

Analysis: Georgia Senate Appropriations Bill for Fiscal Year 2014 Relatively Minor Differences with Georgia House's Proposal

By Alan Essig, Executive Director

The Georgia State Senate made relatively minor adjustments to the House of Representatives version of House Bill 106 (HB 106). New in the Senate version are additional funds for the Technical College System, restored from cuts the governor proposes; money for a new economic development program and restored funding from the governor's proposed cuts for the nutrition program in the Department of Education. The Senate also reduced funding the House appropriated to the Medicaid program to restore the governor's cuts to provider rates.

With limited revenues, the basics of the governor's budget proposal are unchanged. The Senate version of HB 106 still contains in its base a cut of more than \$1 billion to the K-12 education funding formula, hundreds of millions of dollars in cuts to higher education, as well as cuts of up to 30 percent in state departments responsible for health, safety, and regulatory functions.

Analysis of Specific Changes Proposed by Georgia State Senate

Education

The K-12 budget contains a \$1 billion cut to the QBE funding formula in its base, while the Board of Regents budget contains the \$49 million additional cut to the Teaching Program the governor proposes.

Georgia Department of Education

- The Senate fully restores prior funding to Nutrition. Gov. Nathan Deal proposes a cut of \$1,306,720 and the House reduced that cut to \$677,796.
- The latest plan increases funds for implementation grants to new charter system. The House appropriated \$1.4 million and Senate increased that to \$7.2 million.
- Senate adds \$519,775 to fund the State Charter School Commission Administration.

University System of Georgia

- The Senate proposal adopts the governor's proposed cut of \$1.53 million to Agricultural Experiment Station program. The House proposed a smaller cut of \$789,907.
- The Senate plan restores \$8.25 million in funding for Georgia Gwinnett College. The governor proposes a cut of \$5 million and the House increased the cut to \$8.25 million.

Technical College System of Georgia

- The Senate increases funding for the Technical Education program beyond the level proposed by the governor or the higher amount proposed by the House. The House trimmed the budget cut to \$21.4 million from the governor's proposed \$27.4 million cut. The Senate further reduces the cut to \$16.8 million.

Student Finance Commission

- The Senate proposal restores support for the Tuition Equalization Grant to allow awards of \$700 instead of \$500. The House cut \$5.3 million from the program beyond the governor's proposal. The Senate restores the funds to keep the grant at \$700.

Health Care

The Senate budget reinstates \$9 million in cuts to Medicaid providers, as originally proposed by the governor. The House proposal eliminated or reduced the cuts. These cuts also cost Georgia's health care providers nearly \$18 million in federal money, bringing the total reimbursement cut in the Senate budget to \$26.9 million, compared to the House budget proposal.

Department of Community Health

The Senate budget reduces general funding to Medicaid and PeachCare by \$14.8 million, relative to the House budget. In particular, the Senate budget makes the following reductions, relative to the House budget

- The Senate proposal cuts \$9 million by reinstating reductions for provider reimbursement originally proposed by the governor but eliminated or reduced in the House budget.
- The Senate plan cuts \$2.8 million to move some veterans out of some Medicaid-funded services if they are eligible for services through the Veterans Health Administration.
- The Senate plan cuts \$1.9 million added in the House budget to reimburse physicians for single-dose prescriptions.
- The Senate's budget cuts \$1 million added in a previous year to move some medically frail inmates to Medicaid coverage to generate state savings in prisons; the policy was not implemented.
- The Senate proposal cuts \$231,262 to provide for only 14 Indigent Care Waiver Program positions instead of the 28 added by the House.

Department of Public Health

- The Senate plan restores a House cut of \$200,000 for tuberculosis detection, prevention and treatment.
- The Senate budget adopts the governor's cut of \$478,116 for contracts in Georgia Trauma Care Network Commission. The House proposed a larger cut of \$1,078,116.

Department of Behavioral Health and Developmental Disabilities

- The Senate budget assumes \$1.4 million in additional state savings, compared to proposals from the governor and the House, from closing the James B. Craig Nursing Home in Milledgeville.
- The Senate budget anticipates \$1.25 million in lowered costs by reducing contract funding for department administrative expenses.

Human Services

The Department of Human Services budget is more than 20 percent lower than in 2009. Caseloads for child protective service workers and social service eligibility workers are at historically high levels.

- The Senate budget reduces funding for the Elder Abuse Investigations and Prevention Program from the amount proposed by the House. The governor proposes a cut of \$528,871, while the House proposed maintaining the prior level of funding. The Senate recommends a cut of \$264,436.
- The Senate budget reduces a House addition of \$4,826,085 for Out of Home Care. The House funded a 3 percent rate increase for provider compensation. The Senate funded \$2,413,043 for a 1.5 percent rate increase.

Economic Development

- The Senate budget contains less money than the governor's proposal for rural economic development. The governor requests \$15 million, while the Senate proposes \$5 million.
- The Senate budget adds \$10 million to fund Invest Georgia, a new economic development program that would be assigned to the Enterprise Innovation Institute within the Board of Regents. Funding depends upon passage of Senate Bill 224.

Other Notable Budget Changes in the Senate Budget

- The Senate budget adds \$695,011 for 11 fraud detection analysts in the Department of Revenue. Officials estimate the additional staff will increase revenue collections by \$16.5 million