



ZERO BASED BUDGET REPORTS

Fiscal Year 2021

Governor's Office of Planning and Budget



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FY 2021 Zero-Based Budget Analysis

Introduction

The Governor's Office of Planning and Budget (OPB) is responsible for managing and developing the state budget. OPB utilized a zero-based budget (ZBB) approach to analyze selected programs during the AFY 2020 and FY 2021 budget process. The purpose of the ZBB analysis is to assess individual programs against their statutory responsibilities, purpose, cost to provide services, and outcomes achieved in order to determine the efficiency and effectiveness of the program and its activities.

OPB conducted a ZBB analysis of approximately ten percent of all budgetary programs during the summer of 2019. The ZBB review process included a detailed analysis of the cost and sources of funding for program activities, an examination of two years of expenditure trend data, as well as a review of the program's performance through measures capturing the effectiveness, efficiency, and workload of program activities.

The ZBB review process formalizes the work inherent in OPB's budget analysis and provides an systematic review and reporting of the activities, performance, and expenditures of the programs in the state budget.

The reports in this document are a summary of the information gathered and analyzed by OPB as a part of our ZBB reviews. The document includes four sections for each program reviewed:

1. **Narrative Summary of Analysis:** This section offers an overview of the program, summarizes OPB's analysis, and provides recommendations for future review or changes to the program budget and operations
2. **Key Activities:** This section lists the program's key activities and provides its authority, number of positions, and state and total funds budgeted.
3. **Financials:** This section provides a summary of the program expenditures and budget. The section lists two years of expenditures and the current fiscal year budget.
4. **Performance Measures:** This section lists the agency purpose, the program purpose, and a set of measures for the program.



FY 2021 Zero-Based Budget Analysis

Department of Administrative Services

ZBB Program: Certificate of Need Appeal Panel

Executive Summary

- The Certificate of Need Appeal Panel is a five-member panel responsible for hearing appeals on the initial decisions concerning Certificate of Need.
 - The Department of Administrative Services receives appropriated state funds to reimburse panel members to adjudicate appeal hearings.
 - State funds should be eliminated from the program and a new fee schedule should be established to cover the cost of panel reimbursements.
 - Transfer the responsibilities of the Certificate of Need Appeal Panel to the Office of State Administrative Hearings.
 - The agency should report new performance measures to better demonstrate the program's workload, efficiency, and effectiveness.
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Program Overview

The Certificate of Need (CON) Appeal Panel was created in 2008 and is responsible for hearing appeals on rulings made by the Department of Community Health (DCH) on CON filings. The CON Appeal Panel is a five-member panel appointed by the Governor for a term of four-years, with the purpose of presiding over CON appeals. Appointees to the panel are required to be practicing attorneys who are familiar with the health care industry and must have no financial interest in any health care facility. Panel members review submitted appeals and issue independent decisions based on several factors, including application conformity to DCH rules; procedural inquiries resulting from initial CON decisions; the justification and merits of the appeal itself; and whether the appeal was undertaken for the purpose of delay or harassment. Additionally, the panel is responsible for promulgating rules and regulations that dictate the operation and conduct of appeal hearings. O.C.G.A. § 31-6-44 authorizes the Department of Administrative Services (DOAS) to provide compensation to panel members for travel, meetings, and their services as hearing officials in appeals.

Results and Recommendations

Certificate of Need Changes

The State of Georgia established the CON program under DCH in 1979. The program was established to comply with federal mandates to establish CON programs; however, the federal mandate for state-established CON programs and associated federal funding was repealed in 1987. Thirty-five states maintain a CON program and three states maintain some variation of a CON program. Since 1987, over ten states have eliminated their CON

programs. According to the National Conference for State Legislatures, the decision for some states to eliminate CON programs is based on various arguments stating that CON programs restrict competition and can allow some facilities to keep prices high. Georgia has continued to evaluate the state's CON program to allow providers and facilities to meet challenges of delivering services at lower costs.

Legislative Changes in Georgia

In 2018, Senate Resolution 1063 created the Senate Study Committee on Certificate of Need Reform to evaluate reforms to the state's CON program. The committee made several recommendations for the exemption or elimination of CON program review of ambulatory surgery centers, mental health or substance abuse services, ambulatory surgery centers, equipment or diagnostic equipment, bed capacity, as well as destination cancer hospitals. During the 2019 Legislative Session, House Bill 186 was passed to incorporate the study committee recommendations. The bill created exemptions for certain CON requirements, including increased capital expenditure thresholds, exempted replacement of previously approved equipment, and revised requirements for destination cancer hospitals.

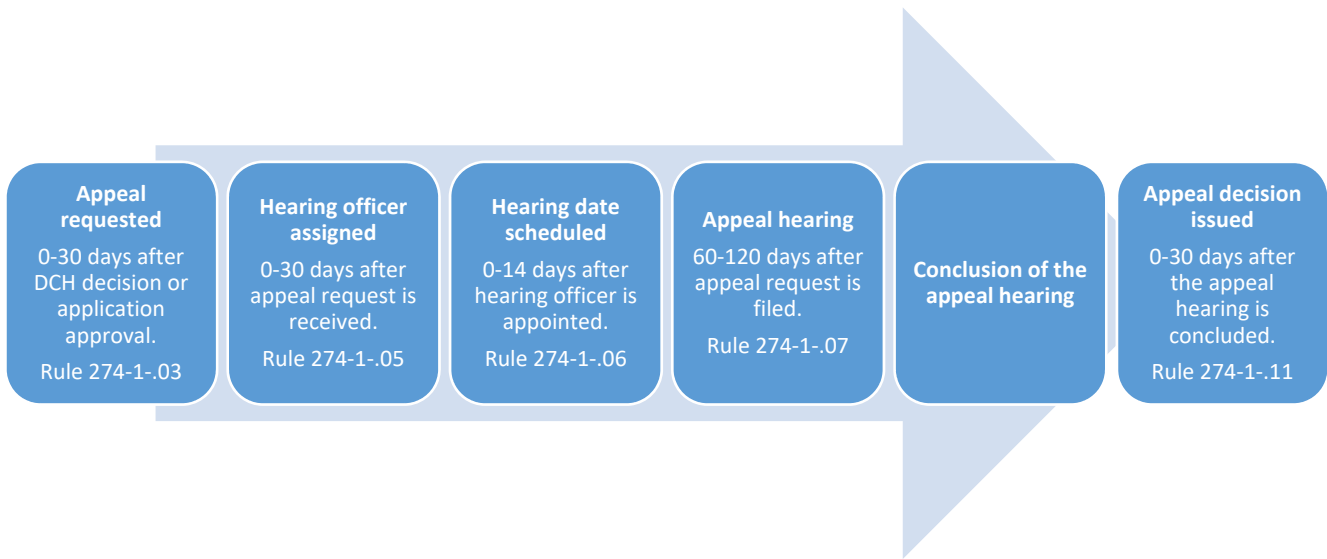
Most CON project applications are for renovations to health care facilities, equipment purchases, or other capital expenditures which exceed established thresholds. With the passage of HB 186, the capital expenditure threshold was increased from \$2.5 million to \$10 million which exempts many of the projects that previously required a certificate. Based on CON project applications submitted between 2014 and 2018, the majority of the 333 projects would have been exempted from needing a certificate based on the legislation change to expenditure thresholds and requirements for the replacement of previously approved equipment.

Appeal Process

The CON program under DCH reviews health projects with significant costs such as new or expanding hospitals, new or expanding nursing homes, single or multi-specialty ambulatory surgery centers, providers of specialty services (e.g. radiation therapy, positron emission tomography, open-heart surgery, and neonatal), newly offered services, major medical equipment (e.g. MRI, CT Scanners) or hospital renovations that exceed annually established equipment or capital expenditure thresholds. The CON program grants permission through certificate approval for the project.

CON appeals are requested from DCH by the appellant within 30 days of the initial CON decision. Appellant parties are typically a denied applicant or opposing party which generally includes competing applicants, health care facilities, or local governments in opposition to the matter before the panel. Once an appeal has been requested, the chairperson of the appeal panel has 30 days to appoint a hearing officer to the appeal. Within fourteen days after appointment, the hearing officer will determine whether the appellant has standing and if applicable, will set the date(s) for the requested hearing within 60 to 120 days after the filing. The hearing officer will review testimony, evidence, studies, exhibits, or other case material presented in the initial CON hearing, as well as review any additional relevant data or information submitted in support of the CON appeal to inform appeal hearing decisions.

Appeals can be withdrawn or settled during the pre-hearing arrangements which would result in dismissal of the case, but in a typical appeal hearing, the hearing officer issues a written notice of the decision on the case which includes findings, considerations, reasoning for the decision, and instructions to DCH on granting or denying the CON. Unless there is an objection from DCH, the decision issued by the hearing officer becomes the final decision on the matter after 61 days following the decision. DOAS is responsible for reimbursing the panel's hearing officers for appeals, which includes time spent performing pre-hearing discovery and review of the case, scheduling, preparation for the appeal hearing, time spent for the appeal hearing, and post-hearing review and ruling. Appellant parties that wish to dispute the decision further or enforce the decision issued by the hearing officer can request judicial review from the Superior Court. If judicial review is requested, then DCH is responsible for forwarding any documents or testimony related to the CON project and appeal in question.



Eliminate State Funds

The appeal panel is authorized under O.C.G.A. §31-6-44 to promulgate rules for conduct of appeal hearings which include establishing a fee schedule for filing initial appeals. Each appellant party that disagrees with the initial DCH decision on the merits of obtaining a certificate of need can file for an appeal before the CON Appeal Panel. The fee for this filing is a separate \$1,500 filing fee established in 2008 under Ga. Rules and Regulations 274-1-.01. The program retains the filing fees collected from appellant parties to cover the expenses of appeal hearings, in addition to receiving state funds appropriations. The fees have not been adjusted since 2008 and does not cover the cost of appeal hearings that are requested of the appellant parties.

Currently, once a panel member receives a case, his/her hours are invoiced to DOAS at an hourly rate of \$85 per hour, this rate is established and paid out by DOAS to panel members. Additionally, the program does not currently track the number of days or hours spent on each appeal. There is no audit, appeal tracking or verification process in place to validate the hours spent on each case. State funds should be eliminated from the program and a new fee schedule should be established to cover the cost of panel reimbursements.

Transfer Responsibility of Appeal Hearings

Panel members of the CON Appeal Panel are responsible for reviewing submitted appeals and issuing independent decisions based on several factors, including the conformity to DCH rules, procedural inquiries resulting from initial CON decisions under DCH, as well as the justification or merits of the appeal itself. These responsibilities align with the current activities undertaken by the Office of State Administrative Hearings (OSAH) on a variety of case types. OSAH was established in 1994 under the Administrative Procedure Act (APA) (O.C.G.A. § 50-13-1 et seq.) with the responsibility of administering hearings and issuing decisions in cases that involve disputes between individuals and state entities in accordance with state laws and procedures. OSAH currently handles a variety of case types which involve matters ranging from the State Election Board to Supplemental Nutrition Assistance Program (SNAP). Additionally, the agency regularly adjudicates cases involving healthcare matters including Medicaid, Care Management Organizations (CMOs), and personal care homes.

Based on the case types and subject matters currently handled, OSAH has the demonstrated legal and procedural expertise necessary to provide effective CON appeal hearings. Additionally, OSAH has existing resources that will allow the agency to absorb the workload associated with CON appeals with little impact to current processes. Resources include no-cost hearing locations throughout the state, expert staff, case management systems and processes, as well as an approved billing methodology which will allow OSAH to accurately cover the total costs of each appeal hearing without state funds subsidization.

OSAH's current structure will also streamline the fragmented roles and responsibilities of DOAS and the Panel in setting reimbursement rates and filing fees by establishing appropriate planning and funding to cover the cost of operating the program. Currently, clear responsibilities among the Department of Community Health, CON Appeal Panel, and DOAS are not clearly defined to allow for appropriate planning and funding necessary to sustain the program as currently operated. Additionally, the Panel has functioned with only three members over the past few years resulting in longer decision periods, higher cost reimbursements, minimal rules establishing a required completion timeframe and no set limit on the cost of a potential appeal.

Provisions under O.C.G.A. § 50-13-42 exempt the Certificate of Need Appeal Panel from the APA under OSAH but does not prohibit the panel from contracting with OSAH on a case-by-case basis. Code sections applicable to the APA and the CON Appeal Panel should be revised to allow OSAH to handle the adjudication of all CON appeal hearings. The responsibilities of the CON Appeal Panel should be transferred to OSAH in order to utilize existing infrastructure and streamline hearing processes.

New performance measures should be added to monitor the program's overall performance

Performance measures are an integral component of the Zero-Based Budgeting (ZBB) process. Performance metrics should not only track the workload, efficiency, and effectiveness of the program but should also be appropriate and relevant to the policy goals of the agency and state as a whole. Through ZBB analysis, additional measures were developed and evaluated to supplement existing program performance measures. The following is a list of new performance measures. OPB will continue to work with the agency to ensure new performance measures are annually updated into the new Planning and Budget Cloud Services (PBCS) system.

Department of Administrative Services: Certificate of Need Appeal Panel

- Number of Certificate of Need Appeals held resulting in a reversed decision (New)
- Amount of filing fees collected (New)
- Number of filing appellant parties (New)
- Average number of hours spent per appeal (New)
- Average number of days to issue a decision on a CON appeal (New)

Department of Administrative Services
 ZBB Program: Certificate of Need Appeal Panel

Key Activities

Activity	Description	Authority	No. of Positions*	FY 2020 State Funds	FY 2020 Total Budget
Certificate of Need Review Panel	Conducts appeal hearings for independent review of project justifications and initial decisions issued by the Department of Community Health on CON projects.	O.C.G.A. § 31-6-44	5	\$36,206	\$36,206
Panel Administration	Provides financial and administrative support to the Certificate of Need (CON) Appeal Panel which is responsible for hearing appeals on CON cases and issuing decisions.	O.C.G.A. § 31-6-44		3,300	3,300
Total			5	\$39,506	\$39,506

*Positions represent the number of Panel members authorized under state law to hear appeal hearings.

Department of Administrative Services
 ZBB Program: Certificate of Need Appeal Panel

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2018	FY 2019	FY 2020
Personal Services			
Regular Operating Expenses		\$37	
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Contractual Services	\$13,846	65,438	\$39,506
Transfers	2,100	3,300	
Total Expenditures	\$15,946	\$68,775	\$39,506
Fund Type			
State General Funds	\$13,846	\$35,775	\$39,506
Other Funds	2,100	33,000	
Total Funds	\$15,946	\$68,775	\$39,506
Positions*	3	3	5
Motor Vehicles			

*Positions represent the number of Panel members appointed and authorized under state law to hear appeal hearings.

Department of Administrative Services
 ZBB Program: Certificate of Need Appeal Panel

Performance Measures

Agency Mission:

The Department of Administrative Services provides enterprise leadership, business services, and solutions to help state entities improve organizational efficiency, workplace performance, and policy compliance.

Program Purpose:

The purpose of this program is to review decisions made by the Department of Community Health on Certificate of Need applications.

Performance Measures	Actuals			
	FY 2016	FY 2017	FY 2018	FY 2019
1. Number of Certificate of Need appeals filed	7	7	4	17
2. Number of Certificate of Need hearings held	5	5	3	10
3. Number of Certificate of Need appeals held resulting in a reversed decision (New)	N/A	N/A	N/A	N/A
4. Amount of filing fees collected (New)	N/A	N/A	N/A	N/A
5. Number of filing appellant parties (New)	N/A	N/A	N/A	N/A
6. Average number of hours spent per appeal (New)	N/A	N/A	N/A	N/A
7. Average number of days to issue a decision on a CON appeal (New)	N/A	N/A	N/A	N/A



FY 2021 Zero-Based Budget Analysis

Department of Agriculture

ZBB Program: Athens and Tifton Veterinary Laboratories

Executive Summary

- The Georgia Department of Agriculture is responsible for the control, diagnosis, treatment, prevention, and eradication of diseases affecting livestock and other animals.
- The department should re-evaluate the agreement with the Board of Regents of the University System of Georgia to establish clear roles and responsibilities and service level agreements focused on livestock.
- The budgeted program should be eliminated, and funding should be transferred to the Board of Regents of the University System of Georgia.
- The department should work with the Athens and Tifton Veterinary Laboratories to update O.C.G.A. § 4-4-2.1 to authorize both the Department of Agriculture and Board of Regents of the University System of Georgia the ability to establish a fee structure that prioritizes the eradication of diseases specific to livestock and specialized tests while limiting the subsidization of fees for domestic or companion animals.
- The department should report performance measures that more accurately reflect the workload, efficiency, and effectiveness of the program.

Program Overview

The Georgia Department of Agriculture (GDA) is responsible for the control, diagnosis, treatment, prevention, and eradication of animal diseases and matters affecting livestock established under O.C.G.A Title 4, Chapter 4. Some of the department's responsibilities of diagnosis, prevention, and eradication of animal diseases are performed through a Memoranda of Understanding (MOU) between the Board of Regents of the University System of Georgia (USG) and GDA. The MOU is carried out by the University of Georgia (UGA) through its veterinary laboratory facilities in Athens and Tifton. The labs provide services in bacteriology and mycology, clinical pathology and cytology, flow cytometry, marine mammal diagnostic service, molecular diagnostics, necropsy, parasitology, pathology and histopathology, virology, serology, electron microscopy, and toxicology. These services are performed on cattle, sheep, goats, swine, equine, poultry, turkey, fowl, dogs, cats, and any wildlife or zoo animals that could endanger the health of domestic animals. The labs also provide diagnostic services for non-traditional species (aquarium animals, marine mammals, zoo species) and surveillance testing for both endemic and non-endemic diseases.

Results and Recommendations

Memoranda of Understanding (MOU) and Service Level Agreements

The MOU between GDA and USG states that services are designed to assist GDA in meeting responsibilities set out in statute related to the “prevention and eradication of animal diseases and matters affecting the livestock industry in Georgia.” These species are defined in O.C.G.A Title 4, Chapter 4; however, the agreement also later includes language on specific services to include “all domestic animals including cattle, sheep, goat, swine, equine, poultry, turkey, fowl, dogs, cats, and any wildlife or zoo animals which, if diseased, might endanger the health of domestic animals.” A closer examination of the species tested under the agreement shows dogs and cats make up 39 percent of all tests performed, and livestock barely comprise 50 percent of the tests. Many of the tests performed on species other than livestock are offered at privately operated veterinary offices throughout the state. GDA should re-examine the current level of services in the MOU to focus on testing as it relates to livestock specifically.

The agreement also requires a final report on the activities of the lab each year; however, the report includes all activities of the labs and does not provide a clear contrast of the activities required through the MOU and those additional services or activities specific to the University of Georgia. Additionally, the report and MOU do not show or require any defined service levels or mechanism to track services carried out on behalf of the department to allow the services to be evaluated. The lack of service levels and tracking does not allow the department to accurately evaluate services of the contract. The contract should be re-evaluated to establish service level agreements based on the roles and responsibilities of the department.

“Payments to Athens and Tifton Veterinary Laboratories” budgeted program

The current Athens and Tifton Veterinary Laboratories program functions as a pass-through to UGA in the appropriations bill under both GDA and USG’s budgets. The funding within the GDA program only represents the responsibilities that are performed by UGA on behalf of the department, but the budget within USG contains a more exhaustive or full-service model of services offered by UGA. The MOU’s current lack of requirements related to tracking expenses, service levels, and clear delineation of duties or responsibilities reduces transparency. It also limits the department’s ability to evaluate what services are being performed on behalf of the department and the level of funding that should be appropriated for those services. The budgeted program should be eliminated, and funding should be transferred to the Board of Regents of the University System of Georgia.

Fee Structure

Currently, the labs operate with a fee structure that utilize state appropriations to subsidize the cost of a wide array of fees assessed to various animal species. From FY 2014 to FY 2018, fees associated with testing comprised only 42 percent of program income. When examining the number of tests performed at the labs, non-livestock animals such as dogs and cats and other wildlife and zoo animals comprise nearly a 50-50 split in the number of tests. The single most tested species were dogs, which made up 33 percent of all tests.

Current program fees are reviewed and established by the University of Georgia with little to no input from the department. The agency should work with the Athens and Tifton Veterinary Laboratories to establish a fee structure that prioritizes the eradication of diseases related to livestock while limiting the subsidization of fees for domestic or companion animals. Additionally, O.C.G.A § 4-4-2.1 should be updated to authorize both GDA and USG to set fees for rendering USDA Animal and Plant Health Inspection related services such as disease surveillance testing for mad cow disease and swine flu.

New performance measures should be added to monitor the program's overall performance

Performance measures are an integral component of the Zero-Based Budgeting (ZBB) process. Performance metrics should not only track the workload, efficiency, and effectiveness of the program but should also be appropriate and relevant to the policy goals of the agency and state. Through ZBB analysis, additional measures were developed and evaluated to supplement existing program performance measures.

The following is a list of new performance measures. OPB will continue to work with the agency to ensure new performance measures are annually updated into the new Planning and Budget Cloud Services (PBCS) system.

- Livestock tests as a percentage of total tests
- Amount of fees collected related to livestock testing activities
- Average number of days to complete a livestock-related test

Department of Agriculture
 ZBB Program: Athens and Tifton Veterinary Laboratories

Key Activities

Activity	Description	Authority	No. of Positions	FY 2020 State Funds	FY 2020 Total Budget
Diagnostic Testing	Testing performed by the University of Georgia's College of Veterinary Medicine on behalf of the Department of Agriculture to assist in the control and prevention of diseases affecting the state's livestock industry.	O.C.G.A § 4-4-1 (5)		\$3,614,906	\$3,614,906
Total				\$3,614,906	\$3,614,906

Department of Agriculture
 ZBB Program: Athens and Tifton Veterinary Laboratories

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2018	FY 2019	FY 2020
Personal Services			
Regular Operating Expenses			
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Contractual Services			
Payments to Athens/Tifton Veterinary Laboratories	\$3,464,688	\$3,553,987	\$3,614,906
Total Expenditures	\$3,464,688	\$3,553,987	\$3,614,906
Fund Type			
State General Funds	\$3,464,688	\$3,553,987	\$3,614,906
Total Funds	\$3,464,688	\$3,553,987	\$3,614,906

Department of Agriculture
 ZBB Program: Athens and Tifton Veterinary Laboratories

Performance Measures

Agency Mission:

The Department of Agriculture's mission is to protect consumers, promote agriculture both locally and globally and to assist its customers using education, technology, and a professional workforce.

Program Purpose:

The purpose of this appropriation is to provide payment to the Board of Regents for diagnostic laboratory testing, for veterinary consultation and assistance, for disease surveillance, and for outreach to veterinarians, animal industries, and pet owners within the State of Georgia.

Performance Measures	Actuals			
	FY 2016	FY 2017	FY 2018	FY 2019
1. Livestock tests as a percentage of total tests (New)	N/A	N/A	N/A	N/A
2. Amount of fees collected related to livestock testing activities (New)	N/A	N/A	N/A	N/A
3. Average number of days to complete a livestock-related test (New)	N/A	N/A	N/A	N/A



FY 2021 Zero-Based Budget Analysis

Department of Community Affairs

ZBB Program: Rental Housing Programs

Executive Summary

- The Rental Housing Programs program administers Georgia’s affordable rental housing initiatives to increase access to housing for low-to-moderate income households.
 - The program should continue to explore the Housing and Urban Development’s “Moving to Work” program.
 - The program administers federal and state tax credits and federal grants that support affordable housing development.
 - The agency should work with the General Assembly to implement a new program budget structure in order to provide for more efficient service delivery to local communities.
-

Program Overview

The Department of Community Affairs (DCA) supports local governments and communities through assistance in comprehensive planning, safe and affordable housing, downtown development, community infrastructure, and economic development. In 1996, the Georgia Housing Finance Authority (GHFA) staff which managed the state’s low-income housing and tax credit programs were transferred to DCA. Under the department’s Rental Housing Programs, many of GHFA’s initiatives like housing for low to moderate-income households became the responsibility of DCA staff. GHFA, through DCA is responsible for affordable housing for all areas of the state that are not served by a local housing authority.

Results and Recommendations

Department of Housing and Urban Development (HUD) Moving to Work Program

Though DCA, GHFA is responsible for administering federal housing assistance initiatives for the 149 counties in Georgia that do not have a local housing authority. This includes administering Georgia’s portion of HUD’s Housing Choice Voucher Program, also known as Section 8. The vouchers are granted to eligible applicants who meet certain requirements including income. At least 75 percent of vouchers must be awarded to individuals whose income does not exceed 30 percent of the median area income. Once approved, including final inspections of the units, vouchers are provided directly to the voucher holder’s landlord to subsidize the voucher holder’s rent. Voucher holders must provide annual income verification to remain in the program and the landlord’s property must be inspected annually as well.

Currently, the demand for housing vouchers far outpaces the supply, and DCA maintains a waiting list for eligible applicants. An applicant's place on the waiting list is determined by a variety of factors including homelessness, veteran status, and/or specific location requirements for employment.

Since 1996, HUD has allowed Public Housing Authorities to enter the Moving to Work pilot program. Housing authorities in the Moving to Work program are allowed certain exemptions to HUD regulations and are given additional flexibility in how Housing Voucher funds are utilized. There are currently 39 participating housing authorities in the program, but HUD will be expanding the program to allow for 100 housing authorities by 2022. Housing authorities that can enter the Move to Work program are entered into specific pilot initiatives pertaining to funding flexibility, rent reform, work requirements, and landlord incentives. DCA staff should work with state and federal partners to explore the potential benefits of the Moving to Work program.

Affordable Housing Development

DCA staff also administer various incentive programs for low-income housing supply. The Home Investment Partnership Program (HOME) which includes Georgia's Low-Income Housing Tax Credit program (LIHTC) and the Community HOME Investment Program (CHIP). The LIHTC program provides a four and nine percent federal and state income tax credit to entities that construct multifamily rental housing that benefits low income tenants. Applicants are developers and Community Housing Development Organizations. LIHTC applications are scored based on a set of criteria laid out in the state's Qualified Allocation Plan.

The CHIP program awards grants that local governments, housing authorities, and non-profits can use to rehabilitate and build affordable housing. Up to \$300,000 in rehabilitation grants may be awarded to grantees to set up zero percent interest loans for homeowners to use for rehabilitation with preference given for projects that benefit low income and disaster areas. Up to \$600,000 in construction grants may be awarded to grantees to construct affordable single-family housing which is sold to a homeowner who will be required to sign a 15-year minimum affordability agreement.

Agency Program Review

DCA will consist of 11 budgeted programs and five attached agencies for administrative purposes in FY 2020. This does include the Georgia Housing and Finance Authority, which was merged into DCA in July 1996. In total, the budgeted units will comprise of approximately 350 DCA employees, \$74,793,780 in state general funds, and \$257,842,992 in total funds.

Due to the number of programs and current structure, the agency's programs and key statutory activities overlap, creating arduous accounting and budgeting practices to provide transparency with appropriated funding to key activities. This often results in inefficiencies in program funding and delivery. Many of the agency's key activities and budgeted programs, like the Rental Housing Program, can be streamlined into four key statutory requirements that include community services, economic development, housing, and administration. For example, the agency also operates other Georgia Housing and Finance Authority initiatives that reside under the agency's Homeownership and Special Housing Initiatives programs.

Department of Community Affairs: Rental Housing Programs

Table 1. Recommended Program Structure

Current Structure			Recommended Program Structure		
Program Name	State Funds	Total Funds	Program Name	State Funds	Total Funds
Building Construction	\$262,438	\$494,791	Community Services	\$10,040,878	\$16,727,118
Coordinated Planning	3,797,135	3,797,135			
Regional Services	1,121,704	4,162,456			
Research and Surveys	421,363	471,363			
State Community Development Programs	3,721,434	3,821,434			
Federal Community and Economic Development	2,177,063	50,312,863	State Economic Development	2,121,432	47,490,016
State Economic Development Programs	18,553,462	19,029,550	Regional Economic Business Assistance Grants	17,892,289	17,892,289
Homeownership Programs		8,118,534	Housing Initiatives	3,162,892	130,803,155
Rental Housing Programs		116,019,277			
Special Housing Initiatives	3,162,892	6,665,344			
Departmental Administration	1,427,161	7,335,596	Departmental Administration	1,427,161	7,335,596
Attached Agencies			Attached Agencies		
Payments to Georgia Environmental Finance Authority	\$843,495	\$843,495	Payments to Georgia Environmental Finance Authority	\$843,495	\$843,495
Payments to Georgia Regional Transportation Authority	12,809,285	12,809,285	Payments to Georgia Regional Transportation Authority	12,809,285	12,809,285
Payments to OneGeorgia	23,675,000	23,675,000	Payments to OneGeorgia	23,675,000	23,675,000
Payments to Atlanta-region Transit Link (ATL) Authority	2,487,122	2,487,122	Payments to Atlanta-region Transit Link (ATL) Authority	2,487,122	2,487,122
Georgia Commission on the Holocaust	334,226	449,226	Georgia Commission on the Holocaust	334,226	449,226
Department of Community Affairs - Total	\$74,793,780	\$260,492,471	Department of Community Affairs - Total	\$74,793,780	\$260,512,302

The recommended program structure above seeks to align budget to key statutory activities and provide efficient and effective services to rural and local governments and prospective homeowners. The new structure would also allow for better transparency when comparing the agency’s statutory responsibilities and appropriated budget. The agency should work with the General Assembly to implement the new program budget structure in order to align its service delivery with statute, enhance housing initiatives, and increase economic development opportunities for local communities.

New performance measures should be added to monitor the program's overall performance

Performance measures are an integral component of the Zero-Based Budgeting (ZBB) process. Performance metrics should not only track the workload, efficiency, and effectiveness of the program but should also be appropriate and relevant to the policy goals of the agency and state as a whole. Through ZBB analysis, additional measures were developed and evaluated to supplement existing program performance measures.

The following is a list of new performance measures. OPB will continue to work with the agency to ensure new performance measures are annually updated into the Planning and Budget Cloud Services (PBCS) system.

- Number of Section 8 housing inspections conducted per inspector annually
- Average number of days to get an approved candidate into Section 8 housing
- Dollar value of tax credits per affordable housing unit created

Department of Community Affairs
 ZBB Program: Rental Housing Programs
 Key Activities

Activity	Description	Authority	No. of Positions	FY 2020 State Funds	FY 2020 Total Budget
Housing Choice Vouchers (Section 8)	Provides state's allocation of Section 8 Housing Choice Voucher funds on behalf of eligible applicants to the landlords of voucher holders.	42 U.S.C. § 1437; O.C.G.A § 8-3-170			\$102,987,816
Rental Assistance Administration	Provides technical assistance to Housing Choice Voucher (section 8) applicants, inspections on properties that receive voucher payments, and monitoring of voucher holder eligibility.	42 U.S.C. § 1437; O.C.G.A § 8-3-170	100		7,815,912
Affordable Housing Development	Oversees the development of affordable rental housing in Georgia by offering competitively awarded state and federal income tax credits to private and nonprofit developers. Administers grants program to assist local governments, housing authorities, and nonprofits with rehabilitating and constructing housing that benefits low income areas.	26 U.S.C. § 42; O.C.G.A § 48-7-29.6, O.C.G.A § 50-26-8	48		5,064,281
Special Assistance	Assists other DCA housing programs with providing housing assistance to individuals with disabilities or financial hardships.	42 U.S.C. § 11403	1		151,267
Total			149	\$0	\$116,019,277

Department of Community Affairs
 ZBB Program: Rental Housing Programs

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2018	FY 2019	FY 2020
Personal Services	\$11,781,445	\$10,766,242	\$12,178,153
Regular Operating Expenses	871,529	893,958	1,052,521
Motor Vehicle Purchases			
Equipment	620		
Computer Charges	114,624	106,709	173,315
Real Estate Rentals	550,819	479,435	468,322
Telecommunications	181,604	181,211	194,357
Contractual Services	615,090	394,646	891,453
Other		84,750	
HUD Section 8 Rental Assistance	104,088,011	102,003,805	101,061,156
Total Expenditures	\$118,203,742	\$114,910,756	\$116,019,277
Fund Type			
Other Funds	\$3,798,074	\$3,426,854	\$4,145,738
Federal Funds	114,405,668	111,483,902	111,873,539
Total Funds	\$118,203,742	\$114,910,756	\$116,019,277
Positions	143	133	149
Motor Vehicles	41	41	41

Department of Community Affairs
 ZBB Program: Rental Housing Programs

Performance Measures

Agency Mission:

The Department of Community Affairs' mission is to help build strong, vibrant communities.

Program Purpose:

The purpose of this program is to provide affordable rental housing to very low, and moderate-income households by allocating federal and state housing tax credits on a competitive basis, administering low interest loans for affordable rental housing, researching affordable housing issues, and providing tenant based assistance to low-income individuals and families allowing them to rent safe, decent, and sanitary dwelling units in the private rental market.

Performance Measures	Actuals			
	FY 2016	FY 2017	FY 2018	FY 2019
1. Number of housing choice vouchers under contract	15,943	15,020	14,411	13,273
2. Section 8 management assessment program rating	100%	100%	100%	100%
3. Number of Georgia residents served	11,076	10,308	17,236	17,310
4. Number of jobs created (based on National Homebuilders model of 1.5 jobs per unit)	5,630	6,443	11,241	11,289



FY 2021 Zero-Based Budget Analysis

Department of Community Affairs

ZBB Program: State Economic Development Programs

Executive Summary

- The State Economic Development Programs program provides analyses and technical assistance to local governments that are pursuing various state economic development initiatives.
 - The program administers some of the state's most relevant economic development tools, including Regional Economic Business Assistance, OneGeorgia Authority grants, and the Job Tax Credit among other initiatives.
 - The agency should work with the General Assembly to implement a new program budget structure in order to provide for more efficient service delivery to local communities.
-

Program Overview

The Department of Community Affairs (DCA) supports local governments and communities through assistance in comprehensive planning, safe and affordable housing, downtown development, community infrastructure, and economic development finance. The department's State Economic Development Programs administers and oversees the Regional Economic Business Assistance (REBA) grants, the OneGeorgia Authority initiatives, and several other economic development programs such as the Downtown Development Revolving Loan Fund, Job Tax Credits, Regional Economic Assistance Projects, Rural Zones, and the Tourism Development Act. The program leverages these state programs to provide grants and loans to local governments and development authorities to attract businesses, private investment, and job creation.

Results and Recommendations

Economic Development Initiatives

The program's economic initiatives provide options for economic development projects of local communities and the state. Program staff provide analysis to develop annual reports that determine county eligibility and technical assistance to local communities. These tasks may also include auditing, compliance reviews, and the review of applications.

The program's two largest economic development tools are Regional Economic Business Assistance (REBA) grants and the OneGeorgia Authority initiatives. REBA grants are partnership between the Georgia Department of Economic Development (GDEcD) and DCA that allows local governments and authorities to apply for funds to attract business investment. The funds are used to improve infrastructure and/or site development in local communities. The staff also works on behalf of the OneGeorgia Authority, which operates the EDGE and Equity

initiatives. EDGE funds are used to fund capital improvements on a project that involves a community competing with an out-of-state community. These are awarded to projects that will be in or benefit a tier one or tier two county (the bottom 106 counties when ranked by a combined metric that includes poverty rate, unemployment rate, and per capita income). Equity funds are also used to fund capital improvements for economic development projects and are awarded to projects that are in or benefit counties with a population of 50,000 or less and a poverty rate of 10 percent or greater.

Another responsibility of the program staff includes the Job Tax Credit, which encourages business investment in a wide range of Georgia communities by providing income tax credits to businesses ranging between \$750 and \$3,500 per qualifying job. Job Tax Credits are utilized across the state using a tiered system to encourage rural investment. The metrics for this initiative includes each county's poverty rate, unemployment rate, and per capita income to factor the specific credit amount that a business will be eligible. Job Tax Credits may also be targeted at the sub-county level at less developed census tracts, Opportunity Zones, or Military Zones.

The program staff also administers various resources to communities for economic development projects around the state. The Downtown Development Revolving Loan Fund (DDRLF) provides gap financing to economic development projects in downtown areas located in counties with a population of 100,000 or less. The Regional Economic Assistance Projects (REAP) program allows specific types of tourism-focused projects to apply for prioritized permitting and licensing status from state agencies. The Rural Zones program allows communities in economic distress with a population of 15,000 or less and a concentration of historic commercial buildings to apply for tailored assistance. The Rural Zone allows businesses located within the designated commercial area to receive tax credits based on jobs created, property purchased, and rehabilitation expenditures. The Georgia Tourism Development Program allows developers of major tourism projects to receive a tax credit based on 2.5 percent of the project's expenditures or the increased sales and use tax generated by the project over the next 10 years.

Agency Program Review

DCA will consist of 11 budgeted programs and five attached agencies in FY 2020. This excludes the Georgia Housing and Finance Authority, which was merged into DCA in July 1996. In total, the budgeted units will comprise of approximately 350 DCA employees, \$74,793,780 in state general funds, and \$257,842,992 in total funds. Due to the number of programs and current structure, the agency's programs and key statutory activities often overlap, creating arduous accounting and budgeting practices to align appropriated funding to key activities. This often results in inefficiencies in program funding and delivery.

For example, the State Economic Develop Programs' staff provides analysis to develop annual reports that determine county eligibility and technical assistance to local communities; however, the department's State Community Development Programs and Regional Services budgeted program staff also provides outreach and general guidance to communities on grant eligibility and compliance. Similarly, the department's Federal Community and Economic Development program staff are used to provide underwriting services for several of the State Economic Develop Programs' initiatives.

Department of Community Affairs: State Economic Development Programs

The agency should review the agency’s key activities and budgeted programs, like the State Economic Development Programs and consider consolidating its activities and staff with key agency initiatives where appropriate to generate efficiencies for the department. As shown in the table below, many of the agency’s programs can be streamlined into four key statutory requirements that include community services, economic development, housing, and administration.

Table 1. Recommended Program Structure

Current Structure			Recommended Program Structure		
Program Name	State Funds	Total Funds	Program Name	State Funds	Total Funds
Building Construction	\$262,438	\$494,791	Community Services	\$10,040,878	\$16,727,118
Coordinated Planning	3,797,135	3,797,135			
Regional Services	1,121,704	4,162,456			
Research and Surveys	421,363	471,363			
State Community Development Programs	3,721,434	3,821,434			
Federal Community and Economic Development	2,177,063	50,312,863	State Economic Development	2,121,432	47,490,016
State Economic Development Programs	18,553,462	19,029,550	Regional Economic Business Assistance Grants	17,892,289	17,892,289
Homeownership Programs		8,118,534	Housing Initiatives	3,162,892	130,803,155
Rental Housing Programs		116,019,277			
Special Housing Initiatives	3,162,892	6,665,344			
Departmental Administration	1,427,161	7,335,596	Departmental Administration	1,427,161	7,335,596
Attached Agencies			Attached Agencies		
Payments to Georgia Environmental Finance Authority	\$843,495	\$843,495	Payments to Georgia Environmental Finance Authority	\$843,495	\$843,495
Payments to Georgia Regional Transportation Authority	12,809,285	12,809,285	Payments to Georgia Regional Transportation Authority	12,809,285	12,809,285
Payments to OneGeorgia	23,675,000	23,675,000	Payments to OneGeorgia	23,675,000	23,675,000
Payments to Atlanta-region Transit Link (ATL) Authority	2,487,122	2,487,122	Payments to Atlanta-region Transit Link (ATL) Authority	2,487,122	2,487,122
Georgia Commission on the Holocaust	334,226	449,226	Georgia Commission on the Holocaust	334,226	449,226
Department of Community Affairs - Total	\$74,793,780	\$260,492,471	Department of Community Affairs - Total	\$74,793,780	\$260,512,302

The recommended program structure above seeks to align budget to key statutory activities and provide efficient and effective services to rural and local governments. The new structure would also allow for better transparency when comparing the agency’s statutory responsibilities and appropriated budget. The agency should work with the General Assembly to implement the new program budget structure in order to align its service delivery with statute, enhance housing initiatives, and increase economic development opportunities for local communities.

Department of Community Affairs
 ZBB Program: State Economic Development Programs

Key Activities

Activity	Description	Authority	No. of Positions	FY 2020 State Funds	FY 2020 Total Budget
Economic Development Initiatives	Provides technical assistance to communities looking to participate in or apply for REBA Grants, the Downtown Development Revolving Loan Fund, Job Tax Credits, Regional Economic Assistance Projects, Rural Zones, and Georgia Tourism Development. Serve as fiscal agents for state economic development loans and grants; Ensures grant programs are in compliance with the state laws and regulations; performs audits and reviews of projects, awards and progress towards performance incentives.	O.C.G.A. § 50-8-7.1, O.C.G.A. § 50-8-8, O.C.G.A. § 50-8-190	7	\$661,173	\$904,668
Regional Economic Business Assistance Grants (REBA)	Financing tool to assist local government entities attract business to areas that develop, promote, or retain trade, commerce, industry, and employment.	O.C.G.A. § 50-8-8		17,892,289	17,892,289
OneGeorgia Authority Administration	Administers the OneGeorgia Authority's programs. Funds in these programs are awarded to infrastructure projects that will increase a community's economic development capabilities.	O.C.G.A. § 50-8-3, O.C.G.A. § 50-8-9, O.C.G.A. § 50-34-3, O.C.G.A. § 50-34-6, O.C.G.A. § 50-34-18	1		232,593
Total			8	\$18,553,462	\$19,029,550

Department of Community Affairs
 ZBB Program: State Economic Development Programs

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2018	FY 2019	FY 2020
Personal Services	\$655,318	\$653,905	\$491,433
Regular Operating Expenses	27,690	18,836	133,443
Motor Vehicle Purchases			
Equipment			
Computer Charges	114,743	3,274	9,601
Real Estate Rentals	20,845	20,900	20,912
Telecommunications	6,792	6,359	5,072
Contractual Services	58,881	83,925	476,800
Grants and Benefits	130,000		
Regional Economic Business Assistance Grants	25,892,288	40,907,229	17,892,289
Total Expenditures	\$26,906,557	\$41,694,428	\$19,029,550
Fund Type			
State General Funds	\$26,101,100	\$41,043,024	\$18,553,462
Other Funds	675,457	634,572	476,088
Federal Funds	130,000	16,832	
Total Funds	\$26,906,557	\$41,694,428	\$19,029,550
Positions	7	5	8
Motor Vehicles			

Department of Community Affairs
 ZBB Program: State Economic Development Programs

Performance Measures

Agency Mission:

The Department of Community Affairs' mission is to help build strong, vibrant communities.

Program Purpose:

The purpose of this program is to provide grants and loans to local governments and businesses and to leverage private investment in order to attract and promote economic development and job creation.

Performance Measures	Actuals			
	FY 2016	FY 2017	FY 2018	FY 2019
1. Number of jobs created	11,759	16,998	11,255	21,077
2. Total value of grants and loans awarded	\$43,551,798	\$33,373,186	\$59,616,420	\$122,419,988
3. Dollar amount of private investment leverage per grant/loan dollar	\$42	\$40	\$66	\$146



FY 2021 Zero-Based Budget Analysis

Department of Economic Development

ZBB Program: Georgia Council for the Arts

Executive Summary

- The Georgia Council for the Arts program administers grants to communities and arts organizations for the promotion of art.
 - The program administers the Georgia Council for the Arts – Special Project program which functions as a pass through for state and federal grant funds.
 - The program’s grant funding has increased significantly for specialized grant initiatives.
 - The agency should report performance measures that more accurately reflect the workload, efficiency, and effectiveness of the program.
-

Program Overview

The Georgia Department of Economic Development is the state’s lead sales and marketing arm and central agency for mobilizing state economic development. Formally known as the Arts Commission, the Georgia Council for the Arts program assists the agency in its mission by working with communities, local governments, and arts organizations to encourage the use of arts as a tool for economic development. The Council is composed of 11 members and is administered by a program staff of four employees. The Governor appoints nine general members and two ex officio members are appointed by the General Assembly. In FY 2016, the Georgia Council for the Arts program was split into two budgeted programs with the administration of the program and its employees remaining in the Georgia Council of the Arts budgeted program and program grants appropriated into the separately budgeted Georgia Council for the Arts – Special Project program.

Results and Recommendations

Grants Administration

The Georgia Council for the Arts is the state’s designated recipient of federal funding awarded through the National Endowment for the Arts. The Georgia Council for the Arts program staff are responsible for reviewing and processing all applications for the Partner, Vibrant Communities, Facilities, Arts Education, and Project grants. This process includes the initial review for minimum requirements prior to an examination by a panel of five to six individuals from the arts community that have received training and instructions on how to grade applications. Applications are graded on a 100-point scale with 40 points allocated to community impact, 20 points allocated to artistic merit, 20 points allocated to goals, 10 points allocated to fiscal stability, and 10 points allocated to organizational stability. Once an application is scored, the Georgia Council for the Arts’ 11 members review and

certify that the applications were properly examined. Once the Council certifies the projects, the Georgia Council for the Arts staff will distribute available funds for each grant category based on application scores.

Grant Funding

In FY 2015, the Council for the Arts was operating with a state funds budget of \$596,713 and a total funds budget of \$1,256,113. Since FY 2015, the arts program has received additional state funds for grants each year since FY 2016 totaling \$900,000. As a result, the total budget for the two arts programs in FY 2020 will consist of \$1,517,217 in state funds and a total budget of \$2,176,617. The two biggest increases were the result of two initiatives known as the Vibrant Communities and Facilities grants.

In FY 2016, \$300,000 in state funds were added for the Vibrant Communities initiative to establish grants ranging between \$1,000 and \$5,000 to target rural communities. Recipients of Vibrant Communities grants are required to have 50 percent matching funds. The arts programs received an additional \$300,000 in the FY 2020 Appropriations Act for a new Facilities Grant initiative. Eligible grant funding includes projects for bricks and mortar, equipment or major capital outlay improvements to an existing facility, additions to an existing structure, and/or new construction. Eligible recipients include local governments, community-based organizations, and universities. The program will also offer grants under \$20,000, with the ability to match with in-kind opportunities in the form of labor and/or materials. Grant awards of \$20,000 - \$75,000 require a dollar for dollar match.

New performance measures should be added to monitor the program's overall performance

Performance measures are an integral component of the Zero-Based Budgeting (ZBB) process. Performance metrics should not only track the workload, efficiency, and effectiveness of the program but should also be appropriate and relevant to the policy goals of the agency and state as a whole. Through ZBB analysis, additional measures were developed and evaluated to supplement existing program performance measures.

The following is a list of new performance measures. OPB will continue to work with the agency to ensure new performance measures are annually updated into the Planning and Budget Cloud Services (PBCS) system.

- Number of grant applications processed per employee
- Number of trainings for grading applications
- Number of people trained to grade applications
- Number of unique grant recipients from prior grant year

Additionally, one performance measure will be deleted from the PBCS system due to the measure now being tracked under the Georgia Council for the Arts – Special program. The performance measure is listed below:

- Number of Georgia Council for the Arts grant awards

Georgia Department of Economic Development
 ZBB Program: Georgia Council for the Arts

Key Activities

Activity	Description	Authority	No. of Positions	FY 2020 State Funds	FY 2020 Total Budget
Administration	Administers federally and state funded grants to non profit organizations, local governments and authorities, public libraries, schools, universities, and arts organizations.	O.C.G.A. § 50-12-23, O.C.G.A § 50-12-25	3.5	\$473,253	\$473,253
Research and Publications	Gathers information related to the impact of arts projects in communities around the state and publishes the material in publicly available reports.	O.C.G.A. § 50-12-24	0.5	67,608	67,608
Total			4	\$540,861	\$540,861

Department of Economic Development
 ZBB Program: Georgia Council for the Arts

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2018	FY 2019	FY 2020
Personal Services	\$437,638	\$431,289	\$452,642
Regular Operating Expenses	11,128	12,238	25,000
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals	30,000	35,000	30,000
Telecommunications	3,826	5,439	7,000
Contractual Services	19,075	6,000	11,750
Grants and Benefits	150,000	9,812	
Marketing	26,382	23,300	14,469
Total Expenditures	\$678,049	\$523,078	\$540,861
Fund Type			
State General Funds	\$678,061	\$523,078	\$540,861
Federal Funds	(12)		
Total Funds	\$678,049	\$523,078	\$540,861
Positions	4	4	4
Motor Vehicles			

Department of Economic Development
 ZBB Program: Georgia Council for the Arts

Performance Measures

Agency Mission: The Department of Economic Development's mission is to strategically deliver economic development throughout the state by attracting new business investment; supporting the expansion of existing industry and small business; locating new markets for Georgia products; attracting domestic and international tourists to Georgia; promoting the role of the arts; making Georgia the premier location for entertainment projects; support the mobilization of a talented and diverse workforce; and partnering with stakeholders to optimize results.

Program Purpose: The purpose of this program is to provide for Council operations and maintain the Georgia State Art Collection and Capitol Galleries.

Performance Measures	Actuals			
	FY 2016	FY 2017	FY 2018	FY 2019
1. Number of Counties served by GCA	129	128	131	130
2. Number of applications processed per employee (New)	N/A	N/A	N/A	N/A
3. Number of trainings for grading applications (New)	N/A	N/A	N/A	N/A
4. Number of people trained to grade applications (New)	N/A	N/A	N/A	N/A
5. Number of unique grant recipients from prior grant year (New)	N/A	N/A	N/A	N/A



FY 2021 Zero-Based Budget Analysis

Department of Economic Development

ZBB Program: Georgia Council for the Arts – Special Project

Executive Summary

- The Georgia Council for the Arts – Special Project program receives state and federal funds that are utilized for arts grants to local governments and arts organizations.
 - The program’s grant funding has increased due to two major initiatives known as the Vibrant Communities and Facilities grant programs.
 - The department should establish tracking mechanisms for its key activities.
 - The agency should report performance measures that more accurately reflect the workload, efficiency, and effectiveness of the program.
-

Program Overview

The Georgia Department of Economic Development is the state’s lead sales and marketing arm and central agency for mobilizing state economic development. Created by House Bill 76 (FY 2016 Appropriations Act), the Georgia Council for the Arts – Special Project program is the funding mechanism for all state and federal grant funds designated for Georgia Council for the Arts. Serving as a separate budgeted unit to track all grant spending, the program houses the Partner, Vibrant Communities, Facilities, Arts Education, and Project grants. These grants assist the agency in promoting arts as a tool for economic development by working with communities, local governments, and arts organizations.

Results and Recommendations

Grant Funding

In FY 2015, the Council for the Arts was operating with a state funds budget of \$596,713 and a total funds budget of \$1,256,113. Since FY 2015, the arts programs have received additional state funds for grants each year since FY 2016 totaling \$900,000. As a result, the total budget for the two arts programs in FY 2020 will consist of \$1,517,217 in state funds and a total budget of \$2,176,617. The two biggest increases were the result of two initiatives known as the Vibrant Communities and Facilities grants.

In FY 2016, \$300,000 in state funds were added for the Vibrant Communities initiative to establish grants ranging between \$1,000 and \$5,000 to target rural communities. Recipients of Vibrant Communities grants are required to have 50 percent matching funds. The arts programs received an additional \$300,000 in the FY 2020 Appropriations Act for a new Facilities Grant initiative. Eligible grant funding includes projects for bricks and mortar, equipment or major capital outlay improvements to an existing facility, additions to an existing structure,

and/or new construction. Eligible recipients include local governments, community-based organizations, and universities. The program will also offer grants under \$20,000, with the ability to match with in-kind opportunities in the form of labor and/or materials. Grant awards of \$20,000 - \$75,000 require a dollar for dollar match.

Tracking Key Activities

The program receives National Endowment for the Arts (NEA) funding and state funds to provide grants to communities and arts organizations around the state. These grants are for specific arts projects, operations support, educational programs, facility funding, and grants that are specifically targeted to communities that have struggled to acquire any arts grant assistance. Amounts awarded to applicants vary based on the type of grant applied for. Specific projects and educational programs can be awarded up to \$6,000, organizations seeking operating support may be awarded up to \$20,000, and organizations seeking funds to construct or rehabilitate a facility can be awarded up to \$75,000. The key activities listed in this ZBB represent the key activities of the program, but the department does not currently differentiate between grant programs in the state's financial systems. In order to more accurately represent activity level spending, the department should utilize subprogram, department, or project codes in the state's financial management system to track activity level spending across all fund sources.

New performance measures should be added to monitor the program's overall performance

Performance measures are an integral component of the Zero-Based Budgeting (ZBB) process. Performance metrics should not only track the workload, efficiency, and effectiveness of the program but should also be appropriate and relevant to the policy goals of the agency and state as a whole. Through ZBB analysis, additional measures were developed and evaluated to supplement existing program performance measures.

The following is a list of new performance measures. OPB will continue to work with the agency to ensure new performance measures are annually updated into the Planning and Budget Cloud Services (PBCS) system.

- Number of operations support grants awarded
- Number of art project support grants awarded
- Number of art education support grants awarded
- Number of facility support grants awarded
- Number of Vibrant Communities support grants awarded

Department of Economic Development
 ZBB Program: Georgia Council for the Arts - Special Project

Key Activities

Activity	Description	Authority	No. of Positions	FY 2020 State Funds	FY 2020 Total Budget
Partner Grants	Supports grant applications for arts organizations. Partner grants requests are for between \$8,000 and \$20,000 and require one-to-one matching funds.	O.C.G.A. § 50-12-25		\$204,856	\$734,344
Vibrant Communities Grants	Supports targeted grants for rural communities. Vibrant Communities Grants are between \$1,000 and \$5,000 and require 50% matching funds. Applicants are nonprofit organizations, local governments, local authorities, public libraries, schools, and universities in a county that has not received a project, partner, or arts education program grant for that year.	Appropriations Bill		300,000	300,000
Facilities Grants	Supports the construction, renovation, or acquisition of a building for arts programs or the addition of equipment to support arts programs. Facility grants are between \$10,000 and \$75,000. Applicants are nonprofit organizations or government entities.	Appropriations Bill		300,000	300,000
Arts Education Grants	Provides educational arts programming grants to K-12 students. Arts Education program grants are for between \$1,000 and \$5,000 and require one-to-one matching funds. Applicants are nonprofit organizations, local governments, local authorities, public libraries, schools, and universities.	O.C.G.A. § 50-12-25		171,500	197,938
Project Grants	Supports single projects such as an exhibit, theatre production, or a series of workshops. Project grant requests are between \$1,000 and \$6,000 and require one-to-one matching funds. Applicants may be nonprofit organizations, local governments, local authorities, public libraries schools, or universities.	O.C.G.A. § 50-12-25			103,474
Total				\$976,356	\$1,635,756

Department of Economic Development
 ZBB Program: Georgia Council for the Arts - Special Project

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2018	FY 2019	FY 2020
Personal Services			
Regular Operating Expenses			
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Contractual Services	\$4,095		
Grants and Benefits	1,299,637	\$1,413,797	\$1,635,756
Marketing	9,941	13,470	
Total Expenditures	\$1,313,673	\$1,427,267	\$1,635,756
Fund Type			
State General Funds	\$572,959	\$674,836	\$976,356
Federal Funds	740,714	752,431	659,400
Total Funds	\$1,313,673	\$1,427,267	\$1,635,756

Positions

Motor Vehicles

Department of Economic Development
 ZBB Program: Georgia Council for the Arts - Special Project

Performance Measures

Agency Mission: The Department of Economic Development's mission is to strategically deliver economic development throughout the state by: attracting new business investment; supporting the expansion of existing industry and small business; locating new markets for Georgia products; attracting domestic and international tourists to Georgia; promoting the role of the arts; making Georgia the premier location for entertainment projects; support the mobilization of a talented and diverse workforce; and partnering with stakeholders to optimize results.

Program Purpose: The purpose of this program is to increase arts participation and support throughout the state with grants for non-profit arts and cultural organizations through Partner Grants, Education Grants and the 'Grassroots' arts program.

Performance Measures	Actuals			
	FY 2016	FY 2017	FY 2018	FY 2019
1. Number of Grant Awards	94	85	312	214
2. Number of operations support grants awarded (New)	N/A	N/A	N/A	N/A
3. Number of art project support grants awarded (New)	N/A	N/A	N/A	N/A
4. Number of art education support grants awarded (New)	N/A	N/A	N/A	N/A
5. Number of facility support grants awarded (New)	N/A	N/A	N/A	N/A
6. Number of Vibrant Community support grants awarded (New)	N/A	N/A	N/A	N/A



FY 2021 Zero-Based Budget Analysis

Department of Economic Development

ZBB Program: International Relations and Trade

Executive Summary

- The International Relations and Trade program facilitates economic development by identifying international markets for Georgia products and promoting Georgia products in those markets.
 - The program should establish additional mechanisms to more effectively track the program's key activities.
 - The agency should report performance measures that more accurately reflect the workload, efficiency, and effectiveness of the program.
-

Program Overview

The Georgia Department of Economic Development (DEcD) is the state's lead sales and marketing arm and central agency for mobilizing state economic development. The International Relations and Trade program accomplishes the department's mission of economic development by identifying and promoting international markets for Georgia products. The program also provides technical and educational assistance to Georgia businesses, organizes business and trade missions, facilitates foreign advertising efforts, and operates a network of international representatives in existing and emerging markets. Currently, DEcD has representatives in the Brazil, Canada, Chile, China, Columbia, Europe, Israel, Mexico, Korea, Peru, the United Kingdom, and Japan markets.

Results and Recommendations

Track Key Activities

The FY 2018 Appropriations Act (HB 44) re-established the International Relations and Trade program as a budgeted unit. The program has three key activities; however, the program currently does not track the expenditures independently. The establishment of additional tracking mechanisms for each key activity would provide additional understanding and transparency on program expenses. In order to more accurately track the key activities of the program, the department should establish additional mechanisms to more effectively track the program's key activities.

New performance measures should be added to monitor the program's overall performance

Performance measures are an integral component of the Zero-Based Budgeting (ZBB) process. Performance metrics should not only track the workload, efficiency, and effectiveness of the program, but should also be appropriate and relevant to the policy goals of the agency and state. Through ZBB analysis, additional measures

were developed and evaluated to supplement existing program performance measures. The following is a list of one new performance measure and one revised performance measure. OPB will continue to work with the agency to ensure new performance measures are annually updated into the Planning and Budget Cloud Services (PBCS) system.

- Percentage of clients who indicate that trade assistance was satisfactory (New)
- Number of unique shipments to international markets (New)
- Exclusive agreements with a qualified importer, distributor, agent, or required regulatory consultant in an international market (New)
- Number of times a significant cost/time savings was provided through international representation (New)
- Number of trade assistances provided to a Georgia company (Revised)

Department of Economic Development
 ZBB Program: International Relations and Trade

Key Activities

Activity	Description	Authority	No. of Positions	FY 2020 State Funds	FY 2020 Total Budget
Trade Assistance	Provides export counseling and educational presentations to Georgia businesses that are attempting to access international markets.	O.C.G.A. § 50-7-7, O.C.G.A. § 50-7-8	7	\$1,563,739	\$1,563,739
International Representation	Provides country specific trade information and identifies international trade opportunities.	O.C.G.A. § 50-7-7, O.C.G.A. § 50-7-8	5	698,454	698,454
Marketing	Markets Georgia businesses and products at international tradeshows and conventions in international and domestic locations.	O.C.G.A. § 50-7-7, O.C.G.A. § 50-7-8	2	598,251	598,251
Total			14	\$2,860,444	\$2,860,444

Department of Economic Development
 ZBB Program: International Relations and Trade

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2018	FY 2019	FY 2020
Personal Services	\$1,275,518	\$1,274,849	\$1,297,180
Regular Operating Expenses	183,880	183,930	183,933
Motor Vehicle Purchases			
Equipment			
Computer Charges	16,598	20,168	
Real Estate Rentals	74,000	74,000	74,000
Telecommunications	8,295	7,849	8,626
Contractual Services	698,454	698,454	698,454
Marketing	562,653	561,083	598,251
Total Expenditures	\$2,819,398	\$2,820,333	\$2,860,444
Fund Type			
State General Funds	\$2,819,398	\$2,820,333	\$2,860,444
Total Funds	\$2,819,398	\$2,820,333	\$2,860,444
Positions	12	12	14
Motor Vehicles			

Department of Economic Development
 ZBB Program: International Relations and Trade

Performance Measures

Agency Mission: The Department of Economic Development's mission is to strategically deliver economic development throughout the state by: attracting new business investment; supporting the expansion of existing industry and small business; locating new markets for Georgia products; attracting domestic and international tourists to Georgia; promoting the role of the arts; making Georgia the premier location for entertainment projects; support the mobilization of a talented and diverse workforce; and partnering with stakeholders to optimize results.

Program Purpose: The purpose of this program is to develop international markets for Georgia products and to attract international companies to the state through business and trade missions, foreign advertising, a network of overseas offices and representatives, and by providing technical and educational assistance to businesses.

Performance Measures	Actuals			
	FY 2016	FY 2017	FY 2018	FY 2019
1. Number of trade assistances provided to a Georgia company (Revised)	761	821	1,396	2,081
2. Number of unique shipments to international markets (New)	N/A	N/A	N/A	N/A
3. Exclusive agreements with a qualified importer, distributor, agent, or required regulatory consultant in an international market (New)	N/A	N/A	N/A	N/A



FY 2021 Zero-Based Budget Analysis

Department of Education

ZBB Program: Grants for Career, Technical and Agricultural Education, and Technology

Executive Summary

- The Grants for Career, Technical and Agricultural Education, and Technology program provides grants to local school systems for career, technical, and agricultural education equipment purchases.
 - The program should be eliminated and the existing Construction-Related Equipment (CRE) bond program for vocational and agricultural equipment should be expanded to provide grants to replace aging equipment to achieve efficiencies in administering a single grant program.
 - The Department of Education should consider the financial need of applicants when allocating grants for the CRE grant bond program.
 - The department will report new performance measures to better demonstrate the workload and effectiveness of the program.
-

Program Overview

Formerly the Audio-Video Technology and Film Grants program, the Grants for Career, Technical and Agricultural Education, and Technology (Grants for CTAE) program provides grants to local school systems to purchase equipment for career, technical, and agricultural (CTAE) laboratories and classrooms. The program is administered by the Career, Technical, and Agricultural Education division within the Department of Education (DOE). Middle and high schools offering approved CTAE programming and elementary schools with agriculture pilot programs¹ may apply for the grant through their local school system. The former Audio-Video Technology and Film Grants program provided audio-video and film (A/V Film) equipment to middle and high schools in the state, however, in fiscal year (FY) 2020, the program was renamed the Grants for Career, Technical and Agricultural Education, and Technology program and expanded to provide grants for all CTAE related equipment.

School systems may apply for the grant if their CTAE program has both a significant need for equipment upgrades and an Advisory Committee² that meets twice a year. Currently, preference is given to applicants who have not received a Creating Opportunities Needed Now to Expand Credentialed Training (CONNECT), Construction-Related Equipment (CRE), or A/V Film grant within the previous five years. Grantees can use the funds on a reimbursement basis to purchase CTAE equipment costing over \$500 in exchange for committing to utilizing the purchased equipment for student instruction and maintaining and making available to the

¹ SB 330 (2018 Session) required the department to establish a three-year pilot program for implementing agricultural education in elementary schools starting in the 2019-2020 academic year. There are currently 24 participating schools.

² Advisory Committees must include industry and educational partners.

Department of Education an inventory of all equipment purchased with the grant. Recipient school systems may not use the funds to cover construction or renovation costs or to purchase supplies and expendable items.

The maximum amount provided by the grant varies based on the type of school and CTAE program awarded. While elementary agriculture pilot programs may receive up to \$8,000, middle and high schools may receive between \$2,910 for a middle school marketing lab to \$52,500 for a mechatronics lab. With the current \$2 million budget, the program can provide approximately 687 awards at the minimum amount of \$2,910 and 38 awards at the maximum amount of \$52,500. Although there is a set maximum grant award for each CTAE program, school systems may apply for higher grant amounts for Special Purpose equipment by detailing the need and industry support for the special equipment in their applications. In FY 2020, \$1,920,000 was awarded to 70 schools in 50 school systems at an average award of \$21,573 per lab awarded.

Construction-Related Equipment Grants

In addition to the Grants for CTAE program, the state provides grants for CTAE education through annual bond appropriations for vocational and agricultural equipment. First appropriated in FY 1993, the bond program provides construction-related equipment grants to school systems offering an approved CTAE program. Unlike the Grants for CTAE program, CRE grants are only available to schools constructing a new lab facility or modifying an existing lab facility. CRE grants are provided on a reimbursement basis for the purchase of repairable equipment costing over \$100 with an expected useful live of five years or more. Examples of the types of equipment eligible for reimbursement include computer packages, welding machines, 3D printers, hospital beds, cement mixers, ovens, washers, dryers, tillers, and wheel balancers. School systems may not use CRE grants for operational costs or items such as classroom furniture, storage, vehicles, and materials.

Table 1 below provides the historical appropriations for CRE grants from FY 2014 to FY 2020. During this time, the state appropriated approximately \$47.7 million for vocational and agricultural equipment, including \$14.2 million in FY 2020. While a total of 110 school systems and one state school received CRE bond grants, 59 school systems received the grant in more than one fiscal year. In addition to the CRE bond appropriations, the state appropriated \$500,000 in both FY 2018 and FY 2020 for CONNECT grants to purchase lab equipment for specific skilled trade industries such as carpentry, plumbing, masonry, machining, welding, and electrical. Ten school systems received the CONNECT grant in FY 2019 and nine received the grant in FY 2020.

Table 1: Construction-Related Equipment (CRE) Appropriations

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Appropriation	\$3,600,000	\$2,000,000	\$3,000,000	\$13,000,000*	\$2,550,000	\$9,405,000	\$14,185,000

*Includes \$8 million in FY 2017 bond appropriations and \$5 million in state funds in the AFY 2017 appropriations bill.

Results and Recommendations

Program Elimination

Both the CRE bond program and the Grants for CTAE program promotes and enhances CTAE education by providing grants to local school systems to purchase equipment for approved CTAE lab facilities. All applicants who qualified for a CRE grant in FY 2020 were awarded the grant. The Grants for CTAE program should be eliminated and the department should expand the CRE bond program to offer CRE grants to labs with aging capital equipment in addition to the districts already receiving the grant for new or modified lab facilities. Eliminating the program and expanding the CRE bond program will lead to greater efficiencies through the administration of a single vocational equipment grant program.

Awarding Grants Based on Financial Need

Currently, CRE bond grants are awarded to school systems without consideration to the system's financial ability to make equipment purchases using federal and local funds. From FY 2018 to FY 2020, approximately 44 percent of the CRE funds awarded were allocated to systems in the Atlanta-Sandy Springs-Roswell metropolitan statistical area. Additionally, 17 school systems received multiple CRE grants for the same lab type at the same school in a single award year during this time. In addition to considering industry partnership and support, the department should consider giving preference for CRE grants to school systems with greater financial need for state support in equipping CTAE labs.

New Performance Measures

Performance measures are an integral component of the Zero-Based Budget (ZBB) process. Performance metrics should not only track the workload, efficiency, and effectiveness of the program, but should also be appropriate and relevant to the policy goals of the agency and state. Through ZBB analysis, new measures were developed and evaluated for the Technology/Career Education program. The Office of Planning and Budget will continue to work with the department to ensure performance measures are annually updated in the Planning and Budget Cloud Services (PBCS) system. Below is a list of the new recommended performance measures:

- Percentage of high school students who earn an industry credential
- Percentage of school districts that have not received a career, technical, agricultural education (CTAE) equipment grant (Construction-Related Equipment (CRE) Grant, Creating Opportunities Needed Now to Expand Credentialed Training (CONNECT) Grant, etc.) in more than seven years
- Average award per recipient school/facility

Department of Education

ZBB Program: Grants for Career, Technical and Agricultural Education, and Technology

Key Activities

Activity	Description	Authority	No. of Positions ¹	FY 2020 State Funds	FY 2020 Total Budget
Grants to Local School Systems	The program provides grants for career, technical, and agricultural (CTAE) equipment to local school systems that offer CTAE instruction, including elementary schools with agriculture pilot programs. Grant funds can be used to purchase industry standard equipment costing \$500 or more for student instruction and use. Funds cannot be used for expendable items and construction or renovation costs. To qualify for the grant, systems must have a significant need for equipment upgrades and must have an Advisory Committee in place that meets at least twice a year and consists of industry and educational partners. The department provides preference for the grant to systems who have not received a Creating Opportunities Needed Now to Expand Credentialed Training (CONNECT), Construction-Related Equipment (CRE), or Audio-Video Technology and Film grant within the previous five years.	Appropriations Bill		\$2,000,000	\$2,000,000
Total				\$2,000,000	\$2,000,000

¹ Positions administering the program are located in the Technology/Career Education program.

Department of Education

ZBB Program: Grants for Career, Technical and Agricultural Education, and Technology

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2018	FY 2019	FY 2020
Personal Services			
Regular Operating Expenses			
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Contractual Services	\$2,500,000	\$2,500,000	
Grants and Benefits			\$2,000,000
Total Expenditures	\$2,500,000	\$2,500,000	\$2,000,000
Fund Type			
State General Funds	\$2,500,000	\$2,500,000	\$2,000,000
Total Funds	\$2,500,000	\$2,500,000	\$2,000,000

Positions

Motor Vehicles

Department of Education

ZBB Program: Grants for Career, Technical and Agricultural Education, and Technology

Performance Measures

Agency Mission:

The Department of Education disburses state education funds, provides technical assistance and support services to local school systems, operates three schools for hearing and visually impaired students, and provides intensive assistance to local schools identified as needing improvement.

Program Purpose:

The purpose of this program is to provide funds for grants for Career, Technical and Agricultural Education (CTAE) equipment, and film and audio-video equipment to local school systems.

Performance Measures	Actuals			
	FY 2016	FY 2017	FY 2018	FY 2019
1. Percentage of high school students who earn an industry credential (New)	N/A	N/A	N/A	N/A
2. Percentage of school districts that have not received a career, technical, agricultural education (CTAE) equipment grant (Construction-Related Equipment (CRE) Grant, Creating Opportunities Needed Now to Expand Credentialed Training (CONNECT) Grant, etc.) in more than seven years (New)	42.2%	44.4%	46.1%	38.3%
3. Average award per recipient school/facility (New)	N/A	N/A	N/A	\$27,429



FY 2021 Zero-Based Budget Analysis

Department of Human Services

ZBB Program: Council on Aging

Executive Summary

- The Council on Aging advocates with and on behalf of aging Georgians to improve their quality of life.
- The Department of Human Services should transfer one position from the Departmental Administration program to the Council on Aging program to align budget with actual workload.
- The program should add one performance measure and alter an existing performance measure to better describe the effectiveness of program activities.

Program Overview

The Council on Aging (COA) actively engages with aging Georgians and advocates on their behalf. The COA advises the Governor, General Assembly, Department of Human Services (DHS), and other state agencies on public policy issues that are important to Georgians aged 65 years and older. Additionally, COA works to educate the public on programs affecting the elderly and to partner with them in advocating for programs to improve seniors' quality of life. The program's annual budget is \$254,960 in state general funds and it is administratively attached to DHS.

COA was created in 1972 and is statutorily obligated to serve in an advisory capacity to lawmakers and agency officials (O.C.G.A. §49-6-21). Specifically, COA is statutorily required to:

- Make recommendations concerning the establishment and maintenance of an adequate program for the elderly in Georgia
- Recommend standards for services for the elderly
- Aid DHS and other state agencies in coordinating programs for the elderly
- Establish indices to determine the effectiveness of programs for the aged
- Ensure that regular, adequate, and accurate reports are submitted by the component parts of aging programs to the council
- Publish in print or electronically regular reports of the council's activities and the adequacy of state programs for the aged
- Establish liaison with county and local aging services providers and organizations

The Council itself is comprised of 20 members, ten of which must be consumer members, appointed by either the Governor, the Lieutenant Governor, the Speaker of the House, or the Commissioner of DHS. Each council member serves a term of two years with consecutive terms allowed. O.C.G.A. §49-6-20 requires that the ten consumer members of the council be proportionately representative of the state in terms of income and racial makeup.

The program employs three staff: an Executive Director, a Social Services Coordinator, and a Communications Outreach Specialist. The Communications Outreach Specialist is funded through the DHS – Departmental Administration program budget.

Administrative activities such as fiscal management, information technology, human resources, and facilities supports are primarily provided by DHS.

The program’s key activities include administration of the Coalition of Advocates for Georgia’s Elderly, advocacy and legislative affairs, and events and communications.

Coalition of Advocates for Georgia’s Elderly

The Coalition of Advocates for Georgia’s Elderly (CO-AGE) is a grassroots advocacy group, operated by COA, that sets the Council’s annual legislative and budget priorities. CO-AGE membership consists of over 1,000 organizational members, individuals, service providers, and service consumers all interested in aging issues. CO-AGE members meet annually to discuss pressing issues to the senior community and vote on the coalition’s legislative and budget priorities for the year. In addition to the annual member meeting, COA also produces annual “meetings in a box,” sent out by member request, that summarize legislative successes that occurred during the year. These materials have replaced a second annual CO-AGE meeting that was held in prior years. Voting members pay annual dues that fund CO-AGE sponsored event expenses. Individual membership costs \$25, organizational membership costs \$100, and student membership costs \$15. In fiscal year 2020, COA has budgeted \$86,777 in state funds for CO-AGE, which includes staff time and printing and publications.

Advocacy and Legislative Affairs

COA supports programs for the elderly through grassroots advocacy and legislative affairs. COA staff encourage CO-AGE advocates, COA board members, and other interested volunteers to contact their legislators about the legislative and budget priorities established by CO-AGE. COA staff also engage with lawmakers directly.

The largest advocacy event each year is Senior Week at the Capitol, at which CO-AGE members and other aging advocates come to the capitol and coordinate messaging and advocacy efforts. Event attendees are given tips on how to communicate with lawmakers and are encouraged to meet with their legislators during the week. Outside of Senior Week at the Capitol, COA staff also communicates their priorities to lawmakers through advocate-signed letters, face-to-face communications, and yearly budget requests.

Events and Communications

Through events and communications, COA engages members, the public, and lawmakers on issues facing seniors in Georgia. Event planning occurs throughout the year for the CO-AGE annual meeting, Senior Week at the Capitol, and the “meeting in a box” mini meetings. All staff, as well as interns, assist in event planning. Board members are also highly involved in finding event space, renting necessary equipment, and setting event agendas.

COA utilizes multiple communications strategies to reach different stakeholders. A monthly newsletter is sent out to CO-AGE members and other interested parties who subscribe through the COA website. The issues voted on at the annual CO-AGE meeting are listed on COA’s website, each with an accompanying video explanation, as well as summarized in a brochure that is distributed to lawmakers. The COA website

also includes a page dedicated to aging resources that connects seniors or other interested individuals with state, federal, and nonprofit services or organizations. COA also utilizes social media to engage with the public and with legislators. COA utilizes Twitter® to engage with lawmakers during the legislative session and Facebook® to engage with the public. As of July 2019, 1,950 individual profiles followed the COA Facebook® page. Finally, COA contracts with a media consultant for earned media opportunities, such as interviews in national and local newspapers.

Results and Recommendations

Transfer one position to the Council on Aging from the Department of Human Services

The Communications Specialist position at COA is currently funded through DHS' Departmental Administration program. This position and associated state funds of \$71,391 should be transferred from DHS to COA to accurately reflect the number of positions in the program.

Use of performance measures to better monitor the overall performance of the program

Performance measures are an integral component of the Zero-Based Budgeting (ZBB) process. Performance metrics should not only track the workload, efficiency, and effectiveness of the program, but they should also be appropriate and relevant to the policy goals of the agency and state as a whole. During the ZBB process, two changes to the program's performance measure reporting were identified to better reflect and track program performance:

- Add a new measure: "Percentage of new CO-AGE members who first learned about CO-AGE through social media."
- Revise an existing measure, "Forums and other events conducted which promote issues beneficial to elderly Georgians (Target: 20)" by increasing the target to 100 to better align with historical performance.

Department of Human Services
 ZBB Program: Council on Aging

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2020 State Funds	FY 2020 Total Budget
Coalition of Advocates for Georgia's Elderly (CO-AGE) Activities	Meet with members to decide on annual focus issues. Educate members on new issues. Encourage grassroots advocacy.	O.C.G.A. Title 49, Chapter 6, Article 2.		\$86,777	\$86,777
Advocacy and Legislative Affairs	Educate legislators, government officials, and the public on issues important to seniors. Advocate for legislation and programming that promotes senior's priorities and well-being.	O.C.G.A. Title 49, Chapter 6, Article 2.	1	92,298	92,298
Events and Communications	Plan and execute events, such as CO-AGE member meetings and Senior Week at the Capitol. Engage with members and the public through pamphlets, email, social media, and the press.	O.C.G.A. Title 49, Chapter 6, Article 2.	1	75,885	75,885
Total			2	\$254,960	\$254,960

* (Listed in priority order as determined by Agency).

Department of Human Services
 ZBB Program: Council on Aging

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2018	FY 2019	FY 2020
Personal Services	\$210,187	\$189,164	\$213,257
Regular Operating Expenses	28,448	39,490	12,703
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Contractual Services	13,449	20,148	29,000
Grants and Benefits			
Total Expenditures	\$252,084	\$248,802	\$254,960
Fund Type			
State General Funds	\$252,084	\$248,802	\$254,960
Total Funds	\$252,084	\$248,802	\$254,960
Positions	2	2	2
Motor Vehicles			

Department of Human Services
 ZBB Program: Council on Aging

Performance Measures

Agency Mission:

Strengthen Georgia by providing individuals and families access to services that promote self-sufficiency, independence, and protect Georgia's vulnerable children and adults.

Program Purpose:

The purpose of this appropriation is to assist older individuals, at-risk adults, persons with disabilities, their families and caregivers in achieving safe, healthy, independent and self-reliant lives.

Performance Measures	Actuals			
	FY 2016	FY 2017	FY 2018	FY 2019
1. Percentage of participants who have a better understanding of issues that benefit elderly Georgians as a result of council training, education, and advocacy efforts (Target 75%)	89%	97%	97%	97%
2. Legislation initiated, influenced, and/or enacted each legislative session which benefits older Georgians (Target: 10)	16	17	14	14
3. Forums and other events conducted which promote issues beneficial to elderly Georgians (Target:100) (Revised)	100	137	126	126
4. Percentage of new CO-AGE members who first heard of CO-AGE through social media (New)	N/A	N/A	N/A	N/A



FY 2021 Zero-Based Budget Analysis

Department of Human Services

ZBB Program: Georgia Vocational Rehabilitation Agency: Disability Adjudication Services

Executive Summary

- The Disability Adjudication Services program utilizes federal funds to make medical disability determinations for the Social Security Administration.
 - The Disability Adjudication Services program should submit an amendment in the state's automated budget system to more accurately reflect position count within the program.
 - The program should consider new recruitment and retention strategies to meet the workload demands of the program.
 - The program should continue to develop and implement strategies to improve efficiency.
-

Program Overview

The Disability Adjudication Services program (DAS) makes medical disability program determinations on behalf of the federal Social Security Administration (SSA), specifically by reviewing and/or developing medical evidence in order to determine whether a claimant is disabled or blind under the Social Security Act. The SSA partners with 54 state or territorial agencies to conduct disability determinations. DAS is a program of Georgia Vocational Rehabilitation Agency (GVRA), an attached agency of the Department of Human Services (DHS).

SSA manages two federal disability benefit programs for which DAS provides medical eligibility determinations:

1. Social Security Disability Insurance (SSDI): disability benefits based on a claimant's work history and duration of their disability.
2. Supplemental Security Income (SSI): monthly payments to low-income individuals who are either age 65 or older, disabled, or blind.

The DAS budget of \$75.4 million is funded by the SSA, who sets the annual funding amount based upon historical and ongoing expenditures. DAS draws down monthly allotments and the total amount can be amended as needed by the SSA.

The program operates out of a central office in Stone Mountain, as well as field offices in Athens, Dalton, Thomasville, and Savannah. The program conducts five key activities: disability determination, case receipt and closure, medical and psychological reviews, recruitment and scheduling, and program administration and support.

Disability Determination

The primary function of DAS is to provide determinations of medical eligibility for disability programs administered by the SSA. For a claimant to be medically eligible for SSI or SSDI, the medical evidence must confirm that the claimant's condition, whether physical or mental, is severe enough to have significant effect on the claimant's ability to do basic work-related tasks, the condition has lasted at least one full year or can be predicted to last at least one year, and the condition is severe enough to prevent the claimant from working and earning a monthly amount equal to substantial gainful activity. Both SSI and SSDI have the same medical eligibility requirements. Income and work eligibility are determined by the SSA.

In order to make an eligibility determination, DAS adjudicators determine whether a claimant's symptoms and test results meet or exceed the disability eligibility requirements, as well as consider the mental or physical limitations of the applicant's condition, the nature and requirements of a claimant's past work, whether the claimant can return to past work, and whether the claimant could perform other types of work. The adjudicator reviews any pertinent medical records of the claimant to make these determinations and may request further medical records or a consultative exam if adequate data is not included in the claimant's initial application.

DAS adjudicators review six types of eligibility cases:

1. Initial determination, conducted upon an applicant's initial application for benefits
2. Continuing determination, conducted if a claimant's ongoing disability status requires reconsideration
3. Reconsideration, granted if a claimant appeals the initial determination made
4. Pre-hearing, conducted prior to a hearing requested by SSA
5. Hearing, conducted after a hearing requested by SSA as necessary
6. Review, requested by SSA's Office of Disability Adjudication Review Services to analyze and review initial denials

In FY 2018, DAS completed 45,480 cases. 46 percent of these cases were initial determinations, the most of any case type. 74 percent of cases were adjudicated at the Stone Mountain field office. Cases are sent to DAS by SSA, with priority given to initial determinations, and case completion rates are affected by the difficulty of each case and the time needed to gather all necessary documentation for an adjudication decision.

Case Receipt and Closure

An individual applying for social security benefits (either SSI or SSDI) first presents at an SSA field office to file his/her petition and to receive an initial interview. If income or work eligibility requirements are met, the claimant's case is forwarded to DAS for a medical eligibility determination to be made. The case is then received by DAS Case Control and distributed to an adjudicator based on the adjudicator's experience, specialty, existing caseload, and location. Once a determination has been made, the case is remitted back to the SSA field office.

Case control operates primarily at DAS's main office in Stone Mountain, and DAS plans to move case control functions entirely to the central office in the future. Increasing caseloads in Georgia have resulted in SSA field offices occasionally routing some cases to disability determination offices in Florida, Virginia,

Kentucky, and Pennsylvania. The adjudication hours for re-routed cases are not paid for by DAS; however, any consultative exams conducted for these cases are.

Medical Reviews and Examinations

If an adjudicator is unable to make an eligibility determination based on the medical records provided, or if an independent medical evaluation is specifically requested by SSA for a review, DAS will contract with a medical provider to conduct a review of the case or conduct a medical examination of the claimant, known as a consultative exams (CEs). DAS contracts with medical consultants to provide professional reviews of the medical records included in case files and to make a disability eligibility recommendation to the adjudicator. Medical reviews cost approximately \$9 million a year, which includes the hourly cost of the medical provider as well as the costs of requesting and receiving medical records. CEs are conducted when requested by SSA during a review determination, or if an adjudicator cannot make a disability determination due to missing or inadequate medical records. The contracted costs of CEs are paid out on a fee-for-service basis, based on Medicare reimbursement rates, and total approximately \$21 million per year. Approximately 40% of cases require a CE. The three budgeted positions in this activity are one program assistant and two adjudicative supervisors.

Recruitment and Scheduling

DAS recruits contracted medical and psychological providers to conduct CEs for use in the disability determination process. Finding doctors in the claimant's area who can provide these exams for the reimbursement rates offered is often difficult, especially in rural areas or when a certain specialty is required. Only medical doctors are currently able to conduct CEs, although DAS is actively working with SSA on a credentialing process for physician assistants, nurse practitioners, and physical therapists. Three DAS staff oversee provider recruitment and scheduling of exams. In areas where few providers exist, the wait for an available appointment for a CE can prolong the disability determination process.

Program Administration and Support

DAS conducts many program administration operations independent of the GVRA central office in Atlanta. Program administration is located at the main DAS office in Stone Mountain and is comprised of fiscal operations, procurement and purchasing, quality assurance, information technology, and facilities supports. DAS does report activities and operations to GVRA's central office, and certain administrative costs of the agency are cost-allocated to the DAS program.

All new adjudicators must complete approximately twelve weeks of classroom training and a year and a half of on the job assisted training before they can make determinations independently. This training addresses basic anatomy and medical information, as well as DAS and SSA process and procedure training. Additionally, program administrative staff must be trained on state and federal reporting, financial requirements, and on applicable information technology systems. Continuing education occurs for all employees as needed, especially if changes are made to federal eligibility policies.

Results and Recommendations

Realign position count

The number of filled positions is less than the number of budgeted positions. In FY 2019, the program had 495 positions budgeted but only 392 filled. The Georgia Vocational Rehabilitation Agency (GVRA) should submit an amendment to their annual operating budget to more accurately reflect the number of budgeted positions in the program.

Explore new recruitment and retention strategies for adjudicators

During the ZBB process, one challenge that was highlighted was that of employee recruitment and retention. In the past few years, the number of retirements has increased, and the program has struggled to fill resulting vacancies in a timely manner. Increased vacancy and turnover rates have negatively affected case clearances and increased the number of days needed to determine a claim. As a result, claimants wait longer to receive necessary disability benefits.

<i>Federal Fiscal Year</i>	<i>FY 2017</i>	<i>FY 2018</i>	<i>FY 2019</i>
<i>Vacancy Rate</i>	16%	20%	27%
<i>Turnover Rate</i>	11%	8%	10%
<i>Number of claims adjudicated</i>	148,469	142,792	127,294
<i>Average number of days to determine a claim (Standard: 137)</i>	131.4	139.8	146.6
<i>Percent of determinations found to be correct (Standard: 97%)</i>	98.1%	95.6%	93.5%

Two conditions were highlighted by DAS staff as possible barriers to retention or recruitment:

1. DAS expressed that salary caps were set too low. GVRA should work with the Department of Administrative Services to assess adjudicators’ current salary paygrades to determine whether they are appropriate and to adjust as needed.
2. DAS highlighted the limitations of recruiting for their office in Stone Mountain and expressed a desire to move to an office closer to downtown Atlanta and more accessible by public transit. GVRA should continue to discuss the possibility of relocation with GVRA leadership, the SSA, and the State Properties Commission.

Continue to identify and implement strategies to improve efficiency

DAS has so far implemented two strategies to improve program efficiency and decrease costs. First, DAS decided to contract with medical review providers rather than hire additional state full-time employees. Second, DAS has begun to centralize the program’s administrative functions and case control and receipt functions at the Stone Mountain office. DAS should continue to evaluate and implement strategies to increase efficiencies, including centralizing all program functions, identifying ways that contractors can be further leveraged, and utilizing technology and automation to improve program outcomes.

Department of Human Services

ZBB Program: Georgia Vocational Rehabilitation Agency: Disability Adjudication Services

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2020 State Funds	FY 2020 Total Budget
Disability Eligibility Determination	Gather evidence from multiple sources to make disability determinations based on medical eligibility criteria established by the Social Security Administration.	42 U.S.C. Chapter 7 - Social Security Act	340		\$21,222,998
Case Receipt and Closure	Receive new cases from and remit closed cases to Social Security Field Offices. Cases are assigned based on type of claim, ability of the adjudicator, and location of the claimant.	42 U.S.C. Chapter 7 - Social Security Act	18		649,127
Medical Reviews and Examinations	Contract with independent medical and psychological consultants to review gathered evidence and medical records or conduct comprehensive exams.	42 U.S.C. Chapter 7 - Social Security Act	3		30,728,292
Recruitment and Scheduling	Recruit medical providers in the community to conduct independent Consultative Exams (CEs) for use in disability determination. Schedule comprehensive medical exams for claimants.	42 U.S.C. Chapter 7 - Social Security Act	59		1,623,473
Program Administration and Support	Support functions of the program, including fiscal operations, procurement and purchasing, quality assurance, information technology, and facilities supports.	42 U.S.C. Chapter 7 - Social Security Act	75		21,206,032
Total			495		\$75,429,922

* (Listed in priority order as determined by Agency)

Department of Human Services

ZBB Program: Georgia Vocational Rehabilitation Agency: Disability Adjudication Services

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2018	FY 2019	FY 2020
Personal Services	\$32,342,959	\$31,229,317	\$32,662,999
Regular Operating Expenses	727,821	822,757	622,743
Motor Vehicle Purchases			
Equipment	115,327	628	113,900
Computer Charges	741,159	2,307,946	720,400
Real Estate Rentals	3,078,267	3,130,712	4,717,066
Telecommunications	192,891	186,582	175,300
Contractual Services	12,265,125	10,100,818	15,885,758
Grants and Benefits	20,636,013	21,236,878	20,531,756
Total Expenditures	\$70,099,562	\$69,015,638	\$75,429,922
Fund Type			
Federal Funds	\$70,099,562	\$69,015,638	\$75,429,922
Total Funds	\$70,099,562	\$69,015,638	\$75,429,922
Positions	387	392	495
Motor Vehicles			

Department of Human Services

ZBB Program: Georgia Vocational Rehabilitation Agency: Disability Adjudication Services

Performance Measures

Agency Mission:

Strengthen Georgia by providing individuals and families access to services that promote self-sufficiency, independence, and protect Georgia's vulnerable children and adults.

Program Purpose:

The purpose of this appropriation is to efficiently process applications for federal disability programs so that eligible Georgia citizens can obtain support.

Performance Measures	Actuals			
	FY 2016	FY 2017	FY 2018	FY 2019
1. Percentage of disability benefit determinations found to be correct (Federal Standard: 97%)	96.8%	98.1%	95.6%	93.5%
2. Average number of days to determine claims (Federal Standard: 137 days)	120.5	131.4	139.8	146.6
3. Number of claims adjudicated	150,233	148,469	142,792	127,294



FY 2021 Zero-Based Budget Analysis

Board of Regents of the University System of Georgia

ZBB Program: Athens and Tifton Veterinary Laboratories
Contract

Executive Summary

- The Athens and Tifton Veterinary Laboratories Contract program conducts animal diagnostic testing, disease surveillance, research, and outreach through the Athens Veterinary Diagnostic Laboratory and the Tifton Veterinary Diagnostic and Investigational Laboratory.
- Transfer state funds from the Department of Agriculture to the Board of Regents of the University System of Georgia to consolidate funds for the laboratories into one program.
- The agency should utilize standard object classes in order to provide more detail on the program's budget and expenditures.
- The agency will report new and revised performance measures to better demonstrate the workload and effectiveness of the program.

Program Overview

Operated by the University of Georgia's College of Veterinary Medicine (CVM), the Athens and Tifton Veterinary Laboratories Contract program conducts animal diagnostic testing, disease surveillance, research, and outreach through the Athens Veterinary Diagnostic Laboratory and the Tifton Veterinary Diagnostic and Investigational Laboratory. The Athens lab, opened in 1972, is a 35,000 square foot facility located on the CVM Athens campus, and the Tifton lab, opened in 1945, consists of 30,000 square feet in a standalone facility with 20,000 additional square feet in outbuildings for storage, student bunking, and barns. Faculty and staff at the laboratories render testing services to control, prevent, and eradicate animal diseases; conduct research to study developments in animal diseases; and provide outreach to inform the public.

The laboratories are accredited by the American Association of Veterinary Laboratory Diagnosticians, which restricts membership to publicly funded full-service laboratories, and by the United States Department of Agriculture (USDA) National Animal Health Laboratory Network, which requires labs to participate in disease surveillance testing. Both laboratories offer diagnostic and surveillance testing for diseases such as bird flu and swine flu, however, the Athens lab specializes in disease surveillance for mad cow disease and diagnostic testing for laboratory animals and marine mammals. The Tifton lab specializes in diagnostic testing and research on diseases such as Johne's disease, the West Nile virus caused by mosquitoes, encephalitis viruses which cause brain inflammation, and amphibian diseases such as *Ranavirus* and chytrid fungus. The Tifton lab also houses clinical rotation students and interns for three weeks during academic semesters in a bunking facility.

As of fiscal year (FY) 2020, 55 positions support the work of the laboratories, with 27 positions located at the Athens lab and 28 positions located at the Tifton lab. The Athens lab consists of 13 staff positions including laboratory professionals and medical technical paraprofessionals, seven professors who also serve as CVM faculty in Pathology and Infectious Disease, and seven administrative positions such as facilities management and information technology professionals. The Tifton lab consists of 19 staff positions, six administrative positions, and three professors. Personnel at the laboratories are funded by the program's budget as well as the Board of Regents of the University System of Georgia's (BOR) Teaching program, which partially funds four positions through \$256,643 in tuition funds, and the Veterinary Medicine Experiment Station (VMES) program, which partially funds two positions through \$184,660 in state funds. When not conducting work on behalf of the laboratories, CVM faculty also provide necropsy training to residents in the laboratory, teach graduate courses, and lead clinical rotations, which reflects approximately less than 10 percent of their time.

The FY 2020 program budget totals \$7,100,000, which includes contract funds from the Georgia Department of Agriculture, fee income, and grant funds. Table 1 below summarizes revenue collected by the labs from FY 2016 to FY 2019 by fund source.

Table 1: Revenue Collected by Fund Source

Revenue Fund Source	FY 2016	FY 2017	FY 2018	FY 2019
Georgia Department of Agriculture	\$2,996,556	\$3,357,531	\$3,464,688	\$3,553,987
Fee Income	\$2,864,771	\$2,816,217	\$2,955,489	\$3,138,999
USDA Grant	\$269,738	\$211,095	\$512,464	\$452,339
Other Research Grants	\$247,849	\$262,794	\$258,385	\$228,088
Program Total	\$6,378,914	\$6,647,637	\$7,191,026	\$7,373,413

Diagnostic Testing and Disease Surveillance

The laboratories conduct diagnostic testing such as pathology, bacteriology, and toxicology to identify animal diseases among sick animals and perform USDA sponsored disease surveillance testing among healthy animals to detect, contain, and eradicate new diseases. The laboratories accept samples from veterinarians and animal owners by mail or in-office, with a turnaround time of approximately two to three days. Specimens range from a few drops of animal fluid to entire carcasses submitted for necropsy testing. The laboratories served 1,472 unique customers in FY 2019, which reflects a 1.2 percent increase over FY 2018, with 1,039 served at the Athens lab and 433 served at the Tifton lab. Other species such as zoo birds and peacocks represent the most commonly tested species in FY 2019, comprising 27.6 percent of all tested species, followed by dogs, which represent 23.2 percent of all tested species. In FY 2019, the Athens lab processed 51,671 accessions, which reflects a 12.2 percent increase from FY 2018, and the Tifton lab processed 21,257 accessions, which reflect a 0.5 percent decrease from FY 2018. These accessions resulted in a total fee income of \$2,367,157 and an average fee per accession of \$45.81 at the Athens lab and a total fee income of \$771,843 and an average fee per accession of \$36.31 at the Tifton lab in FY 2019.

To perform diagnostic testing, personnel at the laboratories utilize equipment such as an alkaline digester to dissolve animal remains and a polymerase chain reaction machine to amplify DNA in order to detect diseases such as avian influenza, Newcastle disease, foot-and-mouth disease, and African swine fever. From FY 2015 to FY 2017, \$3.5 million in bonds were appropriated for equipment purchases at the labs.

Research and Outreach

Laboratory personnel utilize results from diagnostic testing and disease surveillance to conduct research and write peer reviewed articles which study animal diseases, improvements and advancements to existing diagnostic tests, and the development of new diagnostic tests. In FY 2019, professors at the laboratories published 24 research articles. Published articles include studies on the phylogenetic analysis of the wild-type strains of canine distemper virus circulating in the United States, finding that continuous surveillance is required to prevent potential vaccine breakthrough events.

Faculty and staff at the laboratories also provide outreach to inform the public about animal diseases by organizing conferences, offering continuing education seminars, conducting clinical visits, and disseminating information through electronic communications to the public. In FY 2019, personnel from the laboratories presented at conferences such as the American Association of Veterinary Laboratory Diagnosticians Annual Meeting about immunofluorescence detected with pseudorabies antibody in pig tissues with porcine lymphotropic herpesvirus. The Athens lab held a two-day continuing education conference on the subject of potential legal and animal cruelty patients, and the Tifton lab organized an annual 12-hour Southeastern Veterinary Pathology Conference on neuro pathology in FY 2019. Staff from the laboratories also helped the Georgia Department of Agriculture organize the Georgia Food Animal Conference and conducted eight in-clinic visits upon request by practitioners to provide free continuing education seminars in FY 2019. Additionally, laboratory personnel sent out 21 electronic communications in FY 2019 to inform the public on topics such as hurricane updates, sample collection and processing, new tests available, and continuing education events offered.

Results and Recommendations

Transfer of funds from the Department of Agriculture to the Board of Regents of the University System of Georgia

The Georgia Department of Agriculture contract comprises 50.9 percent of the FY 2020 program budget for the Athens and Tifton vet labs. Contract funds subsidize diagnostic testing and disease surveillance prices for all animal species. State funding for the vet labs have been historically appropriated in the Department of Agriculture's budget due to the statutory requirements outlined in O.C.G.A. Title IV Chapter IV for the Commissioner of Agriculture to establish fees for services rendered in connection with the USDA Animal and Plant Health Inspection Service (APHIS). Although the contract requires the CVM to provide an annual report detailing the veterinary labs' operations, the Department of Agriculture does not maintain a working relationship with the CVM to monitor contract funds or the activities supported by the contract. The state should transfer \$3,614,906 in state funds from the Department of Agriculture to BOR to consolidate funding for the Athens and Tifton veterinary labs into one program. Additionally, O.C.G.A. 4-4-2.1 should be updated to

authorize both BOR and the Department of Agriculture to set fees for rendering APHIS-related services such as disease surveillance testing for mad cow disease and swine flu. The program name should also be changed from Athens and Tifton Veterinary Laboratories Contract to Athens and Tifton Veterinary Laboratories.

Object Classes

In the Planning and Budget Cloud Services (PBCS) system, the Athens and Tifton laboratories currently utilize three object classes, Personal Services, OE - Sponsored Operations, and Operating Expenses - General and Departmental, which do not provide a detailed depiction of how program funds are utilized. The agency should better reflect the program's budget and expenditures by utilizing the standard object classes of personal services, regular operating expenses, motor vehicle purchases, equipment, contractual services, and grants and benefits.

Performance Measures

Performance measures are an integral component of the Zero-Based Budget (ZBB) process. Performance metrics should not only track the workload, efficiency, and effectiveness of the program, but should also be appropriate and relevant to the policy goals of the agency and state as a whole. The Office of Planning and Budget will continue to work with the department to ensure performance measures are annually updated in the Planning and Budget Cloud Services (PBCS) system. Through ZBB analysis, additional measures were developed and evaluated to supplement existing program performance measures. In addition, an existing measure has been revised to better inform the reader of critical activities being performed by the program.

The following is a list of new performance measures:

- Number of unique clients served
- Average number of days to turnaround sample test results

The following is a revised performance measure:

- Revise measure of Average cost per test to:
 - Average cost per laboratory test run

Board of Regents of the University System of Georgia
 ZBB Program: Athens and Tifton Veterinary Laboratories Contract

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2020 State Funds	FY 2020 Total Budget
Diagnostic Testing and Disease Surveillance	The Athens and Tifton Veterinary Laboratories operate through the University of Georgia's College of Veterinary Medicine. Laboratory professionals, research professionals, medical technicians, and faculty provide diagnostic testing services to veterinarians and animal owners in order to diagnose illnesses among sick animals. Diagnostic testing services offered include pathology, bacteriology, and virology. The laboratories also participate in disease surveillance which involves testing healthy animals to find a new disease, contain it, and eradicate the disease.	Appropriations Bill	44.6		\$5,680,000
Research	Personnel at the laboratories utilize results from diagnostic testing and disease surveillance activities to conduct research and write peer reviewed articles which study animal diseases, improvements and advancements to existing diagnostic tests, and the development of new diagnostic tests. Published articles include topics such as the phylogenetic analysis of the wild-type strains of canine distemper virus circulating in the United States.	Appropriations Bill	7.6		1,065,000
Outreach	Faculty and staff at the laboratories provide outreach to inform the public about animal diseases by organizing conferences, offering continuing education seminars, conducting clinical visits, and disseminating information through electronic communications to the public. In addition, personnel from the laboratories attend and present at conferences and meetings such as the American Association of Veterinary Laboratory Diagnosticians Annual Meeting to inform and stay current with stakeholders.	Appropriations Bill	2.8		355,000
Total			55.0		\$7,100,000

* (Listed in priority order as determined by Agency)

Board of Regents of the University System of Georgia
 ZBB Program: Athens and Tifton Veterinary Laboratories Contract

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2018	FY 2019	FY 2020
Personal Services	\$4,263,881	\$4,320,420	\$4,523,426
Regular Operating Expenses			
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Contractual Services			
OE - Sponsored Operations	366,519	313,358	375,000
Operating Expenses - General and Departmental	2,367,843	2,607,852	2,201,574
Total Expenditures	\$6,998,243	\$7,241,630	\$7,100,000
Fund Type			
Other Funds	\$6,998,243	\$7,241,630	\$7,100,000
Total Funds	\$6,998,243	\$7,241,630	\$7,100,000
Positions	56	64	55
Motor Vehicles			3

Board of Regents of the University System of Georgia
 ZBB Program: Athens and Tifton Veterinary Laboratories Contract

Performance Measures

Agency Mission:

The University System of Georgia (USG), through its 26 public colleges and universities, is charged with providing higher education to Georgia residents. USG works to create a more educated Georgia through its core missions of instruction, research, and public service.

Program Purpose:

The purpose of this program is to provide diagnostic services, educational outreach, and consultation for veterinarians and animal owners to ensure the safety of Georgia's food supply and the health of Georgia's production, equine, and companion animals.

Performance Measures	Actuals			
	FY 2016	FY 2017	FY 2018	FY 2019
1. Percentage of operating expenses covered by client	43.01%	40.91%	47.39%	55.90%
2. Average cost per laboratory test run	\$33.38	\$36.23	\$34.25	\$34.59
3. Number of tests by the diagnostic laboratories for animal health diagnostic and surveillance testing	199,506	184,878	182,032	191,163
4. Percentage of customers of the Diagnostic Labs that rate their services from excellent to good	93.96%	96.26%	97.03%	97.10%
5. Number of accessions per year by the diagnostic laboratories for animal health diagnostic and surveillance testing	71,081	67,912	67,416	72,928
6. Number of unique clients served (New)	1,518	1,436	1,454	1,472
7. Average number of days to turnaround sample test results (New)	N/A	N/A	N/A	3.1



FY 2021 Zero-Based Budget Analysis

Board of Regents of the University System of Georgia

ZBB Program: Medical College of Georgia Hospital and Clinics

Executive Summary

- The Medical College of Georgia Hospital and Clinics program supports the graduate medical education partnership between the Medical College of Georgia at Augusta University and the Augusta University Health System.
- The Official Code of Georgia should be updated to reflect the new names of the Medical College of Georgia and the Augusta University Medical Center.
- The agency should update its program purpose statement to better reflect the scope of its activities.

Program Overview

The Medical College of Georgia (MCG) at Augusta University (AU) was established in 1828 as the fifth public medical school in the United States and the only public medical school in Georgia. Each year, MCG admits approximately 230 students for undergraduate medical education, educating around 920 students. Approximately 95 percent of the students matriculating in Fall 2018 were Georgia residents. Students attend medical school at either the main campus in Augusta or the campus in Athens. Students also participate in clinical rotations in their third and fourth years at these campuses or four other campuses across the state with access to over 350 clinical teaching sites. These campuses are in Albany, Brunswick, Rome, and Savannah.

After completing the undergraduate medical degree, students go on to complete their graduate medical education (GME) in specialty residencies and subspecialty fellowships. GME can take an additional three to eight years and provides the opportunity to specialize in a specific medical practice field. Residents and fellows perform direct patient care under the supervision of an attending physician. Residents and fellows earn salary and benefits while practicing, ranging from \$53,586 in their first year at MCG to \$70,904 in their eighth year. The Medical College of Georgia Hospital and Clinics program is the primary state funding source for GME at MCG with an appropriation of \$32,555,858 in fiscal year (FY) 2020. In amended fiscal year (AFY) 2019, the program received an appropriation of approximately \$10 million in tobacco settlement funds to replace radiation treatment equipment and expand treatment services at the Georgia Cancer Center.

MCG is the only academic health center in Georgia. An academic health center is a partnership between an accredited medical school and a teaching hospital. GME students at MCG receive direct, supervised patient care experience and instruction from physicians at Augusta University Health System facilities. The main facility is the Augusta University Medical Center, formerly the Eugene Talmadge Memorial Hospital, which provides GME to

MCG students in 50 training programs such as pediatrics and anesthesiology. GME trainees provide around 90 percent of all direct care to patients at the hospital and about 50 percent of all direct care at AU Health System-affiliated outpatient facilities.

The Accreditation Council for Graduate Medical Education (ACGME) is the accrediting body for GME programs in the United States. The council dictates the academic and clinical requirements for the implementation and continuing operation of GME programs. Both MCG and the AU Health System are responsible for ensuring their contributions to GME meet the requirements set by ACGME. If a program fails to meet the requirements, it may be sanctioned and even closed, and such non-accredited programs cannot receive federal funding from the Centers for Medicaid & Medicaid Services (CMS).

Graduate Medical Education Funding

GME at MCG is funded by both MCG and the AU Health System through the academic health center partnership. MCG funds their portion of the cost through state appropriations and tuition revenues generated in the Teaching program. The AU Health System funds their portion of the cost through state appropriations in the MCG Hospital and Clinics program and hospital revenues. The total FY 2020 funding responsibility for the AU Health System is \$38,834,738, which is remitted to MCG through a contract payment with the Board of Regents (on behalf of MCG) and includes \$32.5 million in program state appropriations and \$6.3 million in hospital revenues.

The contract payment funds program support (\$11,880,664), GME central office costs (\$1,776,664), and salary and benefits for residents and fellows (\$25,117,410). Program support includes faculty GME program management, teaching time, and administrative program coordinators. GME central office payments support the salaries and benefits of the Dean and Associate Dean of GME as well as four full-time administrative staff. These personnel support all GME training programs. Finally, the contract payment supports resident and fellow salary and benefits for rotations at AU Health System centers (379.88 resident and fellow FTEs in FY 2020).

MCG also receives state funds through the Teaching program. AU directed \$4,656,781 of their FY 2020 Teaching program allocation to MCG's clinical departments to support faculty's general teaching effort. These costs are not directly associated with GME but capture the faculty member's total teaching effort, including undergraduate medical education. In FY 2010, the state appropriated an additional \$7,751,276 to expand GME capacity. Of those funds, MCG applies \$3,692,480 to resident salary and benefit expenses, supporting 54.85 FTEs. The agency counts the 457 positions for GME in the Teaching program rather than the MCG Hospital and Clinics program to reflect total teaching effort. All GME positions are filled by personnel of Augusta University.

The federal CMS provides reimbursement directly to the AU Medical Center for GME related costs based on 1997 levels due to the Federal Balanced Budget Act of 1997 and do not include any inflationary adjustments. First, direct medical education costs are reimbursed per resident and fellow up to a cap. These costs include resident and fellow salaries and benefits, supervising faculty salary and benefits, allocated overhead costs such as utilities and rent, and other direct costs such as accreditation fees. The hospital receives about \$86,000 per resident or fellow and is capped at 299.93 FTEs. In FY 2018, the hospital received \$8,630,015 for direct costs.

Second, CMS reimburses indirect medical education costs, which are costs associated with increased direct patient care inefficiencies due to the provision of care by residents and fellows in training. Inefficiency examples include more lab test ordering and extra time taken during patient care. This amount is capped at 314.28 FTEs. CMS uses a formula linked to the number of Medicare beneficiary admissions and the number of days of care to determine indirect medical education cost reimbursement rates. The formula is updated annually and uses the prior fiscal year's data. In FY 2018, the hospital received \$23,033,763 for indirect costs.

Results and Recommendations

Update the Official Code of Georgia to Reflect New Institution and Hospital Name

Four Code sections contain references to outdated names for the Medical College of Georgia at Augusta University and the Augusta University Medical Center. Legislation should be passed to revise these sections to reflect the current entity names. The changes impact the following code sections:

- O.C.G.A. § 20-3-520. Construction and operation authorized; separate appropriations:
 - Change “Eugene Talmadge Memorial Hospital” to “Augusta University Medical Center” and change “Georgia Health Sciences University” to “Medical College of Georgia at Augusta University”
- O.C.G.A. § 31-22-9(a)(1). Applicability of chapter:
 - Change “Georgia Health Sciences University” to “Medical College of Georgia at Augusta University”
- O.C.G.A. § 38-4-2(b)(1). Powers; appointment of executive directors of veterans' homes:
 - Change “Georgia Health Sciences University” to “Medical College of Georgia at Augusta University”
- O.C.G.A. § 40-2-86(l)(1)(C)(15). Special license plates promoting or supporting certain worthy agencies, funds, or nonprofit corporations with proceeds disbursed to the general fund and the agency, fund, or nonprofit corporation:
 - Change “Georgia Health Sciences University” to “Medical College of Georgia at Augusta University”

Update the Program Purpose Statement

The current program purpose state does not reflect the usage of the appropriation to provide for graduate medical education. The program purpose statement should be updated to the following: “The purpose of this appropriation is to support graduate medical education at the Medical College of Georgia at Augusta University and provide patient care, including ambulatory, trauma, cancer, neonatal intensive, and emergency and express care.”

Board of Regents of the University System of Georgia
 ZBB Program: Medical College of Georgia Hospital and Clinics

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2020 State Funds	FY 2020 Total Budget
Medical Resident Support	The GME program at the Medical College of Georgia (MCG) at Augusta University (AU) supports 517 residents and fellows. These doctors provide patient care at AU Health System facilities. There are 50 individual GME programs across 15 departments of MCG. Residents are paid a salary based on the year of residency.	O.C.G.A. § 20-3-520		\$21,106,675	\$21,106,675
Faculty Program Direction and Didactic Teaching	Faculty lead practice-based learning of residents, which is the foundation of medical education. Faculty members teach residents how to become practice-ready while also ensuring the patient receives the highest quality of care. Funding encompasses the faculty effort dedicated to program level oversight and management of the GME operation, as well as didactic teaching at the program level. Faculty also assist program leadership in developing and assessing curriculum. The budget reflects the portion of salary and benefits supported through the AU Health System payment to MCG.	O.C.G.A. § 20-3-520		7,277,531	7,277,531
Program Coordination	Each GME program has a program coordinator, a lead administrative role that manages day-to-day program operations and serves as the liaison between faculty, residents, and other hospital staff. Coordinators assist program directors with accreditation and programming. The budget includes personal services and operating expenses for office supplies, training equipment, and program support.	O.C.G.A. § 20-3-520		2,682,242	2,682,242
GME Central Office	GME Central Office is the central administration of the GME program, which includes salary and benefits for four full-time dedicated positions and multiple positions dedicated partially to the management of the program. Funding also includes operating expenses such as background checks, license expenses, travel, supplies, and accreditation costs.	O.C.G.A. § 20-3-520		1,489,410	1,489,410
Total				\$32,555,858	\$32,555,858

* Listed in priority order as determined by Agency

Board of Regents of the University System of Georgia
 ZBB Program: Medical College of Georgia Hospital and Clinics

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2018	FY 2019	FY 2020
Personal Services			
Regular Operating Expenses			
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Contractual Services			
OE - General and Departmental	\$30,392,211	\$41,984,029	\$32,555,858
Total Expenditures	\$30,392,211	\$41,984,029	\$32,555,858
Fund Type			
State General Funds	\$30,392,211	\$31,992,211	\$32,555,858
Tobacco Settlement Funds		9,991,818	
Total Funds	\$30,392,211	\$41,984,029	\$32,555,858

Positions * 469 457

Motor Vehicles

* Position counts in FY 2020 are reflected in the Teaching program.

Board of Regents of the University System of Georgia
ZBB Program: Medical College of Georgia Hospital and Clinics

Performance Measures

Agency Mission:

The University System of Georgia (USG), through its 26 public colleges and universities, is charged with providing higher education to Georgia residents.

Program Purpose:

The purpose of this program is to provide medical education and patient care, including ambulatory, trauma, cancer, neonatal intensive, and emergency and express care.

Performance Measures	Actuals			
	FY 2016	FY 2017	FY 2018	FY 2019
1. Percentage of residency trainees at a Chief residency level	28.1%	27.0%	25.4%	25.8%
2. Residency program graduation rate	92.0%	92.9%	91.7%	92.1%



FY 2021 Zero-Based Budget Analysis

Board of Regents of the University System of Georgia

ZBB Program: Teaching

Executive Summary

- The Teaching program provides funding for student instruction for the 26 University System of Georgia institutions.
 - State funding increased by 21.4 percent since FY 2015 and credit hour enrollment increased by 4.3 percent during the same period.
 - The agency should limit allocation of the program's state appropriations to institutions only.
-

Program Overview

The Teaching program provides funding for student instruction for the 26 University System of Georgia (USG) institutions using an enrollment-based funding formula first implemented in fiscal year (FY) 1984. The Teaching formula calculates funding for student instruction, faculty research, institutional administration and support functions, maintenance and operation of grounds and buildings, public service institutes, continuing education, and technology enhancements to generate a total cost of educating USG students. In Fall 2018, 328,712 students enrolled in 26 USG institutions statewide, a 5 percent increase from Fall 2014. In FY 2020, the formula generated a total cost of \$4,420,449,644. The calculated amount is offset by tuition and student fees. In FY 2020, the state appropriation is \$2,296,261,553, which represents 52 percent of the formula's total calculated cost. The program's budget also includes \$5,026,603,600 in other funds such as student tuition and fees, sales and services, and research grant awards.

The state established the Board of Regents of the University System of Georgia (Board of Regents) in 1931 as part of an executive branch reorganization to unify all public higher education institutions under the same governing body. The Board of Regents receives the Teaching program's state appropriations in a lump sum and has allocation authority pursuant to O.C.G.A. § 20-3-53. Prior to allocating state funds, the Chancellor meets with institutional leadership regarding budget plans, funding priorities, and needs for the upcoming fiscal year. The Chancellor then recommends initial institutional allocations based on those meetings as well as factors such as enrollment and retention trends; externally generated revenues such as grants and research awards; anticipated tuition and fee revenues; and systemwide priorities and goals. The Board of Regents approves the final allocations at the April board meeting each year. At the end of each fiscal year, the Board of Regents may request to carry forward up to 3 percent of the total tuition, departmental sales and services, and certain student fee revenue into the next fiscal year pursuant to O.C.G.A. § 20-3-86.

Since FY 2012, state funding has increased significantly faster than enrollment metrics. From FY 2015 to FY 2019, credit hours increased by 4.3 percent, but state fund expenditures increased by 24.6 percent, and other funds

expenditures increased by 14.7 percent. As the Teaching formula calculates funding at the system level, these percentages do not reflect significant changes for individual institutions. Table 1 shows the systemwide year-over-year variances from FY 2015 to FY 2019 in credit hour enrollment and expenditures.

Table 1. Percent Change in Credit Hour Enrollment and Expenditures by Fund Source

Fiscal Year	STUDENT ENROLLMENT		EXPENDITURES			
	Credit Hours	% Change	State Funds	% Change	Other Funds	% Change
FY 2015	8,207,347	-	\$1,729,647,683	-	\$4,355,110,148	-
FY 2016	8,322,517	1.4%	1,795,536,426	3.8%	4,571,370,328	5.0%
FY 2017	8,388,131	0.8%	1,903,373,950	6.0%	4,724,738,713	3.4%
FY 2018	8,453,691	0.8%	2,049,057,485	7.7%	4,847,725,215	2.6%
FY 2019	8,562,878	1.3%	2,155,386,764	5.2%	4,996,224,638	3.1%
FY 2015 – FY 2019	+355,531	+4.3%	+ \$425,739,081	+ 24.6%	+ \$641,114,490	+ 14.7%

The Teaching Formula

The Teaching formula is primarily based on total semester credit hours on a two-year lag. For example, the FY 2020 formula uses the credit hours from the Summer 2017, Fall 2017, and Spring 2018 semesters in FY 2018. These credit hours are split into course content groupings and educational levels. The three educational levels are Lower, Upper, and Graduate. Each of these categories have varying associated costs relative to the nature of the program. For example, a Lower level course will have larger class sizes, whereas a medical student's class size is smaller. The content groupings are:

- Group 1 – Law, Letters, Library Science, Psychology, and Social Sciences
- Group 2 – Area Studies, Business, Communications, Education, Home Economics, Mathematics, Public Affairs, and Interdisciplinary Studies
- Group 3 – Agriculture, Architecture, Biological Sciences, Computer Science, Engineering, Fine and Applied Arts, Foreign Languages, Health Professions, Physical Sciences, and Technologies
- Group 4 – Learning Support Programs, only included in the Lower educational level
- Group 5 – Medicine, Dentistry, and Veterinary Medicine, only included in the Graduate educational level

The formula uses these credit hours to determine the number of faculty positions and instructional support positions for each course content grouping and educational level based on student-to-faculty and faculty-to-staff ratios. Instructional operating costs also use ratios to provide funding for expenditures such as copying and classroom supplies. Student instruction constitutes the largest part of the formula requirement, generating \$1,432,408,281 in FY 2020, approximately 32.4 percent of the formula. Additionally, the Teaching formula generated \$1,218,253,905 for fringe benefits, or 27.6 percent of formula earnings. In FY 2019, the formula generated 14,710 faculty positions, and USG institutions employed 14,039 faculty members (including department administrators such as deans and faculty chairs).

Faculty research funding supports foundational research for graduate level courses as well as institutional matches for sponsored research. Sponsored research is applied research funded through an external source for

a specific purpose, such as the five-year Center for Bioenergy Innovation grant the University of Georgia received to investigate the best genetic traits in plants for use in fuel and other products. The total award is approximately \$13 million and is supported by a \$2 million institutional match in state funds from the Teaching program for equipment. The FY 2020 formula generated \$398,593,208 for research, or 9.0 percent of formula earnings.

Additionally, the formula includes funds for academic support, student services, and institutional support. Academic support includes funding for the purchase of library holdings, computer lab equipment, and other instructional aids. Student services provide funding for personnel such as financial aid officers, admissions counselors, and the bursar's office. Institutional support provides funding for institutional administrative functions such as the president's office, the provost, vice presidents or executives, human resources, purchasing, and finance. These three formula portions generated \$838,598,628 in FY 2020, or 19.0 percent of formula earnings.

The Teaching formula also generates funding for utilities and building and grounds maintenance. Utilities includes operational support expenses such as electricity, natural gas, water, and other utilities. The utilities formula rate is \$2.134 per square foot. Regular operations personnel include groundskeepers, custodial staff, and craftsmen such as electricians, masons, and heating, ventilation, and air conditioning (HVAC) technicians. The regular operations formula rate is \$5.1782 per square foot. The Teaching formula generated \$420,185,499 in FY 2020, or 9.5 percent of formula earnings.

Until FY 2003, the formula also calculated a separate amount for major repairs and rehabilitation (MRR), which funded regular repairs and maintenance of the buildings beyond simple or low-cost projects. These projects are now funded through general obligation bond funds and are no longer included as a cash appropriation in the Teaching program. In FY 2020, the state appropriated \$50 million in bond funding specifically for MRR, or 0.5 percent of the estimated current replacement value of all USG buildings.

Twelve public service institutes at Georgia State University, Kennesaw State University, and the University of Georgia receive funding through the Teaching formula. These institutes cover a broad base of applied research, technical assistance, and outreach across Georgia. Policy areas of focus include public health, tax and economic policy, small business development, higher education, leadership development, and public administration. Institutions also receive funding for the provision of continuing education courses. The formula generated \$38,518,581 in FY 2020 for all public service activities, or 0.9 percent of formula earnings.

The formula also provides funding for large-scale technology upgrades at institutions. For example, USG completed the PeachNet initiative and maintains it with this funding. PeachNet is the communications network built on leased network fiber in Georgia which connects all 26 USG institutions. The Technology Enhancement Program receives a proportion of the total funds calculated by the other parts of the formula, generating \$73,891,489 in FY 2020, or 1.7 percent of formula earnings.

After applying the tuition and student fee offset, the final state appropriation may include further additions or reductions. For example, in FY 2020, the state appropriation included an additional \$1,819,500 to expand the

medical school partnership between Augusta University and the University of Georgia and a reduction of \$1,375,000 to reflect year six of the seven-year plan to eliminate special funding set aside for Georgia Gwinnett College when it was first established. The Teaching program appropriation also includes any statewide adjustments applicable to the institutions, such as merit increases (\$44,205,004 in FY 2020) and insurance premiums (\$3,417,813 in FY 2020). In FY 2020, the state appropriation included a net addition of \$48,067,317.

University System Office's Teaching Program Allocation

The University System Office (USO) comprises three units that provide systemwide administration services: Regents Central Office, Information Technology Service, and the Shared Services Center. Regents Central Office provides policy guidance on legal, academic, personnel, and fiscal affairs. Staff also support the Chancellor's activities, particularly during budget development. Information Technology Service (ITS) provides IT support for areas such as educational technology and cybersecurity training and manages PeachNet. The Shared Services Center provides centralized payroll and human resources processing for all USG institutions.

While there is no direct formula calculation for the USO, the Board of Regents allocates a portion of the institutions' earned formula funding to USO functions. In FY 2020, the Board allocated \$69,009,987 in state funds to the USO, approximately 3 percent of the Teaching program's total state appropriation.

Results and Recommendations

Limit Teaching Formula Allocation to Institutions Only

The Board of Regents allocates Teaching program funds to three other entities beyond the institutions – the Alternative Media Access Center at the Georgia Institute of Technology (now the Center for Inclusive Design and Innovation), the Skidaway Institute of Oceanography at the University of Georgia, and the University System Office. Due to their inclusion in the Teaching program, available state funds for these entities is driven by credit hours and the Board's allocation authority, though their workloads are not directly impacted by changes in enrollment. The Board of Regents increased initial state funds allocations for these three entities 18.3 percent from FY 2016 to FY 2019, with total funds increasing 20.6 percent. In FY 2020, the budget for these entities totals \$151,326,916 in all funds, including \$77,792,266 in state funds (or 3.4 percent of the total Teaching program state funds appropriation).

The Center for Inclusive Design and Innovation at the Georgia Institute of Technology promotes accessible products for persons with disabilities in higher education, government, and non-profit spaces. The center provides services such as braille and electronic text materials, assistive technology, and student accommodation management. In FY 2020, the center has a total budget of \$3,198,306 with an initial allocation of \$1,420,095 in state funds. These funds should be included within the allocation for the Georgia Institute of Technology to match how other public service institutes receive funding.

The Skidaway Institute of Oceanography (Skidaway) is a separate program within the Board of Regents budget which conducts research and provides educational programming on marine sciences. In FY 2020, the Skidaway

program has a total budget of \$5,447,738 with \$1,547,118 in state appropriations; however, the Teaching program allocation includes an additional \$1.6 million in state funds for the institute. This funding should be transferred to the Skidaway Institute of Oceanography program, which would bring the total program budget to \$7,062,000 with \$3,161,380 in state funds.

The University System Office includes the Regents Central Office unit; however, a portion of the Regents Central Office budget is in a separate program of the same name. In addition, the contract payment for GALILEO, a collection of journal article databases and publications available to all education agencies statewide, is in the Regents Central Office program, while the GALILEO charges collected from consortia are recognized in the Teaching program revenues. The Regents Central Office program should represent all system administration funds. The initial state funds allocation and all other funds should be transferred from the Teaching program to the Regents Central Office program, bringing the program's budget to \$153,233,093 with \$81,476,654 in state funds.

Update and Revise Performance Measures

Performance measures are an integral component of the Zero-Based Budgeting (ZBB) process. Performance measures should not only track the workload, efficiency, and effectiveness of the program but should also be appropriate and relevant to the policy goals of the agency and state as a whole. OPB will continue to work with the agency to ensure new performance measures are annually updated into the Planning and Budget Cloud Services (PBCS) system. Through ZBB analysis, the measures below were revised to better inform the reader of critical activities being performed by the program.

- Revise measure of System-wide retention rate to:
 - Percentage of first-year, full-time students retained systemwide
- Revise measure of System-wide graduation rate to:
 - Percentage of first-year, full-time students graduating within three years for an associate's degree or transferring to a bachelor's degree program systemwide
 - Percentage of first-year, full-time students graduating within six years (systemwide) for a bachelor's degree

Use Common Object Classes

In PBCS, the Teaching program currently utilizes five object classes – two common classes (Personal Services and Capital Outlay) and three unique classes (OE – Sponsored Operations, OE – General and Departmental, and Energy Performance Contracts) – which do not provide a detailed depiction of how program funds are utilized. The agency should better reflect the program's budget and expenditures by utilizing the standard object classes of personal services, regular operating expenses, motor vehicle purchases, equipment, contractual services, and grants and benefits.

Board of Regents of the University System of Georgia
 ZBB Program: Teaching

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2020 State Funds	FY 2020 Total Budget
Instruction and Non-Sponsored Research	<p>Instruction and non-sponsored research provides instruction to students at University System of Georgia (USG) institutions to prepare them to obtain an associate's, bachelor's, master's, doctorate, or first professional degree in areas such as the humanities, sciences, and medicine. Most institutions also conduct research programs, producing fundamental research outcomes that advance their respective fields and enhance the economic development, health, and safety of Georgia's communities. These research activities provide students with an opportunity to participate in research as undergraduate or graduate students. Fundamental research discoveries often lead to additional sponsored funds targeted at further, applied research. Positions include professors with both teaching and researching roles; administrative assistants for professors; academic support staff such as librarians and media specialists; student services staff such as financial aid officers and admissions counselors; institutional administrators; and grounds and maintenance personnel. Funding also includes support for technology-based instructional support services such as computer labs, library holdings, and other educational media.</p>	O.C.G.A. § 20-3-31	36,806	\$2,186,793,265	\$6,012,539,104
Sponsored Research	<p>Sponsored research is externally-funded research. Funding is provided by federal, local, private/corporate sponsors, and contracts with other state agencies. Sponsored projects can utilize a wide variety of award methods (e.g., grants, contracts, cooperative agreements, memorandums of understanding, etc.) resulting in agreements between a USG institution and a sponsor. Sponsored projects are frequently competitive in nature and commonly fund applied research, which has immediate application and demand in industry and to the general public.</p>	O.C.G.A. § 20-3-31	1,484		664,760,376

Activity*	Description	Authority	No. of Positions	FY 2020 State Funds	FY 2020 Total Budget
Public Service	Public service personnel provide localized community support through technical assistance and continuing education. Technical assistance services include programs such as economic development planning for local governments, long-term strategic planning for state agencies, and entrepreneurial counseling for small businesses. Continuing education courses range from higher education faculty development to financial training programs for local government officials.	O.C.G.A. § 20-3-31	1,717	35,252,809	226,610,634
Patient Care	Funding supports medical and dental patient care provided by employees of Augusta University (AU) at AU Health System, associated clinics, and through partnerships with other state agencies such as the Department of Corrections, Department of Juvenile Justice, and Department of Veterans Services. Additionally, this funding supports graduate medical education at AU's Medical College of Georgia.	O.C.G.A. § 20-3-520	2,927	5,205,492	495,489,164
Shared Institutional Support Services	Shared Institutional Support Services provided through the University System Office includes three units: Regents Central Office (RCO), Information Technology Service (ITS), and the Shared Services Center (SSC). RCO provides systemwide policy guidance for legal affairs, human resources management, fiscal affairs, and academic affairs. RCO also supports the Chancellor and assists in producing the systemwide budget each fiscal year. ITS provides systemwide IT support and includes initiatives such as PeachNet, educational technologies, and cybersecurity training. SSC provides centralized payroll and human resources processing for all institutions.	O.C.G.A. § 20-3-31	448	69,009,987	140,766,426
Total			43,382	\$2,296,261,553	\$7,540,165,704

* Listed in priority order as determined by Agency

Board of Regents of the University System of Georgia
 ZBB Program: Teaching

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2018	FY 2019	FY 2020
Personal Services	\$4,214,336,757	\$4,414,692,179	\$4,769,120,230
Regular Operating Expenses			
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Capital Outlay	228,416,842	164,970,182	178,085,497
Contractual Services			
OE - Sponsored Operations	1,171,401,503	1,246,022,447	1,199,658,332
OE - General and Departmental	1,282,627,598	1,325,161,471	1,393,301,645
Energy Performance Contracts			
Total Expenditures	\$6,896,782,700	\$7,150,846,278	\$7,540,165,704
Fund Type			
State General Funds	\$2,049,057,485	\$2,155,393,086	\$2,296,261,553
Other Funds	4,847,725,215	4,995,453,192	5,243,904,151
Total Funds	\$6,896,782,700	\$7,150,846,278	\$7,540,165,704
Positions	42,041	42,099	43,382
Motor Vehicles *			3,295

* The agency did not report motor vehicle counts in FY 2018 and FY 2019.

Board of Regents of the University System of Georgia
 ZBB Program: Teaching

Performance Measures

Agency Mission:

The University System of Georgia (USG), through its 26 public colleges and universities, is charged with providing higher education to Georgia residents. USG works to create a more educated Georgia through its core missions of instruction, research, and public service.

Program Purpose:

The purpose of this program is to provide funds to the Board of Regents for annual allocations to University System of Georgia institutions for student instruction and to establish and operate other initiatives that promote, support, or extend student learning.

Performance Measures	Actuals			
	FY 2016	FY 2017	FY 2018	FY 2019
1. Number of students enrolled at University System of Georgia institutions	318,086	321,549	325,203	328,712
2. Total sponsored fund revenue (in millions)	\$1,758	\$1,831	\$1,904	\$2,051
3. Percentage of first-year, full-time students graduating within three years for an associate's degree or transferring to a bachelor's degree program systemwide	36.6%	41.3%	43.7%	44.2%
4. Percentage of first-year, full-time students graduating within six years (systemwide) for a bachelor's degree	58.7%	58.0%	60.5%	62.9%
5. Percentage of first-year, full-time students retained systemwide	81.6%	81.6%	81.5%	80.3%
6. In-state tuition affordability ranking for the University System of Georgia's public four-year institutions among the 16 member states of the Southern Regional Education Board	6	6	4	N/A



FY 2021 Zero-Based Budget Analysis

Department of Revenue

ZBB Program: Departmental Administration

Executive Summary

- The Department of Revenue is responsible for administering and enforcing the state's tax laws including motor vehicle tag and title administration, as well as the regulation of alcoholic beverages and tobacco.
 - The department should implement additional mechanisms to track all information technology expenses across all budgeted programs.
 - The department should implement an additional tracking mechanism to track expenses for the Integrated Tax Solution initiative.
 - The agency should report performance measures that more accurately reflect the workload, efficiency, and effectiveness of the program.
-

Program Overview

The Department of Revenue is responsible for administering the state's tax laws, enforcing laws and regulations regarding alcoholic beverages and tobacco, and performing motor vehicle tag and title administration. The department's main office is in Atlanta with field offices in Albany, Athens, Augusta, Cartersville, Columbus, Douglas, Gainesville, Macon, Savannah, and East Point. The Departmental Administration program is responsible for providing support services for the agency to include human resources, facility support, technology support, procurement services, budgeting, and accounting. Administrative staff for this program is located at their main office in Atlanta with a small supplemental office space on Capitol Hill.

Results and Recommendations

Information Technology Services

The technology services department within the Departmental Administration program houses the Chief Information Officer and nearly 17 employees responsible for the department's information technology infrastructure. This unit oversees nearly 100 employees, 50 contractors, and over \$40 million in expenses for telecommunication and computer charges. The agency's current structure was implemented during the Amended Fiscal Year (AFY) 2016 and Fiscal Year (FY) 2017 Appropriations Acts, which eliminated the department's Technology Support Services budgeted program, which housed all the agency's technology infrastructure. The department currently has an IT contingent in its various programs.

The FY 2017 continuation budget of \$25.3 million for the Technology Support Services program was distributed among the department's remaining programs based on the infrastructure, support staff, and utilization used by

each program. The change was designed to provide transparency in analyzing and evaluating the true costs associated with the agency's designated budgeted programs; however, the change limits overall agency IT tracking. The department should implement an additional tracking mechanism to track all information technology expenses across all budgeted programs. This will not only allow the agency to track IT expenses in each program but will allow for overall IT expenses to be tracked for internal and external long-term planning.

Integrated Tax Solution (ITS)

The Department of Revenue's Integrated Tax Solution (ITS) system is the state's revenue administration application and houses all taxpayer data in one system. ITS consolidated DOR's 23 different tax systems that separately stored personal income, sales, and corporate tax information into one central platform. Fully functional in 2009, the system enables DOR to quickly handle taxpayer inquires, legislative updates, and general demands in an efficient manner. Since 2007, the state has invested over \$50 million in this system, however, DOR has seen a workload of 723 change requests (SQRs) in FY 2009 increase to 2,391 SQRs in FY 2018.

In FY 2020, the department received \$4,828,288 for personal services, information technology, and contractual services to implement House Bills 61 and 918 (2018 Session). Appropriations allocated to the department aimed to address the department's system demands associated with changes to the system needed for additional tax credits, tax incentives, code changes, research inquires related to fiscal notes, and other change requests for SQRs. Along with support staff in the Departmental Administration program, ITS currently operates under two other DOR budgeted programs (Tax Compliance and Taxpayer Services). The department should implement additional tracking mechanisms to track ITS expenses across budgeted programs for transparency and internal and external long-term planning.

Driver Record and Integrated Vehicle Enterprise System (DRIVES)

The Departmental Administration information technology services division also helps to oversee the Motor Vehicle Registration and Titling program's information technology budget, which maintains tag and title registrations, issues license plates, and records liens. In May 2019, the Driver Record and Integrated Vehicle Enterprise System (DRIVES) project, which is a joint initiative between Department of Revenue and Department of Driver Services, replaced the Georgia Registration and title Information System (GRATIS) and will serve as Department of Revenue's registration and titling functions on behalf of the state and local governments. The total IT infrastructure investment for this project is estimated at \$100 million.

New performance measures should be added to monitor the program's overall performance

Performance measures are an integral component of the Zero-Based Budgeting (ZBB) process. Performance metrics should not only track the workload, efficiency, and effectiveness of the program but should also be appropriate and relevant to the policy goals of the agency and state. The agency should report performance measures that more accurately reflect the workload, efficiency, and effectiveness of the program. OPB will continue to work with the agency to ensure new performance measures are annually updated into the new Planning and Budget Cloud Services (PBCS) system.

Department of Revenue
 ZBB Program: Departmental Administration

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2020 State Funds	FY 2020 Total Budget
Technology Support Services	Provides centralized information technology support services for the agency. Provides oversight of agency IT policy and infrastructure	O.C.G.A. 48-2-1 et seq.	19	\$4,335,453	\$4,335,453
Budget Office	Provides budgeting services, financial analysis, and internal auditing	O.C.G.A. 48-2-1 et seq.	8	1,385,353	1,385,353
Facilities and Services	Provides mail services and facility construction, maintenance, and engineering	O.C.G.A. 48-2-1 et seq.	8	1,461,784	1,461,784
Finance - Accounting	Provides accounting services, financial analysis, payroll services, and project consulting	O.C.G.A. 48-2-1 et seq.	23	2,583,885	2,583,885
Human Resources	Provides organizational development services	O.C.G.A. 48-2-1 et seq.	22	2,470,432	2,470,432
Office of the Commissioner	Provides Oversight of agency and overall direction related to communications, project consulting, legal services, auditing, and compliance	O.C.G.A. 48-2-1 et seq.	13	1,691,158	1,691,158
Procurement Services	Manages the purchasing of goods and services needed to operate the business of the department	O.C.G.A. 48-2-1 et seq.	3	548,961	548,961
Total			96	\$14,477,026	\$14,477,026

Department of Revenue
 ZBB Program: Departmental Administration

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2018	FY 2019	FY 2020
Personal Services	\$10,461,235	\$9,898,720	\$10,687,587
Regular Operating Expenses	612,247	436,199	447,544
Motor Vehicle Purchases			
Equipment	111,165	4,951	
Computer Charges	965,781	1,143,654	1,038,746
Real Estate Rentals	666,108	742,755	731,595
Telecommunications	987,193	1,237,035	991,413
Contractual Services	346,505	681,461	580,141
Total Expenditures	\$14,150,234	\$14,144,775	\$14,477,026
Fund Type			
State General Funds	\$14,150,234	\$14,144,467	\$14,477,026
Other Funds		308	
Total Funds	\$14,150,234	\$14,144,775	\$14,477,026
Positions	88	82	96
Motor Vehicles	9	9	9

Department of Revenue
ZBB Program: Departmental Administration

Performance Measures

Agency Mission:

The Department of Revenue's mission is to administer the tax laws of the State of Georgia fairly and efficiently in order to promote public confidence and compliance, while providing excellent taxpayer service.

Program Purpose:

The purpose of this program is to administer and enforce the tax laws of the State of Georgia and provide general support services to the operating programs of the Department of Revenue.

Performance Measures

1. (none currently)

Actuals			
FY 2016	FY 2017	FY 2018	FY 2019



FY 2021 Zero-Based Budget Analysis

Georgia Student Finance Commission

ZBB Program: Service Cancelable Loans

Executive Summary

- The Service Cancelable Loans program provides funding to encourage eligible individuals to join the Georgia National Guard and large animal veterinarians to practice in under-served areas around the state.
 - The Georgia Student Finance Commission (GSFC) should pursue legislation revising the two-year service requirement for the Georgia National Guard Service Cancelable Loan program to align with the number of terms students received the award.
 - GSFC and the Georgia Department of Agriculture should work with the General Assembly to change the requirements for veterinary shortage areas to match guidelines used by the Veterinary Medicine Loan Repayment Program.
 - GSFC should track additional performance measures to better demonstrate the program's effectiveness.
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Program Overview

The Georgia Student Finance Authority (GSFA), a component of the Georgia Student Finance Commission (GSFC), administers two Service Cancelable Loans programs: the Georgia National Guard Service Cancelable Loan (GNG SCL) program and the Georgia Veterinary Education Loan Repayment Program (GVELRP). GNG SCL provides tuition assistance to encourage eligible individuals to join the Georgia National Guard. Between fiscal year (FY) 2017 and FY 2019, 547 students participated in GNG SCL and the state awarded \$1.56 million in loans. GVELRP is a student loan repurchase program for food animal veterinarians willing to practice in shortage areas around the state. The State Veterinary Education Board, administratively attached to the Georgia Department of Agriculture, administers GVELRP in conjunction with GSFA. In FY 2019, the first year of disbursement, four students received GVELRP awards for a total of \$80,000. The Service Cancelable Loans program's FY 2020 budget includes \$950,000 for GNG SCL and \$100,000 for GVELRP, for a total of \$1.05 million.

Georgia National Guard Service Cancelable Loan Program

Created in FY 2003 and reestablished in the FY 2017 budget, GNG seeks to encourage qualified individuals to join the Georgia National Guard and retain skilled citizens within the state. The program provides financial assistance to eligible members of the Georgia National Guard towards the cost of tuition for undergraduate and graduate education at University System of Georgia (USG), Technical College System of Georgia (TCSG) or private postsecondary institutions. Recipients must be active members in good standing with the Georgia National Guard and agree to serve for two years following graduation. Eligible students must submit a completed GNG SCL application and promissory note signed by the National Guard to the financial aid office of the eligible

postsecondary institution. After the financial aid office certifies eligibility, the application is forwarded to GSFA for final determination of eligibility. Awards are made on a first-come, first-served basis and based on available funds. Recipients may reapply annually to receive GNG SCL funds for a maximum of 120 semester or 180 quarter hours. Students must maintain Satisfactory Academic Progress (SAP) as defined by the postsecondary institution to remain eligible for the program. GSFC conducts compliance reviews of postsecondary institutions that award state scholarship or grant funds every three years to ensure academic eligibility requirements are met. In FY 2019, 265 students participated in GNG SCL, which included 248 undergraduate and 17 graduate students. The GNG SCL program covered approximately two percent of the eligible Georgia National Guard population (13,805 members) in FY 2019.

GNG SCL covers tuition at the standard undergraduate rate for students attending public postsecondary institutions and up to \$2,174 per semester for students attending private postsecondary institutions. In FY 2019, 88 percent (234) of GNG SCL recipients attended USG, seven percent (19) attended private, and five percent (12) attended TCSG institutions. Financial aid received from other sources must be applied to a student's tuition prior to applying the GNG SCL award. In FY 2019, GNG SCL recipients received \$221,706 in other state aid, which includes the Helping Outstanding Pupils Educationally (HOPE) Scholarships and Grants, University of North Georgia Military Scholarships and Reserve Officers' Training Corps (ROTC) Grants, Tuition Equalization Grant (TEG), and Helping Educate Reservists and their Offspring (HERO) Scholarship.

Students must begin service repayment within six months of the last term of enrollment. Participants must submit a verification of status (VOS) form signed by the Georgia National Guard to GSFA within 30 days following the last term of enrollment and within 30 days of completing each year of the two-year service commitment. Any time a recipient served in the Georgia National Guard prior to the last term of enrollment for the loan does not count toward the two-year service commitment. In FY 2019, 36 borrowers were in the six-month grace period status. GSFA may convert former GNG SCL recipients from service repayment to cash repayment status if the student ceases enlistment in the Georgia National Guard; enrolls in less than half-time status; or becomes ineligible to receive payments under the terms of the signed promissory note.

Upon designation by GSFA that a former GNG SCL recipient is in cash repayment status, he or she may repay the full amount of funds received reduced by the dollar amount that coincides with the service performed or make monthly payments to GSFA for the outstanding principal plus interest not to exceed 10 percent annually. To determine the interest rate, GSFA uses the prime rate, as announced in the Wall Street Journal on the first business day of January, plus one percent. In FY 2019, the interest rate was 6.5 percent and GSFC received \$28,016 from borrowers in cash repayment. A default on a loan in cash repayment occurs after failure to make payments for 270 days. In FY 2019, seven GNG SCL loans were in default for a total of \$13,777.

A recipient may apply for a deferment or forbearance of repayment under conditions such as serving in the military, volunteering in the United States Peace Corps, and meeting requirements under the Federal Family Education Loan Program (FFELP) or the William D. Ford Federal Direct Loan Program. When in deferment or forbearance, borrowers are not required to repay the loan, however, recipients in forbearance are responsible for the interest accrued during that time period. In FY 2019, 93 loan recipients were in repayment status with 82

percent in cash repayment, nine percent in school deferment, five percent in service repayment, and four percent in forbearance.

Georgia Veterinary Education Loan Repayment Program

Established in FY 2017, the Georgia Veterinary Education Loan Repayment Program provides funding of \$20,000 per year of service on the outstanding student loan debt of food animal veterinarians who practice in underserved areas around the state. Recipients must be either a practicing veterinarian or a veterinary student in their final year of study with the intent to practice in approved rural counties with populations of 35,000 or less based on the 2010 United States Census. Eligible individuals must submit applications to the State Veterinary Education Board. The board may select up to five eligible applicants based on the quality of the candidate and the severity of the shortage situation the candidate intends to serve. Preference may be given to previous participants in GVELRP if they continue to demonstrate their commitment to practicing food animal veterinary medicine in areas of need. Candidates may reapply each year to receive up to \$80,000.

Selected participants must enter into a contract with the board and submit a lender verification form to GSFA in order to receive their awards. The contract between the board and the participant spans 12 months. During this time, the participant must devote a minimum of 20 hours per week to providing food animal veterinary services in the area of need denoted on their application. If an applicant wishes to move services to another area of need in the state, they must seek the approval of the board. If the terms of the contract are breached by the participant at any time, the contract will become void and the participant will not receive the award at the end of the 12-month period. According to the 2010 United States Census, approximately 70 percent of the 159 counties in Georgia are eligible areas of need.

Due to the time lag between appropriations and students completing the service requirement, FY 2019 was the first year of disbursement for GVELRP. One other person was selected and completed the service requirement, however, the individual forfeited the state award to receive an award from the Veterinary Medicine Loan Repayment Program (VMLRP) administered by the United States Department of Agriculture (USDA). VMLRP pays up to \$25,000 per year on student loan debts for veterinarians who agree to practice for at least three years in designated veterinary shortage areas.

Results and Recommendations

Revise service requirement for GNG SCL recipients

Prior to FY 2019, GNG SCL recipients had to maintain good standing in the National Guard only during the terms in which the awards were received. House Bill 700 (2018 Session) revised state law to require students to serve two years in the National Guard following a student's last term of enrollment. Currently, all students must meet the two-year service requirement regardless of the number of terms the student receives the GNG SCL award. To maintain parity with other service cancelable loan programs such as the University of North Georgia Military Scholarship Loan Program, the agency should pursue legislation to revise state law changing the service requirement from two years to the number of terms GNG SCL awards were received following a student's last

term of enrollment. In FY 2019, 55 percent of University of North Georgia Military Scholarship program recipients repaid loans through service. Only five percent of borrowers repaid their GNG SCL loans through service in FY 2019. Revising the service requirement may encourage recipients to remain active in the National Guard rather than enter into cash repayment.

Revise state law regarding the definition of shortage area

According to O.C.G.A. § 20-3-518.4, GVELRP recipients must practice in counties with populations of 35,000 or less. Although the program is administered by GSFA and the State Veterinary Education Board, state law does not require any entity to conduct an ongoing assessment of veterinarian needs in Georgia. For VMLRP, the National Institute of Food and Agriculture (NIFA), under USDA, solicits nominations for veterinary shortage areas from state animal health officials (SAHOs). SAHOs are encouraged to consider areas that have large numbers of food animals versus availability of veterinary services, areas with high potential for natural disasters, and areas with animal or public health threats. Nominations are made on an annual basis. In federal fiscal year (FFY) 2019, Georgia officials nominated 31 counties as areas with shortages in food animal veterinary services. Five of the counties had populations of more than 35,000 according to the 2010 U.S. Census. Using only the population size of a county may not be the most effective way to determine eligible areas of need. GSFC and the Georgia Department of Agriculture should work with the General Assembly to align the state's requirements for veterinary shortage areas with the guidelines used by VMLRP.

Revise and add new performance measures

Performance measures are an integral component of the Zero-Based Budget (ZBB) process. Performance metrics should not only track the workload, efficiency, and effectiveness of the program, but should also be appropriate and relevant to the policy goals of the agency and state as a whole. The Office of Planning and Budget will continue to work with the department to ensure performance measures are annually updated into the Planning and Budget Cloud Services (PBCS) system. Through ZBB analysis, additional measures were developed and evaluated to supplement existing program performance measures. In addition, existing measures have been revised to better inform the reader of critical activities being performed by the program.

The following is a list of new performance measures:

- Percentage of GNG recipients repaying through service
- Percentage of GNG recipients defaulting on loans
- Average GPA for students participating in GNG
- Percentage of Georgia Veterinarian Education Loan Repayment Program (GVELRP) applicants awarded

The following is a list of revised performance measures:

- Revise measure of Number of students awarded scholarships to:
 - Number of Georgia National Guard (GNG) students awarded scholarships
- Revise measure of Average dollar amount per student to:
 - Average dollar amount per GNG student

Georgia Student Finance Commission
 ZBB Program: Service Cancelable Loans

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2020 State Funds	FY 2020 Total Budget
Georgia National Guard Service Cancelable Loan	The Georgia National Guard Service Cancelable Loan (GNG SCL) Program provides financial assistance to eligible members of the Georgia National Guard towards the cost of tuition for undergraduate and graduate programs at an eligible public or private postsecondary institution. Recipients must agree to serve in the Georgia National Guard for a period of two years to complete service repayment.	O.C.G.A. § 20-3-374 (b)(2)		\$950,000	\$950,000
Georgia Veterinary Education Loan Repayment	The Georgia Veterinary Education Loan Repayment Program (GVELRP) provides payments of up to \$20,000 per year for a maximum of \$80,000 on the outstanding student loan debt of veterinarians who practice in approved rural counties with populations of 35,000 or less. Participants must sign a service commitment and devote at least 20 hours per week to providing food animal veterinary services for 12 months prior to receiving their award.	O.C.G.A. § 20-3-518 et seq.		100,000	100,000
Total				\$1,050,000	\$1,050,000

* (Listed in priority order as determined by Agency)

Georgia Student Finance Commission
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Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2018	FY 2019	FY 2020
Personal Services			
Regular Operating Expenses			
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Contractual Services			
Financial Aid - State	\$840,577	\$1,050,000	\$1,050,000
Total Expenditures	\$840,577	\$1,050,000	\$1,050,000
Fund Type			
State General Funds	\$300,000	\$1,050,000	\$1,050,000
Other Funds	540,577		
Total Funds	\$840,577	\$1,050,000	\$1,050,000

Positions

Motor Vehicles

Georgia Student Finance Commission
 ZBB Program: Service Cancelable Loans

Performance Measures

Agency Mission:

The Georgia Student Finance Commission (GSFC) administers state and lottery funded scholarship and grant programs. The mission of GSFC is to promote and increase access to education beyond high school for Georgia residents.

Program Purpose:

The purpose of this program is to provide service cancelable loans as authorized in statute including programs for large animal veterinarians and Georgia National Guard members.

Performance Measures	Actuals			
	FY 2016	FY 2017	FY 2018	FY 2019
1. Number of Georgia National Guard (GNG) students awarded scholarships	N/A	29	256	264
2. Average dollar amount per GNG student	N/A	\$3,624.00	\$2,897.00	\$2,776.00
3. Percentage of GNG recipients repaying through service (New)	N/A	N/A	N/A	5.4%
4. Percentage of GNG recipients defaulting on loans (New)	N/A	N/A	N/A	1.2%
5. Average GPA for students participating in GNG (New)	N/A	N/A	N/A	2.6
6. Percentage of Georgia Veterinary Education Loan Repayment Program (GVERLP) applicants awarded (New)	N/A	N/A	N/A	100.00%



Governor's Office of
PLANNING AND BUDGET

THE STATE OF GEORGIA