

Panel on Budget and Racial Equity Implications



Health

Laura Harker





Department of Community Health

Operates Medicaid, PeachCare, State Health Benefit Plan & other health regulatory and planning programs and houses the state's health care workforce board.

FY 2022

+\$401 million

in state funds from FY 2021

+\$580 million

from FY 2020

- \$68 million to implement the Patients First Act (also \$8 million allocated in Department of Human Services)
- \$132 million for projected growth in Low-Income Medicaid, \$4 million for projected PeachCare growth, and a reduction based on projected need of \$72 million for Aged, Blind and Disabled Medicaid
 - Federal matching rate dropped from 67.03% to 66.85%
- \$4.9 million for surveys to ensure safe conditions in nursing homes
- \$2.5 million for 188 new primary care medicine residency slots



Health Care Waivers

- Gov. Kemp's Patients First Act: Medicaid 1115 waiver approved October 15, 2020 and the Affordable Care Act (ACA) 1332 waiver approved November 1, 2020
- **Medicaid waiver enrollment begins July 1, 2021**
 - New eligibility group includes people with income below the poverty line that meet the work requirements and pay premiums. Expected to cover 64,336 people over the five-year period.
- **ACA innovation waiver**
 - Phase one - reinsurance program – begins for individual marketplace plans starting January 1, 2022. Expected to cost \$104 million in first calendar year.
 - Phase two begins January 1, 2023. Eliminates healthcare.gov and requires enrollment directly through brokers and insurance companies.



Department of Behavioral Health and Developmental Disabilities

Provides support and treatment services for people with developmental disabilities, mental illnesses and substance use disorders – largely through home and community-based services.

FY 2022

+\$22.1 million

in state funds from FY 2021

-\$69.3 million

from FY 2020

- 100 new slots for NOW and COMP Medicaid waivers that provide services for people with intellectual and developmental disabilities
- Utilize existing funds to expand housing support pilot program for the Georgia Housing Voucher Program
- Hire four new compliance specialists to review corrective action plans related to the Department of Justice Settlement agreement
- Most new funding accounts for expected loss of enhanced Medicaid match during the public health emergency



Department of Public Health

Operates programs focused on health promotion, disease prevention, and emergency preparedness and administers grants to support the local health departments in all 159 counties.

FY 2022

+\$877,808

in state funds from FY 2021

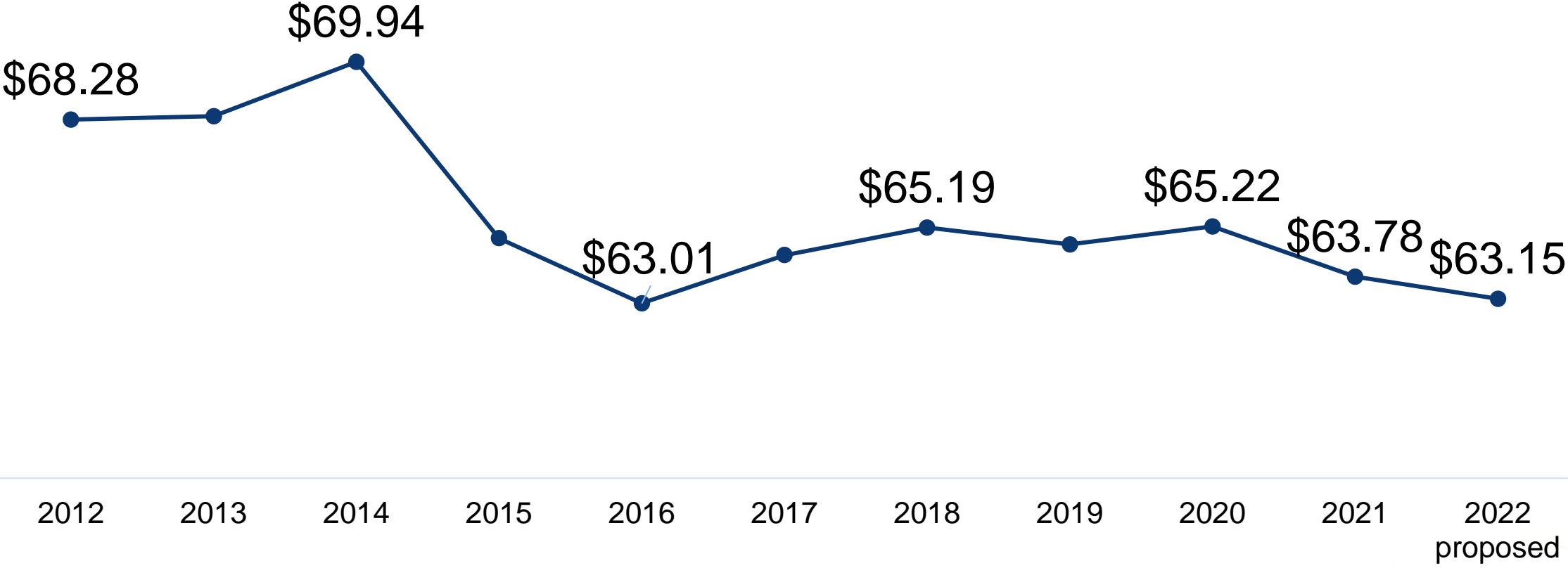
-\$7.3 million

from FY 2020

- New funds for Grady Memorial Hospital's effort to coordinate emergency room use in the metro Atlanta area
- New funds for second year of a 3-year pilot to provide PrEP for people at risk of contracting HIV
- No additional funding for county health department grants
- Majority of funding for COVID response comes from a total of \$1 billion in new federal money



Total Public Health Spending Per-Person





DEPARTMENT OF HUMAN SERVICES BUDGET OVERVIEW

Alex Camardelle

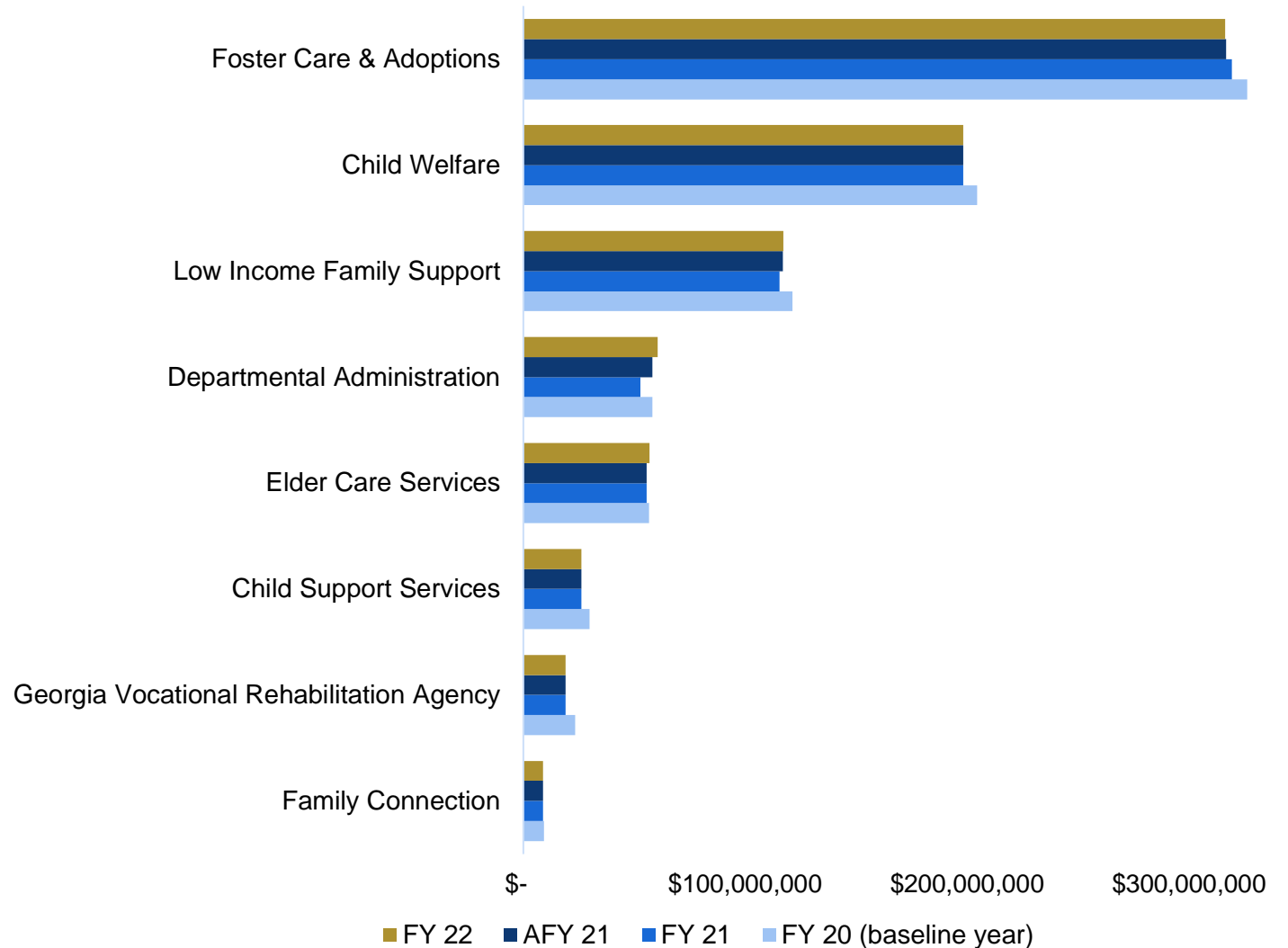




DEPARTMENT OF HUMAN SERVICES

The amended budget request brings the FY 2021 budget for the agency to **\$800 million**, up from \$796 m.

If approved, the governor's budget request would raise it slightly more to **\$803 million in fiscal year 2022.**





DEPARTMENT OF HUMAN SERVICES: FY 2022

- **\$700,000** added to federal eligibility benefit services for the implementation of the Patients First Act
- About **\$5 million** added for the implementation of the Patients First Act in departmental administration
- **\$413,000** transferred from foster care to departmental administration to cover an increase in Conduent's volume-based contract, the company responsible for managing Georgia's electronic benefits transfer (EBT) programs
- About **\$2 million** in state funds replaced with enhanced FMAP dollars in foster care
- **\$4.5 million** added to address a growth in adoption
- **\$14.3 million** reduction in foster care funds to reflect savings from a decline in monthly foster care placements
- **\$6.5 million** added to reflect the anticipated loss of foster care and permanency funds provided by the enhanced FMAP
- **\$944,000** added to Federal Benefit Eligibility Services to support the implementation of the Patients First Act
- **\$7.3 million** added to Departmental Administration to support the implementation of the Patients First Act
- **\$1.3 million** added to the Division of Aging Services to hire 13 adult protective services caseworkers and three public guardianship caseworkers



DEPARTMENT OF HUMAN SERVICES

-\$29 million
in cuts for Amended
Fiscal Year 2021

-\$26 million
in cuts for Fiscal Year
2022

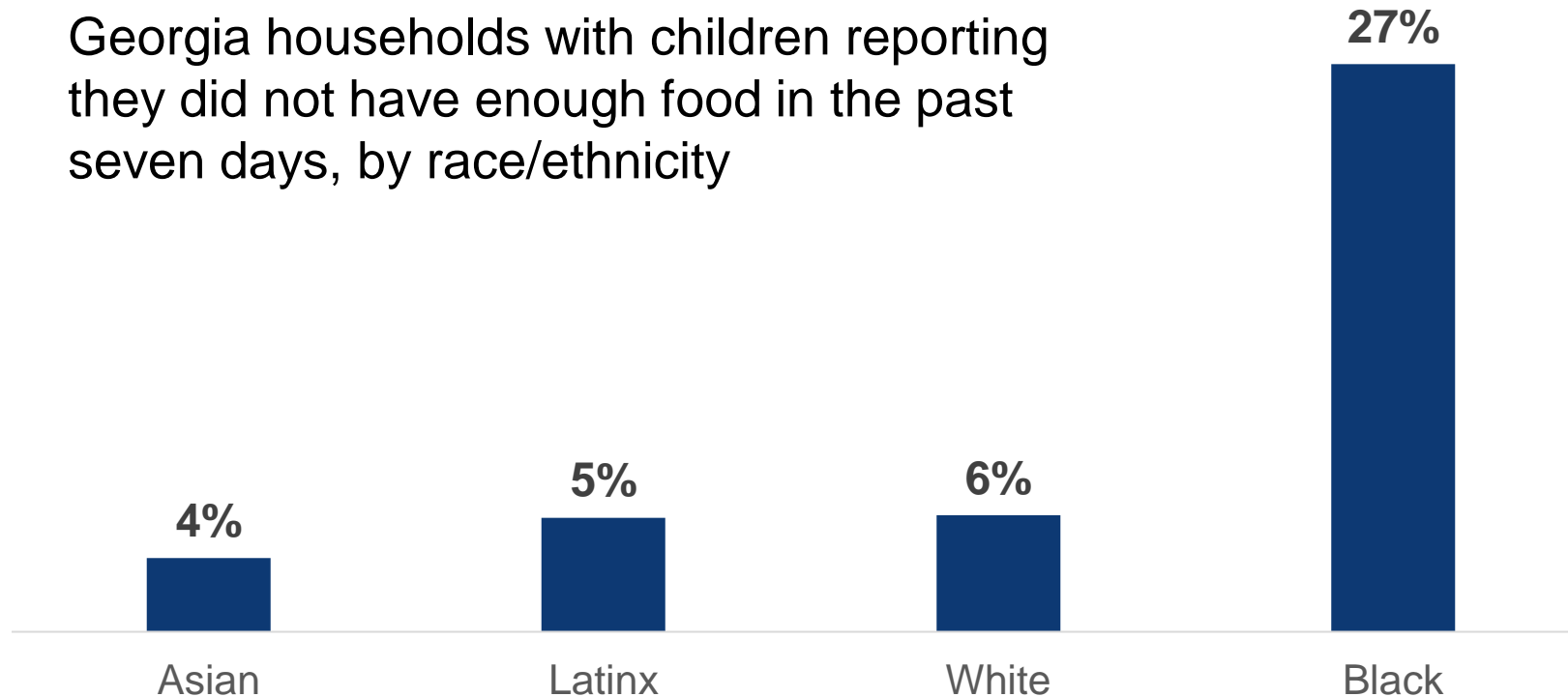


WHAT DO THESE CUTS MEAN?

- Furloughs, hiring freezes and lack of pay increases for frontline workers, most of whom are women and people of color
- Mandatory overtime for workers
- Fewer-than-needed caseworkers to investigate cases of child or elder abuse
- Less access to supportive services for those who qualify for public benefits
- Longer processing times for those applying for benefits

WHAT DO THESE CUTS MEAN?

Georgia households with children reporting they did not have enough food in the past seven days, by race/ethnicity



Higher Education





Board of Regents, University System of Georgia

Funding to colleges and universities up \$131 million (6 percent) BUT **still down \$111 million (5 percent) from FY 2020**

Amended budget: \$65 million to address not funding formula last year

All non-teaching programs (e.g. Cooperative Extension, Public Libraries) are flat, meaning **10% cuts remain**



Technical College System of Georgia

\$7 million (2 percent) more for technical colleges due to funding formula,
BUT still down \$26 million (8 percent) from FY 2020

All non-Technical Education programs (e.g. Adult Education) are flat, meaning
10% cuts remain



Georgia Student Finance Commission

Dual Enrollment funding flat
although enrollment is up;
**funding down 12 percent
from 2020**

State-funded scholarships flat
**(down 10 percent from
2020, except REACH)**



Lottery Funds

Lottery funds grew and are expected to grow to \$1.3 billion for FY22

\$604 million required in HOPE reserves; additional \$781 m in unrestricted reserves



Lottery-Funded Programs

HOPE Grants and Scholarships – **\$16 m increase (2 percent)** to meet expected need

HOPE GED flat

Low-Interest Loans/Student Access Loans **flat**
\$26 m

Pre-K formula **increase \$2 m (0.5 percent)**

K-12 Education

Stephen Owens, Ph.D





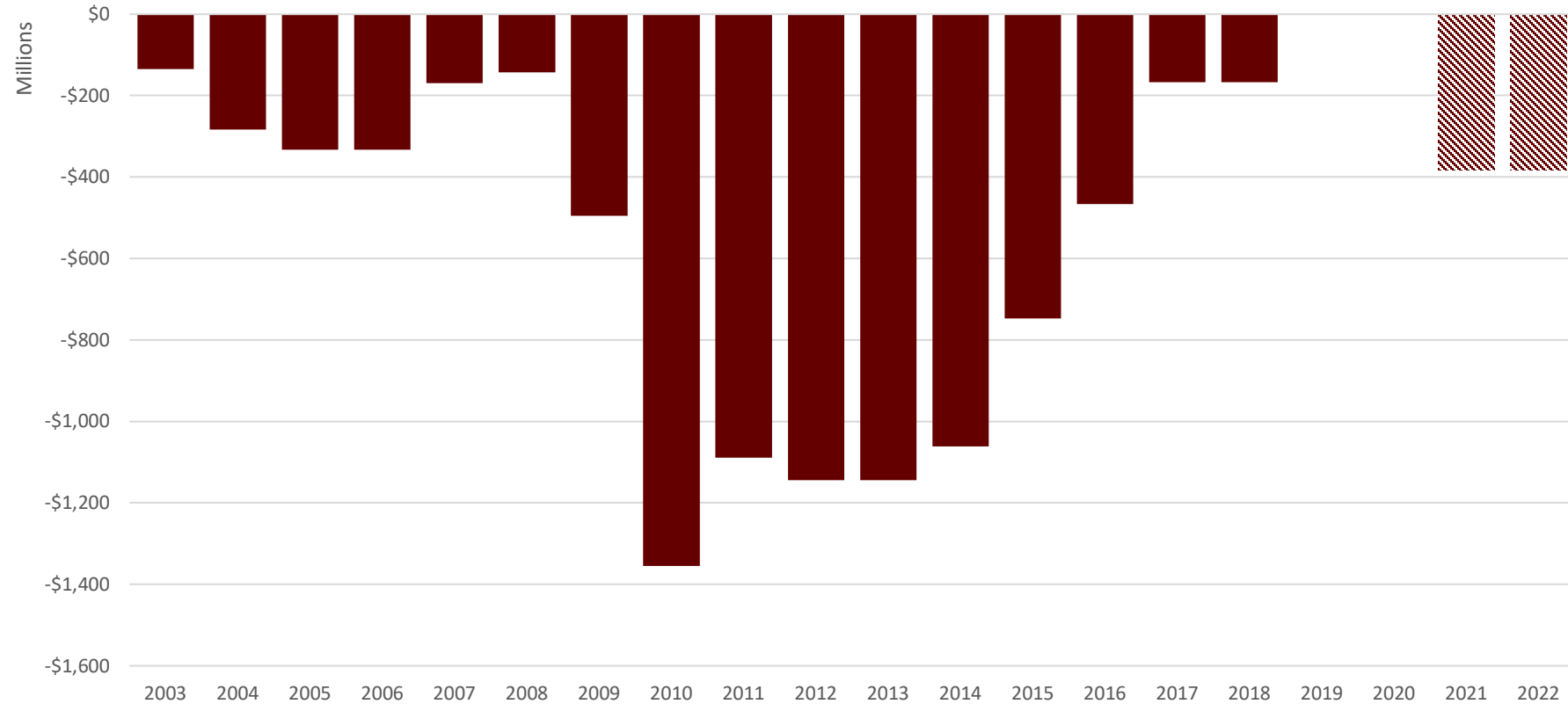
K-12 Education – FY 2022

\$568 m	Restoration of 60 percent of FY 2021 cut
(\$383 m)	Remaining cut to K-12 education
(\$166 m)	Declining enrollment
\$114 m	Training and experience; health insurance
\$72 m	Equalization program
(\$112 m)	Local Five Mill Share
\$57 m	Employer contribution rate to TRS



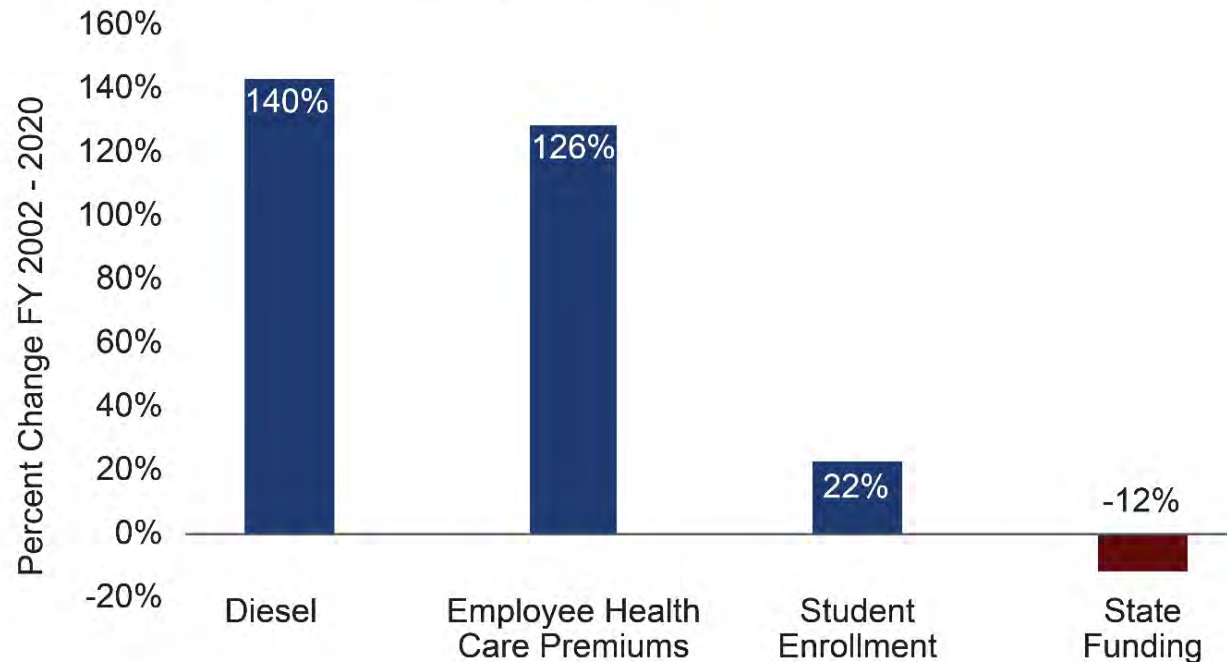
Persistent Cuts

***Two Decades of Underfunding: Cuts to K-12 Education
FY 2003 - Proposed FY 2022***



Less Funding for Those That Need It Most

**Student Transportation Costs Increase Annually,
Georgia State Funding Does Not**



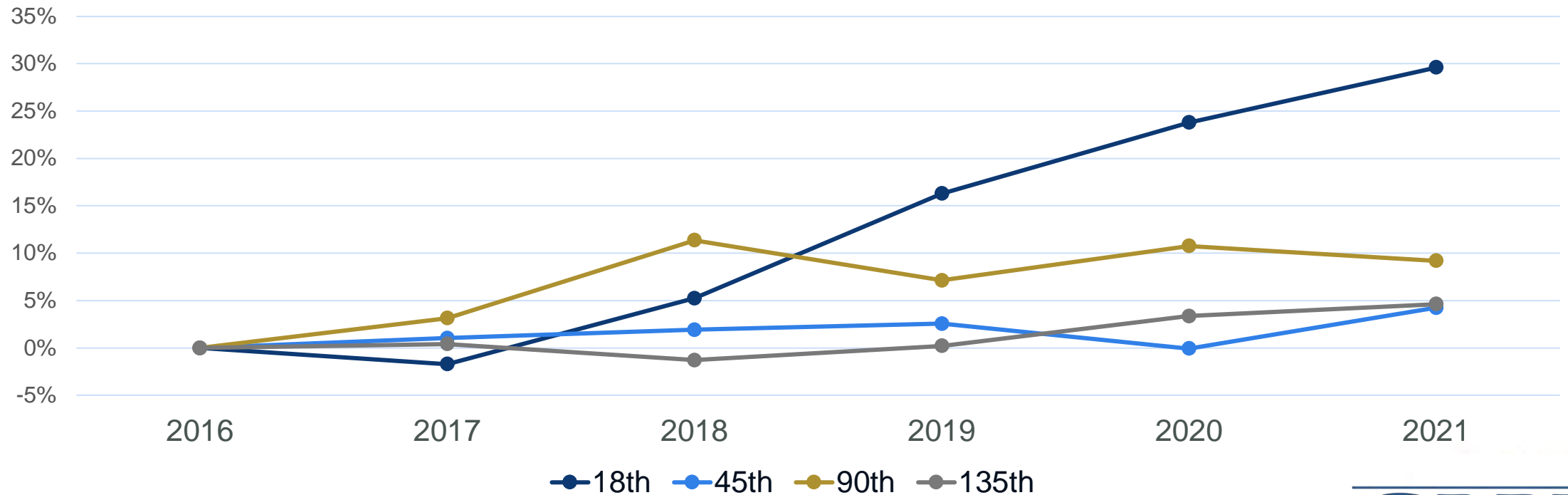
\$961 Million

The underfunding of equalization and sparsity grants alone since 2011 have resulted in \$961 million in lost funding for Georgia's neediest schools.

Source: U.S. Energy Information Administration. U.S. No 2 Diesel Retail Prices Dollars per Gallon; Bureau of Labor Statistics. Health Benefits; Georgia Department of Education. Student Enrollment by Grade Level; QBE State Allotment Sheets, FY 2002 and FY 2021.

Inequality Worsens

Gap Becomes a Chasm: Change in Local Tax Collection by Property Wealth (FY 2016 - 2021)

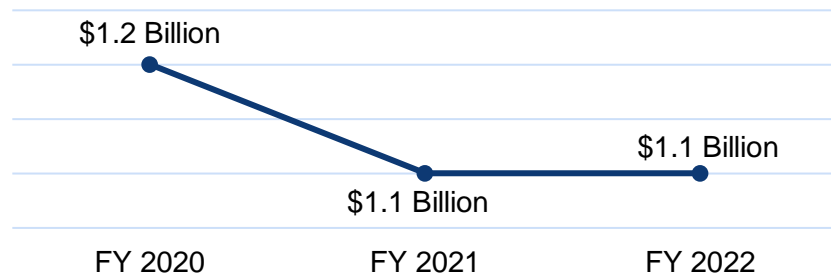


Criminal Legal Systems



Georgia Department of Corrections

Total DOC Budget



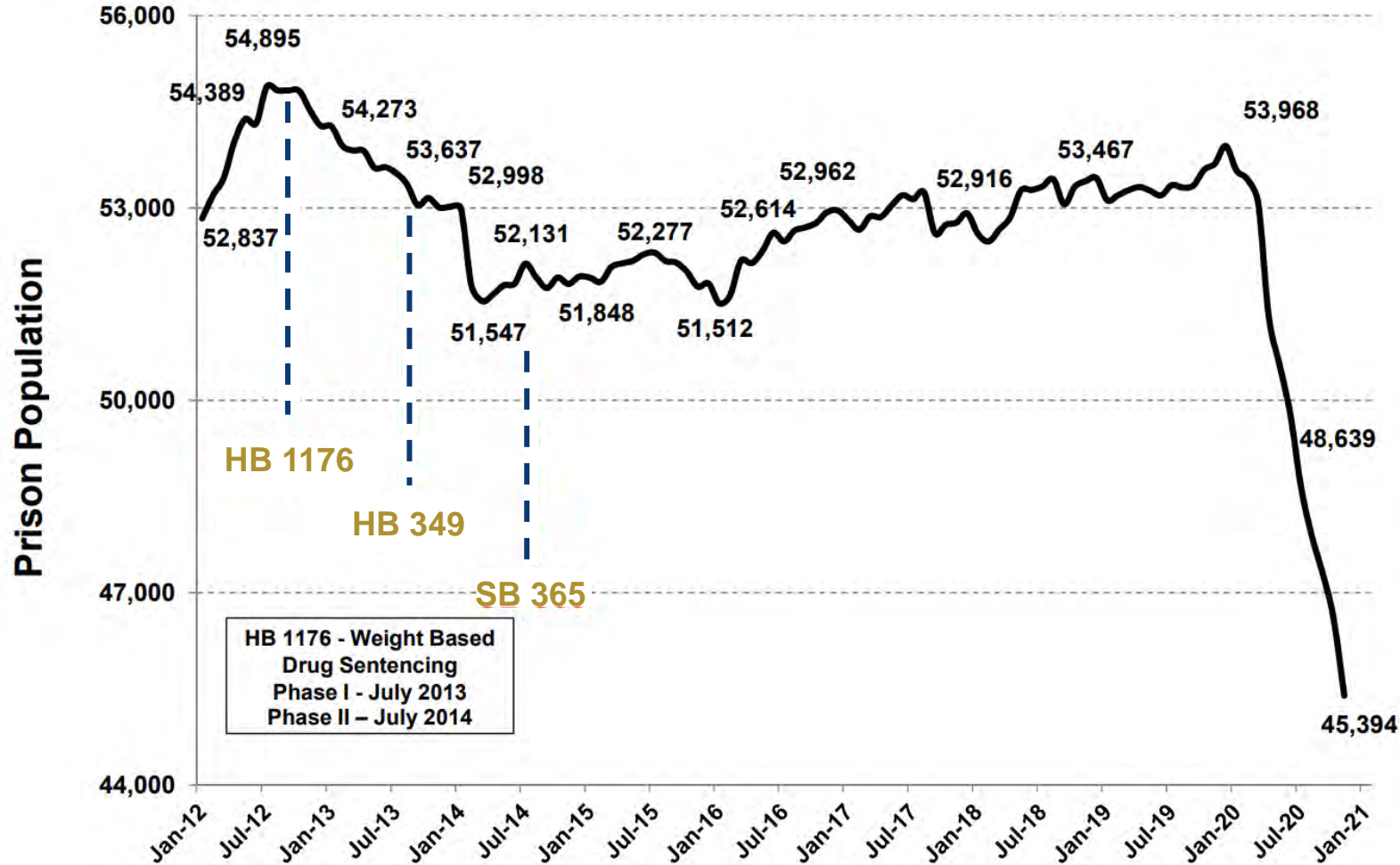
The Governor's FY 2022 budget request maintains the cuts in last year's GDC Budget which amounted to a **\$82.9 million loss** in funding.

Freezing of Vacant Positions, Elimination of Certain Part-Time Jobs and Reduction in Overtime
-\$22.4 Million

Increase in commissary prices for people who are incarcerated
-\$5.9 Million

\$0 allocated to increase wages for employees making less than \$40K or address the 42% CO turnover rate

Georgia Department of Corrections Population 2012-2021

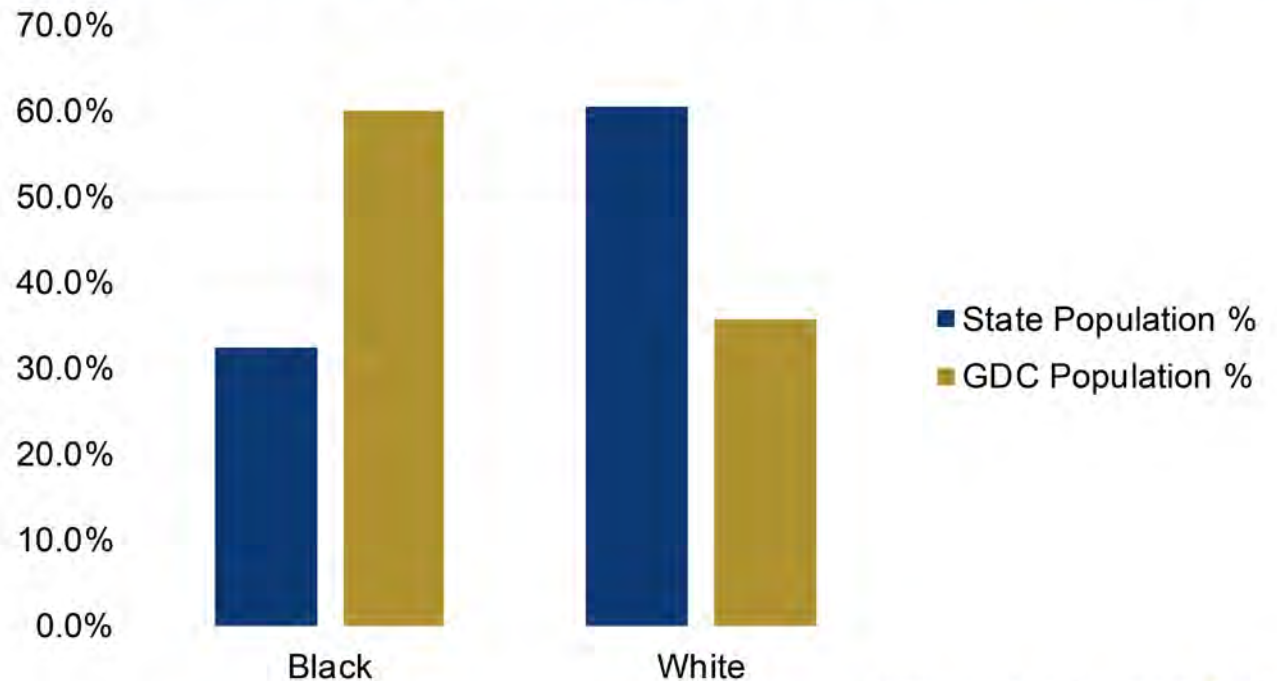


Source: Georgia Department of Corrections

Racial Inequity in Georgia's Criminal Legal System

- Despite accounting for only 32.4 percent of GA's state population, Black Georgians comprise 60 percent of the GDC population.
- GDC is not disaggregating COVID-19 cases by race or ethnicity
- GDC is using solitary confinement as a means of isolating individuals who test positive for COVID-19

Black Georgians are Incarcerated at a Disporportionate Rate



GEORGIA BUDGET & POLICY INSTITUTE  GBPI.org



Pandemic Transparency & Accountability in Prisons

- Since the start of the pandemic people incarcerated in GA prisons have reported:
 - insufficient access to PPE and cleaning supplies;
 - no ability to social distance;
 - inadequate testing; and
 - an overreliance on lockdowns and solitary confinement.
- SCHR Legislative Proposal: Pandemic Transparency and Accountability in Prisons
 - Would require GDC to report changes to policies and practices in responding to a pandemic within 30 days after the declaration of a public health state of emergency;
 - Regular publication of the number of tests administered, test positivity rate and fatalities; and
 - The disaggregation of this data by race/ethnicity and gender.