assembly seeks to ensure that Medicaid patients have access to health providers by including \$5.9 million to support rate increases for OB/GYNs, \$17.1 million for rate increases for Primary Care Physicians, and \$1.3 million for a modest hourly wage increase for direct support caretakers for those on the Independent Care Waiver Program (ICWP). Neither group of caregivers has had a rate increase in 14 years. The budget also includes \$500,000 in funds to ensure that helicopter life flights for adult Medicaid members are reimbursed.
- HB 76 includes \$1.38 million for the fifth year of a seven-year hold-harmless to the new Grant-in-Aid formula through the Department of Public Health.
- The Conference Committee budget echoes the House's strong stance on the status of non-certificated school workers and the State Health Benefit Plan (SHBP). The budget rejects removing part-time workers from the SHBP and also begins to address the long-term fiscal health of the plan by increasing employer contributions by \$150 per member per month in the Public School Employees Plan. HB 76 also includes language directing the SHBP to improve technology and member choice by piloting a consumer oriented telemedicine program as an additional benefit.
- The budget includes \$115 million for reserves to fund future claims and Other Post-Employment Benefits (OPEB) for the State Health Benefit Plan. This is in addition to the \$187 million added to SHBP for OPEB in the Amended FY 2015 budget.
- The budget includes \$50,000 in funds to support the Georgia Comprehensive Sickle Cell center at Grady Memorial Hospital. It also directs the Department of Public Health to provide therapy and treatment for congenital disorders such as hearing impairment or phenylketonuria for those that do not have insurance coverage for such conditions.

Human Services

- The budget provides \$6.9 million to annualize the cost of 250 New Options and Comprehensive Supports (NOW/COMP) waivers to meet the requirements of the Department of Justice Settlement Agreement. In addition, \$1.1 million was allocated to fund 75 extra slots for NOW/COMP waivers.
- House priorities funded in the budget include \$1.38 million for eight inpatient Crisis Stabilization Unit beds in Fulton County; \$1 million for personal service adjustments for health services technicians and forensic services technicians working in mental health hospitals; \$900,000 to the Georgia Vocational Rehabilitation Agency to assist with training and employment support for Georgians with disabilities; and \$1.7 million for Home and Community Based Services to provide waivers to 1,000 seniors.
- The Governor included, and the General Assembly agreed, to allocate \$12.5 million to annualize funding for 103 caseworkers and to add 175 additional caseworkers within the Division of Family and Children Services, and \$12.7 million in new state funds for improvements to the delivery of child welfare services.
- HB 76 also provides an increase of \$120,000 to the Court Appointed Special Advocates (CASA) program to expand capacity; \$126,904 to Long-Term Care Ombudsman for technology needs and to enhance volunteer training; \$107,594 to fund a coordinator for the Alzheimer's and Related Dementias State Plan; \$159,000 to Georgia Family Connection Partnership to increase county allocations from \$45,000 to \$46,000; and \$70,000 for an additional investigator position within the Office of the Child Advocate.
- The budget also provides \$490,000 in supported employment funding for developmentally disabled students transitioning out of high school.

General Government

- State pension obligations for both the Employees' Retirement System and the Teacher's Retirement System are fully funded with an additional \$139.7 million across all agencies.
- HB 76 provides the Department of Audits and Accounts with \$850,000 to fill vacant positions to audit local education agencies; \$768,532 for new attorney and investigator positions for the Georgia Government Transparency and Campaign Finance Commission to expedite complaint resolutions; and \$259,945 to the Secretary of State for new positions to prepare for future elections.

- The budget provides the Department of Driver Services with \$1.5 million for customer service center employee recruitment and retention and \$1.6 million for new customer service centers in Fayetteville, Paulding, Cobb, and Sandy Springs.
- An increase of \$304,000 is provided for four new positions at the Georgia Emergency Management Agency (GEMA) to support the recommendations by the Governor's Severe Winter Weather Warning and Preparedness Task Force.
- The budget provides \$217,719 for new positions in the Department of Labor for the Customized Recruitment program to support additional economic development efforts.
- HB 76 provides \$871,631 for two new pilot projects in the Department of Revenue in order to maximize the use of data analytics capabilities and improve the efficiency of tax compliance.

Bonds

- The bond package for the Fiscal Year 2016 budget totals \$1.1 billion. This package provides much needed funding for education, public safety and economic development projects while still maintaining a debt service ratio for the state of 6.4% - well below the constitutional limit of 10%.
- HB 76 contains a sizeable investment in transportation as \$190 million, or 17%, of the bond package is dedicated solely to transportation. The budget includes \$100 million to repair, replace and renovate bridges and another \$75 million to be used for transit systems statewide. The budget also includes \$15 million for rail rehabilitation; seawall construction; and dike improvements along the Savannah River.
- Of the total bond package \$671 million, or 61%, is appropriated for K-12 education, higher education and public libraries. This includes \$271.5 million to fully fund K-12 capital outlay programs, vocational equipment, and new school buses statewide.
- The bond package also includes \$399.4 million for both the University System of Georgia and the Technical College System of Georgia to maintain and repair existing facilities as well as to build and equip new classrooms and lab space to meet the needs of a growing student population. This includes several major construction projects for the University System including \$11.8 million for Academic Core renovations at Columbus State University; \$43.1 million for construction of the Business Learning Community and \$17 million for construction of the Center for Molecular Medicine at the University of Georgia; \$19.8 million for the Fine Arts Center at Albany State and \$33 million for the Interdisciplinary Academic Building at Georgia Southern University. HB 76 also provides \$17,650,000 to the Technical College System of Georgia to fund the design and construction of a regional training center in Chatham County.
- The budget includes number of small capital projects across the campuses of both college systems. Finally, the nearly \$63 million that was budgeted for major repairs and renovations (MRR) at both the Regents institutions and technical colleges will help both systems be good stewards of the 53 institutions and more than 63 million in square footage statewide they must maintain.
- The remaining \$241.8 million, or 22% of the bond package, is spent on public safety, health, general government and economic development agencies. This includes \$10 million to match federal funds for clean and drinking water loans; \$30.1 million for land purchases, new construction, improvements and renovations for state parks; and \$78.6 million for repairs, renovations, improvements and facility hardening at state prisons and juvenile facilities, law enforcement vehicles and other public safety needs.