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FISCAL YEAR 2017 STATE BUDGET HOUSE BILL 751 – FINAL HIGHLIGHTS

House Bill 751, the Fiscal Year 2017 budget, is set by a revenue estimate of \$23.7 billion - an increase of \$673.9 million, or 2.9%, over the Amended FY 2016 budget.

The General Assembly was able to fund a number of its priorities in the FY 2017 budget including: rate increases for a number of health and human services providers; salary adjustments for teachers, bus drivers, nutrition workers and school nurses; additional salary increases for public health nurses, sworn law enforcement officers and other critical positions to address retention issues, and a one-time 3% benefit adjustment for retired state employees.

K-12 Education

- The FY 2017 budget includes \$124.1 million for enrollment growth of .74% or 12,993 additional FTEs. This also includes funds for 2,172 new teachers, which is a 1.7% increase in the number of teachers.
- HB 751 includes \$300 million to local school systems to offset the austerity reduction in order to provide school systems with the flexibility to eliminate teacher furlough days, increase instructional days, and provide teacher pay raises.
- An increase of \$5.1 million is provided to fund a 3% pay raise to teachers in Agricultural Education and Tech/Career Education programs, school bus drivers, lunchroom workers, nurses, and Regional Education Service Agency (RESA) employees.
- The budget includes \$600,000 in grants for schools to increase participation in AP STEM courses and \$300,000 to increase funds for Positive Behavioral Intervention Supports (PBIS) trainers to reduce the number of out of school suspensions.
- The General Assembly agrees with the governor's recommendation to provide \$28.6 million in lottery funds to implement a new compensation model for lead pre-kindergarten teachers and increase pay for assistant teachers as formulated by the Education Reform Commission.
- HB 751 also redirects \$1.1 million in lottery funds to provide a \$300 one-time materials grant for 3,835 pre-kindergarten classrooms.

Higher Education

- HB 751 includes \$44.4 million for formula earnings based on enrollment and increased square footage, as well as \$68.4 million for merit-based pay adjustments and employee recruitment and retention initiatives at both the University System of Georgia and the Technical College System of Georgia. College students and their parents will not experience a tuition increase next fall due to the diligence of the Board of Regents, the governor and the General Assembly to keep college affordable by providing adequate formula funding.
- The Georgia Student Finance Commission will receive \$53.8 million in additional lottery funds for the HOPE Scholarship program; \$5.3 million in new lottery funds for the Zell Miller Scholarship program for students attending public postsecondary institutions; and \$29.4 million in additional state funds to meet the needs of students participating in the Move on When Ready program. The budget establishes two new service cancelable loan programs - \$100,000 for large animal veterinarians and \$100,000 for members of the Georgia National Guard.
- The budget provides an infusion of cash, \$2.66 million based on a 25 cents per capita formula, to public libraries across the state to purchase new materials.
- HB 751 also includes \$252,000 in additional funding for the Agricultural Experiment Station for research and scientist positions and \$1.09 million in Cooperative Extension Services for scientist positions and extension agents.
- The final version of the budget provides \$10.6 million to increase funds for Invest Georgia and the Advanced Technology Development Center (ATDC).

Health

- The FY 2017 budget includes rate increases for a number of health services providers including: \$26.2 million for primary care and OB/GYN providers by increasing reimbursement rates on a total of 32 service codes up to 100% of 2014 Medicare levels; \$634,314 for an increase in reimbursement rates for EMS providers; and \$2 million to increase reimbursement rates for occupational and physical therapist within the Children's Intervention Services (CIS) program that provides rehabilitation services to children with physical disabilities or developmental delay.
- Other provider rate enhancements include: \$11.3 million for a 3% inflation adjustment on the cost reports for nursing home providers; an additional \$3.8 million to increase the Independent Care Waiver Program (ICWP) Personal Support hourly caregiver rates to match the CCSP and SOURCE reimbursement levels; \$399,670 for a 5% reimbursement rate increase for Adult Day Health Centers in order to provide parity with other home and community-based service providers, and \$387,407 is included in the budget for a new \$250 add-on payment for newborn delivery in rural counties.
- HB 751 provides \$61 million for Medicaid enrollment growth and \$24.4 million for increased costs for Hepatitis C and Cystic Fibrosis drugs.
- The budget provides \$500,000 for one-time start-up grants for two new Federally Qualified Health Centers (FQHCs) in Jackson and Jenkins Counties and \$250,000 for the Champions for Children program for grants to families with medically fragile children who do not qualify for Medicaid or the "Katie Beckett" waiver.

- HB 751 also includes funds for new residency programs, including: \$219,684 for an emergency medicine residency program at Memorial Health University Medical Center; \$122,664 for eight new OB/GYN residency slots across the state; \$100,000 for the Georgia South Family Medicine Rural Residency Training Program; \$318,150 for 50 certified residents at Philadelphia College of Osteopathic Medicine, and \$100,000 for a new position at the Georgia Board for Physician Workforce to specialize in assisting emerging residency programs in Georgia.
- The General Assembly also championed several initiatives aimed at making sure basic services are available in underserved areas, which include: \$200,000 to maintain the rural dentistry loan program; \$200,000 to establish a loan repayment program for physician assistants and advance practice registered nurses; and \$200,000 for OB/GYN physicians who want to return to practice in underserved areas.
- The budget provides \$1.38 million for the sixth year phase-in of the new grant-in-aid formula for public health to hold harmless all counties; \$2 million for the Positive Alternatives for the Pregnancy and Parenting Grant Program, and \$4.2 million for additional salary increases for public health registered nurses to address recruitment and retention issues.

Human Resources

- The budget includes \$4.3 million for a 1.5% provider rate increase for Child Caring Institutions, Child Placing Agencies, foster parents, and relatives; \$1.2 million for a \$4 per hour increase for the Division of Family and Children Services (DFCS) Special Assistant Attorney Generals (SAAGs); and \$716,000 to provide one-time funding for the Highland Rivers Health CSB Home Again program.
- The governor included, and the General Assembly agreed, to allocate \$51 million to address the growth in foster care utilization; \$11.9 million to fund a provider rate increase for the Comprehensive Supports Waiver Program (COMP); \$9 million for a salary increase for health aides working in state mental health hospitals, and \$2 million for 1,000 Home and Community Based Services (HCBS) slots.
- The governor also recommended, and the General Assembly approved, a \$7 million increase to support the continuation of child welfare reform initiatives with the addition of 175 child protective caseworkers.
- HB 751 provides an increase of \$1 million to transition 167 seniors from nursing homes into community settings; \$750,000 to Court Appointed Special Advocates (CASA) to enhance state-wide capacity for the program; \$159,000 to the Georgia Family Connection Partnership to increase county allocations from \$46,000 to \$47,000, and \$500,000 for Meals on Wheels and senior center nutrition programs.
- Finally, the budget includes \$10,000 for Rockdale Cares, \$50,000 for child advocacy centers in the statewide network, and \$80,000 for Speech, Hearing and Rehabilitation Enterprises of Coastal Georgia, Inc. (SHARE).

Economic Development

- HB 750 includes an infusion of \$825.6 million in new state general and motor fuel funds for transportation resulting from HB 170 (2015 Session). Of these new funds, \$543.1 million is to be spent on capital construction and maintenance projects; \$204.7 million is budgeted for routine

maintenance and \$41 million in additional funding is provided for Local Maintenance and Improvement Grants (LMIG). Georgians may search and track the progress on these projects, as well as review the state's major mobility plan for the next 10 years, by visiting www.GAroads.org.

- The budget also includes an increase of \$1.5 million for airport aid grants.
- HB 751 provides \$800,000 for the Department of Economic Development for marketing and tourism promotion; \$100,000 for the Georgia Historical Society for historical markers, and \$100,000 for the Georgia Council for the Arts to match federal funds for local art grant funding.
- New funds in the amount of \$300,000, combined with existing funds within the Department of Community Affairs, are provided for small business film production grants.

Public Safety

- HB 751 provides an additional \$3.8 million for grants to expand the state's accountability courts and provide additional funding for community-based treatment options for juveniles; \$1.3 million for 16 additional assistant district attorneys, and \$922,639 for 15 assistant public defenders to support juvenile courts pursuant to the Code revision recommendation for juvenile justice reform. Also, \$4.4 million was included to provide for 7% salary increase for assistant district attorneys and assistant public defenders.
- The FY 2017 budget also includes \$1,068,228 to implement HB 927, the 'Appellate Jurisdiction Reform Act of 2016' and expand the Georgia Supreme Court's bench to nine justices.
- The budget also includes \$7.6 million to provide a 6% salary increase for certified law enforcement officers at the Georgia Bureau of Investigation, the Department of Natural Resources and the Department of Public Safety.
- The budget also provides \$1.1 million in operating funds for a new Youth Challenge Academy located in Milledgeville; \$1.2 million for 10 new GBI scientists; \$3 million for 22 new GBI agents, and \$209,122 for 2 GBI analysts.
- The General Assembly agrees with the Governor's recommendation to provide \$30 million for a 10% salary increase for all correctional officers and juvenile correctional officers, in addition to \$5.6 million to incentivize county correctional facilities to provide educational opportunities to inmates, expand the educational, vocational, and technical programs at state prisons, and increase GED programming in transition centers.

General Government

- The FY 2017 budget includes a \$1.7 million increase in the employer contribution rate for the Employees' Retirement System to provide a one-time benefit adjustment of 3% to more than 46,000 retired state employees. The bill also encourages the Public School Employees Retirement System Board of Trustees to consider a 3% benefit adjustment for its 16,000 retired members.
- HB 751 provides \$251,930 to the Department of Banking and Finance for the retention of financial examiners. This funding will raise base pay and continue to help the agency lower turnover rates.

Bonds

- The bond package for the Fiscal Year 2017 budget totals \$953 million. This package provides much needed funding for state education, public safety, and transportation projects, while still maintaining a debt service ratio for the state of 5.8% - well below the constitutional limit of 10%.
- HB 751 reflects the state's investment in transportation with 11% of the bond package devoted to transportation projects, including \$100 million in bonds to repair, replace and renovate bridges statewide. The budget also includes \$6.8 million for the GRTA Xpress program for capital projects and to renovate commuter coaches, as well as \$8.025 million for rail improvement projects.
- Of the total bond package, \$592.9 million, or 62%, is appropriated for K-12 education, higher education and public libraries. This includes \$252.4 million to fully fund K-12 capital outlay programs, provide vocational equipment to eligible schools, and to purchase new school buses statewide.
- The bond package also includes \$340.4 million for both the University System of Georgia and the Technical College System of Georgia to maintain and repair existing facilities, in addition to building and equipping 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: \$29.3 million to construct the Convocation Center at the University of North Georgia; \$17.7 million for the Academic Building at Georgia Highlands College, and \$18.9 million for the Biology Building at the University of West Georgia. The budget also includes \$16.1 million for construction of the Industrial Training and Technology Building at Southern Crescent Technical College and \$48.2 million for the construction of a new Hall County campus for Lanier Technical College.
- Finally, \$75 million is budgeted (including \$8 million in cash) for major repairs and renovations (MRR) at both the Regents institutions and technical colleges to ensure both systems are able to provide ongoing maintenance of the 51 institutions and more than 60 million in square footage under their stewardship.
- Public libraries throughout the state benefit from additions of \$2 million for technology improvements and \$2 million for major repairs and renovations to facilities.
- About 10%, or \$97 million, of the bond package is designated for public safety projects. This includes \$16.9 million for the replacement of law enforcement vehicles and equipment; \$31.5 million for correctional facility repairs, improvements and hardening, and \$13.7 million for the Department of Corrections to repurpose the Metro State Prison as a reentry and transition building.
- The remaining \$141.3 million, or 16% of the bond package, is spent on health, general government and economic development agencies. This includes \$15 million to match federal funds for drinking water and sewer loans; \$43.6 million for equipment, land acquisition, new construction, improvements and renovations for state parks; \$4 million for shoreline mitigation at Jekyll Island, and other projects statewide.