



## *House Budget and Research Office*

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### **FISCAL YEAR 2027 BUDGET HOUSE BILL 974 – CONFERENCE COMMITTEE HIGHLIGHTS**

HB 974, the Fiscal Year 2027 budget, is set by a revenue estimate of \$38.5 billion, an increase of \$738 million or 1.95 percent over the FY 2026 original budget. The General Assembly prioritizes early childhood literacy efforts; continues support of children in the state’s foster care system; expands services to Georgians with intellectual or developmental disabilities; bolsters funding to the state’s health insurance plan; and improves the state’s ability to provide regular cost-of-living adjustments to retired state employees.

#### Economic Development

- Agriculture is the state’s number one industry, and the Department of Agriculture is charged with supporting Georgia farmers as well as protecting consumers and the state’s food supply. To that end, the General Assembly provides \$450,000 to the department to provide ongoing funding to address threats impacting the agricultural industry, including the avian influenza, invasive species, and other unforeseen emergencies, with an additional \$80,000 to combat the emerging pepper weevil threat.
- HB 974 provides \$2.1 million for recruitment and retention of consumer protection positions in the Department of Agriculture to protect food safety and ensure product quality, and \$2.1 million to the Georgia Forestry Commission for employee retention for rangers who are on-call after hours in order to respond to fire and other emergency situations.
- The General Assembly supports the arts with an increase of \$200,000 to the Georgia Council for the Arts to increase community art grants, bringing the total amount available for grants to \$1.2 million, and \$62,000 in additional funding for Georgia Humanities to increase grants, preserve Georgia history, and enhance engagement with K-12 students.
- The General Assembly provides \$2 million to the Georgia Environmental Finance Authority for a study and implementation of findings related to the levels and causes of Geosmin, Methylisoborneol (MIB), and algae/bacteria in Lake Lanier.

#### Education

- The FY 2027 budget provides nearly \$100 million to support a statewide literacy initiative to improve reading outcomes for students in kindergarten through third grade. Research shows that reading proficiently by the end of third grade contributes to future academic achievement and life success. The

FY 2027 budget includes \$70.4 million in newly appropriated funds for elementary school-based literacy coaches and \$18.4 million to realign Regional Education Service Agencies (RESA)-based literacy coaches to align with the purpose set forth the 'Georgia Early Literacy Act of 2026.' To improve student outcomes, the budget for the Department of Education also includes \$2.7 million to provide a one-time grant of \$15,000 to each school system to purchase vision and auditory screening equipment in order to provide annual screenings for students in kindergarten through third grade.

- HB 974 increases funds for the Governor's Office of Student Achievement (GOSA) to carry out the requirements pursuant to the 'Georgia Early Literacy Act of 2026.' The \$2.4 million in new funds will support the review and recommendations of universal reading screeners; recommend high-quality instructional literacy materials in Pre-K through third grade; provide professional learning and development for current teachers, literacy coaches, and administrators; and establish a new director of literacy. HB 974 also provides \$527,966 for the Professional Standards Commission (PSC) to hire four additional program specialists to support the responsibilities outlined in the Act.
- The Fiscal Year 2027 budget fully funds the Quality Basic Education (QBE) program, totaling \$14.9 billion in state funds. HB 974 includes \$11.7 million to provide for enrollment changes and training and experience, \$40.3 million for growth in the State Commission Charter School supplements, \$500,000 to begin planning the next State Completion Special School in middle Georgia, and an additional \$5.5 million for the Special Needs Scholarship.
- The budget appropriates \$1 million to the Department of Education Nutrition program and \$1 million to the Department of Human Services to begin the implementation of SUN Bucks, a new summer nutrition program for economically-disadvantaged students. This total funding of \$2 million will allow the state to draw down significant matching funds from the United States Department of Agriculture to help with administrative costs of the program. This effort is in addition to the Happy Helpings program administered by the Department of Early Care and Learning that works with organizations to provide meals and snacks for eligible children over the summer.
- HB 974 includes \$38.2 million in additional funding for pupil transportation based on updated buses and mileage, an 10% increase over FY 2026 funding. The budget also recognizes \$26 million in unutilized funds from the Amended Fiscal Year 2022 budget and Volkswagen Settlement funds to replace 262 out-of-cycle buses and retrofit 943 out-of-cycle diesel buses with a filtration system to promote interior air-quality mitigation. The total pupil transportation funding for operations is \$402.2 million in FY 2027.
- The Fiscal Year 2027 budget increases funds for mental health support grants by \$1.3 million to properly reflect school counts and increases social worker grants by \$1.6 million to help underserved districts who do not have a social worker, bringing the total funding to \$4 million. The General Assembly also adds an additional \$2.5 million to the BOOST 2.0 program for statewide and community grantees to provide after school and summer programming, bringing the total appropriation to \$15 million.
- The Non-Quality Basic Education program includes \$1.4 million for sparsity grants for 141 qualified schools based on updated survey data. Schools that receive sparsity grants have a student population below the base school size, and do not generate an adequate amount of funds through QBE for proper staffing and operating ratios.
- HB 974 includes \$2.1 million in new funding in Agriculture Education to support extended day and extended year programs, revitalize and repair FFA and youth camps, and fund support staff for direct

student services. In the Technology and Career Education program, the FY 2027 budget includes \$1.6 million for high-demand equipment and heavy equipment grants for new and expanding career and technical education labs to support high demand careers, as well as \$1 million for an artificial intelligence and coding literacy program.

- HB 974 includes an additional \$500,000 to meet the annual need for college preparatory exams based on increased utilization. Currently, the state funds PSAT exams for all tenth-grade students, one AP/IB exam for free and reduced-price lunch students, and one AP/IB STEM exam for any student. On average, 180,000 students take an AP or PSAT exam each year.
- The FY 2027 budget includes three new positions within the Department of Education's Business and Finance Administration and Central Office programs. These positions will help staff deal with increased workloads, support financial health of districts, and support districts in reducing the issue of chronic absenteeism.
- HB 974 reduces the governor's recommended increase for the State Health Benefit Plan (SHBP) employer contribution per-member-per-month (PMPM) rate from \$2,028 to \$1,935. The Conference Committee increase of \$50 PMPM, rather than \$143 PMPM, in addition to a direct appropriation of \$31 million in the Department of Community Health SHBP program helps the plan address the unfunded liability of future retirees, while putting less strain on local school system budgets.
- The FY 2027 budget provides \$9.7 million to the Department of Early Care and Learning (DECAL) to support the expansion of the extended day program for the Pre-K priority group. This addition fully funds extended day services with lottery funds, providing aftercare and school holiday care for 2,448 Pre-K students. This budget transaction frees up \$9.7 million in federal funds to expand the Child and Parent Services (CAPS) program to an additional 1,288 children.
- In addition, HB 974 includes \$700,000 for DECAL, along with the recognition of \$881,000 in existing funds to expand the rising Pre-K program by adding 50 new classes.
- The Fiscal Year 2027 budget also includes nearly \$4 million in new funds and \$5.7 million in existing funds to provide five days of leave for Pre-K lead and assistant teachers.

### General Government

- Providing regular and meaningful cost-of-living adjustments for the state's retirees has been a priority of the General Assembly for a number of years. The FY 2027 budget includes a \$100 million increase in the employer contribution for the Employees' Retirement System, spread across agencies, enabling the system to provide regular and meaningful cost of living adjustments for the state's retirees. In addition, HB 974 continues to include \$26,750,000 in existing funds for the system to provide an annual supplemental payment (a "13<sup>th</sup> check") to eligible retired members.
- As a continuation of an effort funded in the Amended FY 2026 budget, the House and Senate support the governor's recommendation to provide the Department of Banking and Finance with \$475,800 for two positions specializing in Merchant Acquirer Limited Purpose Banks to meet increased workload expected from new charters. Additionally, the FY 2027 budget includes \$50,000 to offset unexpected rent increases.
- The FY 2027 includes \$640,000 for the Department of Labor to implement call center technology enhancements to ease the workload for customer center agents, who are currently taking 15,000 calls per week on average. The General Assembly also provides funds for 10 additional positions to reduce

collection delinquency, 10 customer service positions, and 10 financial auditors under Unemployment Insurance.

- To address the issue of feral hogs, the House and Senate agree to provide \$1 million to the Department of Natural Resources for a public-private feral hog management pilot program; \$150,000 for the Feral Hog Task Force; and \$407,500 in the Soil and Water Conservation Commission to initiate a feral hog eradication incentive program.
- The General Assembly provides \$500,000 for the Environmental Protection Division to support the air emissions program operations to allow for the preservation of existing revenue and delay a fiscal shortfall as a result of declining industry emissions. This addition will support the division's efforts in air quality monitoring, permitting, inspections, and compliance oversight, and it is in addition to the \$1 million provided in the Amended FY 2026 budget.
- The FY 2027 budget includes an addition of \$1 million for the Forestland Protection Grants in the Department of Revenue to avoid a fiscal shortfall and prevent the delayed payout of grants, bringing the total amount of grant funding to \$34.9 million. HB 974 adds \$315,000 for two criminal investigator positions and equipment to address fraud and abuse related to temporary operating permits (TOPs) and dealer tags pursuant to the passage of SB 293 (2026 Session). The General Assembly also supports the governor's recommendation to provide nearly \$500,000 for maintenance and support efforts for both the Driver Record and Integrated Vehicle Enterprise System (DRIVES) and the Integrated Tax System.
- Within the Secretary of State, HB 974 includes \$209,083 for the Professional Engineers and Land Surveyors Board to address their increasing responsibilities, including a growing complaint caseload.

## Health

- The FY 2027 budget includes approximately \$48 million in state funds to increase reimbursement rates for providers treating patients on Medicaid across the state. This funding includes: \$5.9 million for dental care; \$3.9 million for psychiatric residential treatment; \$8.7 million for primary care physicians; \$15.8 million to create parity between in-home and in-office reimbursement for autism services; \$2.3 million to increase the prospective payment rate for federally qualified health centers; \$574,000 for air ambulance reimbursement; \$1.6 million for adult heart and lung transplants; \$276,000 for registered dietitians; \$6.8 million for nursing homes to incentivize improvements; \$352,000 for privately owned intermediate care facilities serving individuals with intellectual disabilities; \$512,000 for an increase in the nursing home ventilators reimbursement rate; and \$1.3 million to establish a rate floor for durable medical equipment, prosthetics, orthotics, and supplies.
- This budget also includes \$2 million in total funds for 17 positions to support Department of Community Health (DCH) operations.
- HB 974 provides \$11.2 million in new funding for graduate medical education (GME). This amount includes \$2.8 million for 124 slots in primary care medicine and \$1.9 million for 13 new fellowship slots. Additionally, the budget includes \$3 million for the Mercer School of Medicine to pilot a pediatric residency with a rural training track, and \$3 million for the Phoebe-Health Morehouse Consortium for the creation of a regional campus and GME program. The budget also includes \$500,000 in one-time funds for GME program faculty expenses.

- HB 974 includes \$2.4 million for behavioral and mental health services stabilization and \$916,000 to conduct a colorectal cancer (CRC) screening project for uninsured patients. These funds will help screen over 1,500 uninsured patients ages 45 to 64 years old.
- In an effort to increase healthcare access in rural Georgia, this budget provides \$1 million for one-time grants for emergency preparedness and \$4 million to develop and implement a solvency evaluation process for rural hospitals.
- HB 974 also includes \$3.7 million to expand the Department of Public Health maternal home visiting program to provide coverage to an additional 33 counties, increasing access to maternal fetal medicine in rural communities.
- The budget includes \$750,000 to sustain core clinical staff who operate the Trauma Recovery Center, which provides evidence-based mental health care, crisis intervention services, and wraparound services to survivors of violent crime at no cost to patients.
- HB 974 includes \$947,000 to support sickle cell patients in Georgia, \$140,000 in additional funding to support the Georgia Poison Center, and \$360,000 to restore funds for the Coverdell Stroke Registry.
- \$500,000 is included in the FY 2027 budget for the Office of Cardiac Care to support increased cardiac care throughout the state as it is a leading cause of maternal mortality.

#### Higher Education

- HB 974 includes \$218 million in formula funds for the University System of Georgia to reflect a 4.95% increase in enrollment and a 0.56% increase in square footage. In addition, the budget includes \$9.5 million to fund start-up costs for the University of Georgia School of Medicine. The School of Medicine was founded in 2024 and an inaugural class of 60 students is expected to begin classes in the Fall of 2026.
- The FY 2027 budget includes \$200,000 for research grants for the University of Georgia and the Georgia Institute of Technology to fund continuing research on the removal and remediation of polyfluoroalkyl substances (PFAS), or “forever chemicals.”
- In the Agricultural Experiment Station, \$450,000 is provided for three positions within the College of Agricultural and Environmental Services to support the University of Georgia’s Synthetic Biology Initiative. Additionally, \$160,000 is provided for positions to support the peanut breeding and cotton breeding programs at the University of Georgia. Through the Georgia Tech Research Institute, \$500,000 is provided to support post-harvest technology research for the peanut industry.
- The Georgia Research Alliance (GRA) is a nonprofit, public-private partnership that helps recruit Eminent Scholars to Georgia universities. HB 974 includes \$3.6 million in additional funds for existing member institutions and to expand GRA membership to Kennesaw State University and Georgia Southern University and \$2 million as one-time, state matching fund for two new Eminent Scholar endowments. Additionally, \$15.7 million is provided in capital funds for specialty lab equipment and infrastructure to support Georgia’s research talent.
- HB 974 includes an increase of \$243,035 to the University System of Georgia to support the growing costs of providing Georgia Library Learning Online (GALILEO) system access to Georgia students. In FY 2024, there were almost 50 million searches of GALILEO resources between USG and K-12 users.
- The FY 2027 budget includes \$584,931 for Georgia Public Libraries to offset the rising costs of providing the Public Information Network for Electronic Services (PINES). The PINES program includes 300

libraries, which allows the sharing of over 10 million library resources from one part of the state to another. In the last fiscal year, over 3.6 million items were moved between libraries as part of the PINES program. Additionally, HB 974 includes \$5.9 million in capital funds to support projects at five local libraries throughout the state and \$7 million for technology upgrades and major repairs and renovations at library facilities statewide.

- The FY 2027 budget includes an additional \$21 million to the Georgia Student Finance Commission to fund the growing participation in the Dual Enrollment program. These additional funds bring the FY 2027 total appropriation to \$130 million in state funds, which will provide awards to more than 70,000 students across the state.
- HB 974 includes \$2.5 million to initiate the Georgia Foster Care Scholarship pursuant to Senate Bill 85 (2025 Session). The scholarship provides up to \$30,000 per year to eligible former foster care students for tuition, room and board, meal plan, and books.
- An additional \$45 million is appropriated to fund HOPE scholarships at public and private institutions. This additional funding brings the total appropriation for Fiscal Year 2027 to over \$1 billion, which will provide awards to more than 120,000 students throughout the state.
- The FY 2027 budget includes \$6 million in total funds to continue the Behavioral Health Professions Service Cancelable Loan program. This service cancelable loan, established as part of the mental health reform initiatives created through HB 1013 (2022 Session), has disbursed \$10 million to behavioral health professionals in this state since its first award year beginning in 2023.
- The FY 2027 budget includes an additional \$34 million in formula funds for the Technical College System of Georgia (TCSG) to reflect a 9.4% increase in enrollment and \$500,000 for the High Demand Apprenticeship Program to meet the growing demand for these apprenticeship slots at businesses across the state.

## Human

- The Conference Committee version of the FY 2027 budget supports the addition of 900 NOW/COMP waivers to expand services to Georgians with intellectual or developmental disabilities as well as \$284,380 for waiver staffing.
- The FY 2027 budget appropriates \$997,925 in supportive services for individuals with intellectual and developmental disabilities, including community support, independent living services, and assistive equipment.
- The General Assembly appropriates \$500,000 to the Department of Behavioral Health and Developmental Disabilities (DBHDD) for school safety initiatives, including behavioral health trainings, school safety plan reviews, and technical assistance to high need schools.
- HB 974 provides \$2.7 million to DBHDD and the Department of Human Services (DHS) to increase the salaries of special assistant attorneys general (SAAGs) and paralegals from \$77.50/hour to \$82.50/hour and \$40/hour to \$44/hour, respectively.
- DHS receives \$6.69 million for memory care and treatment, home delivered meals, respite, caregiver support, and other services for older adults and their families.
- The General Assembly supports the governor's recommendation to address rising costs in foster care services and appropriates an additional \$50 million in funding. The General Assembly also appropriates \$3.8 million to provide supports to foster youth, providers, and their families including prevention and

reunification services, clothing and supplies, and court appointed special advocates. Additionally, \$800,000 is provided to expand autism screenings for youth in foster care.

- DHS receives \$6.9 million to reduce the SNAP error rate and \$5.3 million to recognize the increase in staff costs due to changes in CMS policy on the enhanced federal matching rate.
- The Department of Veterans Service receives \$1.5 million for a veteran case management platform that connects veterans with vital community services. From November 2022 to January 2026, the DVS care coordination team served 10,160 veterans, identifying 16,398 needs with a 94.9% case resolution rate. Veterans are referred to services to address loneliness, housing, food insecurity, behavioral health conditions, and much more.
- The Department of Veterans is provided \$2.5 million for beds at the Georgia War Veterans Nursing Home in Milledgeville. The department also receives \$2.5 million to assist in the elimination of veteran homelessness.

### Public Safety and the Courts

- Since FY 2025, the General Assembly has worked tirelessly to improve recruitment and retention of correctional officers after losing almost half of the workforce during the pandemic. Because of investments made in the agency, the department has 300 more correctional officers today than it did in June of 2024. This budget provides \$28.5 million to continue the hiring trajectory and reduce the inmate to correctional officer ratio to 1:13 in FY 2027, with a goal of a 1:11 by the FY 2028 budget cycle.
- HB 974 provides \$55.7 million in additional funds for the department to continue providing inmates with physical, mental, dental, and pharmaceutical services. The prison population has grown to more than 50,000 inmates, resulting in an increased demand in services.
- The General Assembly recognizes the rising cost of food and labor and provides the department with an increase of \$1.3 million for food service providers. In addition to the \$2.9 million added in the Amended FY 2026 budget for farm and food equipment, the budget includes \$500,000 for farm equipment to continue investing in growing food products to keep costs down.
- The FY 2027 budget provides \$6.96 million for personnel, operating, and technology funding for the Overwatch and Logistics (OWL) unit. The OWL unit is designed to connect to all cameras, body cameras, bus/mobile transportation monitoring, drone detection, license plate readers, radar, and officer tablet technology across the state so resources can be swiftly dispatched as situations unfold.
- Supporting the department's efforts to deter and seize contraband has been a major initiative of the General Assembly. Working with local law enforcement, a number of individuals have been arrested for drone and contraband charges related to state prisons. This has resulted in a financial strain from long-term housing expenses on many local jails in rural Georgia, as many of these detainees are unable to make bail. The General Assembly includes \$1 million in the Judicial Council budget to contract with Council of Superior Court Judges, the Prosecuting Attorneys' Council, and the Georgia Public Defender Council for the express purpose of speedy adjudication of individuals held in county jails charged with crimes specifically related to state prison contraband.
- HB 974 provides \$1 million to the Georgia Bureau of Investigation (GBI) for a salary increase for medical examiners, bringing their starting salary from \$270,000 to \$300,000 and introducing two additional

salary steps at 10 years and 15 years to improve retention of experienced medical examiners. Georgia is still struggling to hire this critical position.

- The crime lab at GBI plays a critical role in the judicial system of our state, and the General Assembly funds \$1.2 million for targeted salary adjustments as salaries for scientists are again falling behind local and federal crime lab wages.
- The General Assembly provides \$20.7 million to the Criminal Justice Coordinating Council (CJCC) to increase grants and offset the loss of federal funds for victim services providers, including child advocacy centers, domestic violence shelters, and sexual assault centers, which provide services for the most vulnerable Georgians. More than 21,000 children were served last year in child advocacy centers, enough to fill up State Farm Arena. Domestic violence shelters served 40,000 victims, with more than 15,000 victims turned away because shelters were at capacity. Sexual assault centers served 9,018 adult victims, performed 1,649 forensic medical exams, and answered 7,724 crisis calls.
- The FY 2027 budget appropriates \$12.7 million to the Prosecuting Attorneys' Council and the Georgia Public Defender Council for the purpose of establishing pay parity between assistant district attorneys and assistant public defenders, both of which will have a starting salary of \$78,000 effective January 1, 2027. HB 974 also appropriates approximately \$3.1 million dollars to increase the salary of district attorneys and public defenders to \$175,000 effective January 1, 2027.
- HB 974 recognizes the need for judicial security and supports the Court of Appeals and Supreme Court through a \$583,262 appropriation.
- The FY 2027 budget includes the creation of three new superior court judgeships in the Gwinnett, Middle, and Northeastern Judicial Circuits with a \$807,780 appropriation while also appropriating \$302,565 to the Prosecuting Attorneys' Council and \$311,240 to the Georgia Public Defender Council for additional assistant district attorneys and assistant public defenders. In addition, the budget instructs the Judicial Council to study and report on an alternative caseload formula to determine the creation of new judgeships each year.

### Transportation

- The FY 2027 budget includes an increase of \$166 million over the original FY 2026 budget including an additional \$106.6 million for the Capital Construction program for constructions projects, \$36.4 million for Routine Maintenance for increased maintenance costs, and \$13.6 million for Local Maintenance and Improvement Grants for local resurfacing projects.
- The General Assembly provides an additional \$10 million in Airport Aid to bring the base to nearly \$40 million. The list of state-funded airport aid requests is currently over \$96 million.
- The FY 2027 budget includes \$1 million in Rail for targeted freight congestion relief along key intermodal corridors impacting inland ports.