



Department of Labor

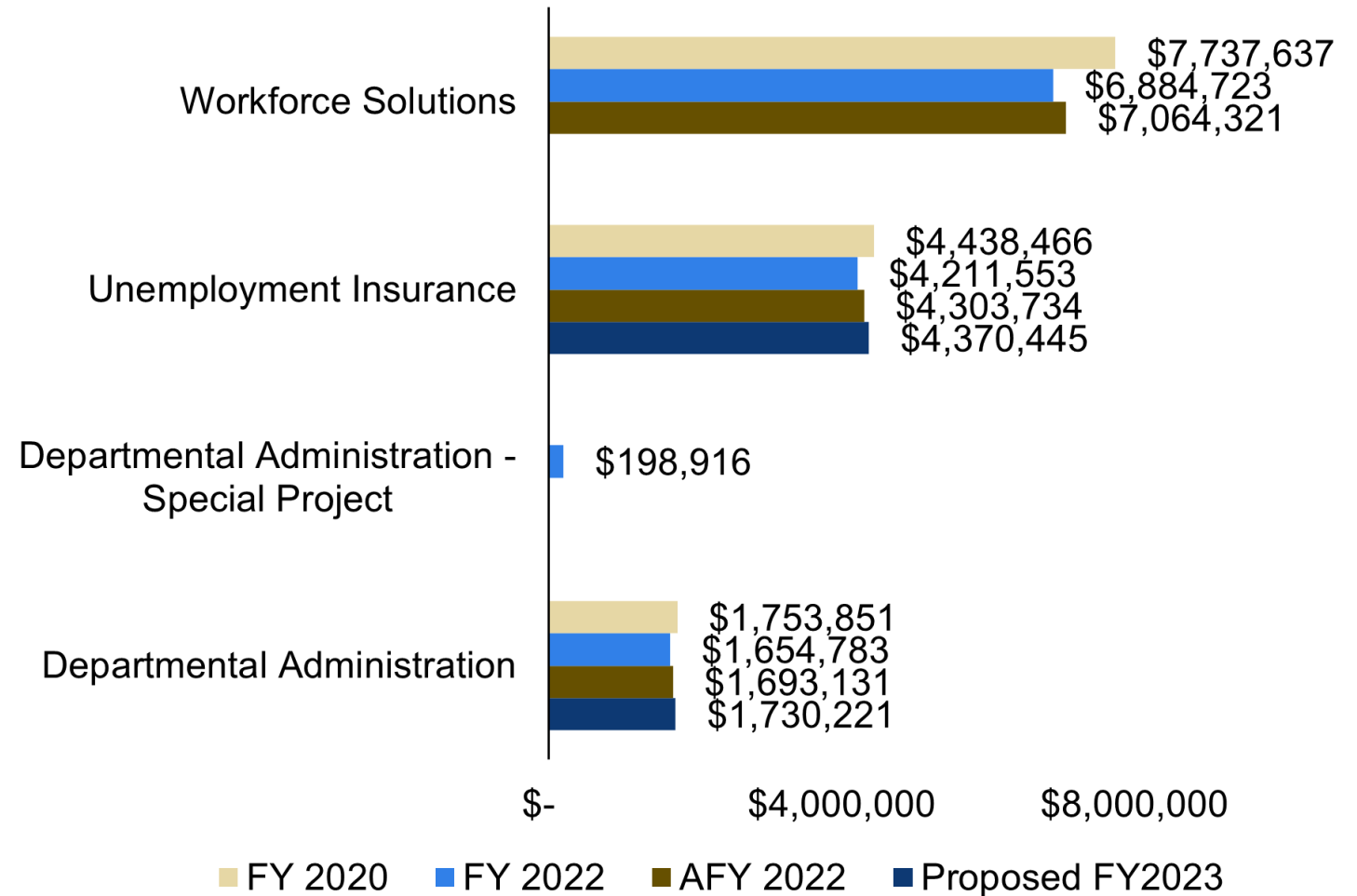
Ray Khalfani



DEPARTMENT OF LABOR

The amended budget request brings the FY 2022 budget for the agency to **\$13 million**, up from \$12.9 million.

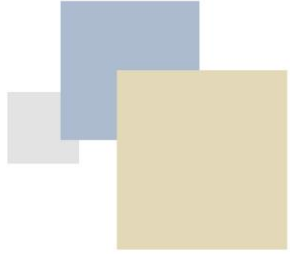
If approved, the governor's budget request would lower it by more than half, to **\$6.1 million in fiscal year 2023**.





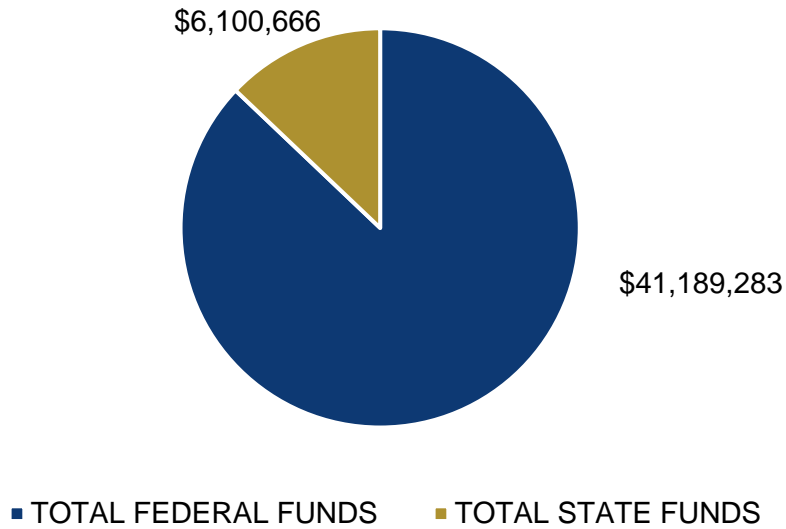
DEPARTMENT OF LABOR: FY 2023

- **\$430,000** added for Cost-of-Living (COLA) adjustments
- **\$141,000** added to the Employer Retirement System, boosting several benefit programs for retirees.
- Over **\$7 million** in positions, equipment and property transferred to the Technical College System of Georgia to establish Employment Services and streamline programs related to workforce development

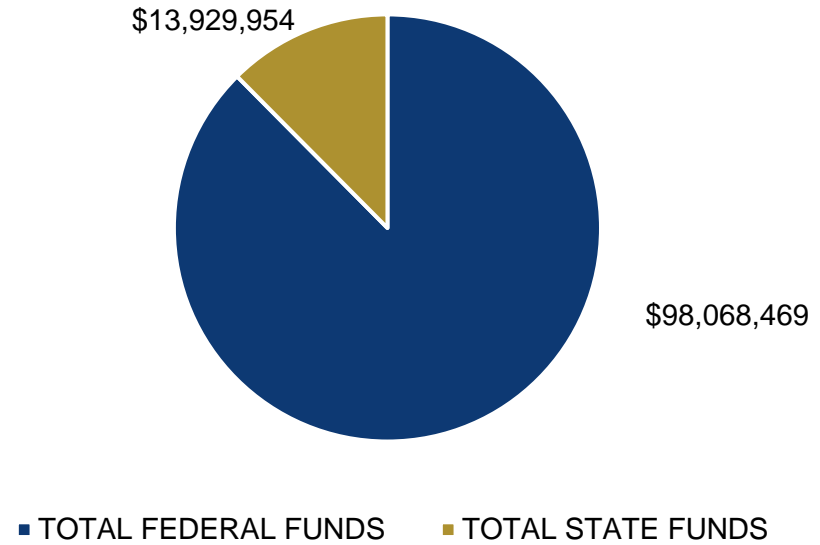


DEPARTMENT OF LABOR

Proposed FY 2023 Federal Spending vs. State Spending



FY 2020 Federal Spending vs. State Spending





WHAT DO DOL'S STATE SPENDING PRIORITIES MEAN?

- More competitive pay and benefits for eligible DOL state employees and retirees.
- Shifting more workforce development public services to the Technical College System of Georgia.
- Missing an opportunity to restore earlier pandemic cuts that limited staffing capacity.
- Missing an opportunity for investment in modernizing a legacy IT system to prepare for future economic downturns.



DOL REVENUE IS JUST AS IMPORTANT AS SPENDING

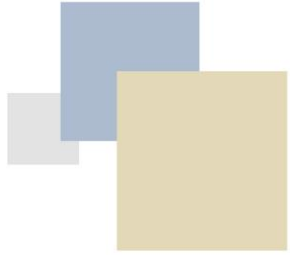
- To adequately fund GA's Unemployment Insurance (UI) Trust Fund and protect the involuntary jobless, equitable shares of revenue from employers must be prioritized to ensure UI Trust Fund solvency.
- In 2020, Georgia revenues gathered \$172 per covered employee, far below the national average of \$267 per employee.
- Using a portion of Georgia's \$4.7 billion in flexible ARP funding to restore its UI Trust Fund would serve as a missed opportunity to address the state UI system's long-term issues of eligibility, duration, and generosity.



Human Services and Child Care

Ife Finch Floyd



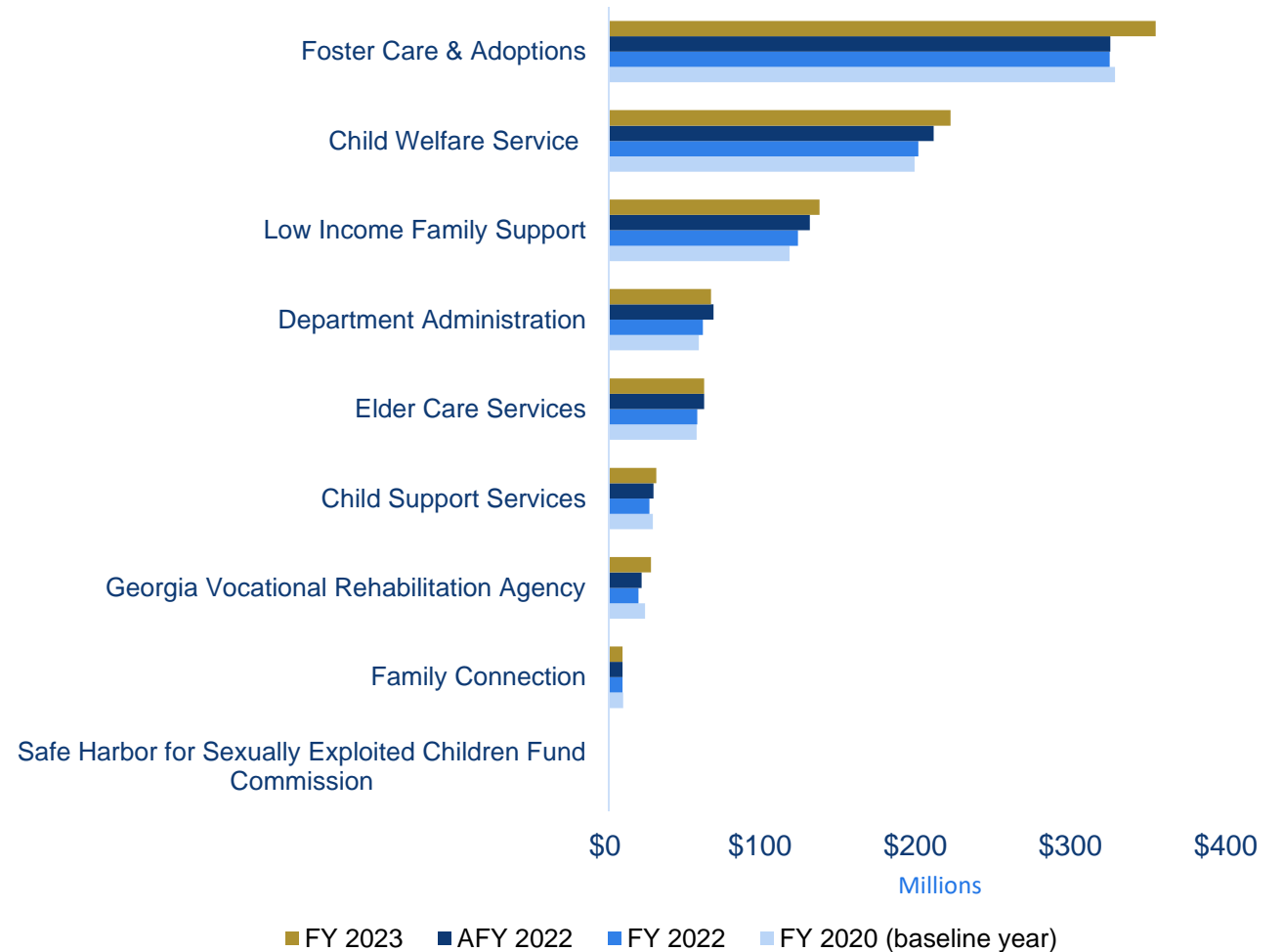


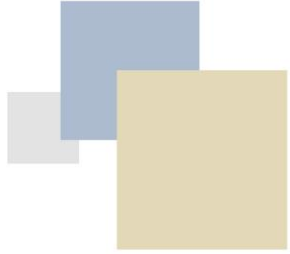
DEPARTMENT OF HUMAN SERVICES

Operates elder care services, family and children services—economic supports and child welfare services—child support, foster care and adoption services, and vocational rehabilitation

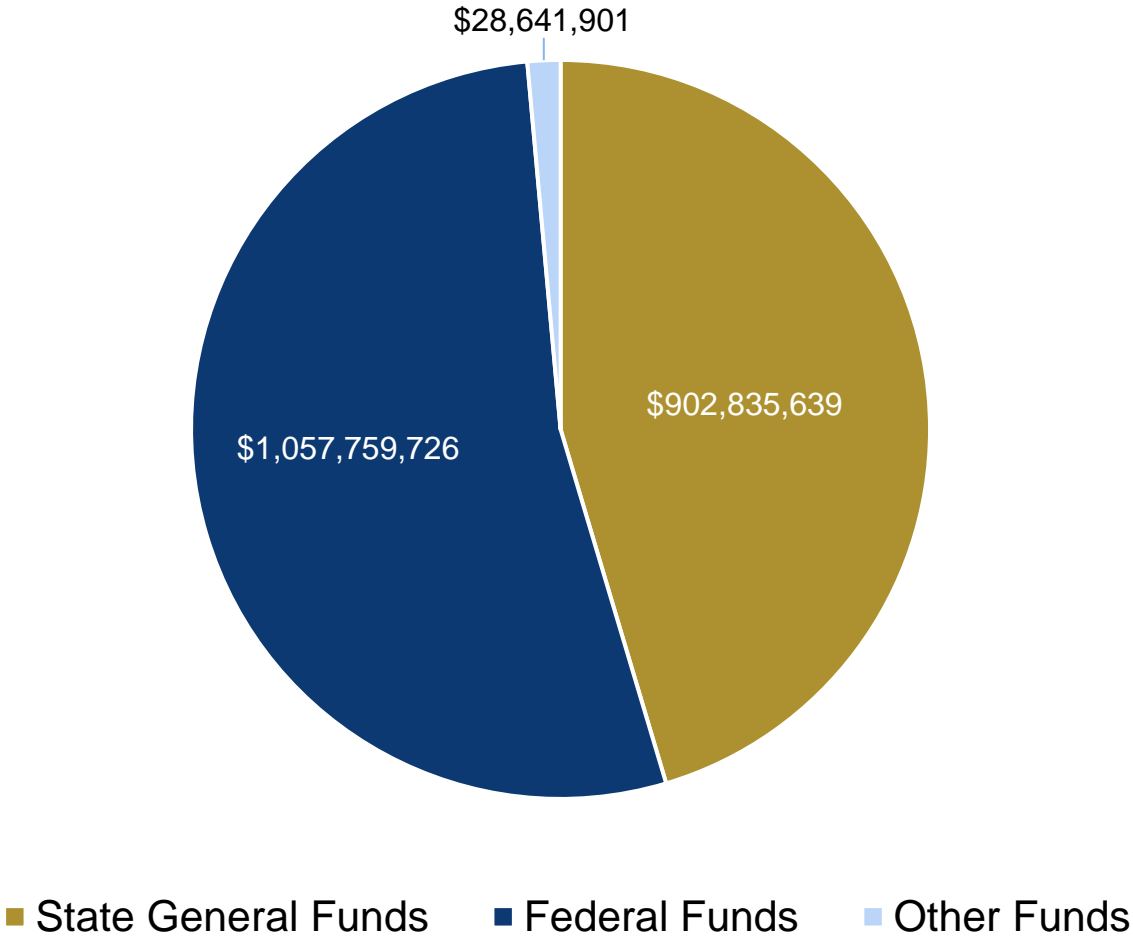
The amended budget request brings the FY 2022 budget for the agency to **\$851 million**, up from \$817 million.

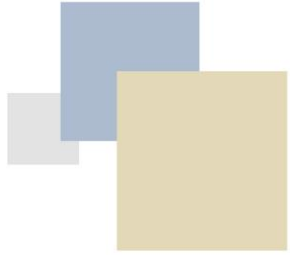
If approved, the governor's budget request would raise it slightly more to **\$903 million** in FY 2023.





DEPARTMENT OF HUMAN SERVICES: FY 2023





DEPARTMENT OF HUMAN SERVICES: FY 2023

FY 2023

+ \$86 million

in state funds from FY 2022

+ \$73 million

in state funds from FY 2020

- **\$86 million** proposed in additional state funds for FY 2023 and include increases in:
 - **\$37.5 million** increase in pay for FT state employees over FY 2022
 - **\$14 million** increase in leave and retirement benefits over FY 2022
 - **\$27.8 million** to fund a 10% increase in the out-of-home care provider rate
 - **\$4.3 million** for capital improvements for the Vocational Rehabilitation program



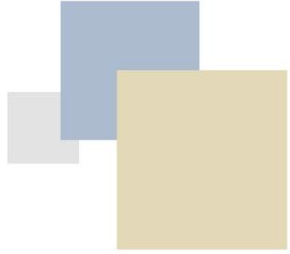
DEPARTMENT OF HUMAN SERVICES: FY 2023

- Other notable increases in the proposed funding for FY 2023:
 - Child Welfare Services
 - **\$1.5 million** for a pilot to support children who are in, or are at risk of entering, foster care
 - **\$1 million** for programs for autism respite care to provide short-term help for caregivers in caring for a child with unique needs
 - **\$452,000** for a pilot to diagnose children for autism and provide appropriate services
 - Out-of-home care/Foster Care
 - Utilize \$6,700,000 in *existing funds* to improve the continuum of care including preventative and therapeutic services
 - **\$378,000** for Out-of-Home Care to reflect an adjustment in the FMAP
 - Adoption Services: **\$646,000** to reflect an adjustment in the FMAP



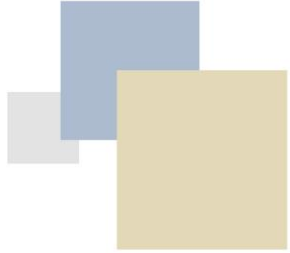
WHAT DO THESE PROPOSED CHANGES MEAN?

- Pay increase would boost modest salaries of Human Service and other state workers who are disproportionately Black
- If DHS staffing levels aren't restored to previous years, there could be:
 - Fewer-than-needed caseworkers to investigate child abuse
 - Longer processing times for those applying for benefits
 - People of color who are more likely to experience hardship and poverty may be impacted the worst
- 10% increase in provider rates for out-of-home care is a step in the right direction to recruit and retain foster care parents
- Preventative measures in child welfare and foster care could keep children with their families

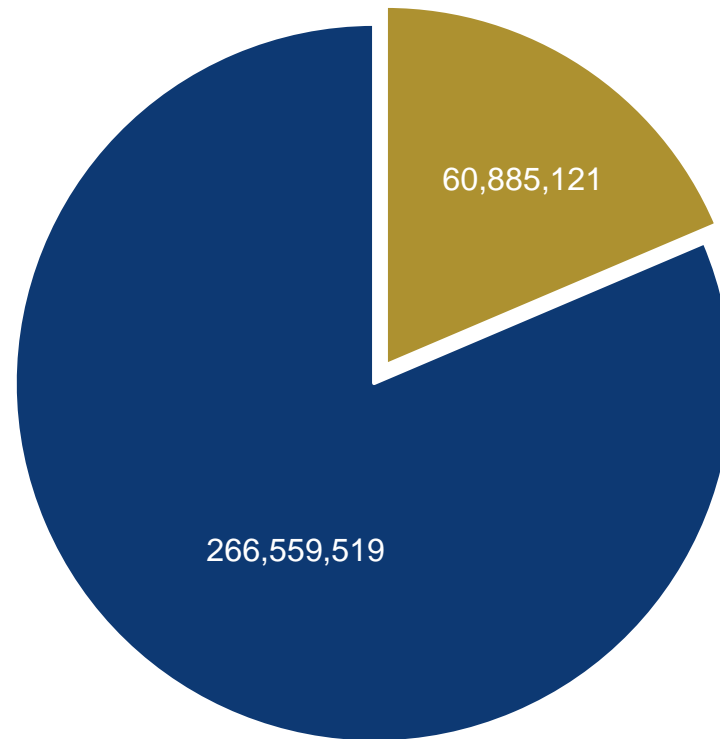


DEPARTMENT OF EARLY CARE AND LEARNING: *CHILD CARE SERVICES* FY 2023

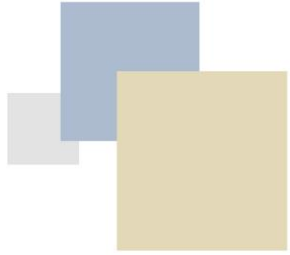
- The amended budget request for AFY 2022 for Child Care Services is **\$58 million**, about where it was for FY 2022.
- If approved, the governor's proposal would raise the budget for Child Care Services to **\$61 million** in FY 2023.



IN THE GOVERNOR'S BUDGET, MOST OF THE CHILD CARE FUNDING IS FEDERAL FUNDING



■ State Funds ■ Federal Funds



DEPARTMENT OF EARLY CARE AND LEARNING: *CHILD CARE SERVICES*

FY 2023

+ \$3.2 million

in state funds from FY 2022

- \$956 thousand

in state funds from FY 2020

- **\$3.2 million** increase in state funds for Child Care Services
 - Most of the \$3.2 million will go towards meeting the state match for the Child Care and Development Fund
 - **\$9,301** increase in pay for FT state employees over FY 2022



WHAT DO THESE PROPOSED CHANGES MEAN?

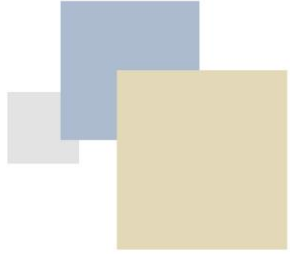
- Increased state funds for child care can support DECAL's temporary expansion of CAPS and stabilization effort for providers, but more funding is needed for all eligible children to receive child care subsidies.
- Pay increases in governor's budget would increase the wages of pre-K teachers, but not child care workers who may work in the same center, potentially widening the wage gap. More than half of child care workers are women of color.



Health

David Schaefer





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 2023

+\$513 million

in state funds from FY 2022

+\$1 billion from FY
2020 (pre-pandemic budget)

- \$180 million to enhance health care benefit for teachers, state employees (AFY 2022, one-time savings transfer from Aged, Blind and Disabled program)
- \$7.6 million in COLA for FT employees
- \$150 million state funds increase due to loss of enhanced FMAP during COVID-19 Public Health Emergency (6.20%-Families First COVID-19 relief legislation, March 2020)(PHE extended until 4/16/22)
- \$86 million and \$2.3 million state funds increase because the federal matching rate dropped from 66.85% to 66.02% (Medicaid) and 76.80% to 76.21% (PeachCare)
- \$39 million for express lane enrollment (HB 163)
- \$28 million to extend postpartum coverage from 6 to 12 months (effective upon CMS approval)
- \$21 million for projected growth in Low-Income Medicaid, \$13 million for projected PeachCare growth, and an increase of \$17 million for projected growth in Aged, Blind and Disabled Medicaid
- \$2.5 million for 136 new primary care medicine residency slots

Health Care Waivers

Medicaid 1115 waiver

States that newly expand Medicaid receive an additional five percentage point increase in their regular federal Medicaid matching rate (FMAP) for two years, no matter when they newly expand; for Georgia, that's \$1.4-\$1.9 billion.

Governor's Patients First Act
Medicaid 1115 waiver
 (approved 10/15/20)

Enrollment would have begun July 1, 2021; has been delayed several times; new eligibility group includes people with income below the poverty line who meet the work requirements and pay premiums. Feds rejected work requirement.

Full Medicaid expansion is the best option for Georgia

State's proposed Medicaid waiver that includes work requirements



Estimated enrollment in Year 1

31,093

Cost per enrollee

\$2,420

State's proposed Medicaid waiver without work requirements



Estimated enrollment in Year 1

269,000

Cost per enrollee

\$2,420

Full Medicaid expansion



Estimated enrollment in Year 1

481,956

Cost per enrollee

\$496

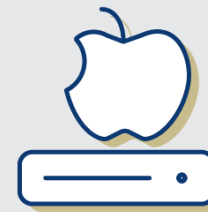
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The \$1.4 - \$1.9 Billion Georgia Would Receive for Fully Expanding Medicaid Could:

Fully pay for our share of the cost of expanding Medicaid (\$336 million for two years)



Fully fund education for the next two years (add \$400 million to the current education budget for each year)



Contribute to other state priorities, such as:

- Strengthening rural broadband
- Strengthening our public health system
- Expanding workforce development programs
- Enhancing public safety

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Health Care Waivers (cont'd)

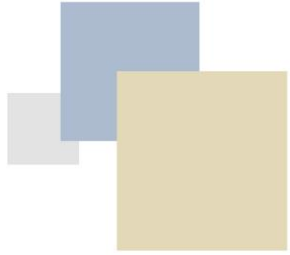
ACA 1332 innovation waiver

Governor's Patients First Act

Affordable Care Act (ACA) 1332 waiver originally approved 11/1/20

- Phase 1 - reinsurance program – begins for individual marketplace plans starting **January 1, 2022**. It was expected to cost \$104 million in first calendar year. \$49,000 allotted to DCH for AFY 2022 to implement state reinsurance program, \$124 million (FY 2023) allotted to the Commissioner of Insurance for the same purpose.

- Phase 2 (Georgia Access Model) would have begun **January 1, 2023**. Would have eliminated healthcare.gov and required enrollment directly through brokers and insurance companies, likely to be rejected by feds after the public comment period (ended 1/9) due to apparent violation of statutory guardrails. (FY 2023, \$16m [online portal] for state healthcare exchange thru Commissioner of Insurance; AFY 2022, \$8m for state healthcare exchange)



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 2023

+\$129 million

in state funds from FY 2022

+\$96.5 million

from FY 2020 (pre-pandemic budget)

- \$78 million increase for \$5,000 COLA for FT employees (\$35m in Adult Mental Health Services)
- As in FY 2022, 100 new slots for NOW and COMP Medicaid waivers that provide services for people with intellectual and developmental disabilities
- \$6.2 million to expand behavioral health and substance abuse crisis capacity



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 2023

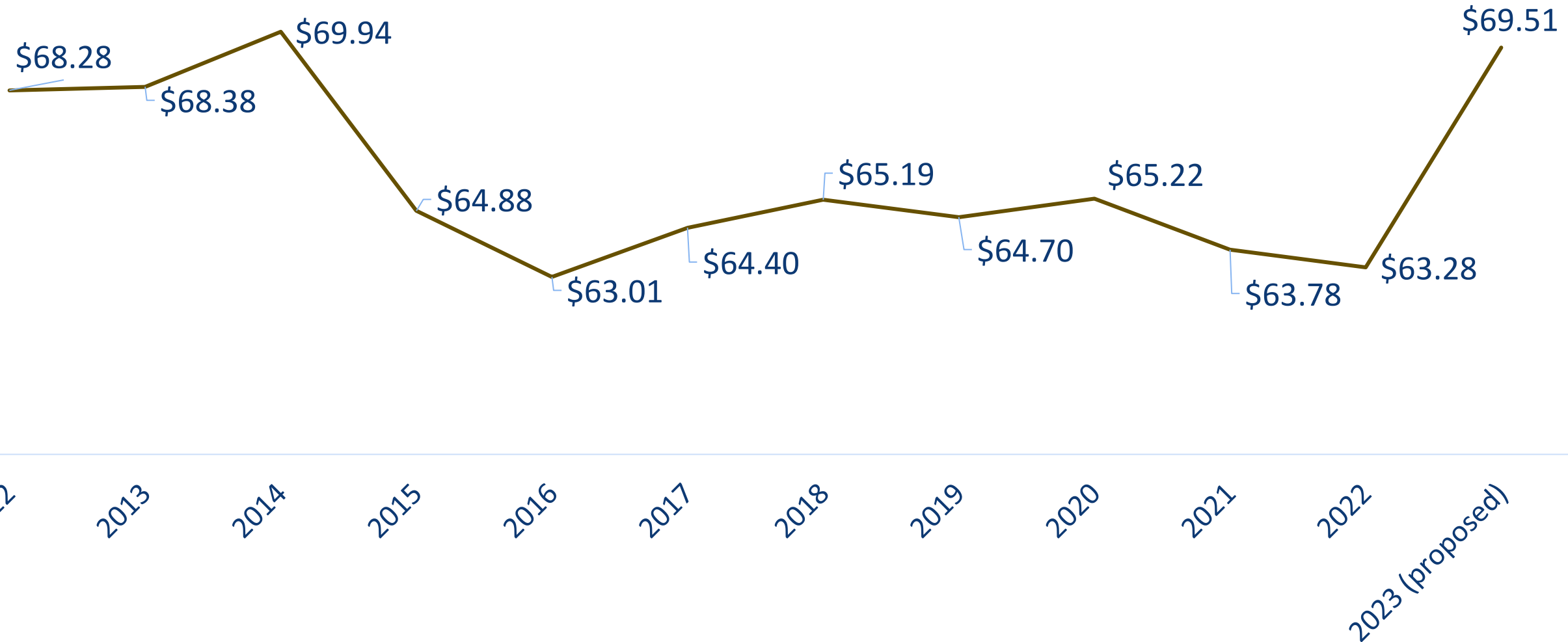
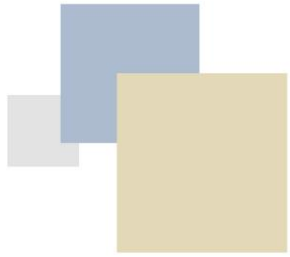
+\$76 million

in state funds from FY
2022

+\$58 million from
FY 2020

- \$40.5 million to \$5,000 COLA for employees (\$36.2m to county boards delivering local PH services)
- \$10.4 million to fully fund actuarial ERS employer contribution rate, COLA retiree adjustment (local county boards of health)

Total Public Health Spending Per-Person



Higher Education

Jennifer Lee





Board of Regents, University System of Georgia

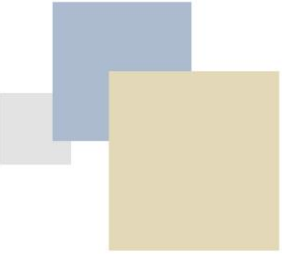
Teaching, operating costs for instruction at colleges and universities

FY 2023

+\$633 million

in state funds from
FY 2022

- \$219 million for cost-of-living adjustments
- \$230 million to remove Special Institutional Fee
- \$100 million for formula increase
- \$63 million for capital maintenance and repairs
- \$1.2 million for first year of five-year plan to expand capacity for nursing students
- \$614,000 for elementary education and teacher training programs at Valdosta, Savannah, Albany and Fort Valley State Universities



Board of Regents, University System of Georgia

Non-Teaching Programs

FY 2023

+\$17 million

in state funds from
FY 2022

- Includes Cooperative Extension Services, Public Libraries, etc.
- \$12 million for cost-of-living adjustments
- \$7 million to restore past cuts



Technical College System of Georgia

Technical Education, operating costs at technical colleges

FY 2023

+\$70 million

in state funds from
FY 2022

- \$25 million is cost-of-living adjustments
- \$33 million restores cuts and expands Allied Health, Commercial Truck Driving and Manufacturing programs
- \$22 million for major repairs and renovations
- \$5.2 million for Dual Achievement Pilot Program (SB 204)
- **\$23 million reduction in funding formula due to enrollment decline**



Technical College System of Georgia

Non-Technical Education Programs

FY 2023

+\$25 million

in state funds from FY
2022

- Includes Adult Education, Economic Development, Workforce Development, etc.
- Adult Education up \$3 million
 - \$1.2 million in cost-of-living adjustments
 - \$1.7 million to restore cuts



Georgia Student Finance Commission

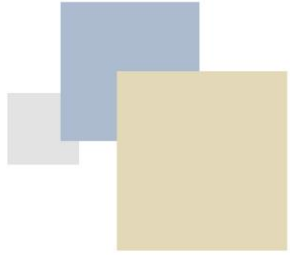
State-Funds Programs

FY 2023

+\$3 million

in state funds from
FY 2022

- \$3 million to meet projected need in Dual Enrollment (\$86 million)
- State-funded scholarships and loans flat (\$35 million)



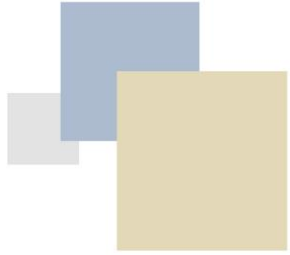
Lottery Funds

FY 2023

+\$100 million

in total lottery funds
from FY 2022

- Lottery funds FY 2023 budget = \$1.4 billion
- Last summer, \$1.54 billion in lottery proceeds reported
- Total lottery reserves = \$1.67 billion
 - \$619 million required in HOPE reserves
 - \$1 billion additional in unrestricted reserves



Lottery Funds

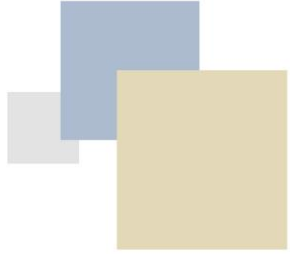
HOPE Programs

FY 2023

+\$80 million

in lottery funds for
HOPE from FY 2022

- HOPE Public - \$73 million
 - \$53 million to meet projected need
 - \$20 million to increase award to 90 percent tuition
- HOPE Grants - \$5.5 million
 - \$885,422 to add Criminal Justice and Law Enforcement to HOPE Career Grants
 - \$4.6 million to increase award to 90 percent tuition
- HOPE Private funding is flat
- HOPE GED - \$1.4 million to support high school equivalency exam costs for test-takers



Lottery Funds

Other Programs

- Low-Interest Loans/Student Access Loans flat (\$26 million)
- \$18 million more for Pre-Kindergarten
- Pre-K changes include teacher pay raise, cost-of-living adjustments for state employees and reduction in formula funds



K-12 Education

Stephen J. Owens, Ph.D.



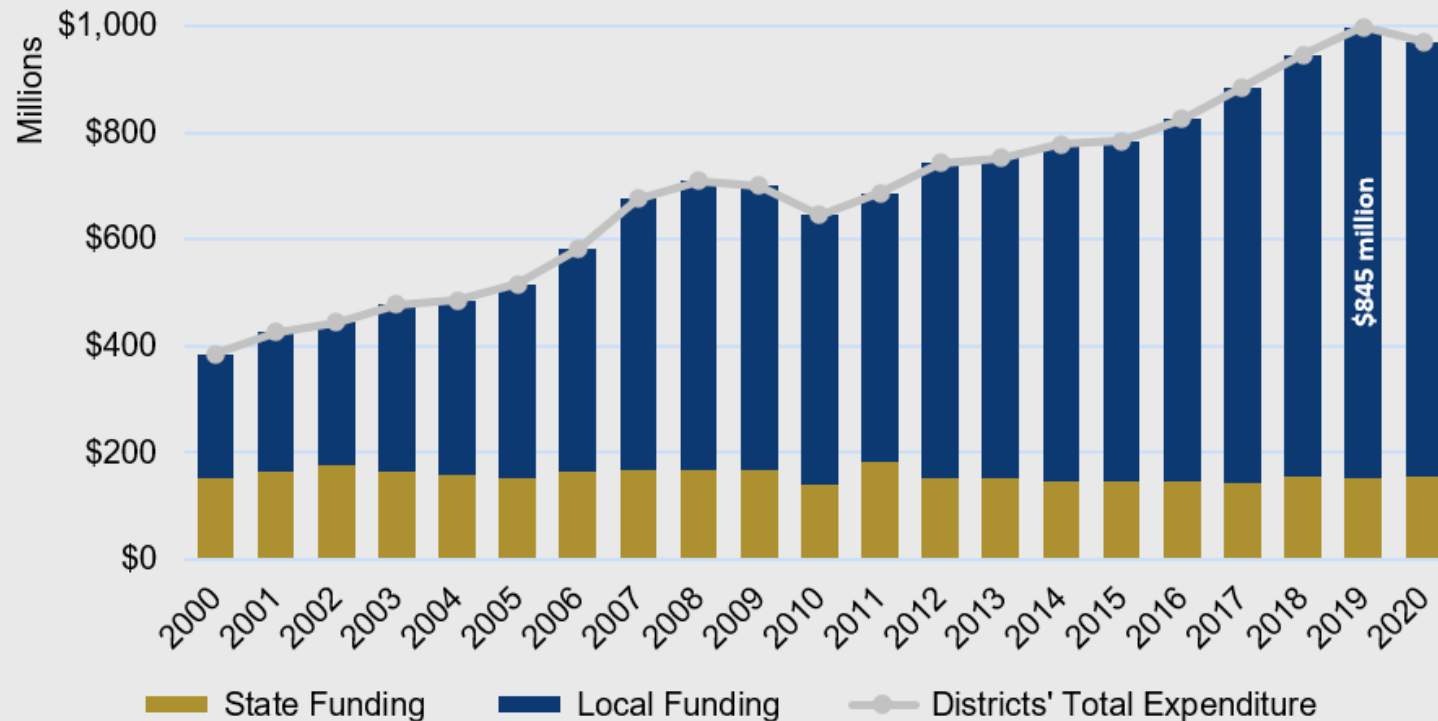


Department of Education FY23 Proposed Budget

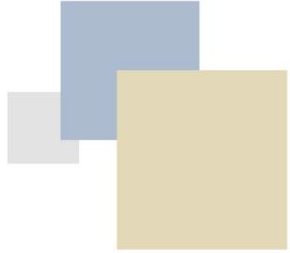
| | |
|-----------------|--|
| \$383 m | Restoration of FY22 and FY23 budget cut |
| \$287 m | \$2,000 teacher pay raise--takes effect 9/1/22 |
| -\$142 m | Local Five Mill Share |
| -\$164 m | Equalization |
| \$43 m | Student enrollment growth and T/E |
| \$6.3 m | Pupil transportation 5.4 percent raises |

Growing Burden of Pupil Transportation

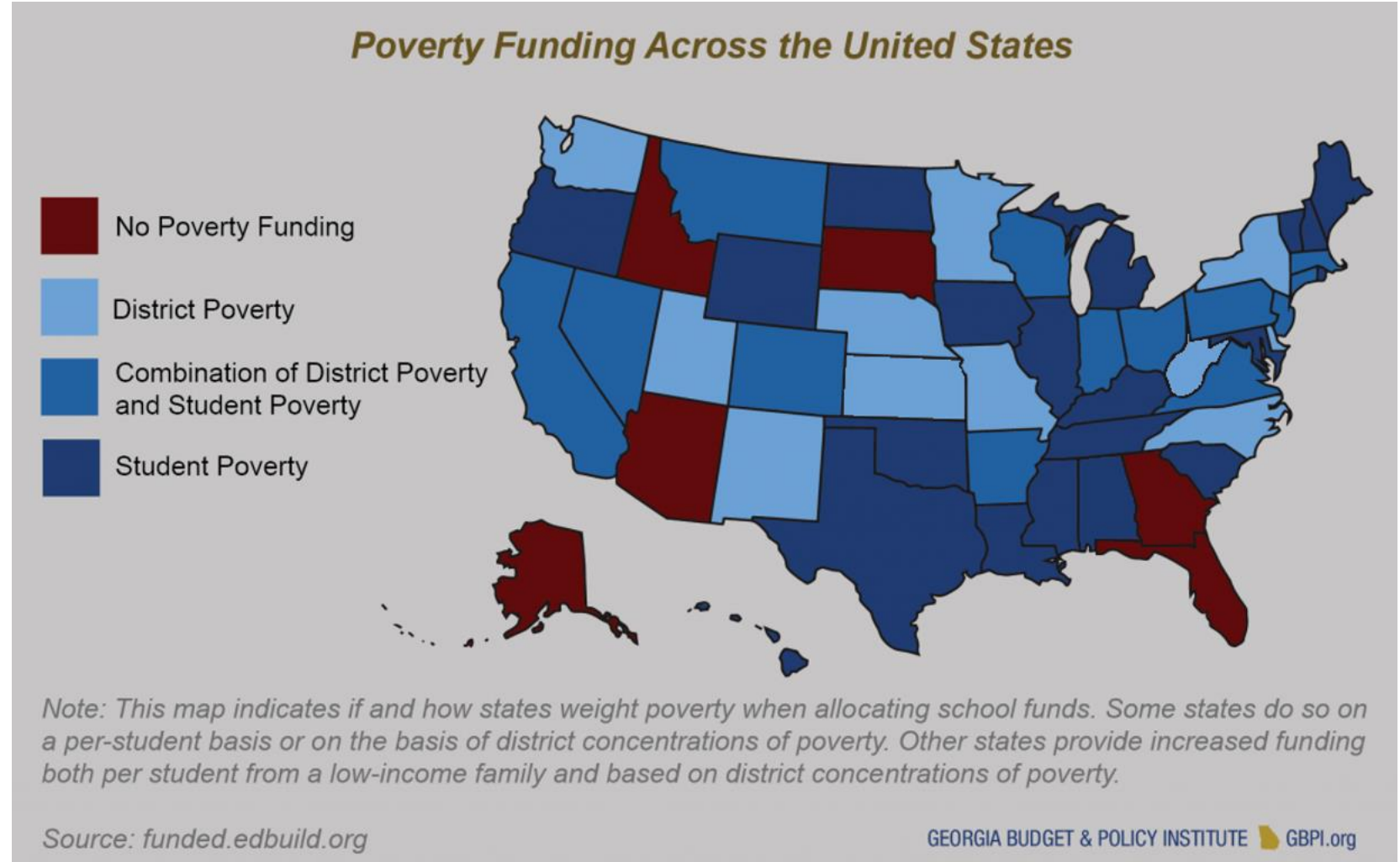
Stagnant State Funding Leaves Districts with Pupil Transportation Bill



Source: Georgia Department of Education. State mid-term allotment sheets FY 2000 – 2020; Georgia Budget and Policy Institute. District expenditure reports FY 2000 – 2020.

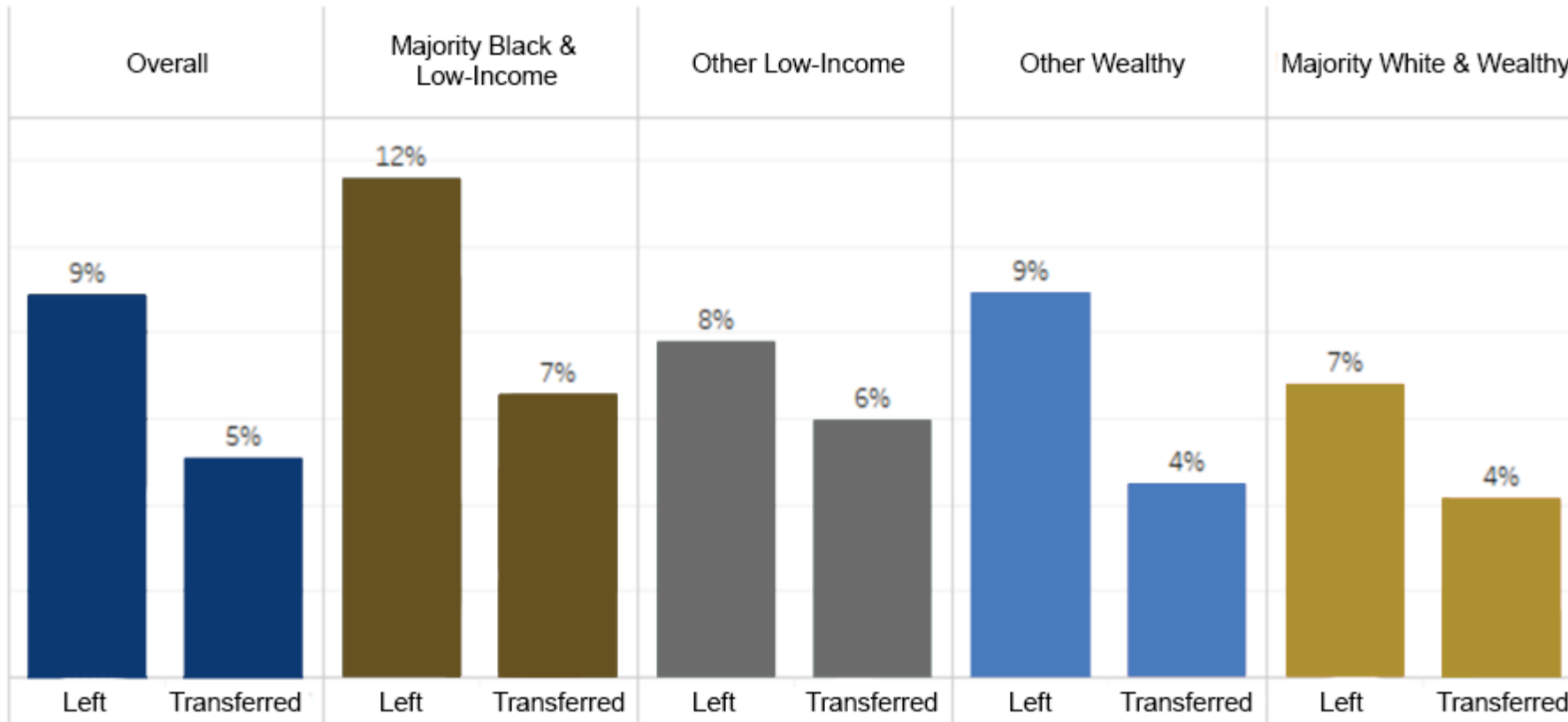


The Missing Piece: Specific Funding for Students Living in Poverty



Teacher Pay and Turnover

Teacher Turnover By District Type, 2017-18 to 2018-19



McKillip, M., & Farrie, D. (2019). *Invest in Georgia teachers: The need to attract and retain a high-quality workforce*. Education Law Center. <https://edlawcenter.org/research/invest-in-georgia-teachers.html#note9>



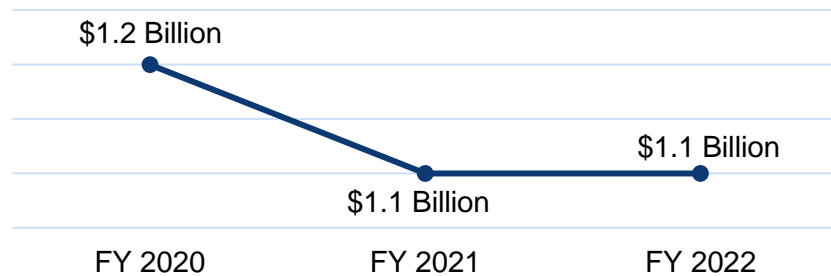
Criminal Legal Systems

Ray Khalfani



Georgia Department of Corrections

Total DOC Budget



The governor's FY 2023 budget request represents an increase from last year's GDC Budget, amounting to a **\$142 million increase** in funding.

Cost-of-Living adjustments for full-time eligible employees

\$55 Million

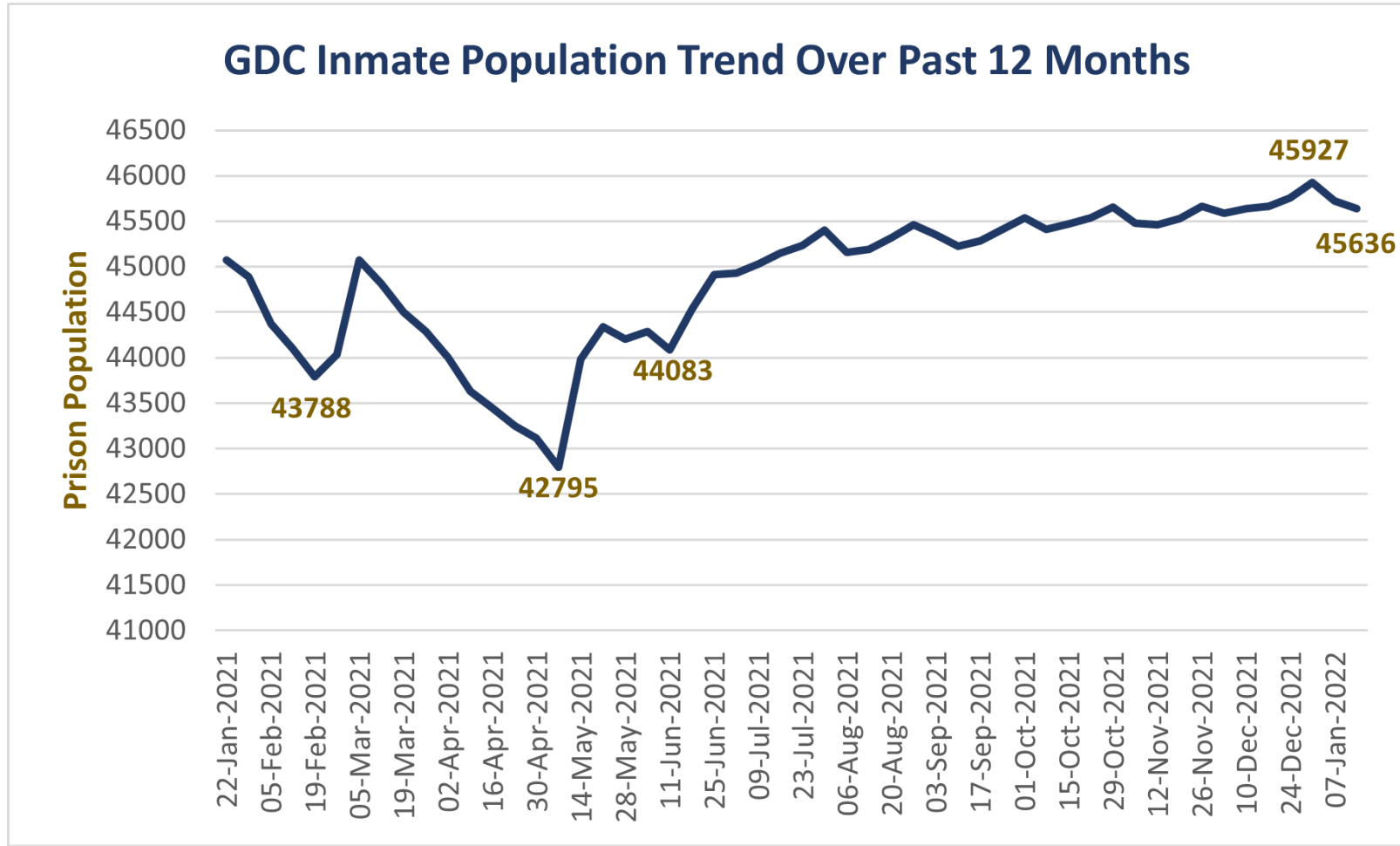
Maintains increase in commissary prices for people who are incarcerated

-\$5.9 Million

Increase to allow eligible employees to withdraw up 40 hours of earned annual leave

\$4.6 Million

Georgia Department of Corrections Population 2021-2022

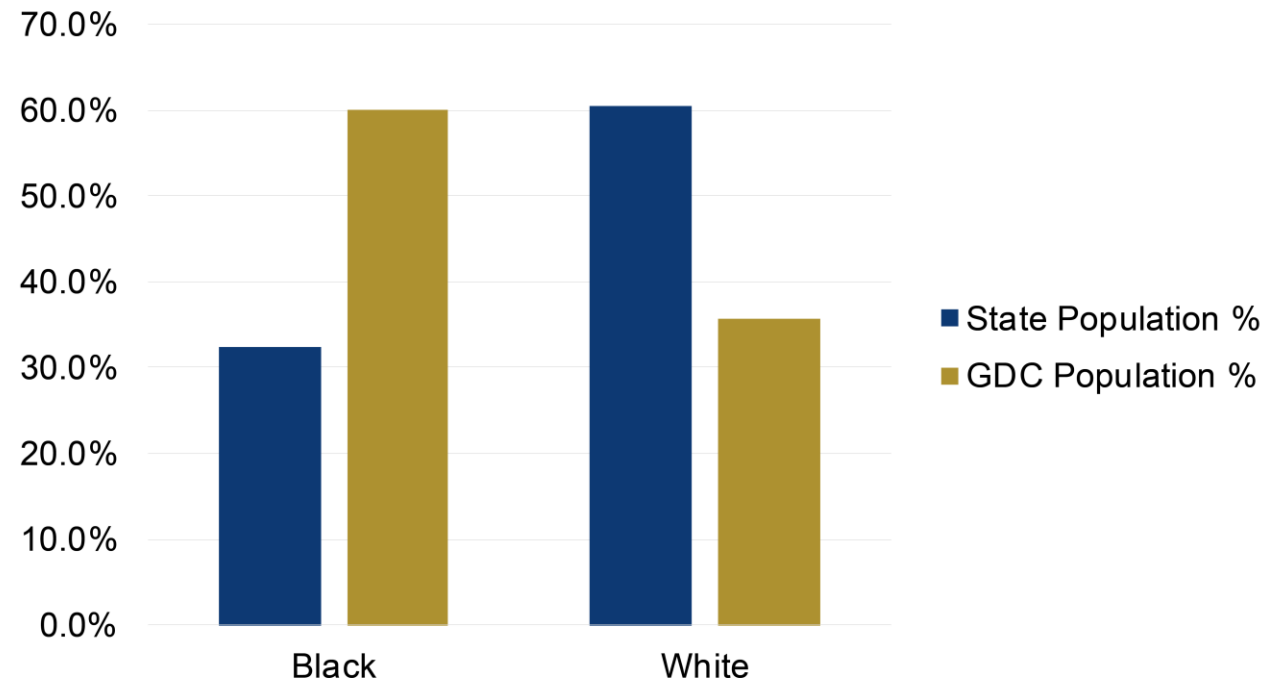


Source: Georgia Department of Corrections.

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



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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.
- Southern Center on Human Rights 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.