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FISCAL YEAR 2021 STATE BUDGET HOUSE BILL 793 – CONFERENCE COMMITTEE HIGHLIGHTS

The conference committee version of HB 793, the Fiscal Year 2021 budget, differs greatly than the document that was passed by the House in March 2020. The COVID-19 pandemic that altered the everyday lives of Georgians dramatically impacted state revenue as well. On June 22, 2020, Governor Kemp lowered the revenue estimate for the FY 2021 budget by \$2.19 billion, or 7.8%, to reflect the decline in collections. The governor's revised revenue estimate of \$25.9 billion in state funds includes \$250 million from the Revenue Shortfall Reserve (RSR) to help offset budget reductions in the most critical areas.

Despite the reductions that were required to balance the FY 2021 budget to the revised estimate, the General Assembly maintained its priorities by restoring cuts and mitigating reductions to the greatest extent possible in several key areas including: protecting services for Georgia's most vulnerable citizens including those with disabilities and mental health disorders; health care access; the criminal justice system; and public education. Highlights of the House version of HB 793 are below:

Criminal Justice, Public Safety, and the Courts

- House Bill 793 restores \$1.7 million of the proposed cuts to the Georgia Bureau of Investigation's (GBI) Forensic Scientific Services program. The agency will be able to hire as many as 17 scientists and 10 lab technicians with the restored funding. This budget includes \$1 million to outsource chemistry testing, allowing approximately 5,555 pieces of evidence of the 17,000 in the backlog in chemistry to be tested. With current forensic biology staff levels, the crime lab is only able to process approximately 106 sexual assault kits a month while the lab receives over 200 new kits monthly, constantly adding to the current backlog of 768 unprocessed kits. The addition of forensic biology scientists and lab technicians will allow the crime lab to test all sexual assault kits and eliminate the 768-kit backlog. The funding of additional scientists and lab technicians in conjunction with outsourced testing is crucial to combat the backlog and ensure crime-related evidence is processed in a timely manner.
- The FY 2021 budget supports and increases the governor's recommendation to include \$884,818 in new funding for the GBI to develop a gang database and establish a gang taskforce to assist local law enforcement agencies with the identification and investigation of gang members.

- House Bill 793 restores \$3.5 million of the proposed cuts to the Criminal Justice Coordinating Council and includes an additional \$15 million to establish a law enforcement training grant program for state and local law enforcement agencies. The \$2.65 million cut to accountability courts is completely restored to allow the courts to continue diverting more non-violent offenders from jails or prisons to successful rehabilitative programs within communities. The restoration in funding equates to 1,901 participants who can be served through an accountability court instead of possibly going to prison. Accountability courts have a 3-in-4 success rate for graduates. The restoration of funding to the accountability courts represents \$34.8 million in diversion savings and \$6.7 million in economic impact. Finally, HB 793 restores \$868,190 to the Juvenile Justice Incentive Grants, which provide funding and technical support for juvenile courts to deliver treatment programs for juvenile offenders in their home communities.
- Within the Department of Public Safety, the budget provides \$2.5 million for one 50-person trooper school and restores \$206,367 for two clinician positions within the Office of Public Safety Officer Support.
- The Fiscal Year 2021 budget restores \$2.1 million to the Georgia Public Defender Council, which will allow for the hiring of 22 attorneys, including filling vacant positions that left eight counties without a state public defender. Adding the 22 attorneys will reduce the average caseload from 148.8 to 131.6 per public defender. The budget also restores funding for training expenses and conflict attorney contract rates.
- House Bill 793 restores the proposed cut of \$212,718 to the Georgia Driver's Education Commission to allow for an additional 434 scholarships to support driver's education programs throughout Georgia.
- The Fiscal Year 2021 budget includes \$1.4 million to establish the Georgia State-wide Business Court and also includes \$558,963 to annualize the two new judgeships created in the Griffin and Gwinnett Judicial Circuits in the FY 2020 budget.

Economic Development and Transportation

- The FY 2021 budget includes a \$1.8 million restoration to the Department of Agriculture, which allows for continued funding of over 30 positions in the Consumer Protection program, including animal industries inspectors, food safety inspectors, fuel inspectors, laboratory analysts, chemical and material analysts, IT administrators, and part-time assistance.
- HB 793 includes \$620,000 to continue the marketing efforts of Georgia agriculture, including participation at the Georgia National Fair and the Sunbelt Expo. This also restores funding for the Georgia Grown Chef program and other efforts to support the Georgia Grown brand and its members, who have increased by over 500 since 2016.
- \$200,000 is added in the FY 2021 budget in order to demonstrate the state's intent to develop the Georgia Hemp Program authorized in HB 213 (2019 Session). The funding will allow the Department of Agriculture to develop regulations for the hemp industry in Georgia and secure the federal government's approval.
- The final version of the FY 2021 budget includes \$120,000 for operations of the Cordele, Savannah, and Thomasville farmers markets. Ownership of these markets will be transitioned to their local authorities, effective April 1, 2021.

- \$250,000 is restored in the FY 2021 budget to the Georgia Broadband Deployment Initiative to continue efforts to deploy broadband in rural Georgia.
- HB 793 includes \$40,000 for the Georgia Foodbank Association to assist local food pantries in assessing their needs to adequately serve their citizens.
- The budget restores funding to the Georgia Rural Water Association, the Metropolitan North Georgia Water Planning District, and Resource Conservation and Development Districts. The Metro North Georgia Water Planning District is responsible for developing the state's five-year water plan update. The FY 2021 budget includes \$550,000 to complete the plan.
- In the Department of Economic Development, \$300,000 is restored for cultural facilities grants for local arts organizations, with grants matched by local funds. Awards will be made to facilities operating full-time as community arts programs totaling \$75,000 or less per grant.
- HB 793 restores over \$2.7 million to the State Forestry Commission for operations and personnel, enabling the commission to keep and maintain necessary equipment, including dozers and transports required in natural disaster clean up and planes used to combat forest fires.
- \$61,668 is restored for the Public Service Commission's contracts with the National Regulators Research Institute and the National Association of Utility Regulators in order to continue to provide research and data to the commission that assists in operations such as rate cases.
- The final version of the budget includes \$150,000 for two "Call Before You Dig" inspectors. Georgia passed the "Georgia Dig Law" in the 2017 session, and these two positions will help protect the public from physical harm, prevent injury to persons and property, and prevent interruptions of utility service resulting from damage to utility facilities and sewer laterals caused by blasting or excavating operations.
- FY 2021 reflects \$25.7 million in CARES Act funds for Xpress bus service operations. This investment will help the Xpress program continue to deliver a reliable transit option to its ridership from over 44 counties around the metro area.
- Because of the dramatic drop in travel due to the COVID-19 pandemic, motor fuel revenue decreased. While the budget reflects the first reductions to transportation since the passage of HB 170 (2015 Session), motor fuel revenues still total \$1.7 billion to fund the state's construction and maintenance needs.
- The Intermodal program receives a boost of \$2.1 million to support airport aid with rural development priorities as well as \$50,000 for the state-owned right of way to be cleared of over-growth. The Intermodal program also reflects \$410 million in federal funds for the Airport Aid program as authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act to prevent, prepare for, and respond to the coronavirus pandemic.
- HB 793 includes a \$115 million bond for repair and rehabilitation of roads and bridges across the state. This bond will continue to honor the state's commitment to infrastructure investment in the face of decreased motor fuel revenues. This budget also includes a \$37.2 million bond for the repair, replacement, and renovation of railroads statewide.

Education

- K-12 education is the largest single expenditure in the budget, totaling \$9.6 billion, or 44.1% of the state general funds budget. With a revised revenue estimate reflecting an 8% decline to state

general fund revenues, it is nearly impossible to balance the state's budget without a reduction to K-12 education.

- The Quality Basic Education (QBE) formula and corresponding grants are reduced by \$950.2 million to reflect a temporary decline in state revenues. Other enrollment-driven grants are also impacted, including reductions of \$6.1 million to the Georgia Network for Educational and Therapeutic Supports (GNETS), \$4.2 million to the Preschool Disabilities Services, and \$155,195 to Tuition for Multi-handicapped.
- The FY 2021 budget reflects \$457 million in federal funds for the Elementary and Secondary School Emergency Relief Fund that was authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Of the total funds, \$411.5 million was sent directly to school districts based on Title I formula allocations. Of the remaining \$45.7 million that was retained by the Department of Education, some funding has already been allocated, including \$1.5 million to Youth Camps to mitigate lost revenue, \$2 million to Georgia Virtual School, \$324,091 to Residential Treatment Facilities, and \$1.1 million to state schools. The State School Superintendent indicated the remaining balance would be sent to districts based on need.
- The conference committee version of the budget provides the Department of Education with \$141.7 million for enrollment growth and training and experience. The majority of funding is for training and experience, reflecting 1,438 new teachers and corresponding health insurance costs. The budget also includes \$32.7 million for growth in charter system grants and State Commission Charter School supplements. In the bond package, \$335.5 million in new bonds are provided for local school construction, renovations, and additions statewide.
- No reductions were made to Equalization or Sparsity grants. HB 793 provides an increase of \$32.1 million in growth to Equalization grants, providing additional funds for school systems that have property tax wealth per FTE below the statewide average. The budget also reflects \$1 million in growth to Sparsity grants, providing additional funds for schools that have a student population smaller than the base school size and, therefore, do not earn enough QBE funding for personnel and operations.
- The FY 2021 budget does not reduce funding for the Nutrition and Pupil Transportation programs, both of which have been instrumental in ensuring students have access to healthy meals during the COVID-19 pandemic. HB 793 includes \$927,142 in additional formula funds for pupil transportation based on the formula implemented in 2019 that recognizes student growth. The budget also includes \$20 million in the bond package for school bus replacement and \$1.25 million to incentivize the purchase of alternative fuel school buses; for FY 2020, DOE approved the purchase of 176 propane buses and 2 electric buses in 15 counties across Georgia.
- The final FY 2021 budget includes a softened reduction to state schools, from \$2.05 million in the governor's recommendation to \$500,000 in the final budget. State schools provide direct instruction to hearing- and visually-impaired students in Georgia. State schools also receive \$3 million in the bond package for maintenance and rehabilitation priorities at each of the schools.
- The budget, as agreed in conference committee, softens the reduction to Residential Treatment Facilities due to declining enrollment. The reduction adjusts from \$1.15 million in the governor's recommended budget to \$324,091 in the conference committee version of the budget. The softened reduction, as well as the CARES funding granted by the department, will allow time to restructure educational personnel based on fewer students.

- HB 793 provides \$150,000 for a program specialist at each youth camp. Youth camps also receive \$5 million in bond funds for the renovation of the Daisy Lewis Cabin at Camp John Hope and the renovation of the Mobley Hall at the Georgia FFA-FCCLA Center.
- HB 793 includes an additional \$303,780 for projected growth of one AP exam for free and reduced-price lunch eligible students, and one science, technology, engineering, and math (STEM) exam per student.
- The FY 2021 budget maintains full funding for Georgia Pre-K, reflecting 84,000 slots and a full school calendar. The budget also includes \$1.6 million for teacher supplements, which is comparable to training and experience in QBE; the supplement provides pay parity between pre-k and k-12 teachers.
- The Fiscal Year 2021 budget reflects \$144.5 million in federal funds for the Child Care and Development Block Grant as authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. DECAL has determined most of the funding will go to childcare providers to recover lost revenues in at least two phases. In the first phase, to stabilize the market, \$50 million will be sent to all childcare providers based on February enrollment data. The second phase will include the Carl Vinson Institute of Government conducting a survey of childcare providers to collect information on how phase one funds were spent and to determine the additional needs of providers to create targeted payments. Beyond stabilizing the market, the funding is also to be used for cleaning and sanitizing to maintain or resume operations and provide child care assistance to essential workers.
- The budget reflects funds for a State Infant and Early Childhood Mental Health Coordinator position at DECAL, as recommended by the House Study Committee on Infant and Toddler Social and Emotional Health (2019 Session). The position will work collaboratively with other state agencies that provide behavioral and mental health services to children and collaborate to expand those services to the state's youngest population, children ages zero to three, while recognizing the importance that prevention, early intervention, and treatment of behavioral and mental health issues have on a child's future potential.
- The study committee also heard positive results regarding inclusion and behavior specialists at DECAL that work with childcare providers to promote a positive preschool classroom environment. The FY 2021 budget includes \$160,000 for two behavioral and classroom support specialists to work exclusively with lead and assistant teachers in Georgia pre-k classrooms.
- HB 793 restores funds for one filled ethics investigator position and redirects funds for an ethics paralegal position at the Professional Standards Commission in order to address the backlog of educator ethics investigations in Georgia.
- The final version of HB 793 reflects a reconstituted budget for the Governor's Office of Student Achievement (GOSA) that is aligned to budgetary and statutorily-assigned responsibilities. GOSA's budget now includes \$1.7 million for the Master Teacher Leadership Academy; \$1.6 million for the Governor's Honors Program; \$1.5 million for Growing Readers; \$1.8 million for GA Awards; \$900,175 for research and academic audits; and \$1.3 million for personal services and operating expenses.

General Government Services

- HB 793 includes \$10 million for the Governor's Emergency Fund to allow for quick responses to unforeseen emergencies, including future responses to COVID-19.

- HB 793 provides \$650,000 to the Department of Audits and Accounts for auditing expenses related to COVID-19 pandemic funding to ensure emergency funds are used efficiently and responsibly.
- The budget avoided any reductions to the Department of Labor while providing additional administrative flexibility as the agency continues to provide support to unemployed Georgians. The bill also acknowledges over \$38 million in federal funding received from the CARES Act for the agency's response to the coronavirus pandemic.
- HB 793 avoids any additional reductions to the Elections Division of the Secretary of State's Office to ensure support for the state's upcoming elections. Additionally, the budget recognizes over \$10.8 million in CARES Act funding that will be used to improve access and safety during elections conducted amidst the COVID-19 pandemic.
- The FY 2021 budget contains \$198,338 for the Georgia Government Transparency and Campaign Finance Commission for two auditors to maintain the integrity of the state's political campaigns and lobbyists.
- The Fiscal Year 2021 budget maintains more than \$1.5 million in the Department of Revenue to support the efficient and thorough collection of tax revenue. Of this, \$1 million is included to preserve contractors that work on the state's Integrative Tax System, which processes all current and new state tax policies. Additionally, \$316,056 is maintained for five revenue agents and two auditors working the Tax Compliance division. An average of \$1.9 million is collected by each revenue agent, while the average auditor collects over \$2.4 million.
- The Fiscal Year 2021 budget identified over \$500,000 in savings related to the state's Human Resources Administration, which provides support to HR departments at most state agencies.
- The budget provides over \$1.3 million to the Department of Driver Services' License Issuance division, which operates customer service centers that serve more than 3.5 million individuals annually. These funds will allow the department to avoid closing customer service centers as well as acquire vault and secure pick-up services at high-risk locations.
- The FY 2021 budget maintains nearly \$520,000 for the Office of the State Inspector General, including funding to establish the Sexual Harassment Division in order to help provide a safe environment for all state employees.
- HB 793 provides nearly \$1.7 million to the Department of Natural Resources to maintain state park operations and support the agency's law enforcement. Included is \$500,000 to the Environmental Protection Division (EPD) for two environmental engineers and third-party testing to safeguard the state's environmental quality as well as \$200,000 for marine biologists to work on the state's oyster aquaculture program.
- The General Assembly provides \$16 million to implement the Georgia Outdoor Stewardship Program in accordance with HB 332 and HR 238 (2018 Session). This program provides dedicated funding to state agencies, local governments and certain nongovernmental organizations for parks, trails and conservation efforts statewide.

Health

- HB 793 provides \$268.7 million for growth in the Medicaid programs to meet the projected need as well as recognizes \$165.4 million in savings due to a temporary 6.2% increase in the Federal Medical Assistance Percentage (FMAP) rate, as authorized by the Families First Coronavirus Response Act.

- The FY 2021 budget supports HB 1114 (2020 Session) by adding \$19.7 million to provide six months of postpartum Medicaid coverage to mothers in order to address Georgia’s high incidence of maternal mortality. Extending medical coverage for new mothers an additional four months beyond the current two-month limit after delivery will provide greater access to healthcare services and is expected to decrease and prevent maternal deaths in Georgia. The budget also includes \$125,000 to provide lactation care and services for new mothers and restores \$1.5 million in proposed cuts for maternal mortality prevention grants to hospitals.
- The General Assembly fully restores the \$13.9 million in cuts to the public health grants to counties as well as eliminates the 12 furlough days proposed for the Department of Public Health in order to minimize the impact on the county public health departments and agency staff that are on the front lines of the effort to reduce the COVID-19 pandemic.
- HB 793 adds \$12 million to the existing \$3 million for the Rural Hospital Stabilization program in order to support the success of this critical segment of Georgia’s healthcare system that is focused on identifying solutions for the state’s rural hospitals.
- The budget provides \$500,000 for two Federally Qualified Health Center start-up grants for a primary care center in Wayne County and a school-based primary care center in Irwin County, which is in addition to \$100,000 provided for charity clinics.
- Despite declining revenues, the budget does not include any Medicaid reimbursement rate cuts to health care providers. The General Assembly shows its support of providers by appropriating \$2.4 million for a 1% increase in the Medicaid reimbursement rate for 108 primary care codes; \$1.1 million for an increase in the reimbursement rate for silver diamine fluoride; and \$189,600 for a 3% increase in Medicaid ventilator reimbursement rates.
- In alignment with the Georgia General Assembly’s continuous efforts to support graduate medical education, the FY 2021 budget restores \$1.7 million to continue funding the Rural Surgery Initiative, child and adolescent psychiatry slots, a three-year primary care residency track, and fellowships at Augusta University; the Accelerated Track Program at Memorial Health; the start-up of a residency program at the South Georgia Medical Center; rural surgical fellowships at St. Joseph’s/Candler Hospital; and a psychiatry residency program at Gateway Behavioral Health. Additionally, the budget adds \$250,000 in new funding for the start-up of a rural psychiatry residency program at Colquitt Regional Medical Center.
- HB 793 fully restores the cuts to the Mercer School of Medicine and Morehouse School of Medicine operating grants, adding \$4.2 million combined back to the budget. Additionally, the budget includes \$841,192 to fund operations at Mercer University School of Medicine’s four-year medical school campus in Columbus as well as restores the \$463,000 cut to the Rural Health Systems Innovation Center at Mercer University School of Medicine.
- The FY 2021 budget provides \$1.2 million to support Grady Memorial Hospital’s efforts to continue the coordination of emergency room use in the 13-county metro Atlanta area.
- In support of public health programs, the General Assembly restores \$1 million for the Positive Alternatives for Pregnancy and Parenting Grant Program; \$443,750 for regional cancer coalitions; \$150,000 for the Sickle Cell Foundation of Georgia to continue funding the mobile testing unit; \$55,547 for Saint Joseph’s Mercy Care; \$49,000 to provide full funding for the Georgia Poison Center; and \$40,000 for Hepatitis-C testing.
- The budget reflects \$261.7 million dollars in federal funds that were authorized by the Paycheck Protection Program and Health Care Enhancement Act for COVID-19 testing as well as \$67.3 million in

additional grant funding that was authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Higher Education

- In the FY 2021 budget, the General Assembly restores \$78 million to eliminate furloughing the University System of Georgia's 55,000 employees.
- The General Assembly restores \$3.2 million to fully fund the Georgia Public Library System's materials grants. These grants allow the state's libraries, especially in rural and smaller systems, to purchase books, technology, and other resources that are utilized over 36 million times each year by Georgia citizens.
- The final FY 2021 budget acknowledges over \$157 million in federal funds provided to the University System of Georgia and over \$37 million in federal funds provided to the Technical College System of Georgia that were authorized by the CARES Act. About \$36 million of those funds were awarded to historically black colleges and universities and minority-serving institutions across the state.
- In order to address the state's growing workforce needs in the fields of cybersecurity and technology, the final FY 2021 budget includes \$75,000 to begin the Cybersecurity Maturity Model Certification program in concert with the U.S. Department of Defense and the Cyber Innovation and Training Center at Augusta. In addition to those funds, \$150,000 is provided to begin a Rural Technical Worker Pilot program in the Technical College System of Georgia that will expand economic opportunities originating outside of Georgia's urban areas.
- Georgia Student Finance Commission receives \$54 million in additional funds in the FY 2021 budget to provide a projected 439,041 total awards across all HOPE scholarship and grant programs. The General Assembly provides \$1 million in new funds to expand the REACH Scholarship Program to include 13 new school systems in the coming year.
- HB 793 acknowledges nearly \$12 million in additional federal funds for the Workforce Innovation and Opportunities Act. Those funds are currently available to the state's Workforce Opportunities Zones to assist workers affected by COVID-19's economic consequences.

Human Services

- The agencies within the human resources budget area provide essential services for Georgia's most vulnerable families. Since the Great Recession, the General Assembly has consistently invested in this area of the budget, resulting in continuous growth in the state's safety net, increasing access to benefits for Georgia's veterans, and extending the continuum of care for Georgia's most vulnerable, including those with disabilities and mental health disorders.
- Compared to earlier versions of HB 793, \$53.5 million has been restored to the Department of Behavioral Health and Developmental Disabilities (DBHDD), the Department of Human Services (DHS), and the Department of Veterans Services (DVS). This funding restores over 200 positions and prevents the furlough of nearly 9,500 state employees. The positions restored are essential for areas like child and foster care support, federal eligibility case management, veteran's services, and behavioral health.

- The General Assembly restores \$46 million in the Out of Home Care program as well as \$1.4 million to the Department of Human Services to prevent the closure of 54 Department of Families and Children Services (DFCS) offices statewide, or 33% of the division's offices.
- The General Assembly restores \$6 million for behavioral core services, increasing the safety net capacity of the state by serving an additional 6,446 individuals. Additionally, \$2.5 million in new funds are added for 95 crisis beds, allowing the state to serve nearly 5,000 people across 21 crisis units statewide. The conference committee restores \$1.5 million for housing vouchers in community settings and fully restores the initial \$1 million cut to the Georgia Mental Health Consumer Network, which allows the network to maintain their current training capacity for essential peer services. Funding is also maintained for one crisis respite home previously identified in the FY 2020 budget, as well as \$530,000 to ensure statewide capacity for youth recovery clubhouses remains.
- \$3.6 million is restored for addiction and recovery services, allowing 17 recovery centers to remain open that employ 35 full-time recovery coaches and serve over 1,850 individuals statewide. These recovery centers provide hope and empowerment for those diagnosed with substance use disorder. Additionally, a full restoration of \$853,000 is provided for all eight treatment court providers that were originally slated for a reduction, granting some Georgians with the option of treatment instead of incarceration. Furthermore, funding for the nationally-recognized and vital Neonatal Intensive Care Unit (NICU) is restored. This NICU served 194 families in 2019 and saved an estimated \$9.1 million in health care costs for Georgians.
- In the area of developmental disabilities, \$5.6 million in new funds are added for 100 new NOW/COMP waivers for the intellectually and developmentally disabled. The General Assembly softened reductions for intensive family support services; the Marcus Autism Center and the Matthew Reardon Center.
- The Department of Veterans Services receives \$1.2 million in one-time funds for renovations, technology improvements, and patient connectivity initiatives at the Georgia War Veterans Nursing Homes as well as \$450,000 in start-up funds for the sub-acute therapy unit at the Milledgeville nursing home.