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AMENDED FISCAL YEAR 2021 STATE BUDGET HOUSE BILL 80 – AS PASSED HIGHLIGHTS

The original Fiscal Year 2021 budget was set by a revenue estimate of \$25.9 billion and included deep reductions across all agencies based on a projected decline in tax revenues due to the COVID-19 pandemic. Since the original FY 2021 budget was passed in June of 2020, the state's fiscal position has substantially improved due to the ingenuity of businesses as they adapted and reopened and combined with federal relief provided to the state as well as directly to Georgia citizens. The governor's revenue estimate for the Amended FY 2021 budget (House Bill 80) is \$26.56 billion, an increase of \$654.3 million, or 2.5%, over the current budget.

Much of the new revenue appropriated in HB 80 reflects the General Assembly's priorities for education and healthcare. The General Assembly adds new funds to support the IT infrastructure and ongoing leadership of the Department of Public Health as well as boosts funding for public health grants that have experienced higher utilization due to COVID-19. The General Assembly supports the governor's recommendation to restore 60% of the reductions made to K-12 education funding formulas in the original budget. The Amended FY 2021 budget realizes additional savings from the extension of the enhanced Federal Medical Assistance Percentage (FMAP) during the COVID-19 Public Health Emergency and repurposes these funds to provide approximately 57,000 state employees who make less than \$80,000 with a one-time, \$1,000 salary supplement. HB 80 also recognizes the 'Coronavirus Aid, Relief, and Economic Security (CARES) Act' funds utilized to provide teachers and other school-based employees with a \$1,000 pay raise, as well as \$2.7 billion in new and continued federal funds to help state agencies, colleges and universities, and local school systems respond to the pandemic. Additional highlights are provided below.

Criminal Justice and Public Safety

- The Georgia Bureau of Investigation (GBI) receives \$427,401 in the Amended FY 2021 budget for the recruitment and retention of medical examiners. The recommended caseload for medical examiners is 250 autopsies per doctor annually. Due to staff vacancies as a result of low wages, Georgia medical examiners perform nearly 100 more autopsies annually than recommended. Enhancing the medical examiner salary will make Georgia competitive and improve retention and recruitment of these specialized doctors.

- The General Assembly supports the governor's recommendation to include \$223,600 in new funding for the GBI to expand the gang database to allow local law enforcement to contribute gang related information to the database.
- The Amended FY 2021 budget appropriates \$4.1 million to the GBI to replace 70 vehicles for the investigations division, six vehicles for the bomb squad, and to refurbish six crime scene response vehicles.
- The General Assembly provides \$455,000 for domestic violence shelters and sexual assault centers. From 2019 to 2020, there was a 46% increase in domestic violence program crisis calls and a 90% increase in sexual assault program crisis calls.
- House Bill 80 provides targeted pay raises for the positions with the highest turnover in criminal justice effective April 1, 2021. Juvenile correctional officer receive a targeted 10% pay increase to combat the 97% turnover rate within the Department of Juvenile Justice. In the Georgia Department of Corrections, correctional officers will receive a 10% targeted pay raise to combat the 35% turnover rate within the department.
- The Amended FY 2021 budget appropriates \$12.3 million to replace 321 high-mileage law enforcement pursuit vehicles within the Department of Public Safety.
- HB 80 recognizes \$333,508 in additional revenue from fireworks excise tax collections for the Georgia Firefighter Standards Training Council.
- HB 80 provides \$173,982 in training funds for newly elected sheriffs to the Georgia Peace Officer Standards and Training Council.
- The Amended FY 2021 budget recognizes more than \$100 million dollars from the 'Coronavirus Aid, Relief, and Economic Security Act' throughout the public safety agencies to help agencies prevent, prepare for, and respond to the coronavirus pandemic.

Economic Development and Transportation

- HB 80 provides \$244,387 to the Department of Agriculture for the Georgia Hemp Program. These funds allow for the hiring of three new positions, a vehicle, and operational costs.
- The Department of Agriculture serves over 150,000 license-holders in the state of Georgia. In order to provide a more user-friendly licensing system, \$200,000 has been added to the budget for IT system upgrades.
- The budget also includes \$748,448 for the purchase of 32 vehicles in the Department of Agriculture to replace high mileage vehicles.
- HB 80 provides \$62,000 for a nucleic acid extraction machine for the Georgia Poultry Lab. This machine runs Polymerase chain reaction (PCR) tests on poultry to test for diseases comparable to COVID-19.
- The Georgia Agricultural Exposition Authority operates the Georgia National Fairgrounds. Due to the pandemic, the fair, among other events, was not held in 2020 and severely impacted the authority's revenue for operations. \$2.25 million is provided in the Amended FY 2021 budget to mitigate the operational impact of COVID-19.
- \$20 million is provided to the OneGeorgia Authority to establish a broadband infrastructure grant program. This program will assist rural communities in leveraging federal, local, and private resources

to target broadband needs in their area. The House and Senate agree to provide \$150,000 for a grant administrator to administer the program, as well as map maintenance funds.

- In the Department of Economic Development, \$1 million is provided for a targeted advertising campaign. This campaign targets Georgia citizens and is intended to showcase Georgia to boost tourism within the state. The House and Senate agree to provide \$3 million to the Georgia World Congress Center Authority, which has also experienced a decline in revenue for operations due to the impact of COVID-19
- The Amended FY 2021 budget includes \$340,000 for the replacement of 10 vehicles in the Georgia Forestry Commission.
- HB 80 recognizes an additional \$199 million in available transportation funds. The rebound of motor fuel collections, paired with an infusion of federal 'Coronavirus Response and Relief Supplemental Appropriations Act of 2021', allows for a full restoration of the cut to the Department of Transportation Capital Construction program made in the original FY 2021 budget as well as an additional increase. With the recognition of \$92.2 million in federal funds, the Capital Maintenance program will see a restoration of 96%. These restorations will keep projects, which would have been deferred until the next fiscal year, on schedule.
- The Routine Maintenance program also receives a 73% restoration, which will allow the Georgia Department of Transportation to continue regular herbicide and litter pick up cycles. The Local Maintenance and Improvement Grants program sees an infusion of motor fuel funds of \$15.9 million to bring this program to the 10% of motor fuel receipts required by law, which is to the benefit of the state's local governments. Finally, \$2.9 million is added to the department's Construction Administration and Departmental Administration programs to fully restore reductions made in the original FY 2021 budget, as well as an additional \$6.1 million to ensure adequate staffing for project delivery and oversight.
- In the Amended Fiscal Year 2021 budget, the House and Senate recognize the continued use of \$25.7 million in 'CARES Act' funds in Payments to Atlanta-region Transit Link Authority and \$410.8 million in 'CARES Act' funds for continued use in the Department of Transportation's Airport Aid program.
- The Airport Aid program also received an increase of \$577,411 in state general funds for airport improvement projects at six Georgia airports.

Education

- The Amended FY 2021 budget reflects the continued use of \$144.5 million in federal funds in the Department of Early Care and Learning for the Child Care and Development Block Grants as well as \$43 million in federal funds for the Nutrition program as authorized by the 'CARES Act'.
- HB 80 recognizes 'CARES Act' funds to provide a one-time salary supplement of \$1,000 to more than 230,000 teachers, paraprofessionals, school counselors, school psychologists, school nurses, school nutrition staff, bus drivers, custodians, media specialists, clerical staff and administrative assistants, school principals, assistant principals, instructional coaches, therapists, and other school-based employees. This also includes educators at Georgia Network for Therapeutic and Educational Support (GNETS), Preschool Disabilities Services, Residential Treatment Facilities, State Schools, and the Georgia Virtual School.
- The final version of the budget reflects \$137,792 in state funds for a one-time salary supplement of \$1,000 to certificated employees at the Regional Education Service Agencies (RESAs).

- K-12 education is the largest single expenditure in the budget, totaling \$9.6 billion, or 43.4% of the state general funds budget. In the original FY 2021 budget, Quality Basic Education (QBE) formula earnings were reduced by \$950 million, reflecting a 10% decline in state revenues. At that time, it was impossible to balance the state's budget without a reduction to K-12 education. Now that revenues have improved, the Amended FY 2021 budget restores \$567 million, or 60% of the initial reduction, to QBE formula earnings. The sustained reduction to QBE is now \$383 million, or (4%).
- The original FY 2021 reduction to QBE affected the Local Five Mill Share (LFMS) 80/20 statewide requirement (O.C.G.A. 20-2-164), resulting in LFMS earnings being capped at \$2.1 billion. The restoration of \$567 million to QBE provides adequate state funds to comply with Code and removes the cap recognizing full LFMS earnings; the adjustment is (\$79.5 million).
- The final budget includes \$41 million for the QBE midterm adjustment and hold harmless to reflect a 35,264 (2%) decline in student enrollment totaling (\$106 million) and a hold harmless of \$147 million. A midterm hold harmless is provided to school systems with declining enrollment because school budgets have already been adopted and implemented.
- The formula also funds \$480,152 in growth for charter system grants reflecting two new charter systems; \$25.9 million in growth for the state charter school supplement reflecting six additional schools; and \$1.9 million in the Special Needs Scholarship, reflecting 8% growth throughout the year.
- The Amended FY 2021 budget reflects \$757,028 in federal 'CARES Act' funds to provide four new state charter schools a hold harmless due to declining elementary school enrollment. Harriet Tubman School of Science and Technology, Delta STEAM Academy, Atlanta Unbound Academy, and Yi Hwang Academy of Language Excellence are disproportionately impacted by enrollment declines because, as new schools, they do not have prior student counts to bring up their three-count average.
- The budget includes \$40.2 million in cash for 520 school buses at \$77,220 per bus. Of the 14,798 school buses that transport students daily, 5,913 have exceeded their recommended lifecycle. In addition to being more reliable and cheaper to maintain, newer buses have enhanced safety features including fuel tank mounting requirements for greater crash protection; remote mirrors to improve driver visibility; and higher back seats for the safety of students.
- HB 80 includes \$8.5 million in restorations to other Department of Education programs that provide direct instruction or vital educational services. In most programs, the adjustment represents a 60% restoration to the initial FY 2021 reduction. The restorations include Agricultural Education (\$589,272); Computer Science Professional Development (\$60,775); Communities in Schools (\$85,686); Georgia Network for Therapeutic and Educational Supports (\$3,669,163); Non-QBE formula grants for feminine hygiene products (\$420,000); Preschool Disabilities Services (\$2,523,306); Regional Education Services Agencies (\$889,508); Technology/Career Education (\$840,924); State Schools (\$300,000); and Tuition for Multiple Disabilities (\$93,117). Lastly, the restorations to the Agricultural Education and Technology/Career Education programs include full restorations to the Extended Day/Year programs.
- The Amended FY 2021 budget includes \$68,000 in additional funds for the Governor's Honors Program in the Governor's Office of Student Achievement. The program was canceled last summer due to the COVID-19 pandemic; however, 75 students who were rising juniors and accepted last summer will finally be allowed to participate as rising seniors this summer. State funds will supplement private funds raised by alumni for these additional participants.

- In HB 80, the Governor's Office of Student Achievement receives \$900,000 for GA*AWARDS, the P-20 longitudinal data system. GA*AWARDS requires a license renewal every three years for continued operation.

Higher Education

- The Amended FY 2021 budget includes \$70.1 million for the University System of Georgia, reflecting 1.8% enrollment growth and a 0.5% increase in square footage, not funded in the original FY 2021 budget.
- To create parity between higher education programs and K-12 education, the Amended FY 2021 budget includes \$8.1 million for University System of Georgia B-Unit programs. These funds restore 60% of the reductions from the initial FY 2021 budget. These programs include the: Agricultural Experiment Station (\$2,851,620); Cooperative Extension Service (\$2,652,325); Forestry Cooperative Extension (\$64,122); Forestry Research (\$198,572); Georgia Tech Research Institute (\$359,041); Marine Institute (\$71,707); Marine Resources Extension Center (\$83,486); Medical College of Georgia Hospital/Clinic (\$1,627,793); Georgia Youth and Science Center (\$53,733); and the Veterinary Medicine Experiment Station (\$162,000).
- The House and Senate agree to provide \$539,170 to public libraries to temporarily increase the materials grants by five cents per capita. In addition, the budget reflects \$293,885 in state funds for a one-time salary supplement of \$1,000 to full-time employees with current salaries less than \$80,000 at the state's public libraries.
- Like traditional K-12 schools, Georgia Military College's Preparatory School received a 60% austerity restoration in the Amended FY 2021 budget, totaling \$217,244. Also, HB 80 includes \$54,927 in state funds for a one-time salary supplement of \$1,000 to educators at Georgia Military College's Preparatory School.
- The General Assembly supports \$192,500 for the Engineer Scholarship under Georgia Student Finance Commission, providing scholarships to 55 engineering students at Mercer University.
- HB 80 includes \$3.5 million for enrollment growth at the Technical College System of Georgia not funded in the original FY 2021 budget.
- The final version of the budget reflects the federal Higher Education Emergency Relief Fund under the Technical College System of Georgia (\$33,858,680) and the University System of Georgia (\$124,872,726). The budget also reflects a total of \$36,175,868 in Higher Education Emergency Relief Fund for Historically Black Colleges and Universities and Minority-Serving Institutions.

General Government

- The Amended FY 2021 budget includes \$59.6 million in healthcare savings repurposed and spread throughout state agencies to provide a \$1,000 one-time salary supplement to approximately 57,000 state employees with salaries less than \$80,000.
- HB 80 provides \$665,000 to the Department of Driver Services (DDS) to replace 25 vehicles and to purchase a truck to haul the agency's mobile license issuance trailer. Of the agency's 129 active vehicles, 71 have a total cost of ownership that exceeds the value of the vehicle. The Amended FY

2021 budget also includes \$600,000 for DDS to implement chat bot technology in their call center, which is expected to drastically reduce wait times and improve the overall customer experience.

- The Amended FY 2021 budget includes \$3.5 million for 71 vehicles and laboratory equipment for the Department of Natural Resources (DNR). DNR's Georgia Outdoor Stewardship Program receives over \$3.4 million, which fully funds all approved projects and related program administration expenses, and nearly \$500,000 for the Wildlife Endowment Fund to reflect an increase in lifetime sportsman's license revenues. DNR's Environmental Protection Division will also have \$700,000 for remediation of local courthouses.
- The Amended Fiscal Year 2021 budget recognizes more than \$60 million in federal funding provided to the Department of Labor for the agency's coronavirus pandemic response, including funds for the Unemployment Insurance Program and the Short-Term Compensation Program.
- HB 80 includes \$25 million in the Department of Revenue (DOR) for the Forestland Protection Grants program to fulfill projected needs. DOR's Industry Regulation program also receives \$114,676 to begin enforcement of regulations related to the distribution and sale of vaping products (SB 375, 2020 Session).
- The Amended FY 2021 budget recognizes nearly \$11 million in federal funds to the Secretary of State for election security and public health precautions related to the coronavirus pandemic.
- The General Assembly provides \$127,137 to the Georgia Access to Medical Cannabis Commission to hire an attorney, pay start-up related IT contracts, initiate a contract for a virtual call center, and other program expenses. The program is expected provide more than \$1.3 million in revenue to the state in its first year.

Health

- The Amended FY 2021 budget provides a total of \$27.1 million for the replacement and modernization of the Department of Public Health's outdated surveillance system and vaccination management system in order to address the current COVID-19 pandemic response and provide ongoing infrastructure improvements for future epidemiologic surveillance capacity.
- The General Assembly provides \$15.4 million for the AIDS Drug Assistance Program (ADAP) to support the increase utilization of the program during the COVID-19 pandemic.
- HB 80 provides \$485,997 to the Department of Public Health for a chief medical officer, a deputy commissioner of public health, a chief data officer, a senior programmer, and a financial manager to support the agency with its COVID-19 pandemic response as well as provide ongoing public health leadership.
- The Amended FY 2021 budget reflects \$1.04 billion in federal funds allocated to the Department of Public Health for epidemiology and laboratory capacity, COVID-19 vaccine preparedness, public health crisis response, and other needs identified in multiple federal relief packages.
- HB 80 provides \$35.7 million in the Department of Community Health for the state match of the Disproportionate Share Hospital (DSH) payments for private deemed and non-deemed hospitals that serve a large number of Medicaid and uninsured individuals.
- The House and Senate agree to provide \$19.3 million to increase the Medicaid growth allowance for skilled nursing centers by 5% for an overall rate increase of 3.5% in order to assist these centers with the large revenue losses and increased staffing costs associated with the COVID-19 pandemic.

- The General Assembly agrees with the governor to provide \$4.86 million to the Department of Community Health's Healthcare Facility Regulation program for contractual services to immediately address the nursing home survey backlog. In addition, the House and Senate add \$478,303 to implement a hiring and retention plan to stabilize the staffing of the nursing home regulatory program and ensure that the program is brought into, and remains in, compliance with federal requirements.
- HB 80 recognizes \$418.7 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.' This is in addition to the \$165.4 million reclaimed in the FY 2021 budget.
- The General Assembly agrees with the governor to fund \$1.8 million for the start-up costs associated with the 'Patients First Act' (2019 Session) and the 1115 Medicaid waiver that will be effective July 1, 2021.

Human Services

- The Amended FY 2021 budget reflects over \$130 million in federal relief funds for human service agencies used for a variety of grants to prevent, prepare for, and respond to the COVID-19 pandemic. An additional \$35 million in savings is also recognized from the enhanced Federal Medical Assistance Percentage (eFMAP). These federal investments help ensure the continued funding of essential programs for the Department of Human Services and the Department of Behavioral Health and Developmental Disabilities.
- In the area of developmental disabilities, the House and Senate agree to the utilization of \$1.7 million from the eFMAP savings for a new 16-bed behavioral health crisis center to expand the service capacity of the state's crisis system. In the first seven months of FY 2021, there were 196 episodes where individuals with intellectual and developmental disabilities were referred for stabilization and placed in hospital emergency room beds; this service gap illustrates the immediate need for a specialized, long term solution that also shifts away from emergency room beds needed for the pandemic.
- In the Department of Human Services, the General Assembly agrees with the governor to provide \$4.7 million to meet the anticipated increase in Medicaid services resulting from the 'Patients First Act'.
- For Child Welfare Services, the General Assembly provides \$176,500 for the Multi-Agency Alliance for Children (MAAC) to restore a portion of the funds reduced in the original FY 2021 budget. In the past three years, MAAC has provided educational services to more than 1,700 children in the foster care system. This partial restoration ensures that at least an additional 80 children are served.
- The General Assembly also provides \$150,000 for the development of a new website for the Georgia Vocational Rehabilitation Agency, drawing down an additional \$554,225 in federal dollars. This modernization decreases the need for clients living with disabilities to travel in person to offices to complete portions of the application. This investment will decrease eligibility determinations by five days, resulting in an increased utilization of existing vocational rehabilitation staff support.