



# DOAA

Georgia Department  
of Audits & Accounts

**Greg S. Griffin**  
State Auditor

March 18, 2025

Honorable Leesa Hagan  
Chairman, House Rural Development  
501-H Coverdell Legislative Office Building  
Atlanta, Georgia 30334

**SUBJECT:** Fiscal Note  
House Bill 262 (LC 57 0232S)

Dear Chairman Hagan:

The bill would require the Department of Community Health (DCH), in consultation with the Georgia Emergency Management and Homeland Security Agency (GEMA/HS), to establish a grant program to assist affected rural hospitals to acquire and/or install electricity generators that allow continued operations during a state of emergency. Affected rural hospitals are defined as those with 100 or fewer beds and in counties with less than 50,000 people and have experienced a declared state of emergency by the Governor after July 1, 2024. The bill notes that the program is subject to appropriations and prioritization of grants should be to those hospitals lacking backup generators and the means to acquire them.

While we could not determine the number of affected hospitals that may be in need of a electricity generators in the available time, we were able to determine the number of hospitals that meet the definition of affected rural hospital and a range of costs for the acquisition and installation of generators for hospitals of the eligible size. GEMA/HS would also require state funding.

- **Number of Affected Rural Hospitals** – In September 2024, the governor declared a state of emergency for all 159 counties due to the approach of Hurricane Helene. There are 62 hospitals with 100 or fewer beds located in counties with a population of less than 50,000.
- **Cost to Acquire and Install Generators** – A large vendor that sells and installs generators for hospitals stated that reliable estimates could not be provided based on hospital size alone. The vendor noted that costs are dependent on factors other than the generator purchases, including the condition of the building and the existing wiring.

However, the Georgia Hospital Association (GHA) surveyed 15 hospitals to estimate costs of generator projects based on the megawatt size of the generator. The smallest identified generators in the survey ranged from 1 to 2.5 megawatts and had estimated costs ranging from \$750,000 to \$2.9 million. DCH provided a list of 62 hospitals that fulfill the eligibility requirements of the bill; however, this list did not include additional information for need. Based on the potential cost range as identified in the GHA survey and current hospitals eligible for the program, need could range from \$46.5 million to \$179.8 million, assuming all 62 hospitals applied.

It is worth noting the cost of the bill could be lower if some generators are funded through Hazard Mitigation grants made available to the state by the Federal Emergency Management Agency (FEMA) following a federal disaster declaration. The federal grant would cover 75% of the cost, with the non-federal cost share of 25% being traditionally split between the state and local governments 10%/15%, respectively.

- **Administrative Costs** – DCH, which would have primary responsibility for the grant program, would be able to implement the program with existing resources. However, GEMA/HS would require state funds to fund its responsibilities. While it would use existing staff, those employees are currently paid entirely with federal funds that may not be used for this purpose. GEMA estimated a portion of two employees' salaries and benefits at approximately \$72,000 in year one and \$36,000 in subsequent years.

Respectfully,



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Richard Dunn, Director  
Office of Planning and Budget

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