



House Budget and Research Office

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FISCAL YEAR 2018 STATE BUDGET HOUSE BILL 44 – FINAL HIGHLIGHTS

House Bill 44, the Fiscal Year 2018 budget, is set by a revenue estimate of \$24.9 billion – an increase of \$1.25 billion, or 5.3%, over the FY 2017 original budget. Of the new revenue, \$775 million (62%) is budgeted for education; \$186 million (15%) is dedicated to transportation; \$128.2 million (10%) is appropriated for public safety agencies; \$128 million (10%) is budgeted for health and human services; and the \$38.8 million (3%) in remaining new funds is appropriated to economic development and general government agencies.

In addition to supporting many of the Governor's recommendations for the FY 2018 budget, the House was able to fund a number of its priorities as well, including:

- **Child Welfare** – a per diem rate increase for foster parents including those in relative care; additional positions in the Division of Family and Children Services (DFCS) to provide support services for foster parents; additional funding to expand the Court Appointed Special Advocates (CASA) to advocate on behalf of children; and an hourly rate increase for Special Assistant Attorneys General (SAAGs) who support child welfare cases;
- **Military Communities and Service Members** - providing additional school counselors to school systems that serve large military communities to improve outcomes for children of military families; additional scholarships for Georgia National Guard members; and additional positions to support veterans including a coordinator to support female veterans; and
- **Rural Communities** - expanding the loan repayment programs for physician assistants, advanced practice registered nurses, and dentists practicing in rural and underserved areas; providing a \$500 add-on payment for newborn deliveries in rural counties; the creation of four new Federally Qualified Health Centers (FQHCs); and maintaining current funding levels for the Georgia Rural Water Association and Regional Conservation Districts.

Additional highlights of the budget are as follows:

Economic Development

- HB 44 provides \$393,182 in new state funds and \$55,055 in existing funds within the Department of Agriculture to provide for 11 food safety, plant, and animal industry positions to address increased workload and enhance food safety.
- The General Assembly restored \$100,000 in funds for the Coastal Regional Commission of Georgia to provide grants for infrastructure and further the development of the coastal greenway. In addition,

the General Assembly restored \$224,902 for the Georgia Advocacy Office contract within the Department of Community Affairs for the five advocacy offices that work with individuals with developmental disabilities. The budget also maintains \$25,000 in funding for the Second Harvest of South Georgia to continue to provide assistance to victims of storm damage as well as \$105,000 to maintain current funding levels for the Georgia Rural Water Association and Regional Conservation Districts. The final version of HB 44 provides \$150,000 in new funds for military support in Cobb County.

- Contract funds in the amount of \$400,000 were added to the Department of Economic Development's budget to support the economic development outreach initiative in China. In addition, \$180,000 was added for two positions to support agriculture trade and global commerce.
- HB 44 provides \$125,000 to the Department of Economic Development to promote tourism in Georgia through a new visitor information center at Hartsfield-Jackson Atlanta International Airport. In addition to adding \$25,000 for general tourism marketing and \$25,000 for marketing Georgia's music industry and attractions, it also instructs the department to utilize \$600,000 in existing funds for general tourism marketing as well as marketing the Year of Film in Georgia.
- The final version of HB 44 includes \$100,000 in new funding within the Georgia Council for the Arts for partner projects and education grants.

Education

- In the final version of the budget, K-12 education receives an infusion of \$514 million, or 41% of all new revenue. This funding increase for the Department of Education includes \$162 million for a 2% adjustment to the state teacher salary schedule, providing raises to more than 126,000 teachers in Georgia, as well as a 2% salary increase for bus drivers and school nutrition personnel. HB 44 also includes \$133.3 million to fund the enrollment growth of 10,796 new students as well as a training and experience increase for teachers.
- The budget includes \$4.05 million to fund additional school counselors for all systems pursuant to HB 283 (2013 Session) as well as \$445,145 for a competitive grant program available to school systems with a large military population to fund counselor positions to provide additional support to military students and increase academic achievement. HB 44 also includes \$1.25 million for the Governor's Office of Student Achievement for a competitive grant program to provide low performing high schools with a certified school counselor-graduation specialist, with priority given to those high schools on the state's chronically failing schools list.
- The final version of HB 44 includes \$1,000,000 for the implementation of HB 338 (2017 Session), including the Chief Turnaround Officer, to improve the academic achievement of the lowest performing schools in the state to ensure those students have an opportunity for success.
- The FY 18 budget also include \$1.6 million for Positive Behavioral Interventions and Supports (PBIS) trainers and school climate specialists to reduce disciplinary incidents, increase a school's sense of safety, and support improved academic outcomes as well as \$2.7 million in new and existing funds to provide one AP STEM exam per student to increase participation in AP STEM courses.
- The final version of the budget also directs The Governor's Office of Student Achievement to continue providing grants to local school systems to increase AP STEM participation and achievement in rural areas of the state as well as \$500,000 in new innovation grant funds directed at teacher technology competitive grants, STAR Academy for drop-out prevention, and innovative reading and math programs.

- HB 44 includes \$5.5 million in the Department of Early Care and Learning (DECAL) for tiered reimbursement in the Childcare and Parent Services program for quality rated childcare facilities and maintains funding for 84,000 slots in the Georgia Pre-K Program. DECAL will also receive \$357,718 for its new foundation pursuant to HB 462 (2017 Session).
- The FY 18 budget also includes \$1.5 million for the Public School Employees Retirement System to increase the benefits multiplier from \$14.75 to \$15.00 per year of service.

General Government

- HB 44 includes \$360,000 for the Department of Driver Services to improve wait times at customer service centers and combat fraud related to vehicle licensing.
- The FY 2018 budget provides nearly \$240,000 to the Environmental Protection Division of the Department of Natural Resources for coal combustion residuals oversight and permitting to meet new EPA standards. The budget also includes \$77,455, as recommended by the House Study Committee on Historic Site Preservation (HR 978, 2016 Session), to retain current review historians and architects and for a new position to help the review process for historic tax credits. Historic tax credits represent a significant return on investment for the state while creating jobs for citizens.
- The budget also includes approximately \$3.5 million for the Department of Revenue for the Driver Record and Integrated Vehicle Enterprise System (DRIVES), an integrated system that will provide a title and registration system for the Department of Revenue and a driver's license system for the Department of Driver Services when fully implemented.

Health

- The FY 2018 budget includes \$92 million in Tenet settlement funds, which will be matched with federal funds and used for Medicaid growth (\$38.4 million), behavioral health services for autistic children under 21 (\$20.7 million), increased reimbursement rates for primary care and OB/GYN codes (\$17.9 million), projected increase in Medicare Part D Clawback payment (\$11 million), behavioral health services for children birth-4 years (\$2.5 million), and federal Hepatitis C treatment access requirements (\$1.6 million).
- The budget includes \$5.37 million for a 10% reimbursement rate increase for 20 dental codes as well as \$6.4 million for a new period of attestation for increased reimbursement rates for select primary care codes, effective July 1, 2017.
- Other priorities of the General Assembly reflected in the budget include \$11.7 million for a 3% inflation adjustment on the nursing home cost report, \$1.37 million to reduce the waiting list for the Community Care Services Program (CCSP) waiver, \$1 million for home care services in the CCSP and SOURCE programs for Alzheimer's Disease and related dementia patients, \$500,000 for increased reimbursement rates for personal support and extended personal support services in the CCSP and SOURCE programs, and \$336,641 for a 3% rate increase for the SOURCE case management fee.
- The FY 2018 budget funds 97 new residency slots in primary care medicine (\$1.37 million), 20 OB/GYN residency slots with four slots each at Emory, Medical College of Georgia, Memorial University Medical Center, Morehouse, and Navicent Health Care Macon (\$306,660), and a new psychiatry residency program at Gateway Behavioral Health in partnership with Memorial University Medical Center (\$360,000).
- To assist with healthcare in rural areas of the state, the budget provides \$300,000 to expand the loan repayment programs for physician assistants, advanced practice registered nurses, and dentists

practicing in rural and underserved areas, \$595,653 for a \$500 add-on payment for newborn deliveries in rural counties, and \$1 million in start-up grants for four Federally Qualified Health Centers (FQHCs) in Cook County, Lincoln County, Seminole County, and Lowndes County.

- HB 44 provides more than \$2 million for an increase in nurse surveyor salaries in the Healthcare Facility Regulation program.
- Within the Department of Public Health, the budget provides \$325,000 for an Adolescent to Adult Transition model to improve outcomes for adults with Autism Spectrum Disorder, \$140,000 for emergency preparedness funds for the state's Regional Coordinating Hospitals, \$1.5 million for recruitment and retention for current environmental health personnel, and \$798,720 for 12 additional environmental health specialists.
- The budget provides \$106,800 to fund the creation of the Office of Cardiac Care and the cardiac registry, pursuant to SB 102 passed this session.
- HB 44 also includes \$2.2 million for telehealth infrastructure, \$978,865 for the Fulton County Board of Health per HB 885 (2016 Session), and \$1.38 million for the seventh and final year of the new grant-in-aid formula to hold harmless all counties.

Higher Education

- HB 44 includes \$71.2 million in increased formula earnings for both the University System of Georgia and the Technical College System of Georgia due to enrollment growth and increased square footage, as well as \$49.2 million for merit-based pay adjustments and employee recruitment and retention initiatives.
- The final version of the budget also includes \$6.2 million for the Agricultural Experiment Station program and the Cooperative Extension Services program for maintenance and operations as well as \$150,000 for the Marine Resources Extension Center for two positions to grow Georgia's oyster aquaculture industry.
- The budget includes \$2.7 million for the Georgia Center for Early Language and Literacy at Georgia College and State University and an additional \$125,000 for the Georgia Youth Science and Technology Center to continue providing high-quality professional development for teachers of STEM subjects.
- The FY18 budget includes an additional \$38.9 million in lottery funds for the Georgia Student Finance Commission to increase the HOPE Scholarship award amount by 3% and meet the projected demand; \$10.9 million in new lottery funds for the Zell Miller Scholarship program; and \$21 million in additional state general funds to meet the needs of students participating in the Move on When Ready program. The budget includes \$1.6 million in additional funding for the Tuition Equalization Grants (TEG) program, which will bring the grant award amount up from \$900 to \$950 per year for students seeking degrees at private eligible postsecondary institutions.

Human Resources

- The FY 2018 budget includes \$12 million in the Department of Behavioral Health and Developmental Disabilities program to annualize 250 additional slots for the New Options Waiver (NOW) and Comprehensive Support Waiver Program (COMP) as well as \$11.7 million for the cost of a provider rate increase for the COMP program. This increase will meet the requirements of the Department of Justice (DOJ) settlement agreement. HB 44 also includes \$6 million for one Behavioral Health Crisis Center.

- The FY 2018 budget provides \$25.8 million for child welfare services case workers and managers to increase their salary by 19% to bring them to market average. In addition, \$2.8 million is appropriated for 80 additional employees for foster care support services to assist foster parents. \$2.5 million is also included for 25 additional human resources employees to meet recruitment demands for additional case workers added in FY18 and in previous budgets.
- The General Assembly includes \$10.7 million to provide a \$10 rate increase for DFCS foster parent per diems as well as \$14.9 million for relative foster parents. HB 44 also funds \$5.2 million for Child Placing Agencies' (CPA) foster parents for the first installment of a two-year plan to increase those per diem rates by \$10 as well.
- HB 44 includes \$717,605 in the Department of Human Services and the Department of Behavioral Health and Developmental Disabilities for the Special Assistant Attorneys General (SAAGs) who work on child welfare cases, child support cases, elder abuse cases, and behavioral health commitment cases to equalize the rates to \$57.50 per hour.
- \$500,000 is provided to increase funding for the Court Appointed Special Advocates (CASA) and \$238,500 to increase each county's allocation in Family Connection. The FY 2018 budget also provides \$500,000 in state funds for the Georgia Vocational Rehabilitation Agency to match federal funds to continue providing scholarships for students with developmental disabilities.
- HB 44 provides \$4.1 million for Georgia Alzheimer's Project to promote early detection and treatment. The FY 2018 budget also includes \$11 million for the Integrated Eligibility System (Georgia Gateway) information technology project for the Department of Human Services.
- Finally, the budget includes \$358,996 for the Department of Veterans Service for four veteran benefits training officers and \$137,650 for one coordinator position to work with female veterans.

Public Safety

- HB 44 includes \$55.5 million to annualize the 20% pay raise for state-level law enforcement officers as well as salary adjustment for criminal investigators and canine officers funded in the Amended FY 2017 budget (HB 43, 2017 Session). This raise was predicated on a need to reinvest in officers employed by the state after years of stagnant salaries and heavy turnover throughout the recession. The increase impacts officers and criminal investigators in 16 state agencies including the Department of Public Safety, the Department of Community Supervision, the Department of Natural Resources, and the Georgia Bureau of Investigation.
- In addition to law enforcement raises, the FY18 budget also includes \$2.6 million in the form of public safety training instructors for satellite academies, curriculum specialists, online training courses, and crisis intervention trainers to support and adequately train state and local law enforcement officers for the challenges faced by modern police forces.
- The FY 18 budget provides an additional \$3.7 million, a 10% increase, for grants to expand state accountability courts. Currently there are a total of 140 funded accountability courts with an additional seven anticipated for FY 18. This budget also provides an additional \$270,000 for the Juvenile Justice Incentive Grant program which funds community-based treatment options for juveniles.
- HB 44 appropriates \$2 million to the Public Defender Council to create parity between the Prosecuting Attorneys' Council and the Public Defender Council. This appropriation will fund training, a 2% salary increase, and 10 additional assistant public defenders to support juvenile courts.

- HB 44 includes an additional \$2.6 million to support our forensic pathologists and scientists at the Georgia Bureau of Investigation. These funds will create a new forensic pathology fellowship program to develop Georgia's future forensic pathology workforce and hire new DNA scientists to reduce the backlog for sexual assault and rape kits per SB 304 (2016 Session). This appropriation also includes a salary increase for medical examiners to ensure Georgia retains the most qualified professionals.

Transportation

- HB 44 includes \$162.5 million in new funds dedicated to transportation as a result of increased collections per HB 170 (2015 Session) and brings the total funding for transportation to \$2 billion.
- The FY18 budget for the Department of Transportation includes an additional \$125 million in funding for capital construction and maintenance projects for a total of 306 anticipated projects including bridges, roadways, intersections, signal maintenance, safety improvements, and resurfacing and maintenance.
- The budget also includes a \$14.3 million increase in Local Maintenance and Improvement Grants (LMIG) funding which will continue to allow local governments' flexibility and quick project delivery on needed improvements to the state's roadway network. In addition, the \$24.1 million in the Routine Maintenance program will allow the Department to roll out the highly anticipated Coordinated Highway Assistance and Maintenance Program (CHAMP). The CHAMP program will provide patrols of rural interstates for motorists in distress, debris removal, and other daily maintenance activities.
- The FY 2018 budget includes an additional \$400,000 for airport aid.
- HB 44 provides \$10 million for the State Road and Tollway Authority (SRTA) for year one of a ten year plan for operations of the Northwest Corridor and the I-75 South new managed lane extension. The budget also authorizes SRTA to utilize up to \$1,000,000 in existing funds allocated to the Georgia Transportation Infrastructure Bank for a statewide transit study.

Bonds

- The bond package for the Fiscal Year 2018 budget totals \$1.16 billion. This package provides much needed funding for education, public safety, and transportation projects while still maintaining a debt service ratio for the state of 5.7%, which is well below the constitutional limit of 10%.
- HB 44 reflects the state's commitment to transportation and infrastructure with 9% of the bond package devoted to transportation projects including year three of a four year commitment to invest \$100 million in bonds to repair, replace, and renovate bridges statewide; \$5.8 million for rail rehabilitation and improvements; and \$2 million for the Georgia Regional Transportation Authority (GRTA) for property acquisition for a new Xpress Bus Park and Ride lot expansion in Gwinnett County.
- Of the total bond package, \$662.7 million, or 57%, is appropriated for K-12 education, higher education, and public libraries. This includes \$252 million to fully fund K-12 capital outlay programs, provide vocational equipment to eligible schools, and to purchase new school buses statewide; \$399 million for the Board of Regents and the Technical College System of Georgia for major repairs and renovations (MRR), equipment replacement, and construction and renovation of classroom and lab spaces; and \$11.325 million for technology improvements and repairs and renovations at public library facilities statewide.

- About 11%, or \$132.2 million, of the bond package is designated for public safety projects. This includes \$36.3 million to construct and equip the new Savannah Crime Lab and \$9.9 million for the Department of Corrections to continue to repurpose Metro State Prison as a reentry and transition prison.
- The remaining \$262.2 million, or 23% of the bond package, is spent on health, general government, and economic development agencies. This includes \$55 million to expand the Georgia World Congress Center and \$105 million for a new judicial complex.