

# FY 2004 BUDGET HIGHLIGHTS

## Governor's Recommendations

### APPROPRIATIONS AND REVENUES

- Appropriations totaling \$16,281,551,592 are recommended for FY 2004, which begins July 1, 2003 and ends June 30, 2004.
- The appropriations would be funded from the following sources:
  - \$14,716,544,107 from taxes and fees as estimated by the Governor, an increase of \$882,544,107 or 6.4% over the FY 2003 budget of \$13,834,000,000.
  - \$691,795,656 from lottery proceeds.
  - \$6,973,850 from early return of FY 2003 surplus.
  - \$141,997,339 from Revenue Shortfall Reserve.
  - \$148,828,880 from the Indigent Care Trust Fund.
  - \$398,331,000 from revenue enhancements.
  - \$2,000,000 from the Brain and Spinal Injury Trust Fund.
  - \$175,080,760 from the Tobacco Settlement Fund.

### RECOMMENDED EXPENDITURES

#### EDUCATION (LOTTERY FUNDS)

##### Office of School Readiness

- \$243,448,970 to serve 4-year olds through Georgia's voluntary Pre-Kindergarten Program with over 3,340 classrooms throughout the state.

##### Student Finance

- \$377,664,713 for the HOPE Scholarship program to provide tuition, mandatory fees and a book allowance to eligible students enrolled in public colleges and technical colleges.
- \$45,086,180 for the HOPE Private College Scholarship Program.
- \$5,855,278 for Promise Scholarships for individuals who aspire to be teachers in Georgia public schools.
- \$5,332,698 to provide for Teacher Scholarships for individuals seeking advanced education degrees in critical shortage fields of study.

#### Lottery

- \$203,171,402 of lottery funds has been set-aside for the Shortfall Reserve Subaccount (\$69,167,200) and Scholarship Shortfall Subaccount (\$134,004,202) as of June 2002. The lottery reserve increased by \$24,703,825 from June 2001.

- For FY 2004, lottery funds are allocated only to the HOPE scholarship programs in the Georgia Student Finance Commission and to the Pre-Kindergarten Program in the Office of School Readiness.

#### EDUCATION (State General funds)

##### Public Schools

- \$190,983,701 in additional formula earnings for Quality Basic Education (QBE) formula grants based on enrollment growth of 1.75% (\$101,329,461), training and experience increase (\$60,312,969), and the annualizing of the FY 2003 pay raise (\$29,341,271).
  - \$186,560,000 in bonds for school construction as part of the regular, regular advanced, low-wealth, and growth capital outlay programs.
  - \$15,008,868 in additional funds to provide equalization grants with local systems limited to 70% of the gain or loss from the prior year.
  - \$14,120,000 in bonds for vocational and agriculture equipment (\$13,300,000) and for capital expenditures at the state schools (\$820,000).
  - \$2,376,442 to increase funding for a 10% salary supplement based on teachers' annual salary for 806 National Board Certified teachers.
  - \$483,926 to provide for an increase in students in the Preschool Handicapped program.
- ##### University System
- \$81,535,641 for funding formula adjustments to reflect an increase of 6.57% in credit hour enrollment.
  - \$28,635,000 in bonds for Major Capital Outlay projects including the Georgia Southern University Library addition, design of the School of Art building at the University of Georgia, pre-design and design for the renovation of the

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Parks Nursing/Health Science building at Georgia College & State University, and equipment for 8 previously funded projects.

- \$8,600,000 for the state portion of construction costs of a Cancer Research Center at the Medical College of Georgia. The state previously has provided \$1,400,000 to initiate this project. Private and federal funds of \$36,600,000 will be used to complete the project.
- \$6,674,730 for formula adjustments for utilities, maintenance and operations based on additional square feet of space from new buildings put into operation at the 34 institutions of the Board of Regents.

### Technical and Adult Education

- \$30,598,359 for formula-driven increases in personal services costs for instructional staff at institutions.
- \$7,250,000 in bonds to fully fund major repairs and rehabilitation projects statewide.
- \$2,511,004 for formula increases for operating expenses at institutions.

### HUMAN RESOURCES

- \$5,014,485 in state funds redirected as a result of federal funds earned through the state ICF-MR upper payment limit initiative for the increased cost of providing anti-psychotic medication for clients in the state hospital system (\$2,279,485) and for a 23-hour observation unit at Atlanta Regional Hospital to alleviate overcrowding (\$2,735,000).
- \$3,892,794 in state funds to open the new forensic building at Central State Hospital.
- \$2,884,197 in state funds to annualize the cost of 507 community-based slots for the Mental Retardation Waiver Program (\$1,712,144) and for 65 mentally retarded children transferring from state hospitals to community-based programs (\$1,172,053).
- \$1,500,000 in additional funds from the Brain and Spinal Injury Trust Fund for additional client benefits.
- \$1,261,717 in state funds to replace lost Indigent Care Trust Fund earnings for the Children 1<sup>st</sup> program.

- \$1,048,292 in state funds to replace reduced federal incentive earnings for the Office of Child Support Enforcement.
- \$325,000 in state funds for the Georgia Early Learning Initiative.
- \$250,000 in state funds to finish the statewide expansion of Family Connection.
- \$18,620,000 in bonds including \$12.2 million to construct a new public health lab in South Georgia and \$2,700,000 to construct a new public health district office building on the property of Northwest Georgia Regional Hospital.

### Child Protective Services

- \$9,878,494 in state funds to implement a Level of Care placement/payment system that pays uniform rates based on the needs of the child.
- \$7,413,452 in state funds to replace federal funding as a result of Title IV-E audits and eligibility changes.
- \$5,799,858 in state funds for 100 caseworkers to reduce the caseloads of child protective services workers, plus 25 entry-level positions to create a regional pool of trained workers to fill caseworker vacancies.
- \$4,905,000 in state funds to support the closure of the Fulton and DeKalb County emergency shelters for children and adolescents.
- \$825,000 to support resource development for recruiting foster and adoptive parents.
- \$700,000 in state funds to provide training for CPS staff.
- \$579,493 to double the annual clothing allowance for foster children from \$100 to \$200.

### COMPLIANCE WITH *OLMSTEAD v. L.C.* – PROVISION OF SERVICES FOR THE DISABLED

Service Expansions to Accommodate Persons Moving from Institutions to Community-Based Settings:

- \$3,383,510 in state funds redirected within the Department of Human Resources (DHR) as a result of

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federal funds earned through the state ICF-MR upper payment limit initiative for the following items:

- \$2,631,968 to transition 50 developmentally disabled adults from state hospitals to community services;
  - \$432,898 to transition 15 chronically mentally ill adults from state hospitals to community services;
  - \$170,000 to provide funds for the identification, assessment, and planning for the transition of adults with mental illness and/or developmental disabilities from institutional to community settings; and
  - \$148,644 for 2 additional staff to conduct certification, monitoring, and quality assurance activities for community providers.
- \$3,195,341 in state funds to Department of Community Health (DCH) to provide community-based residential care to 145 private nursing home residents who are clinically able to live in a more integrated community setting and have expressed a desire to move.
  - \$1,356,187 in state funds to DHR to annualize the cost to transition 40 severely emotionally disturbed adolescents from state hospitals to supervised transition homes.
  - \$421,532 in state funds to DHR to provide Community Care Services to 84 nursing home residents transitioning to the community.
  - \$350,908 in state funds to DHR (\$296,922) and to DCH (\$53,986) to transition mentally retarded and disabled children from private nursing facilities to community placements.
  - \$75,000 in state funds to DCH to assess people in nursing homes to determine their ability and desire to move to a more integrated setting.
  - \$36,045 in state funds to DCH to fund the additional Medicaid costs for 15 persons with chronic mental illness who are newly Medicaid eligible as a result of moving from a state institution to the community.

Service Expansions to Accommodate Persons Waiting for Community-Based Services

- \$1,203,378 in state funds to DHR for the Community Care Services Program (CCSP) to cover the increasing costs of services for existing CCSP clients.
- \$949,031 in state funds redirected within DHR as a result of federal funds earned through the state ICF-MR

upper payment limit initiative to expand services to 50 consumers with developmental disabilities on the short-term waiting list for the Mental Retardation Waiver Program.

- \$220,369 in state funds to DCH for 10 slots in the Independent Care Waiver Program

### MEDICAID

- \$276,239,700 to fund the projected cash need for FY 2004 Medicaid claims based on growth and utilization, plus an additional \$104,612,663 to fund Medicaid claims incurred in FY 2003 but not billed to the department for payment until FY 2004.
- \$14,390,103 to fund a 3.2% inflationary increase to the FY 2003 reimbursement rates for inpatient hospital services.
- \$13,762,408 to fund a 4.5% inflationary increase to the FY 2003 reimbursement rates for physicians and physician-related providers.
- \$9,541,263 to fund a 3.2% inflationary increase to the FY 2004 continuation level for private nursing facilities.
- \$8,708,305 to reflect a change in the federal financial participation rate.
- \$200,000 to increase funding for nurse aide training to comply with federal requirements that the state reimburse nursing facilities for their related costs.

### VETERANS SERVICE

- \$350,000 in operating funds for the Alzheimer’s Care Wing at the Georgia War Veterans Home in Milledgeville.

### JUVENILE JUSTICE

- \$7,365,101 to provide start-up and operational funds for 3 new Regional Youth Detention Centers (RYDCs) in Augusta, Macon, and Rome.
- \$2,500,000 in additional funds to eliminate delays in hiring Juvenile Correction Officers to ensure that Youth Development Campuses (YDCs) and RYDCs are adequately staffed at all times.

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- \$3,765,532 to convert to a Level of Care Placement System that pays 6 levels of uniform rates for therapeutic residential treatment based on the needs of the child.

### ECONOMIC DEVELOPMENT

- \$77,258,212 in state funds, bonds, and Ports Authority debt reduction to support the development of a megasite in Pooler on land owned by the Ports Authority. Previous investments in this economic development project by the state include \$41,172,200 in cash, bonds and authority debt reduction.
- \$52,123,333 in tobacco proceeds for the OneGeorgia Authority to continue grant and loan programs targeted at Georgia’s most needy counties.
- \$3,800,000 in bonds for additional parking at the Georgia World Congress Center.
- \$1,000,000 to continue to match private donations for a revolving loan fund to assist in the redevelopment and enhancement of downtowns in Georgia’s smaller cities.

### NATURAL RESOURCES

- \$12,000,000 in bonds for the Environmental Facilities Authority to support low interest loans for local water and sewer projects.
- \$15,000,000 for new Greenspace land acquisition and protection program designed to expand participation and maximize available funds from all public sources—local, state, and federal.
- \$8,000,000 in bonds for the Environmental Facilities Authority to match federal funds for clean water and drinking water capitalization grants.

### TRANSPORTATION

- \$100,000,000 in bonds for the Governor’s Road Improvement Program.
- \$1,700,000 in bonds to assist local entities in matching up to \$30,600,000 in federal funds for improvements to general aviation airports throughout the state.

- \$10,000,000 in additional motor fuel tax collections appropriated to the Department of Transportation.

### PUBLIC SAFETY

#### Department of Corrections

- \$40,000,000 in bonds to purchase and complete a 1,600 bed private prison in Stewart County.
- \$11,750,000 in bonds for repairs and renovations; security projects; roofing and paving projects; and wastewater, utility and HVAC projects at various facilities.
- \$4,164,000 to provide start-up and operating funds for the Valdosta Diversion Center, the DeKalb Transitional Center, the Bleckley Parole Revocation Center, and the Appling Parole Revocation Center.

- \$2,650,406 for county subsidy to fund an additional 256 county beds and provide additional funds for jail subsidies.

#### Department of Public Safety

- \$450,000 in bonds for repairs and renovations to the Georgia Public Safety Training Center.

#### Department of Defense

- \$2,000,000 in bonds to be matched with \$6,000,000 in federal funds for repair and renovations to armories statewide.
- \$74,928 to fund 8 maintenance positions and 1 general trades craftsman for the JSTARS Air Wing stationed at Warner Robins Air Force Base.

### GENERAL GOVERNMENT

#### Department of Administrative Services

- \$3,000,000 in bonds and \$500,000 in cash for the Georgia Building Authority to remediate, replace and close underground and above-ground state-owned fuel storage facilities on state-owned property.
- \$204,577 for 8 positions for the Fleet Management Office.

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### Department of Banking and Finance

- \$285,000 to provide funding for 8 positions and operating expenses to implement the Predatory Lending Act (HB 1361).

### Department of Insurance

- \$1,597,447 to fund 32 vacant positions to improve service and address national accreditation concerns.

### Public School Employees’ Retirement System

- \$3,129,178 to provide an increase in the monthly retirement benefit multiplier from \$12.50 to \$13.00 per month per year of creditable service.

### Public Service Commission

- \$460,000 in additional funding for the Georgia No Call Program to reflect an increase in public participation.

### Department of Revenue

- \$95,000,000 to fund the Homeowner Tax Relief Grant program. Funding will maintain the statewide homestead exemption value at \$4,000 and result in no property tax liability for the first \$10,000 of fair market value on homesteads.

### Office of Secretary of State

- \$250,000 for 3 additional staff positions for the State Ethics Commission
- \$248,745 for the Georgia Real Estate Commission for additional personal services and contract funding for specialized investigative services.