



House Budget and Research Office

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FISCAL YEAR 2016 STATE BUDGET HOUSE BILL 76 - HOUSE VERSION HIGHLIGHTS

House Bill 76, the Fiscal Year 2016 budget effective for state spending beginning July 1, 2015, is set by a revenue estimate of \$21.7 billion. This reflects an increase of \$946 million, or 4.5%, over the original Fiscal Year 2015 budget.

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

K-12 Education

- In the House version of the budget, K-12 education receives an infusion of \$571.9 million, or 60% of all new revenue.
- HB 76 provides \$164.4 million to fully fund Quality Basic Education (QBE) enrollment growth of 1.33% as well as training and experience for teachers, charter system grants and State Commission Charter School supplements.
- The budget includes an adjustment in Local Five Mill Share of \$8.9 million to recognize the decline in local property tax digests.
- Equalization Grants, the additional funds for school districts to narrow the gap between systems in terms of property tax wealth per pupil, are increased by \$18.8 million and when combined with \$8.2 million in pre-payments through the Amended FY 2015 budget reflect the required full formula funding.
- HB 76 includes \$280 million to offset the QBE austerity reduction. This additional funding may be used at the discretion of local school systems to eliminate teacher furlough days, increase instructional days and teacher salaries.
- The House version of the budget also includes \$2.3 million for RESAs to provide school systems with teacher and leader effectiveness support and Positive Behavioral and Intervention Supports (PBIS) trainers and \$865,836 in increased funding for Agricultural and Career/Technical Education.

Higher Education

- HB 76 includes \$116.4 million, or 12% of all new revenue, for higher education needs.
- This funding includes \$56.2 million for formula earnings based on enrollment and increased square footage at both the University System of Georgia and the Technical College System of Georgia.
- The House version of the budget agrees with the Governor's proposal to provide \$2.5 million in funding for the establishment of the Georgia Film Academy through a cooperative partnership between the University System of Georgia and the Technical College System of Georgia.
- The House version of the budget includes \$520,000 in additional funding for the Agricultural Experiment Station for research and scientist positions and \$300,000 in Forestry Cooperative Extension for research positions.
- The budget also includes \$14.4 million for both the University System of Georgia and the Technical College System of Georgia for merit-based pay adjustments and employee recruitment and retention initiatives.
- HB 76 restores \$243,750 to the Georgia Student Finance Commission for the Engineer Scholarship to continue the program for future scholars.

Public Safety

- HB 76 provides an additional \$5,000,000 for grants to expand the state's accountability courts and provide additional funding for community-based treatment options for juveniles. It also includes \$415,769 for five additional assistant district attorneys to support accountability courts and \$582,076 for seven additional assistant district attorneys to support juvenile courts across the state.
- The budget includes \$137,444 for a new judgeship and associated expenses in the Western Judicial Circuit; \$456,185 in start-up costs for a new Youth Challenge Academy to be located in Milledgeville; and \$1.6 million for eight new GBI agents specializing in elder abuse cases.
- The Governor recommended, and the House agreed to, \$12 million for a salary increase to prison staff working at close security and special mission prisons. In addition, \$12.1 million was budgeted to implement a charter high school, expand GED programming to transitional Centers and Day Reporting Centers and provide additional academic and vocational opportunities in state prisons.

Economic Development

- The House version of the budget includes \$260,000 for the Department of Agriculture to continue the Consumer Protection salary adjustments. The budget provides \$1.84 million dollars to the Georgia Forestry Commission for the final year of an employee retention plan for front-line forest protection employees including rangers, chief rangers, foresters and forest inventory personnel. This is in addition to merit based pay adjustments in both departments.
- HB 76 provides for the consolidation of soil and water conservation activities by moving those respective activities as an attached and reformulated agency to the Department of Agriculture. Funding for water resource and land use planning and flood control watershed structures were transferred to the Environmental Protection Division in the Department of Natural Resources. Consolidation savings of \$302,000 will go to the 40 soil and water conservation districts throughout the state for operations.
- The Public Service Commission is provided with \$210,000 in new funding for an Energy, Efficiency and Renewable Energy (EERE) analyst to monitor emerging energy and renewable resources throughout the state as well as a utilities cost analyst position for Plant Vogtle.
- HB 76 includes an infusion of funds in both cash and bonds for transportation. This includes a recognition of \$3.9 million in prior-year funds; \$2 million to match federal funds for traffic management and control projects; \$9.6 million for the State Road and Tollway Authority with \$7.6 million specifically dedicated to funding projects through the Georgia Transportation Infrastructure Bank; and \$17.1 million in debt service for \$200 million in bonds for bridge repair and rehabilitation and transit projects statewide.

Health

- The House included \$3 million to support the work of the Rural Hospital Stabilization Committee, improve the financial health of struggling rural hospitals and leverage technology to improve patient outcomes.
- The House version of the budget provides \$199,000 to continue the operation of the Prescription Drug Monitoring program; \$250,000 for a start-up grant for a community health center (Wheeler County); and \$75,000 that will be matched dollar for dollar with private funds to enhance the Center for Oncology Research and Education (GA CORE) cancer website.
- An increase of \$180,000 is included in HB 76 to support the Memorial Health-Mercer School of Medicine partnership campus; \$172,768 for 11 additional primary care residency slots; \$609,500 to increase all Georgia Board for Physician Workforce capitation residency grants by \$500 in state funds; and \$250,000 to establish a rural clinical rotation for primary care students in Sandersville.
- The House budget includes \$200,000 to revive a rural dentistry program that provides debt relief with a service commitment to practice in a rural or underserved area and increased funding of \$9.05 million for both the Mercer and Morehouse School of Medicine operating grants.
- The House provides \$2.9 million to support rate increases for OB/GYNs who serve 2/3 of the Medicaid population and \$1.3 million for a modest hourly wage increase for direct support caretakers for those on the Independent Care Waiver Program (ICWP). Neither group of caregivers has had a rate increase in 14 years. The

budget also includes \$500,000 in funds to ensure that helicopter life flights for adult Medicaid members are reimbursed.

- HB 76 includes \$1.38 million for the fifth year of a seven-year hold-harmless to the new Grant-in-Aid formula through the Department of Public Health.
- The House budget takes a strong stance on the status of non-certificated school workers and the State Health Benefit Plan (SHBP). The House rejects removing part-time workers from the SHBP and also begins to address the long-term fiscal health of the plan by increasing employer contributions by \$150 per member per month in the Public School Employees Plan.
- The House version of the budget includes \$50,000 in funds to support the Georgia Comprehensive Sickle Cell center at Grady Memorial Hospital. It also directs the Department of Public Health to provide therapy and treatment for congenital disorders such as hearing impairment or phenylketonuria for those children that do not have insurance coverage for such conditions.

Human Services

- The Governor included, and the House agreed to, \$6.9 million to annualize the cost of 250 New Options and Comprehensive Supports (NOW/COMP) waivers. In addition, the House allocated \$1.1 million to fund 75 extra slots for NOW/COMP waivers.
- House priorities funded in the budget include \$1.38 million for eight inpatient Crisis Stabilization Unit beds in Fulton County; \$1 million for personal service adjustments for health services technicians and forensic services technicians working in mental health hospitals; and \$70,000 for an additional investigator position within the Office of the Child Advocate.
- The Governor included, and the House agreed to, \$12.5 million to annualize funding for 103 caseworkers and to add 175 additional caseworkers as well as \$12.7 million in new state funds for improvements to the delivery of child welfare services.
- Additional House enhancements include an increase of \$120,000 to the Court Appoint Special Advocates (CASA) program to expand capacity; \$126,904 to Long-Term Care Ombudsman for technology needs and to enhance volunteer training; \$1.5 million increase in funding for Home and Community Based Services; \$107,594 to fund a coordinator for the Alzheimer's and Related Dementias State Plan; \$159,000 to Georgia Family Connection Partnership to increase county allocations from \$45,000 to \$46,000; and \$900,000 to the Georgia Vocational Rehabilitation Agency (GVRA) to assist Georgians with disabilities to gain employment.

General Government

- State pension obligations for both the Employees' Retirement System and the Teacher's Retirement System are fully funded with an additional \$139.7 million across all agencies.
- HB 76 provides the Department of Audits and Accounts with \$850,000 to fill vacant positions to audit local education agencies; \$355,665 for new attorney and auditor positions for the Georgia Government Transparency and Campaign Finance Commission to expedite complaint resolutions; and \$259,945 to the Secretary of State for new positions to prepare for future elections.
- The budget provides the Department of Driver Services with \$1.5 million for customer service center employee recruitment and retention and more than \$1.6 million for new customer service centers in Fayetteville, Paulding, Cobb, and Sandy Springs.
- An increase of \$304,000 is provided for four new positions at the Georgia Emergency Management Agency (GEMA) to support the recommendations by the Governor's Severe Winter Weather Warning and Preparedness Task Force.
- The House version of the budget provides \$217,719 for new positions in the Department of Labor for the Customized Recruitment program to support additional economic development efforts.
- The budget provides \$300,000 to the Department of Natural Resources for nongame conservation projects focused on at-risk species assessment and recovery.
- The House version of the budget provides \$1.4 million for three new pilot projects in the Department of Revenue in order to maximize the use of data analytics capabilities and improve the efficiency of tax compliance.

Bonds

- The bond package that passed the House for Fiscal Year 2016 budget totals \$1.05 billion.
- HB 76 contains a sizeable investment in transportation as \$210 million, or 20%, of the entire bond package is dedicated solely to transportation. The budget includes \$100 million to repair, replace and renovate bridges and another \$100 million to be used for transit systems statewide. The budget also includes \$10 million for rail rehabilitation, seawall construction and dike improvements along the Savannah River.
- Of the total bond package \$590.7 million, or 56%, is appropriated for K-12 education, higher education and public libraries. This includes \$271.5 million to fully fund K-12 capital outlay programs, vocational equipment, and new school buses statewide.
- The bond package also includes \$319.2 million, for both the University System of Georgia and the Technical College System of Georgia to maintain and repair existing facilities as well as to build and equip new classrooms and lab space to meet the needs of a growing student population. This includes several major construction projects for the University System including \$11.8 million for Academic Core renovations at Columbus State University; \$43.1 million for construction of the Business Learning Community and \$17 million for construction of the Center for Molecular Medicine at the University of Georgia; \$19.8 million for the Fine Arts Center at Albany State and \$33 million for the Interdisciplinary Academic Building at Georgia Southern University.
- The House was also able to fund a number of small capital projects across the campuses of both college systems. Finally, the nearly \$63 million that was budgeted for major repairs and renovations (MRR) at both the Regents institutions and technical colleges will help both systems be good stewards of the 53 institutions and more than 63 million in square footage statewide they must maintain.
- The remaining \$249.3 million, or 24% of the bond package, is spent on public safety, health, general government and economic development agencies. This includes \$20 million for drinking water and sewer water construction loans; \$28.3 million for land purchases, new construction and improvements and renovations for state parks; and \$38.9 million for repairs, renovations and improvements as well as facility hardening at state prisons and juvenile facilities.