

**BUDGET HIGHLIGHTS
FY08A-FY09**



**SENATE BUDGET AND EVALUATION OFFICE
2008 SESSION**

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DIRECTOR'S NOTE

Welcome to our first annual Budget Highlights Report. This document is intended to help you answer constituent questions about the FY08 Amended and the FY09 General Budgets as well as to give you an overview of policy initiatives throughout the budget. The report also provides key facts and figures about different policy areas.

I'd like to extend a special thanks to Stephanie Thornton, our budget analyst who was the project manager for this report and to Jeff Goran who assisted her. Also, thanks to all of the SBEO staff who did the backup research for their issue areas.

We hope that you find this report of use, and we would appreciate feedback so that we can make future editions more targeted to your needs. Please feel free to e-mail us at senate.budget@senate.ga.gov or call at (404) 463-1970.

Sincerely,

Carolyn Bourdeaux

PRINCIPLES OF BUDGETING

For the 2008 Session, the Senate presented its principles of budgeting to guide the Senate Appropriations Committee in developing the FY08A and FY09 appropriations bills and future appropriations bills.

- Adhere to a sound long term fiscal policy that will leave the State with a strong financial foundation for future generations.
- Limit budget growth based on current economic climate and key growth percentages.
- Establish policy priorities through program budgeting.
- Conduct evaluations and zero base budget analysis of programs to ensure programs are efficiently and effectively meeting state needs and objectives.
- Reflect all revenue sources to create transparency and show the full funding needs of a program.
- Fund a full year fiscal plan to allow all major policy priorities to compete against one another during consideration of the general budget.
- Limit mid-year adjustments to critical, constitutional, or emergency priorities.
- Evaluate local projects/bond projects for state-wide application, regional impact, inclusion on agency priority lists, and importance to Senate district.

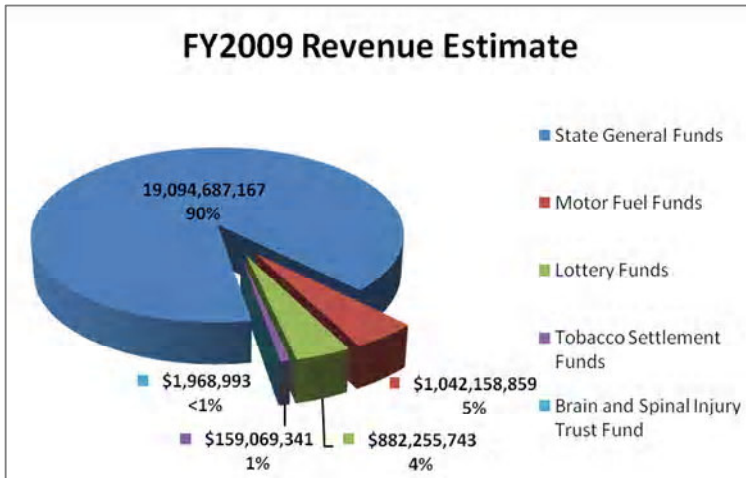
BUDGET HIGHLIGHTS FY08A-FY09

INTRODUCTION

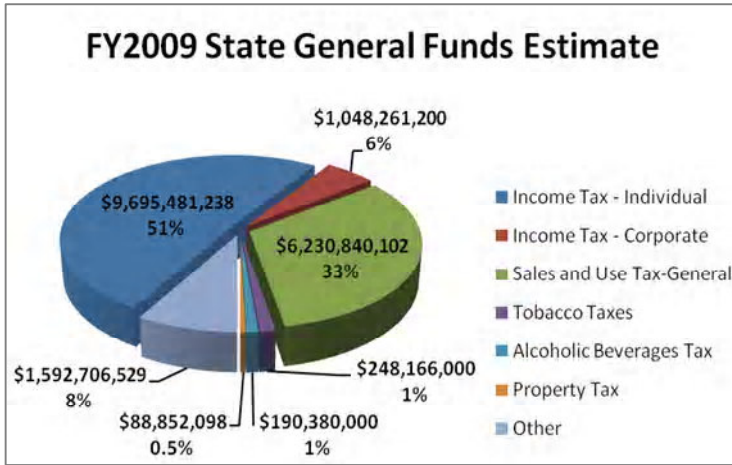
The Georgia Constitution requires a balanced budget for all appropriation acts. Appropriation acts must be balanced to the official revenue estimate for the respective fiscal year as set forth by the Governor in his annual budget report.

REVENUES

- State funds include all funds collected by the Treasury, including State General Funds, Motor Fuel Taxes, Lottery Proceeds, Tobacco Settlement Funds, and Brain and Spinal Injury Trust Funds.
- During the 2008 session, the Governor reduced his original revenue estimate for the FY09 budget by \$245 million to \$21.18 billion, citing a slowing growth rate.



- Despite the adjusted revenue estimate, revenues are still projected to exceed the FY08 revenue estimate by 3% or \$635 million.
- FY09 State General Fund revenues comprise 90% of the total projected state fund revenues, totaling almost \$19.1 billion.



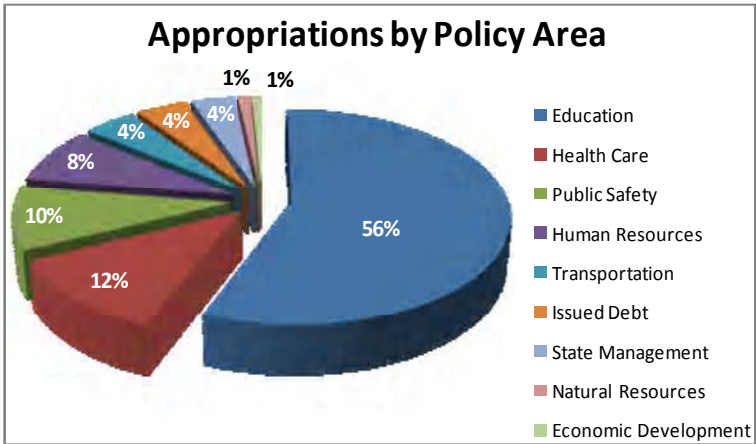
APPROPRIATIONS

- HB990, the FY09 appropriations act, budgeted \$21.16 billion in state funds.
- When combined with state funds, federal and agency funds bring the total budget for the state to \$37.4 billion.
- Receipts from the federal government are expected to amount to \$11.58 billion. Federal reimbursements of the

(NOTE: The Governor vetoed \$14.2 million in the final version of HB990, lowering appropriations to \$21.16 million. Vetoed funds will go to the state’s reserve.)

state run Medicaid program are the largest source of federal funds at \$5.8 billion.

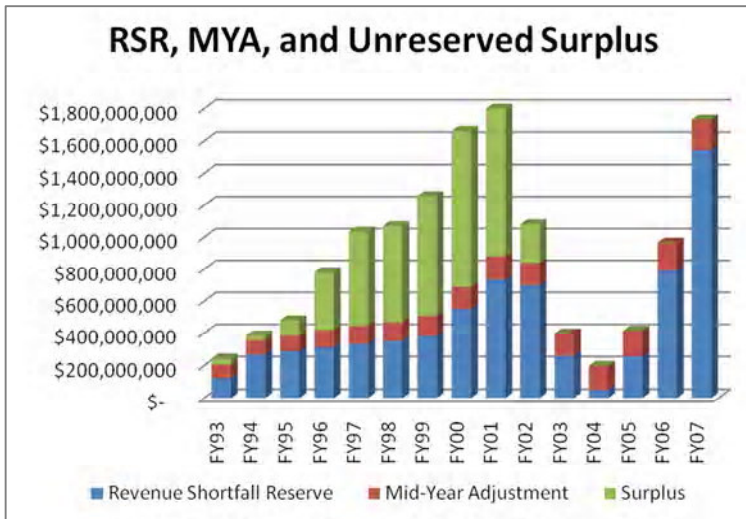
- Receipts from agency generated fund sources are expected to bring in \$4.7 billion. Tuition and fees paid by students to state schools are the largest source of agency generated funds at \$1.1 billion.



Policy Area	Appropriations	% of Total
Education	\$ 11,857,914,269	56.02%
Health Care	\$ 2,514,352,293	11.88%
Public Safety	\$ 2,027,253,500	9.58%
Human Resources	\$ 1,753,087,489	8.28%
Transportation	\$ 945,719,744	4.47%
Issued Debt	\$ 903,133,634	4.27%
State Management	\$ 780,125,399	3.69%
Natural Resources	\$ 225,029,141	1.06%
Economic Development	\$ 159,267,047	0.75%
Total	\$ 21,165,882,516	100.0%

REVENUE SHORTFALL RESERVE

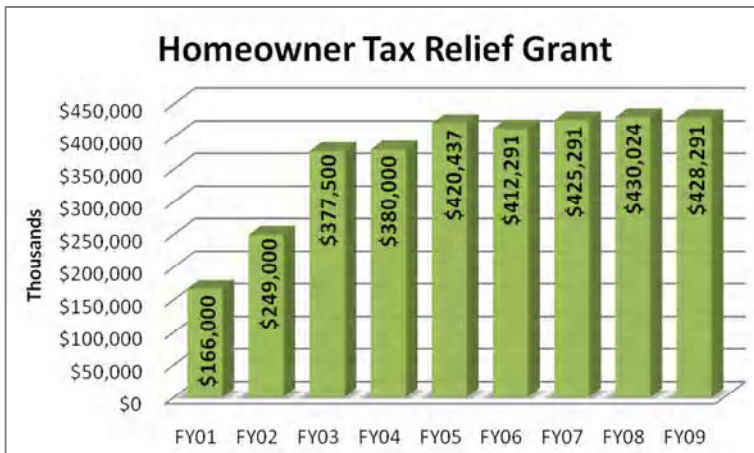
- The Revenue Shortfall Reserve (RSR) code section was changed in 2005. The new law requires a RSR of 4% of prior year net revenues, but allows the reserve to accumulate up to 10% of prior year revenues. The Governor may release the funds over 4% for appropriation; however, the remaining 4% can only be accessed if the law is changed or if final revenue collections are not sufficient to meet the expenditure needs for that fiscal year.
- The General Assembly is authorized to appropriate up to 1% of the prior year’s net revenues for K-12 needs not included in the general budget. This is the “mid-year adjustment” (MYA) included in the amended appropriations act.



- Following the economic downturn from 2002 to 2004, the state has rebuilt the revenue shortfall reserve to its highest level to date. In 2008, after the midyear adjustment, there is \$1.54 billion or 8.14% in the RSR. This would fund approximately one month of operations.

HOMEOWNER TAX RELIEF GRANT

- The Homeowner Tax Relief Grant provides for a reduction in the assessed value of a home. The amount of reduction is set by the legislature in the appropriations bill. This year, and for the past few years, the reduction has been \$8,000.
- Counties and cities multiply their millage rate by the exemption amount to determine the credit due for eligible homeowners. Local governments submit claims to the Department of Revenue for reimbursement of the aggregate amount of all credits.



- Homeowners see this money as a credit on their property tax bill along with the statutorily required notice, "This reduction in your bill is the result of homeowner tax relief enacted by the Governor and the General Assembly of the State of Georgia."
- For FY09, the legislature appropriated \$428,290,501 for the Homeowner Tax Relief Grant.

ECONOMIC DEVELOPMENT

Since 2005, Georgia's economic growth has outpaced national economic growth. In 2007, Georgia's adjusted Gross State Product (GSP) grew by 2.6% while the national adjusted Gross Domestic Product (GDP) grew by only 1.9%.

Georgia's economy is projected to grow at a slower 2.4% in 2008, but is expected to continue to exceed national growth rates.¹

- Forbes named Atlanta the 4th best city in America for jobs in 2008 due to its low unemployment and cost of living and high job and income growth compared to other large cities nationwide.

INDUSTRY

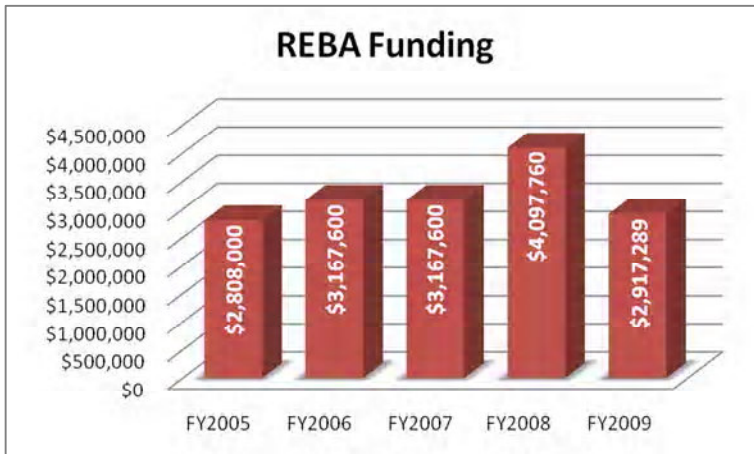
- The Department of Economic Development (DECD) and the Department of Community Affairs (DCA) offer several financing programs aimed at encouraging new and growing businesses to choose to locate in Georgia.
- One of the primary financial programs offered by the state is the Regional Economic Business Assistance (REBA) program, a financial incentive program intended to help Georgia "close the deal" with companies choosing between relocating to or expanding in Georgia and another state or country. For

¹ The Selig Center for Economic Growth, Terry College of Business, The University of Georgia

example, in FY08, Kia Motors received REBA funds as an incentive to locate its automotive plant in LaGrange.

- REBA funds may be used to finance company fixed-asset capital needs.
- The OneGeorgia Authority also offers financial assistance to grow business and industry in rural Georgia through an annual appropriation of tobacco settlement funds.
- For FY09, the OneGeorgia Authority will receive \$47,123,333 in tobacco settlement funds for rural economic development programs, including the Economic Development, Growth, and Expansion (EDGE) Fund and Equity Fund.
 - The EDGE Fund is available for rural communities to supplement the REBA fund in attracting business when competing for business location and/or expansion with another community from outside the state.
 - The Equity Fund provides financial assistance to rural communities to help build the infrastructure necessary for economic development, a barrier for many small and rural communities in attracting businesses.
- The Board of Regents, in conjunction with the Georgia Research Alliance (GRA), offers support to new companies created through research efforts at Georgia universities. These funds are used to help commercialize new products and technologies for the marketplace.

- The FY09 budget expands the venture capital efforts of the Board of Regents and GRA by adding \$2.5 million to an existing \$5 million for venture capital projects to foster innovative businesses within the state.

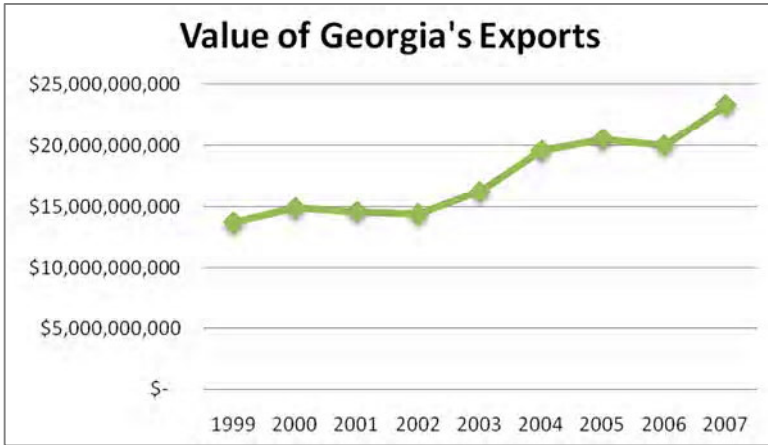


TRADE

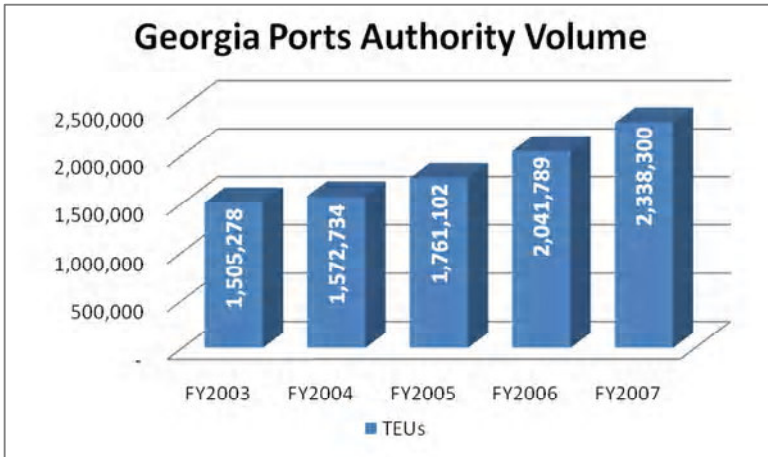
- The Georgia Department of Economic Development has 10 offices located across the globe, with the most recent office opening in China, the world’s third largest importer of Georgia products behind Canada and Mexico.²
- Georgia’s international exports have experienced significant growth. Georgia’s exports have grown by more than 56% since 2000, exceeding \$23.3 billion in 2007.

² U.S. Department of Commerce – TradeStats Express

- The General Assembly appropriated \$1 million in the FY08 amended budget for international business outreach to expand initiatives to market Georgia and its products internationally.



U.S. Department of Commerce – TradeStats Express



Georgia Ports Authority

- Georgia has grown rapidly as a center for trade. Since 2003, the Georgia Ports Authority has experienced over 55% growth in the annual volume of twenty-foot equivalent units (TEUs) moved through Georgia's ports.

TOURISM

- According to DEcD, tourism annually generates approximately \$28 billion in tourism expenditures, which supports 217,000 jobs and contributes \$1.3 billion in state and local tax revenue.³
- The Georgia World Congress Center is a major host for conventions in the City of Atlanta with more than a million visitors annually.⁴ The Center sustained tornado damage in April of 2008 that caused portions of the Center to be closed to visitors.
- Recognizing the economic impact of a partially closed Georgia World Congress Center, the General Assembly appropriated \$14.8 million in bond funding to repair damage to both the Center and Centennial Olympic Park as well as to expand parking for visitors at the World Congress Center.

³ Georgia Tourism Foundation

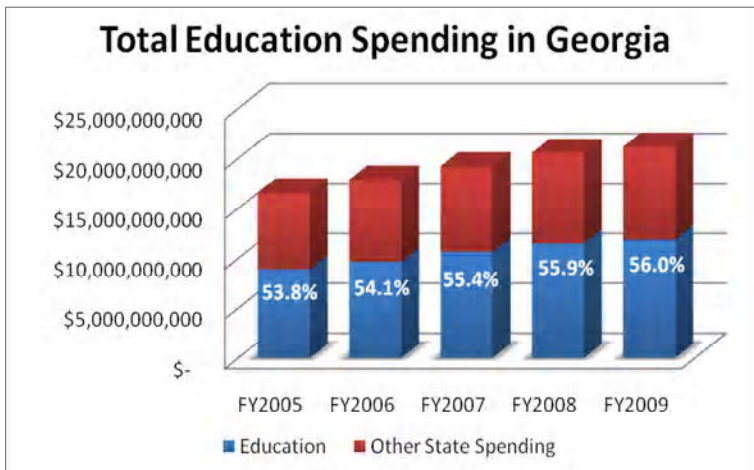
⁴ Georgia World Congress Center Authority

EDUCATION

Since 2000, Georgia has grown by more than 1.3 million new citizens.⁵ As Georgia’s population has increased, the state’s school systems have had to accommodate that growth at all levels, from pre-kindergarten programs through its colleges and universities.

Funding for education was a high priority in both the FY08 Amended Budget and General FY09 Budget.

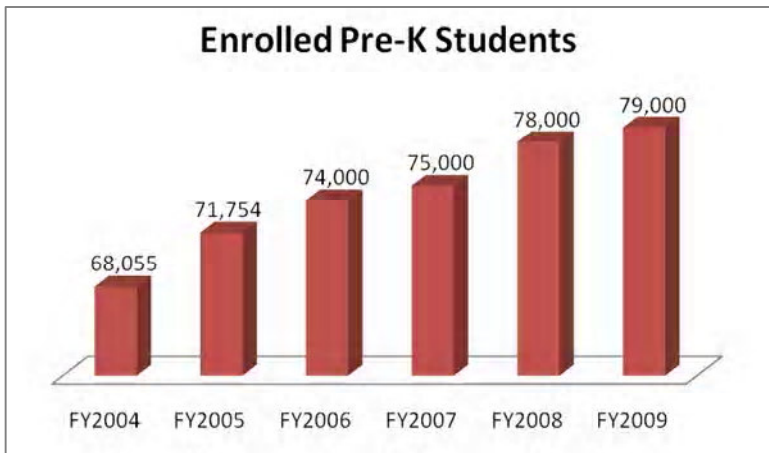
- Education, including Pre-K, K-12, and higher education, comprises over 56% of the state’s \$21.16 billion budget.
- The General Assembly appropriated over \$11.8 billion for all education agencies in FY09.



⁵ U.S. Census Bureau

PRE-KINDERGARTEN

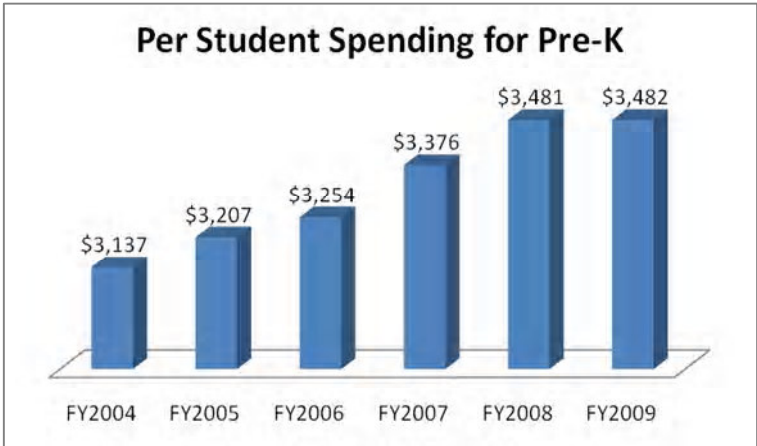
- Since 1992, over 788,000 four year olds have attended Georgia’s lottery funded Pre-K program.⁶
- Currently, there are 78,000 Pre-K slots available for approximately 55% of Georgia’s four-year-olds.



Governor’s Office of Planning and Budget

- The FY09 budget provides \$337 million for the Pre-K program, a 3.7% increase over FY08, including \$3,508,280 for 1,000 new Pre-K slots (to provide a total of 79,000 slots) and \$2,916,926 for training and experience pay for certified teachers.

⁶ Southern Regional Education Board

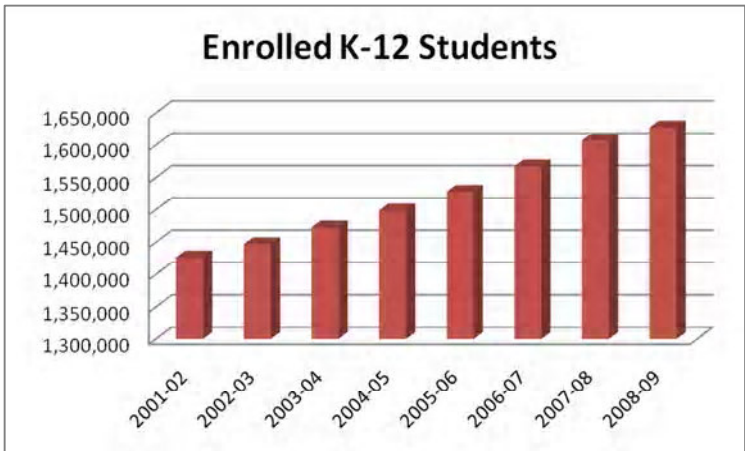


Governor's Office of Planning and Budget

K – 12 EDUCATION

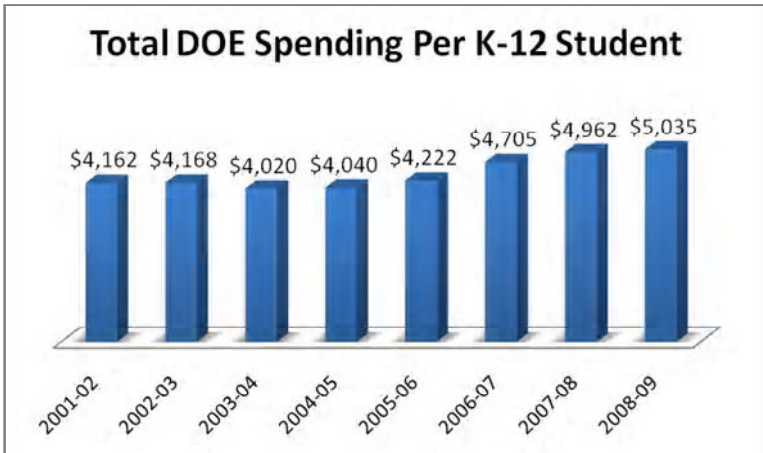
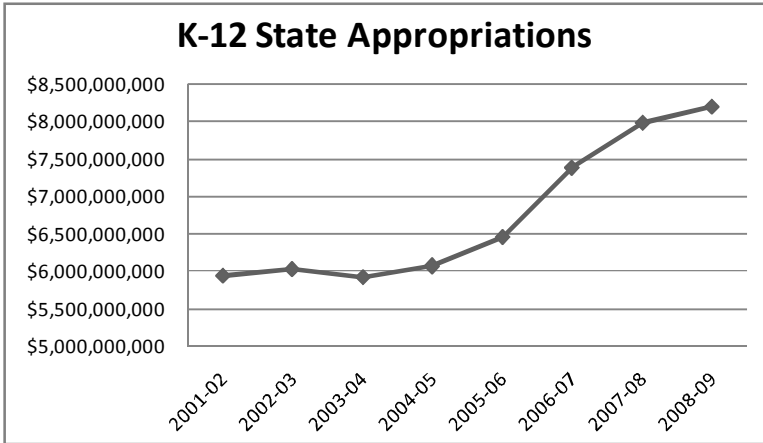
EDUCATION FUNDING

- Since 2001, Georgia's K-12 student population has grown by 14%, or 200,000 students.



Georgia Department of Education

- During the same period, appropriations to the Department of Education (DOE) for K-12 education have grown by 34%.



AUSTERITY REDUCTIONS

- Between FY02 and FY05, declining economic conditions forced the state to make across the board austerity reductions to state agencies in order to maintain a balanced budget. These reductions are included in DOE's Quality Basic Education (QBE) program funding formula.
- While the Department of Education's budget has grown in conjunction with student population since FY05, the austerity reductions in QBE have never been fully restored.
- The Governor's FY09 recommendation included a \$141 million dollar austerity reduction in QBE. The General Assembly appropriated \$50 million to reduce the cut to \$91 million. A breakdown by school district is available from the Senate Budget and Evaluation Office (SBEO).

EQUALIZATION FUNDING

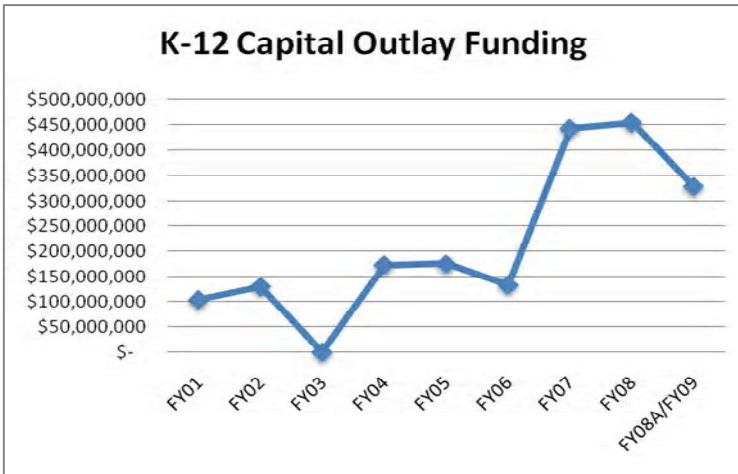
- In addition to the primary Quality Basic Education formula used to fund school systems statewide, approximately three out of four school systems also receive funding through the Equalization program.
- The Equalization program is designed to narrow the spending gap per pupil between school systems by reducing the disparity between the tax bases of Georgia's school systems.
- For FY09, the General Assembly appropriated \$110 million for Equalization (including pre-funding \$20 million in the

FY08 Amended Budget), making this a \$568 million program. In FY08, total funding for the program was \$458 million. A breakdown by school district is available from SBEO.

- The FY09 increase in Equalization was twice as large as the previous increase.
 - In FY08, the increase was \$31.5 million.
 - In FY07, the increase was \$55 million.

CAPITAL FUNDING

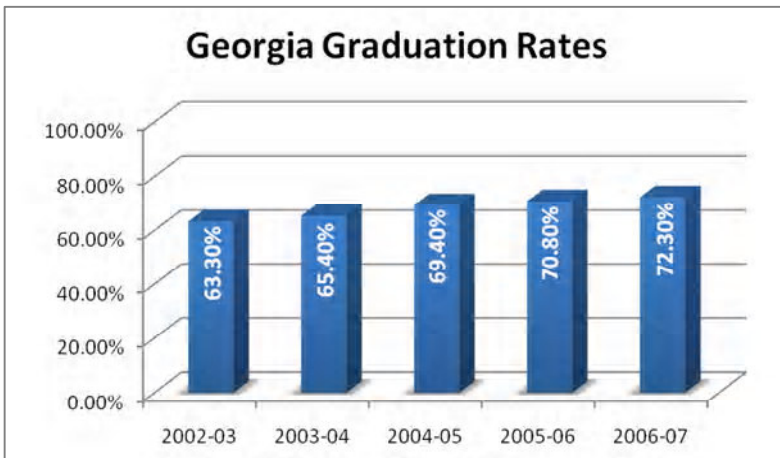
- The General Assembly appropriated more than \$315 million in bond funding in the FY08A and FY09 budgets for local school systems to construct new facilities and purchase equipment for schools.
- The FY08A budget expedites \$210,240,000 in capital funds for K-12 schools initially planned for the FY09 budget.



- The FY08A and FY09 budgets target school systems with the greatest need for capital funding assistance, specifically school systems facing exceptional growth or with low local tax bases. Of the \$315 million appropriated, over \$194 million was for these high need school systems.

GRADUATION RATES

- Georgia has historically lagged in graduation rates on a national scale. Improving Georgia’s graduation rates has been one of DOE’s highest priorities and is critical to meeting the requirements of No Child Left Behind.
- The FY09 budget provides an additional \$7.8 million for graduation coaches, bringing the total funding for this initiative to nearly \$53 million for the next academic year.



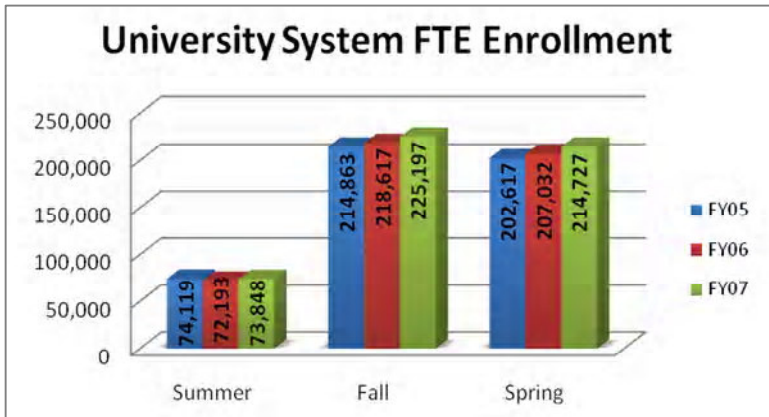
Governor’s Office of Student Achievement

- With the exception of high schools with a graduation rate of 95% or above, all middle schools and high schools are eligible to participate in the Graduation Coach program. Only 12 of 358 Georgia high schools exceeded the 95% graduation rate in FY07.⁷

HIGHER EDUCATION

MEETING GROWTH NEEDS

- In FY07, Georgia’s University System institutions’ enrollment grew by 3.2%, or approximately 16,000 full time equivalent students (FTE). This was more than twice the previous year’s growth rate.



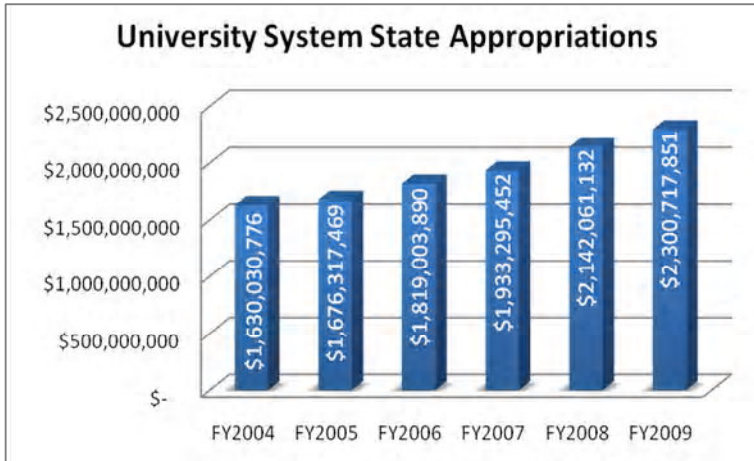
University System of Georgia

- By the year 2020, Georgia’s higher education institutions are poised to host an additional 100,000 students.⁸

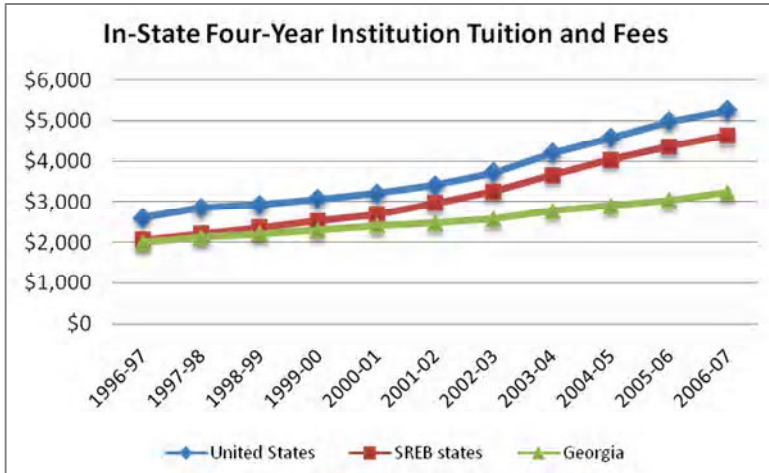
⁷ Governor’s Office of Student Achievement

⁸ University System of Georgia

- In order to meet the demands of a rapidly growing student body, the FY09 budget provides an additional \$114.7 million for resident instruction through the Board of Regents funding formula. A breakdown of the formula allocation by University System institution is available from SBEO.

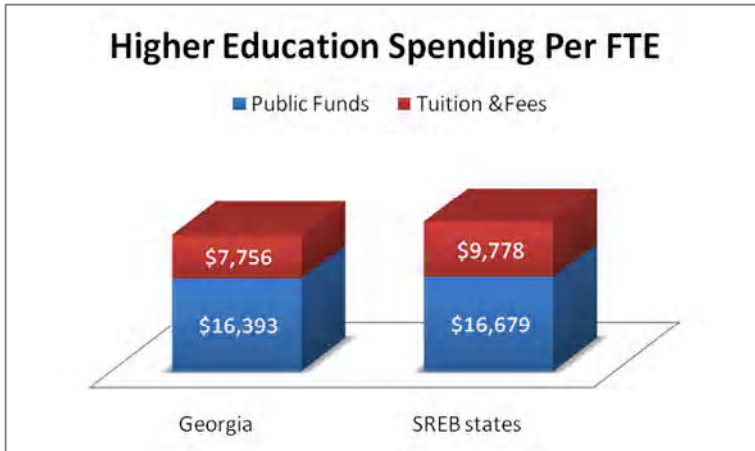


- State appropriations to the University System budget are intended to provide 75% of the cost of student education. The remaining 25% is expected to come from student tuition and fees.
- While tuition and fees for Georgia’s public four year institutions has grown each year, the cost of a four year education in the state remains below the median costs for the southeast and nationwide.



Southern Regional Education Board

- For all higher education institutions, four-year, two-year, and technical, Georgia’s state appropriations per student are on par with other southeastern states.

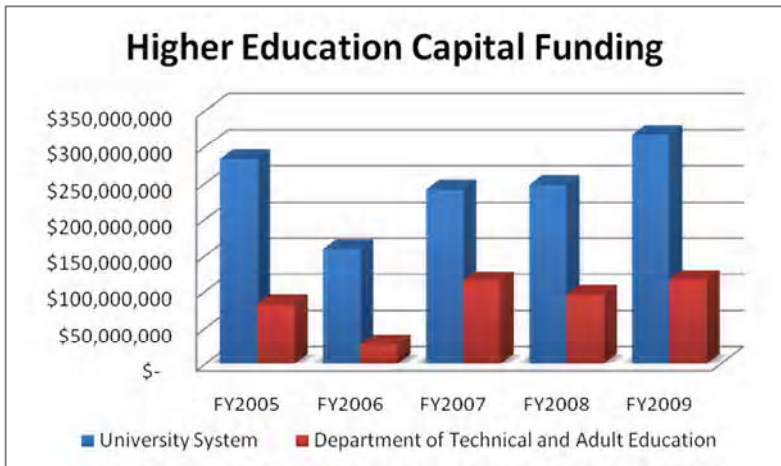


Southern Regional Education Board

- In addition to funding growth at existing institutions, the FY09 budget provides an additional \$6.5 million in state funds to grow Georgia Gwinnett College (GGC), now in its second year of operation.
- GGC is the first new University System institution to open since Waycross College in 1976. It is the first four-year public institution to open in Georgia in over a hundred years and nationally in the 21st century.⁹

IMPROVING FACILITIES

- For FY09, University System institutions expect to open an additional 1.8 million square feet of residential instruction space.

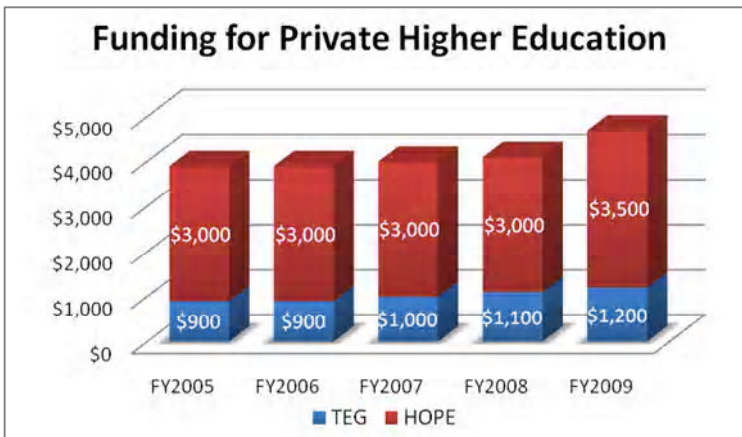


⁹ University System of Georgia and Georgia Gwinnett College

- The FY09 budget includes over \$316 million for capital projects for the University System and \$116 million for the Department of Technical and Adult Education (DTAE).
- These funds will be used for major maintenance and repairs, construction projects, and equipment at higher education institutions across the state.

FINANCING HIGHER EDUCATION

- In addition to increasing funds to meet enrollment growth at public institutions, the General Assembly also appropriated additional funding to encourage students to take advantage of private higher education opportunities.
- The FY09 budget increases the individual award for HOPE-Private Scholarships from \$3,000 to \$3,500, the first increase in this award since 1996.



Georgia Student Finance Commission

- In addition to the HOPE-Private Scholarship increase, the General Assembly also increased the award for Tuition Equalization Grants (TEG) from \$1,100 to \$1,200, making a total of up to \$4,700 available per student attending private higher education institutions within Georgia.

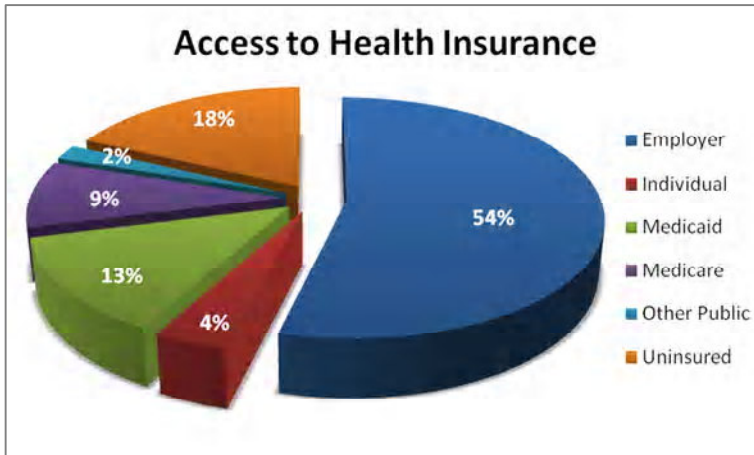
PARTNERING WITH K-12 EDUCATION

- The FY09 budget continues and expands on funding initiated in FY08 to establish career academies across the state.
- Career academies are a partnership between the Georgia Department of Education and DTAE that enables high school students to gain career relevant training and experience while still in high school.
- For FY09, the General Assembly appropriated an additional \$500,000 in state funds and \$15 million in bond funds to provide start-up grants for staffing and facilities expenses for career academies. This increase makes a total of \$2 million available in cash for career academies in FY09.
- Six new career academies received start-up grant awards in FY08:
 - Hapeville Charter Career Academy
 - The Golden Isles Career Academy
 - Floyd County Schools College and Career Academy
 - Effingham Career Academy
 - Thomas County P.R.E.P. Academy
 - Walton Career Academy

HEALTH CARE

As one of the fastest growing states in the nation, Georgia has faced increased demands on its health care system with more Georgians needing access to health care. In 2006, 1.6 million, or nearly 1 in 5, Georgians were without health insurance coverage. Twenty percent of those uninsured citizens were children.¹⁰

The FY09 budget takes additional steps to provide Georgia's citizens with access to health care.



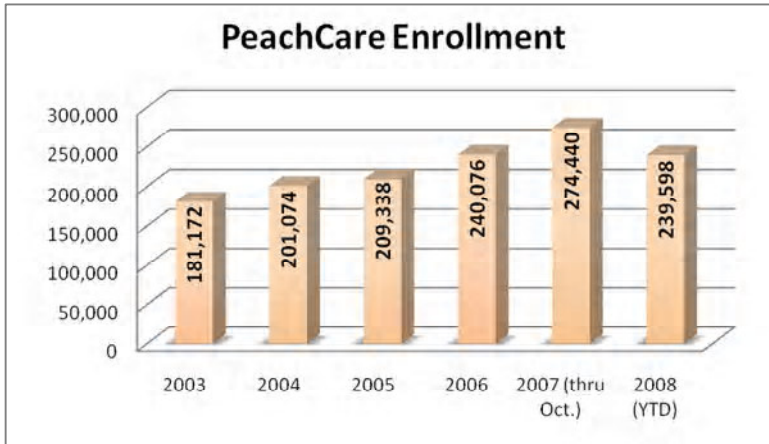
The Henry J. Kaiser Family Foundation

PEACHCARE FOR KIDS

- The largest program aimed at increasing the number of Georgia's children with health insurance is the PeachCare for Kids program.

¹⁰ The Henry J. Kaiser Family Foundation, statehealthfacts.org

- PeachCare for Kids is available to any child under 18 who is a U.S. citizen and Georgia resident and whose family's income is less than 235% of the federal poverty level (about \$42,000 for a family of four).
- In FY08, PeachCare faced a shortfall of \$157.6 million. This shortfall was primarily due to the fact that as the program's enrollment experienced significant increases over the years, the federal funding formula was never adjusted to account for such growth.



Department of Community Health

- To prevent children from being cut from PeachCare in FY08 and FY09, the federal government made available one-time additional funds through an extension of the State Children's Health Insurance Program (SCHIP).

- In order to draw down these funds, the General Assembly provided additional matching funds of \$16 million in the FY08A budget and \$17 million in the FY09 budget.
- PeachCare is fully funded at \$341 million in the FY09 budget. This includes \$98.7 million in state funds and \$243 million in federal SCHIP funds.

UNDERSERVED AREAS

- In addition to providing health coverage for Georgia's children, the General Assembly also took steps to address health care needs for traditionally underserved citizens residing in rural areas.
- The FY09 budget includes \$9.2 million for the development of innovative rural healthcare systems.
- The General Assembly also appropriated \$3 million for community health centers to expand services offered at existing community health centers and add four new community health centers.

FUNDING HEALTHCARE PROVIDERS

- In FY09, the General Assembly took steps to increase the reimbursements to healthcare providers in Georgia for the services they provide.

- Provider rates had not been updated since 2002-03, creating a hardship on some physicians who have provided medical care for patients at rates below their costs.
- The FY09 budget includes over \$17.4 million in new state funds to update and increase provider rates for a wide variety of different medical services and specialties. These state funds will leverage an additional \$33.7 million in federal funds through the Medicaid and SCHIP programs.

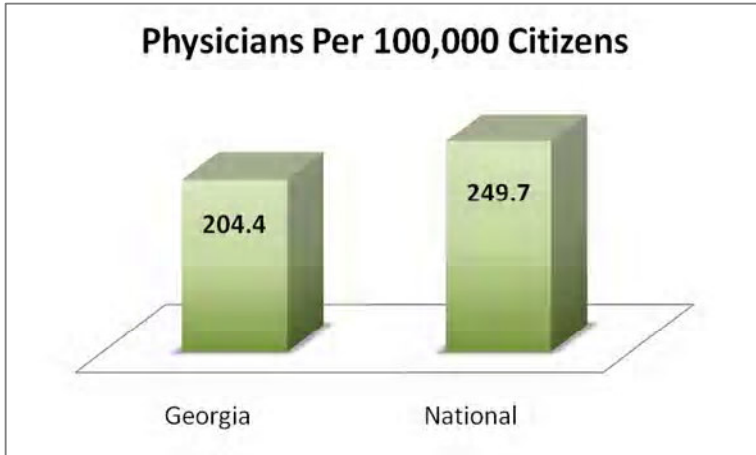
TRAUMA

- The FY08A budget also adds \$58.5 million for assistance to improve the state trauma network and to help trauma hospitals.
- The FY09 budget includes \$22.2 million in state funds and \$40.4 million in federal funds to increase reimbursements for hospitals across the state that treat Medicaid and PeachCare recipients. Hospitals classified as Level I, II, or III trauma centers will receive larger reimbursements increases.

EXPANDING MEDICAL EDUCATION

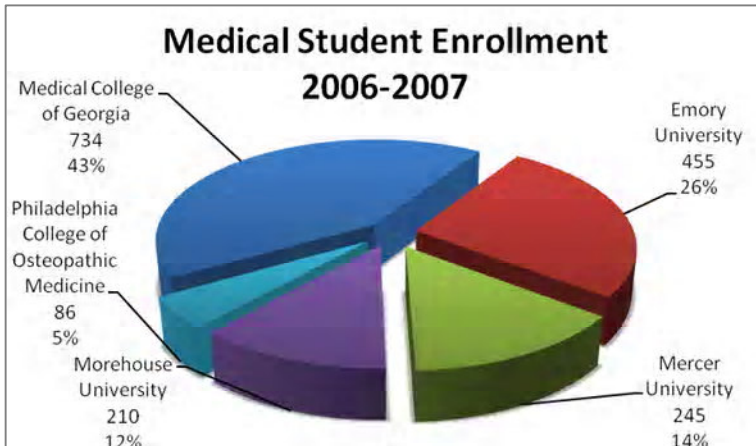
- The FY09 budget also addresses the future healthcare needs of Georgia.
- Georgia currently is 40th in the nation in the number of physicians per capita.¹¹

¹¹ Association of American Medical Colleges



Association of American Medical Colleges

- Georgia's largest and only public medical school, the Medical College of Georgia, currently accounts for over 40% of medical students in the state.



Georgia Board for Physician Workforce

- For FY09, the General Assembly appropriated \$10 million, including \$7.2 million in new funds, to continue planning and implementation efforts to expand the Augusta campus of the Medical College of Georgia and to establish a new satellite medical education campus in Athens.
- Long term plans for expansion of the Medical College of Georgia will increase enrollment at the Augusta campus to 900 students, provide a four year campus for 240 students in Athens, and create 3rd and 4th year programs in Albany and Savannah for an additional 60 students.¹²
- The Legislature also appropriated \$2.6 million to add 15 new residency slots across the state, and to increase the residency capitation rate from \$2,354 to \$3,354 for all 850 slots.
- In addition to expanding public medical education in the state, the General Assembly provided a \$1.75 million grant for the Morehouse School of Medicine to support its class expansion efforts.

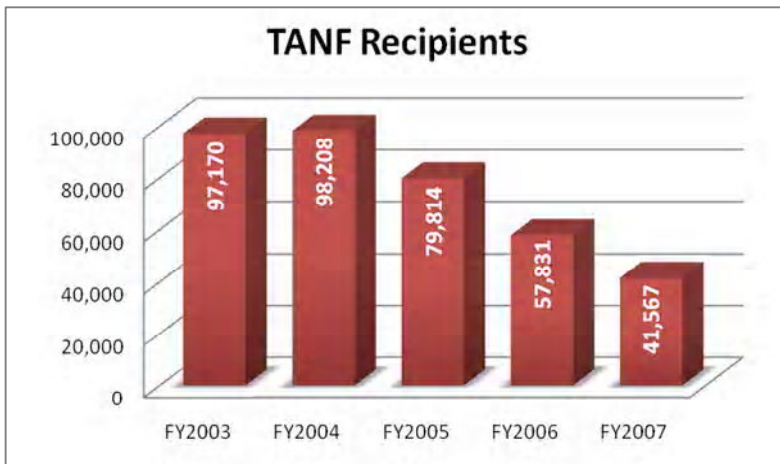
¹² Tripp Umbach report to the University System of Georgia

HUMAN RESOURCES

The Department of Human Resources (DHR) provides services to adults and children in need across the state. These services include child welfare and foster care, welfare-to-work assistance programs such as child support services and child care assistance, aging services, mental health and public health services, and substance abuse treatment.

SUPPORT FOR NEEDY FAMILIES

- The number of adults receiving cash assistance through the Temporary Assistance to Needy Families (TANF) program has decreased by 87.5% since FY04.



Department of Human Resources, Division of Family and Children Services

- According to DHR, since FY04, 55% of households that received TANF have achieved sustained employment and no longer receive TANF.
- Only 11% of families leaving TANF have returned after a year of ending TANF.

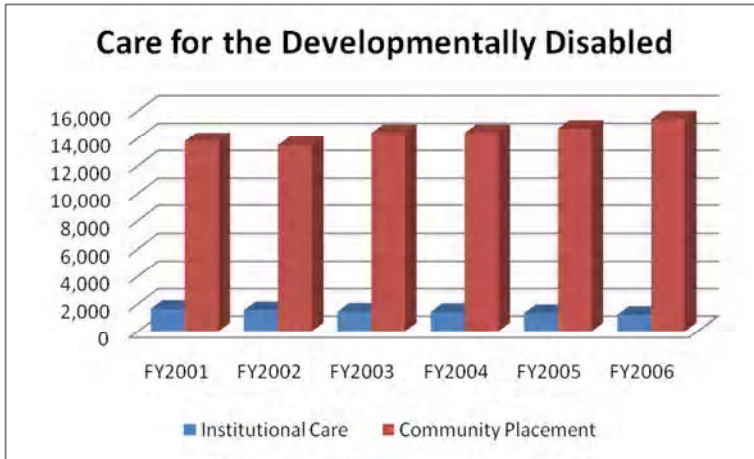
COMMUNITY BASED CARE

- The Social Security Act allows the Secretary of Health and Human Services to grant waivers to states in order to increase their flexibility in operating Medicaid programs.¹³
- Georgia operates four waiver programs: the Mental Retardation Waiver Program (MRWP), the Independent Care Waiver Program (ICWP), the Community Care Service Program (CCSP), and the Service Options Using Resources in a Community Environment (SOURCE) program.
- These programs offer Georgia citizens the opportunity to receive the care they need in their homes rather than in an institution.

The Mental Retardation Waiver Program offers home and community-based services to people who have mental retardation or a developmental disability, such as cerebral palsy, autism, or other neurological disorder. The MRWP is for individuals who would otherwise require care provided by an Intermediate Care Facility for people who have mental retardation (ICF-MR).¹⁴

¹³ Center for Medicaid and Medicare Services

- In FY07, 8,361 people were covered by the MRWP.
- The FY09 budget includes \$15.4 million in state funds and \$23.1 million in Medicaid funding for 2,000 total MRWP new slots. The additional funds will increase FY09 state spending for the MRWP to \$143,650,854.
- Of the \$15.4 million in state funds, \$6.2 million was allocated for 500 new slots available July 2008 and \$9.2 million was allocated to fully fund 1,500 slots enacted in January 2008.



Governor’s Office of Planning and Budget

The Independent Care Waiver Program offers services to adults with physical disabilities, including traumatic brain injuries, enabling them to live in their own homes or in the community instead of a hospital or nursing facility.

¹⁴ Department of Community Health

- The General Assembly appropriated \$2.5 million for an additional 150 ICWP slots in the FY09 budget.

CRISIS INTERVENTION

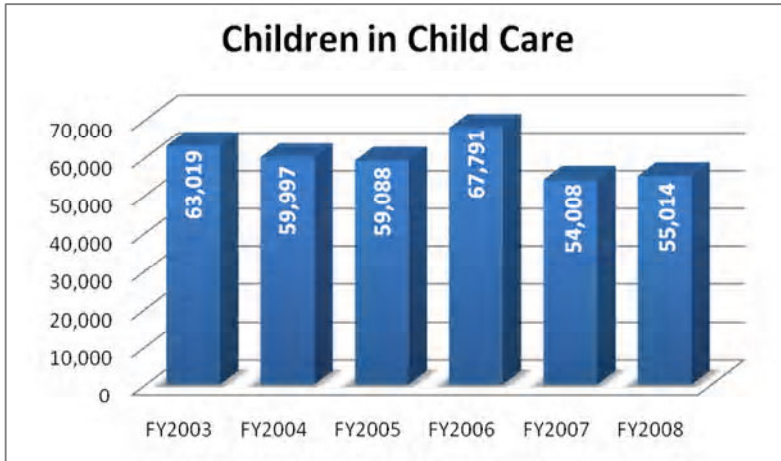
Crisis services can provide an immediate response to an individual experiencing a psychological crisis and allow professionals to continue monitoring the individual at home for follow-up care. Crisis services are intended to help a patient in need to avoid unnecessary inpatient hospitalization

The FY09 budget provides additional funding for community-based crisis services, as well as institutional care for the mentally ill and those with addictive diseases.

- The FY09 budget provides \$11.1 million in new funds for community crisis services.
 - \$2.8 million for Mobile Crisis services
 - \$2.6 million for three Assertive Community Treatment Teams
 - \$5.7 million for three Crisis Stabilization programs
- The state is required to provide an individual in need with options for community based care when feasible. However, in some circumstances, it is in an individual's best interest to receive some form of institutional care.
- The General Assembly appropriated an additional \$13.6 million for the state's mental health hospitals in the FY09 budget.

EXPANDING CHILDCARE

- Lack of affordable child care is a barrier to full-time employment for many Georgia families. Removing this barrier offers parents and families the opportunity to earn more and move out of poverty.
- Georgia’s Childcare and Parent Services (CAPS) program helps families pay for early childhood and school age care programs for children from birth to age 13. If a child has special needs, child care assistance is available until age 18.
- To help meet working Georgians’ need for affordable child care, the General Assembly appropriated an additional \$10 million in TANF funds to DHR for child care assistance.



Department of Human Resources, Division of Family and Children Services

CARING FOR GEORGIA’S CHILDREN AND FAMILIES

- The General Assembly appropriated \$2.37 million for assistance to families who adopt a special needs child. Providing additional funding to families who adopt special needs children will help provide resources and services for children in need.
- The General Assembly appropriated \$560,000 to the Regional Assessment Center for victims of child prostitution and trafficking to expand services for victims.
- The General Assembly appropriated \$815,000 for approved family violence shelters, which will provide safe shelter, support, and related services for victims of family violence. Currently, 45 Family Violence Agencies provide service to those in need.
- To help end homelessness in Georgia, the state provided \$300,000 for caseworkers who will assist homeless families in achieving housing stability.
- The General Assembly also appropriated \$1 million to continue development of KidsNet, a program that provides support services to emotionally disturbed youth, including access to wrap around services and multiple contacts with the child welfare system. KidsNet provides an environment where youth and families are viewed as essential partners working in collaboration with child-serving agencies.

- Pilot programs are located in Chatham County, Newton County, Northwest Georgia (Dade, Walker, Haralson, Polk, Bartow, and Paulding counties), and Floyd County.
- Technical Assistance is provided in Gwinnett and Fulton counties.

CARING FOR GEORGIA'S ELDERLY

- The Meals on Wheels program helps reduce risk of poor nutrition for low income seniors. For FY09, the General Assembly appropriated \$1,045,000 for the Meals on Wheels program to replace federal funds and to ensure that seniors have access to meals.
- The FY09 budget also includes \$4.1 million for the prevention of elder abuse and neglect to care for Georgia's growing aging population and to compensate for the loss of federal funding for this program.
- Elder Community Living Services program will receive an additional \$488,517 in state funds and \$83,048 in Medicaid funds in FY09 to transition more individuals out of institutional care and back to their home communities.
- The General Assembly also appropriated \$1,350,227 for a 3% provider rate increase for the Community Care Services Program (CCSP) in FY09.

NATURAL RESOURCES

PROTECTING GEORGIA'S LAND

- The primary program for preserving land in the state is the Georgia Land Conservation Program (GLCP), which was created in FY06. To date, the GLCP has approved over \$61 million in grants or loans for projects.
- State funds have been leveraged when possible with private donations and local funds, resulting in the preservation of over 64,000 acres of land. According to GLCP, the value of those conserved acres represents a greater than 3 to 1 return on the state's investment in that land.
- In December 2007, Georgia, along with federal, local, and private partners, purchased approximately 20,000 acres in the Paulding Forest.



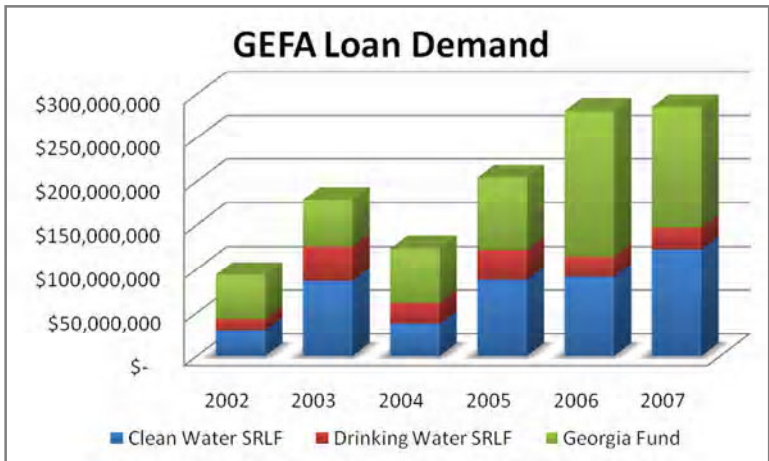
Georgia Land Conservation Program

- In order to continue the program’s efforts to preserve greenspace across the state, the FY09 budget includes \$10,000,000 for grants and loans to cities and counties, and for the purchase of land and easements.
- Also in FY09, the General Assembly added a land conservation forester position to the Georgia Forestry Commission (GFC) to work directly with landowners to guide them through the process of donating their land to the state through a conservation easement.
- Conservation easements are legal agreements between a landowner and another entity, in this case the state of Georgia. The agreement places permanent restrictions on the use of the land (by transferring development, mining, and other rights to the state) while still allowing the landowner to continue using the land for recreational, agricultural, or forestry purposes.
- In addition to supporting the efforts of the GLCP, the General Assembly appropriated \$31 million in bonds to care for existing public lands across the state and to construct new sites for Georgians to visit.
 - \$25 million for Jekyll Island State Park infrastructure
 - \$2 million for the design of Don Carter State Park
 - \$3 million to construct Resaca Battlefield
 - \$1 million for beach restoration at Tybee Island

MEETING GEORGIA'S WATER NEEDS

- Georgia is currently facing a historic drought across much of the state. Increased demands for water for a growing population coupled with record low rainfalls have resulted in the current crisis.
- In order to help Georgia plan for future growth to ensure an adequate and clean water supply, the General Assembly appropriated \$70 million between the FY08 Amended (\$30 million in cash) and FY09 General (\$40 million in bonds) budgets for water system improvements and reservoir construction for local governments.
- Funding for water projects, including reservoirs, will be administered through the Georgia Environmental Facilities Authority (GEFA), a state authority that has worked with local communities since 1985 on water and sewer infrastructure projects.
- GEFA offers three primary loan funds to local governments for water and sewer infrastructure projects: the Clean Water State Revolving Loan Fund (SRLF), the Drinking Water SRLF, and the Georgia Fund.
- The Clean Water and Drinking Water SRLFs are federally funded; however, the state annually provides funds for the required state match for these federal programs. For FY09, the General Assembly appropriated \$8 million in bonds for these two revolving loans.

- The Georgia Fund is a fully state funded revolving loan program for communities. The FY09 budget includes \$42 million in bonds for loans through the Georgia Fund.
- Since GEFA’s restructuring of its loan programs in 2003, which raised the cap on loans to any one community to \$50 million, the program has experienced increasing demand.

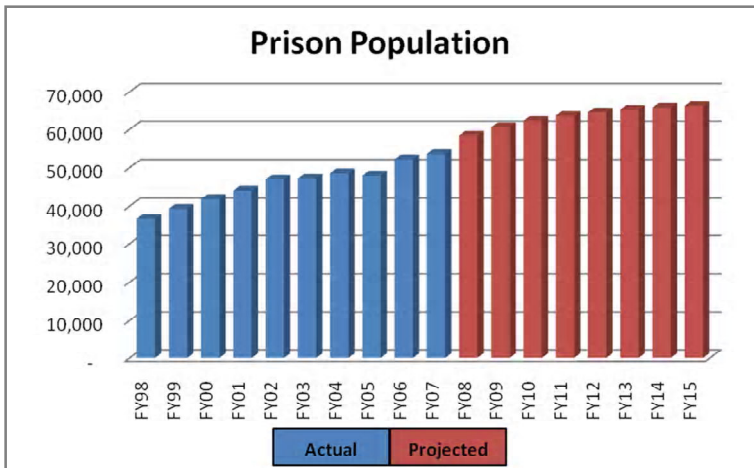


Georgia Environmental Facilities Authority

PUBLIC SAFETY

GROWING PRISON POPULATION

- Georgia ranks 9th in population¹⁵ and 19th in crime rate¹⁶, but has the 5th largest prison population in the nation.¹⁷
- In 2006, Georgia’s prison growth rate was 8.3%, making it the fastest growing prison population among large prison systems.
- Since FY98, Georgia’s prison population has grown 47%, from 36,612 inmates to 53,663 in FY07, and by 2015, it is projected that Georgia’s prison population will exceed 66,000 inmates, a 23.5% increase over the FY07 population.



Georgia Department of Corrections

¹⁵ U.S. Census Bureau

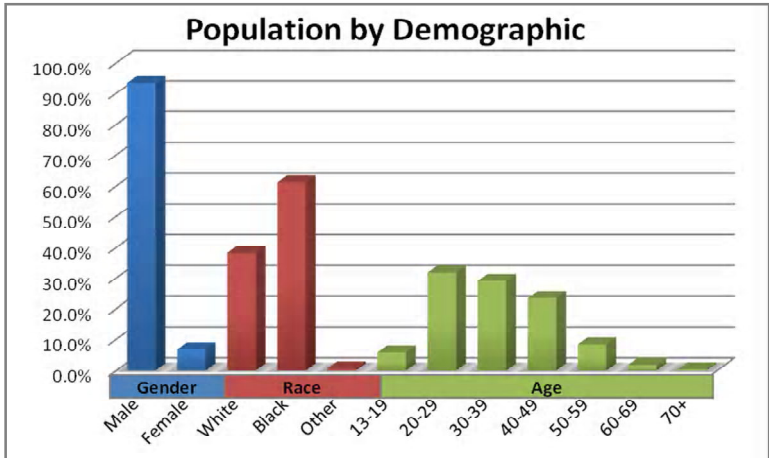
¹⁶ Federal Bureau of Investigation

¹⁷ U.S. Department of Justice

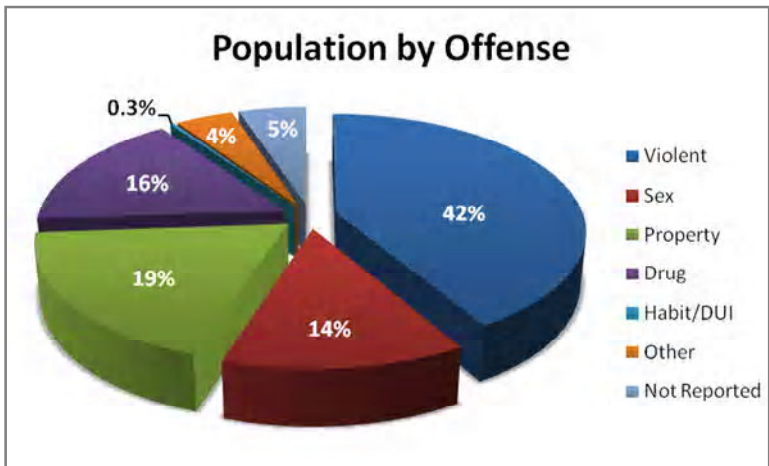
To address Georgia's rapidly growing prison population, the General Assembly appropriated an additional \$30.7 million in total new funds in FY09 for the startup and operating costs associated with 2,976 additional beds at correctional facilities statewide:

- \$20.2 million for startup and operating costs for fast track expansions at existing state prisons for 1,984 new beds
 - Dooly State Prison (256 beds)
 - Wilcox State Prison (192 beds)
 - Macon State Prison (256 beds)
 - Smith State Prison (256 beds)
 - Valdosta State Prison (256 beds)
 - Coastal State Prison (256 beds)
 - Hay State Prison (256 beds)
 - Ware State Prison (256 beds)
- \$3.2 million for medical units
 - Autry State Prison (18 beds)
 - Coastal State Prison (14 beds)
- \$2 million for the Emanuel Probation Detention Center (96 beds)
- \$2.7 million for the Dublin Transitional Center (100 beds)
- \$2.6 million for the state's three private prison facilities (764 beds)

- Georgia ranks 2nd only to Louisiana with the highest rate of incarceration with more than 1% of its residents in prisons or jails.¹⁸



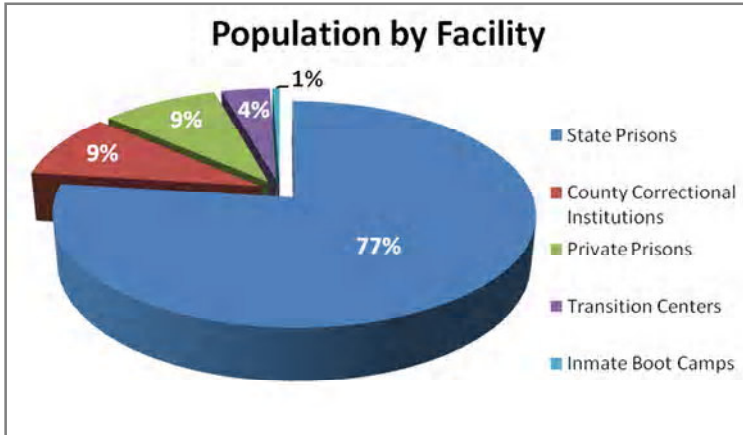
Georgia Department of Corrections



Georgia Department of Corrections

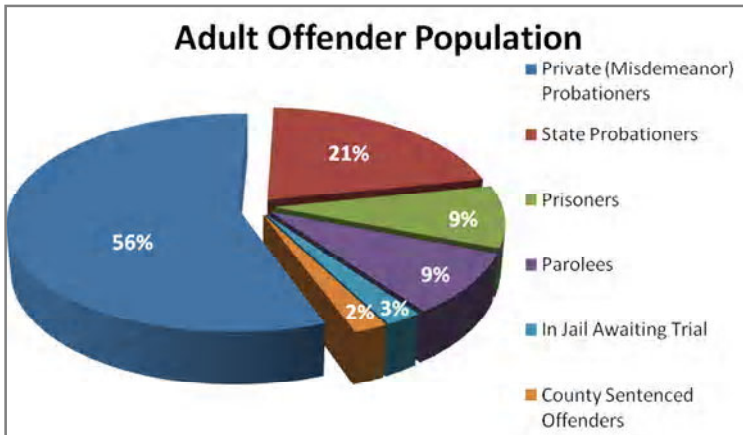
¹⁸ U.S. Department of Justice

- Approximately 1 in 15 adults in Georgia are under some form of correctional supervision, almost twice the national average of 1 in 31 adults.¹⁹



Georgia Department of Corrections

- Georgia's total adult offender population in FY07 exceeded 480,000, including 53,000 prisoners.



Georgia State Board of Pardons and Paroles

¹⁹ U.S. Department of Justice

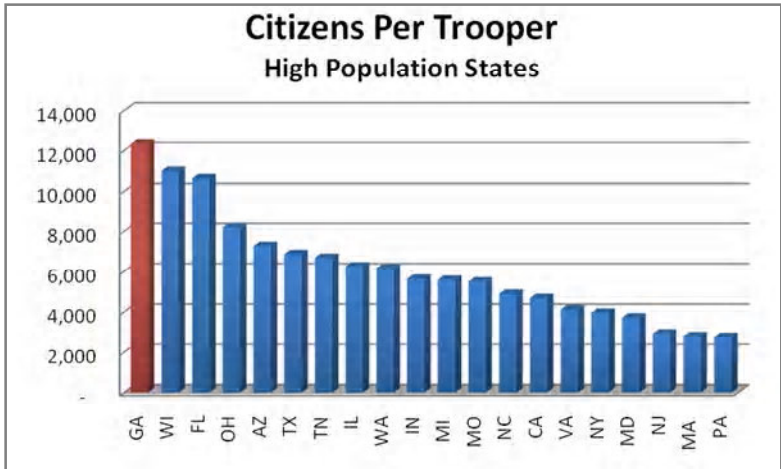
LAW ENFORCEMENT PAY

- In FY09, the General Assembly appropriated \$12.35 million for special pay raises for law enforcement personnel to address recruitment, retention, and compression issues. Below is the breakdown by agency of the pay increases. Also provided are some examples of job categories that will be affected by this increase.
- Department of Corrections: \$4,476,916 to relieve salary compression within the Correctional Officer (CO) ranks.
 - Raises the entry level pay for COs by 14% from \$24,032 to 27,472.
 - All COs making between \$27,472 and \$28,845 will receive a 5% increase while all COs making more than \$28,845 will receive a 3% increase.
- Georgia Bureau of Investigation: \$1,836,445 for recruitment and retention of Crime Lab Scientists and Special Agents.
 - This will increase Special Agents average salary by approximately 20% and Crime Lab Scientists by approximately 17%.
- Department of Juvenile Justice (DJJ): \$1,616,187 for recruitment and retention of Juvenile Correctional Officers (JCO) and to maintain equity between the starting salaries of COs and JCOs.

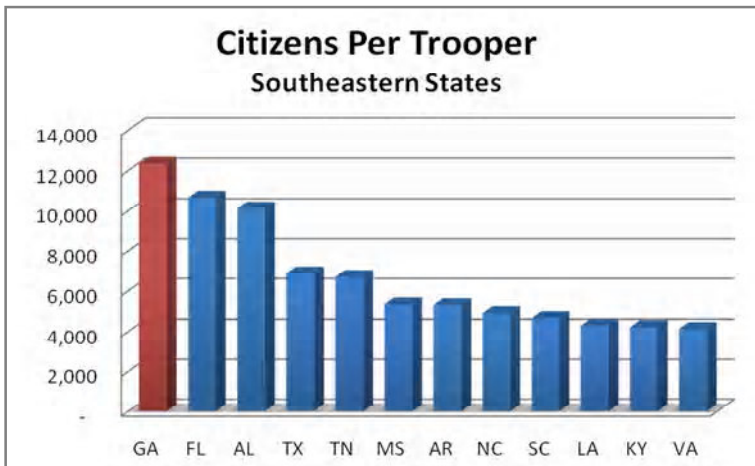
- State Board of Pardons and Paroles: \$1,288,218 for recruitment, retention, and compression issues.
 - All five Parole Officer job classes will receive an across the board 10% increase.
- Georgia Drugs and Narcotics Agency: \$175,000 to improve the retention rate for Narcotics Agents.
 - This pay raise will result in a 36% pay raise for all agents.
- Department of Natural Resources: \$2,961,000 for compression and retention issues for POST certified law enforcement positions across the agency.
 - Conservation Corporals will receive a 13% increase
 - Conservation Rangers 1st Class will receive a 19% increase
 - Law Enforcement Region Supervisors will receive a 17% increase.

INCREASING GEORGIA TROOPERS

- Among the twenty most populous states, Georgia ranks last in the ratio of population to troopers with 1 trooper for every 12,321 Georgians.
- When compared to all southeastern states, Georgia again ranks last in the ratio of population to troopers.
- To address the trooper shortage, the General Assembly appropriated \$5,878,054 to conduct two new trooper schools that will add 140 troopers to Georgia's highways.



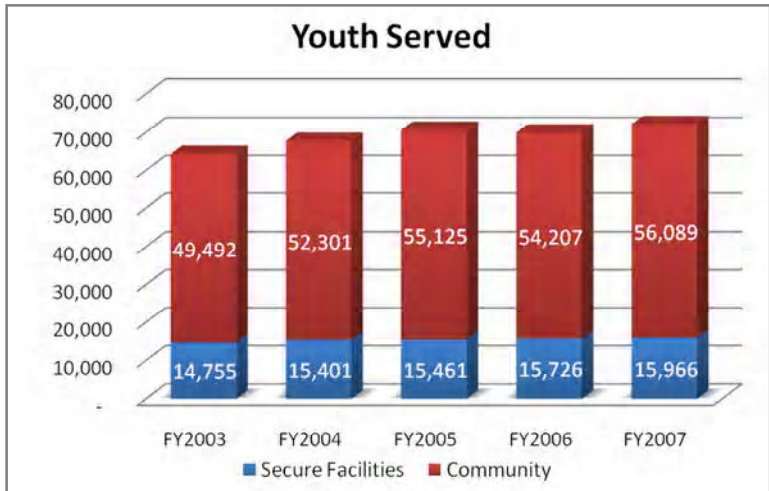
Department of Public Safety



Department of Public Safety

DJJ COMMUNITY SERVICES

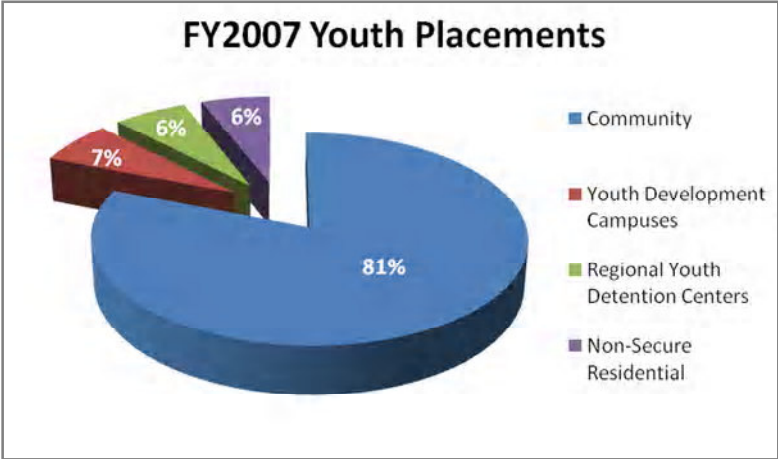
- Between FY03 and FY07, the number of youth served by the Department of Juvenile Justice has grown 12%.



Department of Juvenile Justice

- On average, 78% of this population is served in community settings.
- In FY07, 81% of the 18,923 placements made by DJJ during were to community services.
- To address a growing population and due to the trend of serving more youth in the community, the General Assembly appropriated \$3.2 million for an additional 67 Juvenile Probation and Parole Specialists to supervise and provide

rehabilitative services to youth placed in community settings rather than secure facilities.

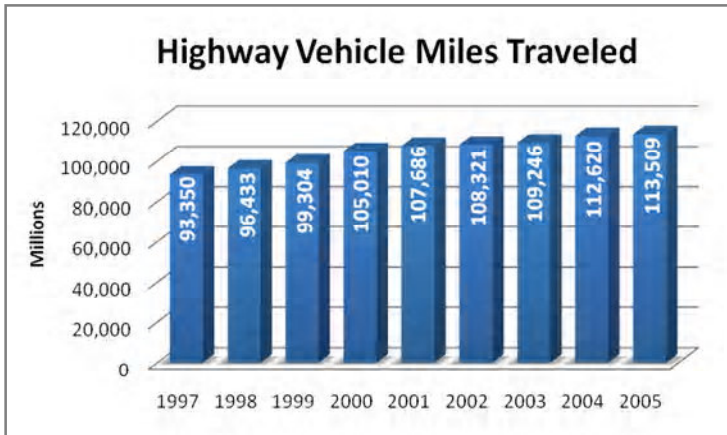


Department of Juvenile Justice

TRANSPORTATION

Georgia is the fourth-fastest growing state but ranked 40th in per capita spending on transportation.²⁰ In the Atlanta metro area, traffic growth increased 45% faster than the growth in road capacity between 1982 and 2005.²¹

- Georgia is not alone in facing increasing congestion and long commute times; for very large and large urban areas commute times increased by 11 and 7 minutes between 1995 and 2005, respectively.²²
- 12.7% of Atlanta area commuters spend more than an hour getting to work. The average commute time in Georgia is higher than both the regional and national averages.²³



Bureau of Transportation Statistics

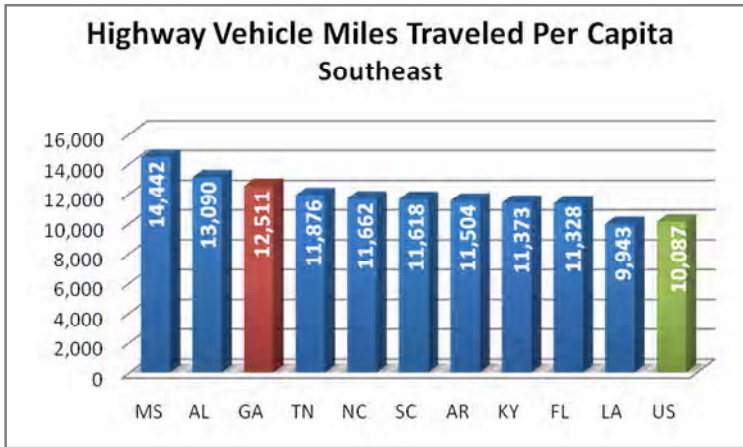
²⁰ U.S. Department of Transportation, Bureau of Transportation Statistics, 2000

²¹ The Texas Transportation Institute 2007 Urban Mobility Study

²² The Texas Transportation Institute 2007 Urban Mobility Study

²³ Forbes.com

- Transportation is not just an issue in Atlanta. Georgia's roads are used more every year, and Georgians drive more than the national average. Georgians are the third most mobile population in the southeast.



Bureau of Transportation Statistics, 2005

IMPROVING INFRASTRUCTURE

- To assist local governments in meeting the transportation needs of their communities, the General Assembly approved \$28.1 million in state Motor Fuel Funds to create the State Transportation Infrastructure Bank (STIB). This will bring the total FY09 funding available for STIB to \$48.1 million.
- An instrument of the State Road and Tollway Authority (SRTA), the STIB will provide low-cost loans and other financial assistance to cities, counties, transit operators, and Community Improvement Districts (CIDs) engaging in all types of transportation infrastructure projects.

- In addition to the STIB, the legislature appropriated \$5 million to SRTA for a grant fund to provide matching funds to Community Improvement Districts throughout the state to address congestion relief.
- The General Assembly appropriated \$9.8 million dollars to the Airport Aid program to enable the Department of Transportation to implement its state-wide airport aid plan, which will support economic development.
- The Airport Aid program provides assistance to publicly owned airports for planning, capital improvements, maintenance, and approach aids.
- In April 2004, the Governor initiated the Fast Forward Congestion Relief Program, which will provide \$15.5 billion for transportation infrastructure projects over six years. The Fast Forward Program uses Grant Anticipation Revenue Vehicle (GARVEE) bonds to expedite the project funding process. The funding process is expedited by using future federal transportation grant funds to pay 80% of the debt service on transportation infrastructure bonds.
- In FY09, the General Assembly appropriated \$3.2 million to SRTA to pay the state's share of debt service on existing GARVEE bonds.

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