

2021 Georgia General Assembly Budget Week Overview



Housekeeping

This week was budget week at the State Capitol. The Senate and the House Appropriations committees met in a joint session to hear from department heads as well as other experts and budget analysts. The overall theme was that the State is recovering well from the economic hit we took due the Covid-19 pandemic. Governor Kemp opened up the hearings with words of optimism. He thanked legislators for their foresight in addressing budget restrictions responsibly and returning over \$150 million to the State revenue shortfall without additional cuts or furloughs for state employees. Additionally on Wednesday, January 20th, the House announced Committee Chairmanships and assignments. The announcement resulted in a few shakeups and unexpected appointments.

[Click to view the full budget document - HB 81](#)

[Click to view the tracking sheet with the Governor's recommendations](#)

State Finances:

State tax collections have been considerably strong during the first half of Fiscal Year 2021. Through December, state tax collections are up \$722 million, or 6.1%. All tax collections with the exception of hotel and motel fees are up. Individual income taxes are up 10%. Gross sales tax collections are up 6%. Corporate income tax collections are up 20.2%. Tobacco tax collections are up 10.7%. Car tag, files and fees are up 12.7%. Lastly, due to restricted traveling because of COVID-19, hotel and motel fees are down 29.3%.

Education:

Beginning on Tuesday, legislators began hearing from the Governor's Office and Department Heads on the Governor's recommended budget. Starting with education, legislators heard from both Governor Kemp and Superintendent Richard Woods on education funding. In Governor Kemp's recommended budget, his office is calling for the General Assembly to restore roughly 60% of the \$950 million in austerity cuts from this year's K-12 education budget for Fiscal Year 2021. The total education funding is at 96% of the QBE funding formula. Superintendent Woods requested additional COVID-related funding to maintain that students, teachers, staff, and family remain safe by ensuring PPE and public health guidance to school districts. Additionally, Superintendent Woods also addressed that the state would need further funding to help train 15,000 teachers on virtual learning and in doubling the capacity of Georgia Virtual School. Guaranteeing internet and WiFi access also remained a priority, Superintendent Woods mentioned utilizing 3,000 bus WiFi rangers and broadband signal extenders and providing \$21 million in digital learning grants to schools. Superintendent Woods also requested additional funding for mental and physical health. Superintendent Woods also emphasized how the State of Georgia helped dispense over 111 million meals last year throughout the pandemic.

Transportation:

While Governor Kemp made clear that his budget priorities are both in education and healthcare, the state will increase funding for transportation projects. In his recommended budget, Governor Kemp is proposing hundreds of millions of dollars in road and bridge spending, increasing overall transportation funding by nearly \$500 million. This would include \$100 million in bridge bonds that'll help repair bridges across the state. Funding has been designated to help with class II railroads for freight transport. Recently, Governor Kemp has also touted a one million dollar marketing program to promote tourism throughout the state of Georgia. Governor Kemp has also made it clear that the state will be increasing funding to rural communities throughout the state focusing on various aspects of infrastructure.

Healthcare:

In the Governor's recommended budget, Governor Kemp has made it evident that increased healthcare funding will be a major driver of budget increase. Various heads of health

Departments also addressed the General Assembly on Wednesday, January 21st. Amongst various initiatives, Medicaid is slated for a \$329 million dollar increase, due in part to recipients who put off medical treatment and appointments during the pandemic are expected to return in 2022. In an additional effort to increase health care availability, Governor Kemp is also proposing \$76 million to fund a program for low-income Georgians. Roughly 50,000 Georgians would be able to obtain coverage through this program. While the Department of Public Health would receive a relatively small budget increase in the recommended budget, the Department has seen a large influx of money through the CARES Act.

House Committee News

On Wednesday, January 20th, the House announced its Committee Chairmanships and Assignments. There was quite a shakeup in the Chairmanships resulting in many promotions for various Representatives. The new House Chairmanships are listed as the following:

Agriculture & Consumer Affairs - Rep. Robert Dickey (R-Musella)
Appropriations - Rep. Terry England (R-Austin)
Appropriations - Economic Development - Rep. Penny Houston (R-Nashville)
Appropriations - Education - Rep. Todd Jones (R-South Forsyth)
Appropriations - General Government - Rep. Sam Watson (R-Moultrie)
Appropriations - Health - Rep. Butch Parrish (R-Swainsboro)
Appropriations - Higher Education - David Knight (R-Griffin)
Appropriations - Human Resources - Katie Dempsey (R-Rome)
Appropriations - Public Safety - Rep. Bill Hitchens (R-Rincon)
Appropriations - Transportation - Rep. Clay Pirkle (R-Ashburn)
Banks & Banking - Rep. Greg Morris (R-Vidalia)
Budget & Fiscal Affairs Oversight - Rep. Lee Hawkins (R-Gainesville)
Code Revision - Rep. Timothy Barr (R-Lawrenceville)
Creative Arts & Entertainment - Rep. Matt Dollar (R-Marietta)
Defense & Veterans Affairs - Rep. Heath Clark (R-Warner Robins)
Economic Development & Tourism - Rep. Ron Stephens (R-Savannah)
Education - Rep. Matt Dubnik (R-Gainesville)
Energy, Utilities & Telecommunications - Rep. Don Parsons (R-Marietta)
Ethics - Rep. Randy Nix (R-LaGrange)
Game, Fish & Parks - Rep. Trey Rhodes (R-Greensboro)
Governmental Affairs - Rep. Darlene Taylor (R-Thomasville)
Health & Human Services - Rep. Sharon Cooper (R-Marietta)
Higher Education - Rep. Chuck Martin (R-Alpharetta)
Human Relations & Aging - Rep. Jesse Petrea (R-Savannah)
Industry & Labor - Rep. Bill Werkheiser (R-Glenntown)
Information & Audits - Rep. Don Hogan (R-Saint Simons Island)
Insurance - Rep. Eddie Lumsden (R-Armuchee)
Interstate Cooperation - Rep. Steve Tarvin (R-Chickamauga)
Intragovernmental Coordination - Rep. Jan Tankersley (R-Brooklet)
Juvenile Justice - Rep. Mandi Ballinger (R-Canton)

Judiciary - Rep. Chuck Efstoration (R-Dacula)
Judiciary Non-Civil - Rep. James Burchett (R-Waycross)
Legislative & Congressional Reapportionment - Rep. Bonnie Rich (R-Suwanee)
MARTOC - Rep. Mary Margaret Oliver (D-Decatur)
Motor Vehicles - Rep. John Corbett (R-Lake Park)
Natural Resources & Environment - Lynn Smith (R-Newnan)
Public Safety & Homeland Security - J Collins (R-Villa Rica)
Regulated Industries - Alan Powell (R-Hartwell)
Retirement - John Carson (R-Marietta)
Rules - Richard Smith (R-Columbus)
Science & Technology - Rep. Ed Setzler (R-Acworth)
Special Rules - Rep. Dave Belton (R-Buckhead)
State Properties - Rep. Gerald Greene (R-Cuthbert)
Small Business - Rep. Mike Cheokas (R-Americus)
State Planning & Community Affairs - Rep. Karen Mathiak (R-Griffin)
Transportation - Rep. Rick Jasperse (R-Jasper)
Ways & Means - Rep. Shaw Blackmon (R-Bonaire)
Special Committee on Access to Quality Health Care - Rep. Mark Newton (R-Augusta)
Special Committee on Access to Civil Justice System - Rep. Trey Kelley (R-Cedartown)
Special Committee on Election Integrity - Rep. Barry Fleming (R-Harlem)

Capitol Security



Since the start of session, Governor Kemp has led the way to make sure the Capitol grounds are safe. The Georgia Capitol doubled down on security efforts to ensure the safety of elected officials, their staff, and others who work at the Capitol. Among the additional security measures included an increased presence of the National Guard along with additional personnel from the Georgia State Patrol. An array of military vehicles also stood present ready to be deployed. Thankfully on both the first day of legislative session and the Presidential Inauguration, there were no accounts of violence and the days followed in the ordinary.

New Website!



Peachtree Government Relations has recently revamped our website, and are excited to include our team for the 2021 session. Check out the new site and features by clicking here: www.peachgr.com