



## *House Budget and Research Office*

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### **FISCAL YEAR 2019 STATE BUDGET HOUSE BILL 684 HIGHLIGHTS**

House Bill 684, the Fiscal Year 2019 budget, is set by a revenue estimate of \$26.2 billion – an increase of \$1.22 billion, or 4.9%, over the FY 2018 original budget. Nearly 90% of the new revenue is consumed by education as well as health and human services expenses. Specifically, \$742.4 million (60%) is budgeted to fully fund K-12 and higher education; \$359.7 million (29.2%) is budgeted for health and human services; and \$127.4 million (10.4%) in the remaining new funds is appropriated to public safety, economic development and general government agencies as well as debt service. Highlights of the budget are as follows:

#### Economic Development

- HB 684 provides a funding boost of \$1.1 million for the Department of Agriculture to strengthen domestic and international marketing activities for Georgia products. This also includes the addition of four positions, to include: an expansion and growth director, a domestic sales coordinator, an international trade coordinator and a business specialist.
- Within the Department of Community Affairs, \$130,000 is added for a downtown development attorney based on recommendations of the House Rural Development Council. This position will assist small downtown development authorities to establish LLCs for federal historic preservation status and funding streams, as well as other tax credits, to help their downtowns grow.
- Funding in the amount of \$334,900 is provided to the Department of Community Affairs, along with \$1.1 million in existing funds within the Georgia Technology Authority, to implement the 'Broadband Achieving Connectivity Everywhere Act' (SB 402, 2018 Session) and expand broadband access across the state.
- A new Rural Development program is created in the Department of Economic Development in the FY 2019 budget to promote rural economic development opportunities and to recruit, retain and expand businesses in rural communities. Funds are provided in the amount of \$376,974 to continue the new position of deputy commissioner created in the Amended FY 2018 budget, as well as to create one project manager position and provide for operating expenses. HB 684 also includes an increase of \$200,000 for marketing the music and film industries in Georgia.
- The FY19 budget addresses workload needs within the Public Service Commission by providing \$231,652 for one new attorney position and one engineer position.
- The bond package includes \$58.4 million, or 5% of the total bonds, for several projects with a statewide economic impact, including: \$15 million for the construction of a pedestrian mall at the Georgia World

Congress Center; \$6.3 million for the expansion of the Savannah International Trade and Convention Center; \$16 million for water supply projects through the Georgia Environmental Finance Authority; and \$2 million for construction and equipment for State Forestry Commission district offices statewide. In addition, the Department of Agriculture will receive \$600,000 for lab repairs and equipment in Tifton and \$500,000 for an assessment to replace the water system at the Atlanta Farmers' Market to supplement the \$2.4 million in cash provided in the Amended FY 2018 budget for facility repairs at state farmers markets across Georgia.

## Education

- HB 684 provides \$166.7 million to school systems to eliminate austerity reductions and fully fund the Quality Basic Education (QBE) formula. More than \$1.14 billion has been restored to school systems since FY 2015.
- The FY 2019 budget includes \$112.3 million for the Department of Education to provide for enrollment growth and training and experience for an additional 4,460 students and 1,843 teachers statewide. The budget also includes \$4.8 million for growth in charter system grants and State Commission Charter School supplements. Funds for Equalization grants are also increased by \$30.7 million bringing the total amount of funding to \$615.3 million. Funding for school nurses is also restored.
- School systems will receive an additional \$290 million for Teachers Retirement System (TRS) annual required contribution rate increases. When funding for higher education is included, the total new state fund investment in TRS for FY 2019 is \$361.7 million. These funds will support 117,957 retired and 218,193 active members.
- New funds in the amount of \$1.6 million is provided to increase the Public School Employees Retirement System (PSERS) multiplier from \$15.00 per year of service to \$15.25 per year of service. The plan provides retirement benefits for non-certificated school employees, such as bus drivers, custodians, and lunch room workers. This addition benefits 34,866 active and 17,552 retired members.
- HB 684 creates the Pupil Transportation program under the Department of Education to provide transparency in funding and to assist local school systems in their efforts to provide safe and efficient transportation for students to and from school and school-related activities. In addition to the regular pupil transportation formula earnings, HB 694 includes an addition of \$930,377 to the pupil transportation formula to reflect a per student increase based on new enrollment. The FY 2019 budget also includes \$15 million in bonds for school bus replacement. When combined with the \$15.75 million in cash provided in the Amended FY 2018 budget, funds are sufficient to purchase nearly 400 new school buses statewide. The budget also includes \$1.25 million in the bond package to incentivize the purchase of 100 alternative fuel school buses.
- The FY 2019 budget includes \$1.6 million for student mental health awareness training, including response and intervention training to schools and communities for students in preschool through grade 12. The awareness training will work together with the Positive Behavioral Interventions and Supports (PBIS) program that is already implemented in 1,200 schools across Georgia.
- HB 684 includes \$225,000 for three Young Farmer positions in Polk County, Wilcox County, and Pataula Charter Academy and \$100,000 for a statewide Young Farmer executive director position.
- The budget creates a new Chief Turnaround Officer program to work with schools, districts, parents, and community stakeholders to support those Georgia schools that are identified as needing the

most assistance. HB 684 reflects \$1 million in existing funds for this new program, as well as \$266,371 for two transformation specialists and \$700,000 in existing funds for five district effectiveness specialists. This program also includes \$227,570 for the Turnaround Schools Rural Character Education Grant for soft skills training and character education development as recommended by the House Rural Development Council.

- HB 684 includes \$436,000 to staff a mobile audiology unit, including an audiologist, speech pathologist, and resource coordinator to provide audiology care to children in rural Georgia and connect them with community resources. The bond package includes \$385,000 to purchase the mobile audiology unit and equipment needed to implement this initiative.
- The FY 2019 budget directs the Department of Early Care and Learning to utilize increased grant funds available in the Governor's Office of Student Achievement for birth to five literacy/numeracy in rural centers located in the lowest performing K-12 school systems – another focus of the House Rural Development Council.
- HB 684 includes \$1.5 million in the Governor's Office of Student Achievement to implement a statewide leadership academy for principals per HB 338 (2017 Session). The add builds upon the \$400,000 provided in the Amended FY 2018 budget to ensure that leadership training can commence in the summer of 2018.
- The final version of the FY 2019 budget includes \$750,000 to provide one non-STEM AP exam for low-income students, in addition to the existing funds that provide one STEM AP exam for all students.
- One quarter, or \$305 million, of the state's FY 2019 bond package is dedicated to K-12 education. This includes \$259.5 million for new construction projects, as well as renovation and addition projects for 77 local school systems. HB 684 also provides \$16 million to fund school security grants; \$1.1 million for facility repairs and improvements at the state schools; \$12.2 million in new and redirected bonds for agriculture and technical education equipment; and \$2.2 million for improvements needed at the FFA/FCCLA Center and Camp John Hope.

#### General Government

- The FY 2019 budget recognizes \$8 million in additional revenue from hunting and fishing license fees pursuant to HB 208 (2017 Session) in the Department of Natural Resources and reflects \$720,000 in the Coastal Resources Division to improve public access and offshore fishery habitat maintenance; \$240,000 in Departmental Administration for additional reporting and processing; \$2.72 million in the Law Enforcement program to allow for additional law enforcement rangers to address high-demand areas of the state aid with land management activities; and \$4.32 million in the Wildlife Resources program for additional public access and land management. The budget also instructs the department to use existing funds to help clear debris and remove sunken vessels caused by recent hurricanes.
- HB 684 includes an additional \$6.2 million in total funds for liability insurance premiums, \$3 million in total funds for workers' compensation premiums, and a reduction of \$1.5 million in unemployment insurance billings in the Department of Administrative Services based on actual need.
- The FY 2019 budget also includes \$500,000 to offset the loss of federal funds for local career centers in the Department of Labor and instructs the department to scale back employees, due to reduced demand for services because of the improved economy and near full employment, and to reallocate personnel as needed to maintain offices in locations slated for closure to continue meeting the needs

of citizens, business and industry. The bill also encourages the department to seek partnerships with other state agencies as well as to continue the expansion of online services to help provide employment services to all Georgians.

- HB 684 provides \$45,000 to the Georgia Commission on the Holocaust to help the commission meet the higher demand for speakers and improve exhibitions.
- The FY 2019 budget includes more than \$290,000 for the Office of the State Inspector General to help the office meet caseload needs.
- HB 684 urges the Board of Trustees of the Employee's Retirement System of Georgia to consider a benefit adjustment for retired state employees in accordance with sound actuary principles.
- General government agencies receive \$40.1 million, or 3%, of the bond package, including: \$4.3 million for the Department of Driver Services to build and expand two customer service centers; \$1.2 million for the Department of Labor to make ADA-related improvements to offices statewide; \$1 million to the Georgia Building Authority for the renovation and rehabilitation of flooring in the State Capitol building; and \$33.4 million for the Department of Natural Resources for facility major improvements and renovations, and other improvements.

### Health

- The FY 2019 budget includes funding for several IT and Medicaid infrastructure projects within the Department of Community Health, including: \$894,519 for the electronic visit verification system for home and community-based services; \$1.9 million for the Enterprise Data Solution system; and \$111,500 in existing funds for Medicaid Information Technology Architecture.
- The General Assembly agrees with the governor's support for nursing homes through the appropriation of \$16.9 million for a 4.3% provider rate increase; \$5 million for a nursing home rate increase for liability insurance; and \$962,022 in existing funds for increased background checks for owners and employees of long-term care facilities.
- Other providers receiving a rate increase in HB 684 include: \$3.3 million for a \$12.62 increase in the hourly rate for alternative living service providers; \$399,670 to increase the reimbursement rates for Adult Day Health Centers by 5%; \$1.8 million to increase the triage payment rate by \$10 for urban hospitals and \$20 for rural hospitals to enhance the payment made to hospitals for non-emergent visits to the emergency room; \$1.1 million to increase the occupational, speech, and physical therapy rates in the Babies Can't Wait program in the Department of Public Health; and \$501,769 for a 1% reimbursement rate increase for select dental codes.
- A number of recommendations from the House Rural Development Council are incorporated in the FY 2019 budget, including: \$75,000 to annualize funds for oversight of a competitive bid process for the Rural Health Systems Innovation Center; \$300,000 for the start-up of the Rural Health Systems Innovation Center; \$40,000 in the Georgia Board for Physician Workforce to annualize the cost of a statewide medical fair for recruitment; and \$979,591 to reinstate 10 regional Emergency Medical Services training positions. Language is also included directing the Department of Community Health to include reporting requirements for pharmacy benefit managers (PBMs) in all managed care contracts and State Health Benefit Plan contracts, with the department using aggregate data to report back to the chairs of the House and Senate Appropriations Committees annually.
- The FY 2019 budget includes \$85,000 for a full-time position to coordinate donated dental services, in an effort to address the limitations of Georgia's current adult dental Medicaid benefits by

providing free preventative and restorative treatment to patients who are elderly, medically fragile, or have disabilities.

- HB 684 includes \$750,000 for start-up grants for three federally qualified health centers (FQHCs), with one for primary care in Bryan County and two for behavioral health services in Emanuel and Early Counties.
- The budget includes several items for graduate medical education, including: \$1.7 million for 99 new residency slots in primary care medicine; \$750,000 for new fellowship positions at Augusta University; \$300,000 for two rural surgical fellowship positions; \$120,000 for the second year of start-up for the new psychiatry residency program at Gateway Behavioral Health; and \$559,370 for an increase to the capitation payments for existing slots in OB/GYN, psychiatry, and community and prevention medicine residency programs across the state.
- HB 684 provides \$143,784 in salary adjustments for Georgia Drugs and Narcotics agents, who are responsible for preventing the overutilization and abuse of opioids and other prescription drugs.
- The FY 2019 budget continues the focus on autism services by including a program coordinator position and funds to develop capacity in both the Department of Community Health and the Department of Public Health in order to provide behavioral health services to children under 21 who are diagnosed as autistic. Additionally, \$681,493 is included to increase the reimbursement rates for autism codes for feeding, language and learning, and severe behavior.
- The FY 2019 budget provides \$2 million in the Department of Public Health to address maternal mortality in recognition that Georgia has the highest rate in the country. Additionally, \$500,000 is added to implement Medicaid reimbursement for evidence-based group prenatal care programs, also known as “centering.”
- Other health promotion initiatives funded by the General Assembly include: \$150,000 for the Sickle Cell Foundation of Georgia for outreach to improve access to care and reduce unnecessary emergency room costs; \$75,000 to implement the Diabetes Prevention Program in five counties with the highest need, which will enroll 100 very high-risk individuals each year; \$100,000 for the Georgia Council on Lupus Education and Awareness for research; and \$887,500 for the Georgia Cancer Control Consortium to fund the Georgia Center for Oncology Research and Education (CORE) and five regional cancer coalitions in order to enhance the research and prevention of cancer in Georgia.
- The FY 2019 budget supports further infectious disease control by providing \$50,000 for the Grady Infectious Disease Program to support retention in care efforts for patients with HIV/AIDS as well as \$215,700 for improved perinatal hepatitis C surveillance, linkage to care, and testing to address the statewide increase of the hepatitis C virus due to the opioid epidemic.

#### Higher Education

- The FY 2019 budget includes \$111 million for the University System of Georgia and \$5.5 million for the Technical College System of Georgia based on enrollment growth and increased square footage, as well as Teachers Retirement System obligations. The budget also includes \$450,000 for Georgia Military College to fund the pension needs of its faculty and staff.
- A number of items in the Agricultural Experiment Station and Cooperative Extension Service programs receive support in the budget, including: \$728,400 for a pasture weeds and forage specialist, a distinguished investigator and professor in peanut genetics and genomics, a soil nutritionist, and a postharvest physiologist in horticulture; \$171,400 for a turfgrass pathologist to develop disease-

resistant grass and forage cultivars; and \$324,000 for six educator positions to support Agricultural and Natural Resources, 4-H Youth Development, and the Family and Consumer Sciences educational programs. New funds in the amount of \$114,400 are added for the Skidaway Institute of Oceanography for research activities and experiential learning on Research Vessel Savannah.

- One-time funding for several projects are also included in the budget: \$223,823 for whitefly management research in the Agricultural Experiment Station; \$220,000 for maintenance at the Whitehall Forest building and for demolition of surplus buildings in the Forestry Cooperative Extension program; and \$900,000 for a Food Animal Medicine Haul-In Facility in the Veterinary Medicine Experiment Station.
- Within the Veterinary Medicine Experiment Station program, \$108,750 is added to annualize food animal practice positions; \$160,000 for a poultry clinical services veterinarian to address avian influenza; \$52,000 for a technician to support applied research; and \$157,500 for maintenance and operations.
- The FY 2019 budget provides \$4.4 million to staff and support the Georgia Cyber Innovation and Training Center, which is scheduled to open July 10, 2018; \$1.37 million to establish an Adrenal Center Adrenal Disease program at the Medical College of Georgia at Augusta University; and \$1.7 million for the Center for Rural Prosperity and Innovations as recommended by the House Rural Development Council.
- Public libraries receive \$707,414 in new formula earnings and an increase to the per capita funding for materials; as well as \$13.6 million in bonds for grant funding for MRR, repurpose projects and technology improvements, and major renovation projects for five libraries.
- State general fund increases in the Georgia Student Finance Commission include an additional \$26.7 million for Dual Enrollment; \$1.8 million for the REACH Georgia Scholarship to provide 226 additional scholarships and to expand into 44 new school systems; and \$750,000 in new state funds for the Service Cancelable Loan program to provide additional awards for graduate and undergraduate degree programs. Lottery funds are increased by \$2.7 million to provide 1,177 additional HOPE and Zell Miller private scholarships and \$65.3 million to award 27,832 more HOPE and Zell Miller public scholarships. The FY 2019 budget reflects a record lottery revenue estimate of \$1.2 billion.
- Within the Technical College System of Georgia (TCSG), \$3 million is provided to increase marketing and \$125,000 is added for the transition of the Cedartown Career Center to an adult education and workforce development facility. The FY 2019 budget also transfers the Governor's Office of Workforce Development, an \$82 million federally-funded program, from the Department of Economic Development to TCSG better align the program with its purpose of creating a well-trained workforce.
- The largest portion of the bond package, \$489.8 million or 41%, is dedicated to higher education projects including those at the Board of Regents, the Technical College System of Georgia, and Georgia Military College. The budget provides state colleges and universities with \$351.5 million for 32 projects including MRR; \$5.9 million for Georgia Military College to complete renovation and equip Jenkins Hall; and \$5 million for Georgia Research Alliance (GRA) equipment and infrastructure. Finally, the bond package includes \$114 million for 12 projects within the Technical College System of Georgia, including \$25 million for facility major repairs and renovations and \$12 million for college and career academies. Cash funding in the amount of \$10.3 million is included in the Amended FY 2018 budget to refresh equipment at colleges across the state.

## Human Resources

- The FY 2019 budget includes \$3.1 million in the Department of Behavioral Health and Developmental Disabilities for 125 additional slots for New Options Waiver (NOW) and the Comprehensive Supports Waiver Program (COMP) for the intellectually and developmentally disabled and \$6 million to annualize the FY 2018 cost of 250 of those slots to meet the requirements of the Department of Justice (DOJ) Settlement Agreement. The budget also adds \$2.2 million for the operation of the 40-bed forensic unit at Georgia Regional Hospital Atlanta and \$433,080 to provide funds for one community integration home.
- HB 684 provides \$6 million for Behavioral Health Crisis Center beds with priority given to areas with the greatest need. This is in addition to the \$2.8 million provided in the Amended FY 2018 budget to establish additional crisis beds. The budget includes \$5.7 million for mental health consumers in community settings to comply with DOJ settlement and \$700,000 to increase funds for St. Joseph's Mercy Care Indigent Services.
- The budget embraces recommendations of the Commission on Children's Mental Health to address the needs of children in mental crisis by including: \$10.3 million for child and adolescent crisis services including four new respite homes; \$4.3 million for 13 new Georgia APEX Program (GAP) grants to extend mental health services to children in 100 additional schools; \$382,500 for telemedicine equipment and services; and \$610,545 for high-fidelity, wraparound services training that will impact up to 3,000 youth. HB 684 further builds on the commission's recommendation for suicide prevention by providing \$1.1 million to expand to 24/7 the staffing hours of operations for the Georgia Crisis Access Line and \$1.4 million to establish and connect a mobile application to provide mental health crisis services to it.
- The FY 2019 budget provides \$4 million for substance abuse recovery programs through community services boards and local partners to help address the opioid epidemic in Georgia; \$250,000 to establish and launch a Neonatal Intensive Care Unit Peer Recovery Coaching Program to help women with substance abuse in pregnancy; and \$790,801 in the Child and Adolescent Addictive Disease Services to prevent opioid abuse as recommended by the Commission on Children's Mental Health.
- The FY 2019 budget as passed includes supports for families and services for children under 21 who are diagnosed as autistic, including: \$5.9 million for a 10-bed crisis unit and \$250,000 to expand enrollment capacity for the Matthew Reardon Center for Autism.
- HB 684 includes \$1.53 million for supported employment and education assistance for 500 young adults. The Georgia Council on Developmental Disabilities receives \$500,000 from the Georgia Vocational Rehabilitation Agency to provide ongoing support and scholarships for the Inclusive Post-Secondary Education (IPSE) program.
- The budget provides \$2.2 million within the Department of Human Services for care coordinator positions to improve mental health outcomes for children in foster care and an additional \$15.1 million for growth in out-of-home care utilization. The number of children in foster care in Georgia has doubled since 2009 and now totals more than 14,000.
- HB 684 includes \$20.2 million for the second phase of a two-year plan to increase foster care per diem rates for relative and child placement agency (CPA) foster care providers, which brings the rate to the USDA's southeastern average. When fully implemented in FY 2019, the per diem rate for these providers will be \$10 more per day than in FY 2017. The budget also includes \$3.6 million to provide

a 2.5% increase in the per diem rate for child caring institutions (CCI) and child placement agency (CPA) administrative costs.

- The FY 2019 budget also includes \$980,000 for child advocacy centers to provide additional funds for equipment, therapeutic, medical, and outreach services; \$431,973 to increase the personal needs allowance for nursing home residents by \$15 per month pursuant to the passage of HB 206 (2017 Session); \$238,500 to increase each county's allocation for Family Connection and \$50,000 for technical assistance to the counties; \$200,000 for a state hub geographically located to provide outreach and services to support independent living for disabled citizens in 14 counties in southwest Georgia; and \$20,000 for Friends of Disabled Adults and Children for equipment.
- The budget adds \$278,468 for the Department of Veterans Service to establish a field service office in Columbia County and expand the existing offices in Fulton and Muscogee Counties; as well as \$75,000 to support regular operating activities in order to maximize income tax-free benefits received by the veterans of Georgia.
- The FY 2019 bond package includes \$9.4 million for human service agencies, including: \$6 million for facility repairs and improvements for the Department of Behavioral Health and Developmental Disabilities; \$2.1 million for improvements at two Division of Family and Children Services facilities; \$1 million for improvements and renovations at the Georgia Vocational Rehabilitation Agency's Roosevelt Warm Springs campus; and \$215,000 for new thermal windows at the Georgia War Veterans Home in Milledgeville.

#### Public Safety

- The FY 2019 budget provides \$6.3 million for the Department of Corrections to fully fund the Metro Re-entry Prison to allow inmates to transition and reintegrate back into society. HB 684 also includes \$4.3 million for private prisons to provide for an increase in the operations rate for private prisons.
- The budget for the Georgia Bureau of Investigation includes an additional \$1.4 million for eight positions to staff the newly created Hull McKnight Cyber Innovation and Training Center. The center will enhance cybersecurity in both public and private sectors by housing an incubator for start-up cybersecurity companies, as well as the GBI's new cybercrime unit. HB 684 also includes \$2.3 million to combat the opioid epidemic by expanding drug task forces statewide.
- HB 684 includes \$5 million for the Criminal Justice Coordinating Council to expand and create new accountability courts to divert certain offenders to treatment services and programs. Managing such cases through the special courts, including drug, DUI, mental health, family treatment, veterans, and juvenile accountability courts, enables Georgia to avoid more than \$200 million in incarceration costs annually.
- The FY 2019 budget includes \$1.48 million in the Department of Juvenile Justice for youth who pose a public safety risk during determination of competency as provided in SB 175 (2017 Session) and \$531,810 to increase the child caring institutions (CCI) per diem rates by 2.5%.
- The budget appropriates \$1.6 million for nine additional assistant district attorney positions and nine assistant public defenders to support juvenile courts across the state; as well as \$200,000 for the juvenile courts to add a Children in Need of Services (CHINS) statewide coordinator position.
- The FY 2019 budget appropriates \$3.2 million for a 75-person trooper school at the Department of Public Safety and \$1.2 million for network security enhancements. In addition, \$514,291 is provided to the Georgia Public Safety Training Center for personal services and operating expenses for five



Crisis Intervention Training (CIT) instructors; \$216,054 is provided for Georgia Association of Chiefs of Police sponsored training; and \$363,255 for certified jail officer training.

- The FY 2019 bond package includes \$33.9 million, or 3% of the total package, for public safety agencies, including: \$10.9 million for the Georgia Bureau of Investigation to fund equipment for the new Coastal Regional Crime Lab and other improvements statewide; \$8.3 million for the major maintenance and repairs at the Department of Public Safety and new training facilities for the Georgia Public Safety Training Center; \$7 million for facility repairs at the Department of Juvenile Justice; and \$2.5 million for the Department of Corrections for major repairs and renovations. The Amended FY 2018 budget also includes \$3 million in cash for emergency repairs for prisons, statewide.

#### Transportation

- The FY 2019 budget recognizes \$1.83 billion in motor fuel funds in the Department of Transportation, an increase of \$31.6 million over the original FY 2018, to continue capital construction projects, as well as local maintenance and improvements.
- Nearly \$250 million, or 21% of the bond package, is dedicated to transportation and infrastructure funding, including: \$100 million for the fourth year of funding for the repair, replacement, and renovation of bridges; \$12.5 million for rehabilitation and improvements on state-owned rail; \$100 million to the State Road and Tollway Authority to fund transit needs across the state; and \$35 million to match federal funds and continue the Savannah Harbor deepening project.