



ZERO BASED BUDGET REPORTS

*Fiscal Year 201-*

Governor Nathan Deal





# FY 2019 Zero-Based Budget Analysis

## Table of Contents

|  |    |
|--|----|
| <b>Introduction</b>  | i  |
| <b>Accounting Office, State</b>  |    |
| Government Transparency and Campaign Finance Commission                  | 1  |
| <b>Administrative Services, Department of</b>                            |    |
| Risk Management  | 6  |
| <b>Behavioral Health &amp; Developmental Disabilities. Department of</b> |    |
| Adult Developmental Disabilities Services                                | 13 |
| Child and Adolescent Developmental Disabilities                          | 23 |
| <b>Community Affairs, Department of</b>                                  |    |
| Homeownership Programs   | 32 |
| Special Housing Initiatives  | 37 |
| <b>Community Health, Department of</b>                                   |    |
| Georgia Board of Physician Workforce: Board Administration               | 43 |
| Georgia Board of Physician Workforce: Graduate Medical Education         | 49 |
| Georgia Drugs and Narcotics Agency                                       | 56 |
| <b>Community Supervision, Department of</b>                              |    |
| Departmental Administration  | 62 |
| Misdemeanor Probation  | 67 |
| Georgia Commission of Family Violence                                    | 72 |
| <b>Corrections, Department of</b>  |    |
| State Prisons  | 77 |
| <b>Economic Development, Department of</b>                               |    |
| Governor's Office of Workforce Development                               | 86 |

# FY 2019 Zero-Based Budget Analysis

## **Human Services, Department of**

|  |     |
|--|-----|
| Child Abuse and Neglect Prevention           | 92  |
| Support for Needy Families- Basic Assistance | 98  |
| Support for Needy Families- Work Assistance  | 104 |

## **Investigation, Georgia Bureau of**

|  |     |
|--|-----|
| Criminal Justice Coordinating Council: Family Violence | 110 |
|--|-----|

## **Natural Resources, Department of**

|                          |     |
|--------------------------|-----|
| Environmental Protection | 115 |
| Solid Waste Trust Fund   | 121 |

## **Pardons and Paroles, State Board of**

|                 |     |
|-----------------|-----|
| Victim Services | 127 |
|-----------------|-----|

## **Public Health, Department of**

|   |     |
|---|-----|
| Adult Essential Health Treatment Services | 132 |
|---|-----|

## **Public Safety, Department of**

|                             |     |
|-----------------------------|-----|
| Capitol Police Services     | 139 |
| Departmental Administration | 145 |

## **Regents of the University System of Georgia, Board of**

|                                      |     |
|--------------------------------------|-----|
| Georgia Research Alliance            | 150 |
| Georgia Tech Research Institute      | 156 |
| Payments to Georgia Military College | 162 |

## **Revenue, Department of**

|                           |     |
|---------------------------|-----|
| Local Government Services | 167 |
| Revenue Processing        | 172 |
| Tax Policy                | 176 |

## **Student Finance Commission, Georgia**

|                                      |     |
|--------------------------------------|-----|
| HERO Scholarship                     | 181 |
| Georgia Military College Scholarship | 186 |

## **General Obligation Debt Sinking Fund**

|                                 |     |
|---------------------------------|-----|
| General Obligation Bonds Issued | 191 |
| General Obligation Bonds New    | 191 |

# FY 2019 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 budgeting (ZBB) approach to analyze selected programs during the AFY 2018 and FY 2019 budget process. The purpose of the zero-based budget 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 zero-based budget analysis of approximately 13 percent of all budgetary programs during the fall of 2017. 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. This analysis was used to develop recommendations for the AFY 2018 and FY 2019 Governor's Budget Report.

The ZBB review process formalizes the work inherent in OPB's budget analysis and provides a 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 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 agency purpose, the program purpose, and a set of measures for the program.



# FY 2019 Zero-Based Budget Analysis

State Accounting Office

ZBB Program: Georgia Transparency and  
Campaign Finance Commission

## Executive Summary

- The Georgia Government Transparency and Campaign Finance Commission is responsible for ensuring accountability of public officials, lobbyists, and political candidates through the reports they file.
- The Commission should establish budgeted subprograms based on key activities to help track expenses; and identify trends and future needs of the agency.
- The Commission should optimize the budget development process to accurately align the budget with projected expenditures, such as one-time technological improvements.
- The Commission should continue to utilize existing resources to accommodate the rent increase due to added square footage.
- HB 143 moved the direct reporting of county and municipal election campaign finance reports from the Commission to local and county officials.
- The Commission should report new performance measures to better demonstrate the program's workload, efficiency, and effectiveness.

## Program Overview

The Georgia Government Transparency and Campaign Finance Commission (the Commission) was established in FY 2012, serving as the successor to the State Ethics Commission, and endowed with all duties and powers of its predecessor. The mission of the Commission is to ensure the accountability of public officials, lobbyists, and political candidates by making financial reporting readily available to the people of the state of Georgia. The Commission is governed by five members, three of whom are appointed by the Governor, one appointed by the Senate Committee on Assignments and the last by the Speaker of the House of Representatives. The Commission is responsible for tasks related to campaign finance transparency and the Campaign Finance Act. Commission activities fall into four distinct, but interconnected, categories: filing and disclosing, information and training, enforcement and compliance, and administration.

## Results and Recommendations

### Expansion of Subprograms

The Commission's current budget structure and expenses are currently tracked as a single budgetary program with only one subprogram. There is currently no detailed breakdown of the key activities and expenses in the financials or budget system. As a result, tracking expenses and budget by key activities are not always clear and can lead to inconsistencies in tracking over time. The Commission should establish budgeted subprograms based on key activities to help track expenses and identify trends and future needs of the agency.

### Real Estate Increase

In the FY 2016 Appropriations Bill (HB 76), the Commission received \$768,532 for four attorney positions and four investigator positions to assist in expediting citizen complaint resolutions. In order to accommodate the existing and added staff, the Commission acquired an additional 4,217 square feet moving from 4,971 to 9,188 square feet. Subsequently, the Commission's rent increased from \$62,784 in FY 2016 to \$116,044 in FY 2018 based on the additional square footage. During this time, the Commission was able to reassess the positions needed in order to expedite citizen complaint resolutions resulting in internal savings. The Commission should continue to utilize existing resources to accommodate the rent increase due to the added square footage.

### Utilize the Budget Development Process

Title 45, Chapter 12, Section 78 of the Official Code of Georgia Annotated provides that no later than September 1 of each year the head of each agency shall submit to the Office of Planning and Budget (OPB) estimates of the financial requirements of the agency for the next fiscal year, on the forms and in the manner prescribed by OPB, with such explanatory data as is required by OPB. OPB specifies such requirements in annual budget instructions, sent to each agency prior to the budget deadline of September 1. The budget instructions then set the levels of spending an agency may request to OPB. Budget requests for additional funds may be permitted for growth, workload, and any other reasons enumerated in the budget instructions. The agency may then contact their assigned OPB analyst with any questions regarding budget adjustments.

Additional funding may also be sought in the form of Capital Outlay requests. Capital Outlay requests are funded by the authorization of General Obligation Bonds and the use of state appropriations to cover the debt incurred. Typically, the agency should only submit Capital Outlay requests through the Planning and Budget Cloud Services (PBCS) system when the cost of a capital project is greater than \$100,000 and has a useful service life of five years or more. The agency must submit its capital project information to OPB by the date set in the budget instructions.

The Commission should work to develop a better understanding of the budget development process outlined above to allow for more efficiency in resource allocation, including prospective technology improvements.

### State and Local Reporting

In FY 2013, HB 143 was signed into law moving the direct reporting of county and municipal election campaign finance reports from the Commission to local and county officials. Once collected, these officials send the reports to the Commission. Such a division in reporting is unique within the Southeast United States due to the reporting responsibilities between state and county/local elections.

It is the responsibility of the Commission to translate submitted reports into a format that is compatible with the current information technology structure to be filed and uploaded. Submissions from county and local officials can be sent in many formats, such as conventional mail, fax, and email. Additionally, these submissions can take the form of original handwritten paper documents, copies of such paper documents, digital scans, and text documents. To manage this translation from the county/local level, the Commission contracts with a company that specializes in translating physical media into digital data. In 2016, the Commission spent \$200,000 for this service.

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

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. 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 Commission to ensure new performance measures are annually updated into the new Planning and Budget Cloud Services (PBCS) system.

- Average length of an open case (New)
- Average time to process a late submission (New)
- Total fees/fines levied (New)

**State Accounting Office**

**ZBB Program: Georgia Government Transparency and Campaign Finance Commission**

**Key Activities**

| Activity*                  | Description   | Authority             | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|----------------------------|---|-----------------------|------------------|---------------------|----------------------|
| Information and Training   | Advises and educates the public and public officials on the Campaign Finance Act (CFA) as well as proper filing of disclosure/financial reports; issues Advisory Opinions; serves as a guide in interpreting the CFA.   | O.C.G.A. § 21-5-6 (b) | 6                | \$462,049           | \$462,049            |
| Filing and Disclosure      | Collects and publishes campaign finance reports and financial disclosure reports filed by officials, candidates, committees, and lobbyists.   | O.C.G.A. § 21-5-6 (b) | 4                | 770,083             | 770,083              |
| Enforcement and Compliance | Ensures compliance with the CFA; assesses late fees as necessary; Investigates potential violations of the CFA; resolves complaints filed by the public or initiated by the Commission; imposes civil penalties against violators of the CFA and/or refers cases for prosecution. | O.C.G.A. § 21-5-6 (b) | 6                | 1,232,132           | 1,232,132            |
| Administration             | Coordinates agency efforts to ensure compliance by candidates, public officials, non-candidate campaign committees, lobbyists, and vendors with Georgia's Campaign and Financial Disclosure requirements.   | O.C.G.A. § 21-5-6 (b) | 4                | 616,065             | 616,065              |
| <b>Total</b>               |   |                       | 20               | \$3,080,329         | \$3,080,329          |

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

**State Accounting Office**  
**ZBB Program: Georgia Government Transparency and Campaign Finance Commission**

**Financial Summary**

| <b>Objects of Expenditure</b> | <b>Expenditures</b> |                    | <b>FY 2018</b>        |
|-------------------------------|---------------------|--------------------|-----------------------|
|                               | <b>FY 2016</b>      | <b>FY 2017</b>     | <b>Current Budget</b> |
| Personal Services             | \$1,619,557         | \$2,336,421        | \$2,624,287           |
| Regular Operating Expenses    | 334,842             | 199,069            | 95,997                |
| Motor Vehicle Purchases       |                     |                    |                       |
| Equipment                     |                     |                    |                       |
| Computer Charges              | 31,738              | 140,239            | 8,700                 |
| Real Estate Rentals           | 62,784              | 67,222             | 116,045               |
| Telecommunications            | 7,623               | 7,593              | 7,600                 |
| Contractual Services          | 329,397             | 301,096            | 227,700               |
| <b>Total Expenditures</b>     | <b>\$2,385,941</b>  | <b>\$3,051,640</b> | <b>\$3,080,329</b>    |
| <b>Fund Type</b>              |                     |                    |                       |
| State General Funds           | \$2,385,941         | \$3,013,846        | \$3,080,329           |
| Other Funds                   |                     | 37,794             |                       |
| <b>Total Funds</b>            | <b>\$2,385,941</b>  | <b>\$3,051,640</b> | <b>\$3,080,329</b>    |
| <b>Positions</b>              | 16                  | 15                 | 20                    |
| <b>Motor Vehicles</b>         | 0                   | 0                  | 0                     |

**State Accounting Office**  
**ZBB Program: Georgia Government Transparency and Campaign Finance**  
**Commission**  
**Performance Measures**

**Agency Mission:**

The Georgia Government Transparency and Campaign Finance Commission’s mission is to help ensure the accountability of public officials, lobbyists, and political candidates by making the reports they file with the Commission, or locally, easy to file, easy for the public to review, and properly audited and enforced by the Commission.

**Program Purpose:**

The purpose of this program is to protect the integrity of the democratic process and ensure compliance by candidates, public officials, non-candidate campaign committees, lobbyists, and vendors with Georgia's Campaign and Financial Disclosure requirements.

| <b>Performance Measures</b>                        | <b>Actuals</b> |                |                |                |
|--|----------------|----------------|----------------|----------------|
|  | <b>FY 2014</b> | <b>FY 2015</b> | <b>FY 2016</b> | <b>FY 2017</b> |
| 1. Number of existing cases on July 1              | 149            | 223            | 208            | 298            |
| 2. Number of complaints received                   | 74             | 66             | 93             | 197            |
| 3. Average length of an open case (New)            | N/A            | N/A            | N/A            | N/A            |
| 4. Average time to process a late submission (New) | N/A            | N/A            | N/A            | N/A            |
| 5. Total fees/fines levied (New)                   | N/A            | N/A            | N/A            | N/A            |



# FY 2019 Zero-Based Budget Analysis

## Department of Administrative Services ZBB Program: Risk Management

### Executive Summary

- The Risk Management program manages the state's internal workers' compensation, liability, property, and unemployment insurance programs and also administrators the Georgia State Indemnification programs for public officers and educators.
- The department should develop a plan in consultation with the Office of Planning and Budget that will maximize Subsequent Injury Trust Fund reimbursements and close any outstanding claims prior to December 31, 2023.
- The department should perform an evaluation of the state's Worker's Compensation and Liability self-insured programs and report to the Office of Planning and Budget on a methodology or indicator that can be used to establish appropriate fund balance goals; current and future program impacts, and legislative reforms needed to sustain the programs.
- The department should evaluate the state's internal unemployment insurance fund balance and program to develop a methodology or indicator that can be used to establish appropriate fund balance goals to withstand economic downturns.
- The agency should work with Georgia Technology Authority and Office of Planning and Budget to develop a method of allocating cyber premiums that are more representative of an agency's risk and readiness emphasizing policy, planning, and established protocols and procedures.
- In the FY 2017 legislative session, SB 160 was signed into law, providing additional funding to peace officers suffering death or brain death.
- The agency should develop a metric for tracking an agency's active participation within CLCP and incorporate the new variable in the calculation of risk premiums.

### Program Overview

The Department of Administrative Services (DOAS) Risk Management program manages the state's internal workers' compensation, liability, property, and unemployment insurance programs and also administrators the Georgia State Indemnification programs for public officers and educators. The program is the agency's largest and is predominantly funded through billings from entities that are covered by the states' insurance programs. In FY 2018, the Agency began managing the cyber security insurance program which covers the state's new cyber security insurance. Excluding program administration, the insurance programs have averaged over \$170M in expenditures over the past five years.

| <b>Insurance Program</b> | <b>FY 2017</b>        | <b>FY 2016</b>        | <b>FY 2015</b>        | <b>FY 2014</b>        | <b>FY 2013</b>        |
|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Workers' Compensation    | \$ 100,539,646        | \$ 116,288,280        | \$ 101,305,675        | \$ 102,050,694        | \$ 100,260,616        |
| Liability                | 43,188,126            | 37,978,848            | 25,313,238            | 29,423,344            | 33,621,959            |
| Unemployment Insurance   | 3,805,341             | 5,343,676             | 7,201,040             | 9,702,486             | 13,786,357            |
| Property                 | 29,972,921            | 22,404,363            | 22,342,527            | 22,124,736            | 24,028,977            |
| Indemnification          | 516,669               | 930,565               | 382,299               | 140,162               | 451,002               |
| <b>Total</b>             | <b>\$ 178,022,703</b> | <b>\$ 182,945,732</b> | <b>\$ 156,544,779</b> | <b>\$ 163,441,422</b> | <b>\$ 172,148,911</b> |

## **Results and Recommendations**

### Subsequent Injury Trust Fund

The Subsequent Injury Trust Fund (SITF) was established by the Georgia General Assembly on July 1, 1977. It is designed to reduce the impact of singularly large workers' compensation claims involving a worker with preexisting permanent impairment. The fund helps workers with disabilities by providing employers, who are not subject to the Americans with Disabilities Act, with incentives to hire or retain qualified workers with disabilities.

The SITF is funded by assessments paid by self-insured employers and insurance carriers. O.C.G.A. §34-9-358 details the assessment method, but general funding of the SITF requires self-insured employers and insurance carriers to “make payments to the fund in an amount equal to that proportion of \$100 million of the total workers' compensation claims paid by the insurer or self-insurer bears to the total workers' compensation claims paid by all insurers and self-insurers during the preceding calendar year but not to exceed \$100 million.”

DOAS manages the State's self-insured workers' compensation program which pays an annual assessment into the SITF. Once the assessment is paid, the workers' compensation program provides initial payments on any accepted SITF claim and is then reimbursed by the SITF for approved claim expenses. The SITF assessment paid by DOAS has averaged nearly \$4.7M since 2005 and the program has received on average \$11.2M in reimbursements over the same period. In FY 2017, the assessment was \$5,904,088; however, the reimbursements only totaled \$6,188,532. In FY 2017, the state's workers' compensation program still had nearly \$65M in liabilities. If the liability is not resolved by the dissolution of the SITF (December 31, 2023), which was established in O.C.G.A § 34-9-368, the states' internal workers' compensation program will be responsible for absorbing the remaining balance without reimbursements. DOAS should develop a plan in consultation with the Office of Planning and Budget that will maximize SITF reimbursements and close any outstanding SITF claims prior to December 31, 2023.

### Workers' Compensation

The Risk Management program manages the state's Workers' Compensation program. The self-insured program provides medical, rehabilitation, income, and other assistance to employees and dependents due to injury, illness and death resulting from a compensable work-related claim covered by the law. Because the program is self-insured or funded, the department bills state entities and participants based on claim filings and need using a methodology that takes into account an agency's experience and exposure. For workers' compensation premiums or billings; experience consists of three years of claim payouts compared to the state, and exposure represents total salaries compared to the state. There are other limited revenues, but agency premiums are the dominant revenue source.

In FY 2013, the program experienced its highest carryover fund balance (\$19.4M) in the past five years; however, the program's average expenses (\$104M) have outpaced revenues (\$101.1M) since that time. Many factors can be considered when analyzing the program, but a closer look at the data, shows a program working to reduce the number of claim filings since FY 2013 (and trending downward since FY 2007). Additionally, the data shows a program with a high percentage of claims closed by year and a duration for closed claims decreasing by year. However, it should be noted that the percentage of closed claims for each fiscal year is steadily declining, resulting in more open claims, longer durations for those opened claims, and higher payouts.

It should also be noted that payouts are also impacted by changes in the State Board of Workers' Compensation laws. Since FY 2013, legislative changes (HB 154 and HB 412) have contributed to an increase in temporary total

disability (TTD) and temporary partial disability (TPD) payments. The weekly benefits have increased from \$500 to \$550 and \$334 to \$367 respectively. TTD are weekly income benefits paid at two-thirds of injured employees' wage when an employee is totally incapacitated, not to exceed the 400-week cap. TPD are weekly income benefits paid at two-thirds of injured employees' wage when an employee is injured and unable to return to full duty employment, not to exceed 350 weeks.

The current rate of revenues to expenditures and program data warrants a program that is unsustainable. The department should perform an evaluation of the state's workers' compensation self-insured program and report to the Office of Planning and Budget recommendations on a methodology or indicator that can be used to establish appropriate fund balance goals; current and potential program impacts; and legislative reforms needed to sustain the program.

### Liability

Risk Management also maintains a self-funded liability insurance program that protects state government and its employees from claims brought against them while performing official duties. Liability functions include coverage determination, investigations, liability assessment, case assessment and claim evaluation, settlement negotiation, litigation management and claim resolution.

DOAS' General Liability Agreement outlines the conditions and coverage offered to covered parties. Under these guidelines, authorized to DOAS by O.C.G.A. §45-9-1, the department will pay out damages to bodily injury, property damages, and personal injury, as applicable. This includes tort claims covered under Georgia's Tort Claims Act. A tort is a civil wrong that unfairly causes someone else to suffer loss resulting in legal liability. The Tort Claims Act established specific procedures and guidelines for private citizens or companies bringing suit against state agencies and entities while limiting damages to \$1M per person and \$3M per occurrence. Broad form claims are also an area covered under the state's liability program. These claims can be brought in any jurisdiction, they are typically civil rights, employment related and can include wage related, back pay, and attorney fees with no cap on damages.

Similar to the Workers' Compensation program, the Liability program has seen a downward trend in claims each year; however, the variables and considerations in claims can vary greatly resulting in uneven expenses from year-to-year. Since FY 2013, program expenses have averaged \$33.9M, while revenues have only averaged \$29.8M over the same period. In FY 2017, claim expenses reached \$43M, up nearly \$10M, since FY 2013. Like Workers' Compensation, funding for the program are through premiums billed to agencies based on experience and exposure. Experience consists of three years of claim payouts compared to the state, and exposure represents total full-time positions compared to the state. The department should perform an evaluation of the state's Workers' Compensation self-insured program and report to the Office of Planning and Budget recommendations on a methodology or indicator that can be used to establish appropriate fund balance goals; current and potential program impacts; and legislative reforms needed to sustain the program.

### Unemployment Insurance

The federal Unemployment Compensation (UC) program is a federal-state partnership where the federal government pays for the administration of the program and each state maintains its own Unemployment Insurance (UI) trust fund used only to pay for state UI benefits for those individuals who have lost their jobs through no fault of their own. The fund earns revenues through state taxes, primarily on employers. Georgia's unemployment insurance program is managed by the Georgia Department of Labor and receives employer taxes on a reimbursable or contributory basis. Because the state of Georgia is an employer, they are subject to the same contributions to the state UI trust fund and contributes as a reimbursable employer. This means the state reimburses the UI trust fund for the amount of benefits charged to their account and billed dollar-for-dollar on either a quarterly or monthly basis. DOAS manages the state's internal UI liabilities and pays into the UI trust fund when their account is charged. DOAS is able to make these payments on behalf of Georgia's state entities through its own fund supported through billings to agencies based on experience and exposure factors with experience representing the number of layoffs or incidents attributed to each entity.

One of the major factors in Georgia's UI trust fund managed by the Georgia Department of Labor is the fund's solvency; however, the US Department of Labor has developed a methodology to evaluate the overall adequacy of states' UI programs using an indicator known as the Average High Cost Multiple (AHCM). The AHCM helps to establish trust fund balance goals needed to pay out benefits at historically high payout rates in the event of an economic downturn. The indicator also provides a measure to evaluate policy decisions and economic factors that could impact current and future solvency concerns. DOAS should evaluate the state's internal program and fund balance; and develop a methodology or indicator that can be used to establish appropriate fund balance goals to withstand economic downturns.

### Cyber Insurance

In the FY 2018 Appropriations Bill (HB 44), the Governor and General Assembly approved funding to acquire cyber security insurance to become effective July 1, 2017. The program was budgeted \$2.8M for FY 2018 with premiums allocated to agencies based on the number of employees. The process of acquiring the insurance involved a two year collaborative effort on behalf of the Georgia Technology Authority (GTA) and DOAS. The \$100M policy insures executive branch agencies and constitutional officers that opt in; benefits for direct loss and out of pocket expenses, including data recovery, network and business interruption, as well as data breach response and crisis management services. Additionally, the policy provides for defense and liability incurred due to damage caused to others by the insured.

Currently, all state agencies, with the exception of the Georgia Board of Regents and the Board of Education, are covered by the policy. All constitutional officers are given the opportunity to opt in and are currently covered. Along with the passing of SB 117 during the FY 2017 legislative session, which provides GTA the ability to "establish technology policies and standards for all agencies, including, but not limited to, the role and responsibilities of chief information officers and chief information security officers within such agencies," cyber security will continue to be primary goal of the state. The agency should work with GTA and OPB to develop a method of allocating cyber premiums that are more representative of an agency's risk and readiness emphasizing policy, planning, and established protocols and procedures.

### Indemnification Fund

The program provides financial assistance to eligible public officers and public school personnel who are disabled or killed in the line of duty. Assistance under the Public Officers Indemnification Fund include payments for permanent disability, supplemental income, and for death. In the FY 2017 legislative session, SB 160 was signed into law, providing additional funding to peace officers suffering death or brain death. The bill increased the assistance from \$100,000 to \$150,000. Additionally, the legislation adds additional penalties of at least \$2,000 to those found guilty of aggravated assault or aggravated battery.

### Comprehensive Loss Control

Established in 2008, the Comprehensive Loss Control Program (CLCP) was designed to assist agencies in developing and implementing plans of action to reduce risk. CLCP services are best suited for high risk agencies with regular incidents, who present a pattern of behavior that can be addressed and rectified. As part of an effort to reduce risk, the causes and cause groupings of the various incidents in each insurance program are tracked allowing the department to pinpoint specific areas of improvement needed for each agency; however, these causes and groupings can exceed over 60 categories. The agency should work to streamline their internal data to allow for pinpoint analysis and assistance in developing and implementing plans of action to reduce risk.

In addition to assisting agencies in avoiding risk, SB 425 provides DOAS the discretion to develop mechanisms to evaluate, enforce, and provide incentives to agencies to implement internal risk programs. However, the CLCP currently lacks any mechanism that would encourage active participation within the program. The agency should develop a metric for tracking an agency's active participation within CLCP and incorporate the new variable in the calculation of risk premiums. As part of the new metric, DOAS should work to ensure the leadership team and stakeholder of each agency are involved in education and training related to claims, policy development, and implementation of internal risk reduction programs.

**Department of Administrative Services**  
**ZBB Program: Risk Management**

**Key Activities**

| Activity*                 | Description   | Authority                                       | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|---------------------------|---|---|------------------|---------------------|----------------------|
| Workers' Compensation     | Manages the worker's compensation program for the state of Georgia, including monetary supplements for absences from work, medical care, and other costs associated with job related injuries.  | O.C.G.A. §§§ 33-3; 45-9 et. seq.; 50-5 et. seq. | 6                |                     | \$99,092,571         |
| Unemployment Compensation | Collects and manages funds collected from state agencies for payouts of unemployment claims.  | O.C.G.A. §§§ 33-3; 45-9 et. seq.; 50-5 et. seq. |                  |                     | 5,499,794            |
| Cyber Insurance           | Insures state agencies for direct loss and out of pocket expenses of cyber damages. Provides data breach response and crisis management services. Provides for cyber defense and liability incurred by state agencies including security and privacy liability, technology and professional services, and regulatory actions. | O.C.G.A. § 33-3; 45-9 et. seq.; 50-5 et. seq.   |                  |                     | 2,823,752            |
| Property Insurance        | Provides insurance for state-owned buildings and agency personal property.  | O.C.G.A. § 33-3; 45-9 et. seq.; 50-5 et. seq.   | 3                |                     | 19,440,117           |
| Liability Insurance       | Provides financial protection to state entities and employees for third party property damage and/or bodily injury claims.  | O.C.G.A. § 33-3; 45-9 et. seq.; 50-5 et. seq.   | 3                |                     | 31,492,570           |
| Loss Control              | Establishes incentive programs to reduce the number of incident claims by state agencies. Educates agencies and staff on risk reduction strategies.   | O.C.G.A. § 33-3; 45-9 et. seq.; 50-5 et. seq.   | 3                |                     | 495,878              |
| Indemnification Fund      | Provides financial benefit for designated public officers and public school personnel who become disabled or are killed in the line of duty.  | O.C.G.A. § 33-3; 45-9 et. seq.; 50-5 et. seq.   | 1                | 430,000             | 802,427              |
| Administration            | Coordinates the state's various insurance programs. Services include information technology support, financial advisement, and legal and administrative advisement.   | O.C.G.A. § 33-3; 45-9 et. seq.; 50-5 et. seq.   | 8                |                     | 3,013,038            |
| <b>Total</b>              |   |   | 24               | \$430,000           | \$162,660,147        |

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

**Department of Administrative Services**  
**ZBB Program: Risk Management**

**Financial Summary**

| Objects of Expenditure     | Expenditures         |                      | FY 2018              |
|----------------------------|----------------------|----------------------|----------------------|
|                            | FY 2016              | FY 2017              | Current Budget       |
| Personal Services          | \$2,623,030          | \$2,456,025          | \$2,461,701          |
| Regular Operating Expenses | 22,076,634           | 23,682,152           | 25,746,720           |
| Motor Vehicle Purchases    |                      |                      |                      |
| Equipment                  |                      |                      |                      |
| Computer Charges           | 105,858              | 123,400              | 280,375              |
| Real Estate Rentals        | 138,905              | 138,905              | 138,906              |
| Telecommunications         | 347,108              | 402,357              | 394,027              |
| Contractual Services       | 4,347,648            | 5,247,994            | 6,929,513            |
| State Self Insurance Funds | 152,064,529          | 144,657,984          | 120,708,887          |
| Transfers                  | 3,431,208            | 4,512,707            | 5,000,018            |
| Other                      |                      |                      | 1,000,000            |
| <b>Total Expenditures</b>  | <b>\$185,134,920</b> | <b>\$181,221,524</b> | <b>\$162,660,147</b> |
| <b>Fund Type</b>           |                      |                      |                      |
| State General Funds        |                      | \$179,326            | \$430,000            |
| Prior Year Funds           |                      | 1,209,126            |                      |
| Other Funds                | 185,134,920          | 179,833,072          | 162,230,147          |
| <b>Total Funds</b>         | <b>\$185,134,920</b> | <b>\$181,221,524</b> | <b>\$162,660,147</b> |
| <b>Positions</b>           | 29                   | 27                   | 24                   |
| <b>Motor Vehicles</b>      | 0                    | 0                    | 0                    |

**Department of Administrative Services**  
**ZBB Program: Risk Management**

**Performance Measures**

**Agency Mission:**

The Department of Administrative Services' mission is to capture operational efficiencies, ensure legal compliance, improve workforce performance, and provide enterprise leadership, business services and solutions to state government.

**Program Purpose:**

The purpose of this program is to administer a liability insurance program to protect state government and employees from work-related claims, to provide indemnification funds for public officers and public school personnel in case of disability or death, to identify and control risks and hazards to minimize loss, to insure state-owned buildings and property against damage or destruction, to partner with the Department of Labor in administering unemployment claims, and to administer the Workers' Compensation Program.

| Performance Measures  | Actuals |         |         |         |
|---|---------|---------|---------|---------|
|   | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Number of claims accepted for review under the Worker's Compensation, Liability, and Property programs | 8,000   | 7,765   | 8,436   | 7,967   |
| 2. Percent of cases settled without litigation (New)  | N/A     | N/A     | N/A     | N/A     |
| 3. Number of unemployment claims filed (New)  | N/A     | N/A     | N/A     | N/A     |
| 4. Number of claims accepted for review under the Cyber Insurance program (New)                           | N/A     | N/A     | N/A     | N/A     |



# FY 2019 Zero-Based Budget Analysis

## Department of Behavioral Health and Developmental Disabilities ZBB Program: Adult Developmental Disabilities Services

### Executive Summary

- The Adult Developmental Disabilities Services program provides hospital, home, and community based support and services to individuals with intellectual or developmental disabilities through Medicaid waiver programs, crisis services, community support services, and state hospitals.
- The Department of Behavioral Health and Developmental Disabilities should submit an amendment to the automated budget system to more accurately reflect position and vehicle counts within the program.
- Medicaid is a medical assistance program for low-income families, pregnant women, and individuals who are determined to be aged, blind, or disabled. Medicaid is the primary source of health coverage and funds specialized health services for individuals with intellectual and developmental disabilities. The agency should monitor potential changes in Medicaid funding, which greatly impact services for disabled individuals.
- The program maintains a prioritized planning list for the transition of individuals into Medicaid waiver services. The planning list should be consistently analyzed and updated to remove individuals who may no longer need services or do not need services in the near future.
- The agency has made efforts to improve efficiency and effectiveness of the waiver by improving service prioritization processes, further sub-dividing the waiver planning list for more efficient program utilization, and updating waiver expenditure caps. The agency should continue to implement these changes and build upon these efforts to continue to improve the waiver program's budgeting and service provision processes.
- The program should adopt a new performance measure to better describe workload, efficiency, and effectiveness.

### Program Overview

The Adult Developmental Disabilities Services program (ADD) provides hospital and community-based services and supports to individuals with intellectual or developmental disabilities (ID/DD). The purpose of the program is to promote independence of adults with significant developmental disabilities through institutional care, community support and respite, job readiness, training, and a crisis and access line. The program consists of two budgetary subprograms:

1. The Community Services subprogram provides ID/DD services, support, and treatment in an individual's home or community setting.
2. The State Hospital Services subprogram provides residential and treatment services to individuals with ID/DD at two state-operated hospitals.

The Department of Behavioral Health and Developmental Disabilities (DBHDD) maintains operations for ADD services, oversees direct service provision, and provides overall program and service management. Program operations are conducted through six regional offices, each managed by a regional administrator.<sup>1</sup> Each region is

divided into three to five Community Service Areas in which Community Service Boards (CSBs) provide direct services to individuals with ID/DD.<sup>2</sup> Program planning and management is conducted by staff at the regional and central DBHDD offices. Separation between service planning and coordination and direct service provision is defined in statute.<sup>3</sup>

Individuals access services through DBHDD regional offices, where staff conduct intake and evaluation activities, as well as connect individuals to available services, supports, programs, or treatments.<sup>4</sup> An individual can contact the regional office directly, or can be referred by Aging and Disability Resource Centers, emergency or crisis personnel, healthcare providers, or Medicaid program administrators.<sup>5</sup> Individuals can also access resources and applications for services on the DBHDD website.

#### Department of Justice Settlement Agreement

DBHDD entered into a settlement agreement with the Department of Justice (DOJ) in 2010 related to compliance with the American with Disabilities Act requirement of integrated appropriate settings for consumers with ID/DD. DBHDD no longer admits individuals whose primary diagnosis is ID/DD to state hospitals and is transitioning individuals out of state hospitals and into home or community-based care at a pace set by the DOJ settlement agreement. The DOJ settlement agreement also provides for additional family support, community waivers, mobile crisis teams, crisis respite homes, and quality management audits of the Medicaid waiver programs.<sup>6</sup> The DOJ settlement agreement was extended through 2018, resulting in a prioritized planning list for individuals seeking waiver services and high-risk surveillance list for individuals transitioned out of state hospitals.<sup>7</sup> Progress by DBHDD is tracked through an Independent Reviewer appointed by the United States District Court and approved by all parties of the DOJ settlement agreement.

#### Waiver Direct Services

The majority of program services are provided through two home and community-based Medicaid waivers: the New Options Waiver (NOW) and the Comprehensive Supports Waiver Program (COMP). Section 1915(c): Home and Community Based Waivers of the *Social Security Act of 1965*, as amended by the *Omnibus Budget Reconciliation Act of 1981*, offers home and community-based services under Georgia's Medicaid plan. Waiver programs must demonstrate budget neutrality compared to providing similar services in an institution and must provide services based on person-centered care plans.

NOW and COMP waivers are funded by state funds and Medicaid. State funds for the waiver programs are budgeted in ADD and the Child and Adolescent Developmental Disabilities Services program (CADD). Medicaid funds are budgeted in the Department of Community Health (DCH), which administers the state's Medicaid program. Services provided by the NOW and COMP waivers are billed and paid for on a fee-for-service basis through approved providers. Providers bill DCH for rendered services, DBHDD reimburses DCH with the state share of funding, and the Centers for Medicare and Medicaid Services (CMS) reimburses DCH for the federal portion. DBHDD budgeted \$180 million in state funds in 2018 for waiver services in ADD, combined with \$3.4 million for waiver services in CADD. The total state reimbursement for waiver services in 2017 was approximately \$179 million.

NOW and COMP waivers differ in services offered. In fiscal year (FY) 2016, the average cost of a NOW waiver was \$18,672 and the average cost for a COMP waiver was \$72,906. The NOW waiver provides services for individuals who require fewer supports and services to live on their own or in their family's home. The COMP waiver serves individuals who need comprehensive and intensive services and supports to live in the community. The COMP waiver provides out-of-home residential services, whereas the NOW waiver provides support and coordination that assists an individual to live independently or with family. Services and supports provided by the waivers are:

| NOW  | COMP   |
|--|--|
| Adult Therapy Services (Occupational, Physical, Speech & Language) | Adult Therapy Services (Occupational, Physical, Speech & Language) |
| Behavioral Supports Consultation                                   | Behavioral Supports Consultation                                   |
| Community Access Services  | Community Access Services  |
| Community Guide  | Community Guide  |
| Community Living Support   | Community Living Support   |
| Environmental Accessibility Adaption                               | Environmental Accessibility Adaption                               |
| Financial Support Services   | Financial Support Services   |
| Pre-vocational Services and Supported Employment                   | Pre-vocational Services and Supported Employment                   |
| Specialized Medical Equipment or Supplies                          | Specialized Medical Equipment or Supplies                          |
| Support Coordination   | Support Coordination   |
| Vehicle Adaptation or Transportation Services                      | Vehicle Adaptation or Transportation Services                      |
| Individual Directed Goods and Services                             | Community Residential Alternative Services                         |
| Natural Supports Training  |  |
| Respite Services   |  |

Each waiver has an annual spending cap. The COMP waiver program has an aggregate cap based on the average cost of institutional care, as set by DCH. The average cost of institutional care is assessed on the individual level and then multiplied by the total number of individuals utilizing COMP waiver services, and the total constitutes the aggregate cap that all COMP recipients combined cannot exceed in a given year.<sup>8</sup> The cap currently equals a total of approximately \$423 million. The NOW waiver has an individual cap set at an amount determined by DBHDD to be necessary for NOW recipients to access necessary services. The cap is currently \$30,000, but could increase to \$40,000 beginning in September 2017 pending the approval of a submitted Medicaid state plan amendment by DCH to CMS. Operationally, once an individual reaches or surpasses the cap, DBHDD transitions that individual from the NOW waiver to the COMP waiver, which allows that individual to access more services.

#### Waiver Support Services

DBHDD staff at the regional and central offices oversee NOW and COMP waiver operations. Staff conduct intake and evaluation of individuals, oversee and administer the waiver planning lists, and provide operational support to CSBs and service providers. Most budgeted positions are partially reimbursed by a federal cost share through Section 1903(a) of the *Social Security Act of 1965*, or Medicaid Administrative Claiming.<sup>9</sup> Medicaid Administrative Claiming provides 50-75 percent cost reimbursement for personnel expenditures incurred as a necessary component of administering the state's Medicaid program.

Waiver eligibility depends upon an individual's diagnostic and functional ability, current Medicaid eligibility status or pending eligibility determination, and willingness to waive one's right to institutional Medicaid services. Diagnostically, an individual must be diagnosed with a developmental disability before age 22 and must have an intelligence quotient (IQ) of less than 70. Functionally, an individual must present with three or more functional impairments, or conditions for which the individual cannot care for him or herself, and must be assessed as requiring an institutional level of care.<sup>10</sup> Not all eligible individuals seeking to be on a waiver are able to access services immediately.

DBHDD maintains a waiver planning list to keep track of individuals seeking waiver services and to prioritize, by need, the movement of individuals into waiver services.<sup>11</sup> The planning list is divided into two categories:

1. Short-term: this planning list includes individuals most functionally in need of waiver services and nearest to being ready to move into the community.
2. Long-term: this planning list includes individuals who may be eligible for services but whose current needs assessment doesn't require immediate access to services, including individuals who may be diagnostically and functionally eligible but who have not had their full need determination analysis completed.

In addition, the long-term waiver planning list contains individuals who do not currently need waiver services but who may one day in the future, such as children currently receiving services in school or through their parents' health coverage. DBHDD plans to further subdivide the planning list by waiver type, which will allow individuals who are better suited for the NOW waiver to access that program in a more timely manner. As of the end of FY 2017, there were 3,057 individuals on the short-term planning list and 5,859 on the long-term planning list.

### Crisis Services

DBHDD operates the Georgia Access and Crisis Line (GCAL) for individuals with ID/DD and other behavioral health diagnoses. When an individual or family member calls into GCAL, a resolution can be offered on the phone or a mobile crisis team can be dispatched. If a crisis cannot be resolved on site, the individual can be referred for medical help or to an in-home or in-community respite service. In-home respite services are offered to children and adults, and out-of-home services are provided only to adults. Crisis services were increased per the DOJ settlement agreement, and all crisis services act to ameliorate and prevent crises for individuals with ID/DD or their families.

### Community/Family Supports and Services

DBHDD has an obligation to "meet the needs of each developmentally disabled person during his entire lifetime" and is required to provide community services to individuals with ID/DD who "are not eligible to receive community services from other public agencies" or who are not receiving such services, regardless of ability to pay.<sup>12</sup> For an individual who may not qualify for a waiver, who is currently on the waiver planning list, or whose private health coverage does not offer community-based services, DBHDD utilizes state funds to provide certain services and supports to assist in an individual's ability to remain in his or her home or to prevent or ameliorate a family crisis. These supports and services are similar to those offered under waiver services; however, they are generally offered on a time-limited or an immediate-need basis. DBHDD offers environmental modifications, transportation services, specialized medical equipment or supplies, and other services and goods that assist individuals in remaining in their home or community. Transportation services are offered through private providers and a Memorandum of Understanding with the Department of Human Services.

DBHDD operates six dental clinics throughout the state that provide free or sliding-scale routine and specialized dental services to individuals with ID/DD. The clinics are state operated and employ dentists and hygienists that specialize in providing services to the ID/DD population. Individuals with ID/DD often need specialized dental services or care that cannot be provided in their communities. Additionally, dental services other than extractions are not Medicaid reimbursable and Medicaid is the top provider of health coverage for individuals with ID/DD.

### State Hospital Services

DBHDD operates two state hospitals that provide residential treatment services to individuals with ID/DD:

1. East Central Regional/Gracewood in Augusta houses two types of temporary and long-term residential inpatient units: Intermediate Care Facilities (ICF) and Skilled Nursing Facilities (SNF).
2. Georgia Regional Hospital in Atlanta provides only a SNF.

Skilled nurses, therapists, behavioral counselors, and doctors provide care and treatment in both facilities, with the services and treatments provided in SNFs generally being more intensive. To address personnel retention and to ensure appropriate levels of care the department occasionally contracts with staffing agencies to provide an appropriate amount of skilled nursing professionals in these units - a common practice in many hospitals. DBHDD - operated inpatient facilities currently serve approximately 200 individuals, as most patients have been transitioned into home and community based care. DBHDD budgets for direct hospital treatment and residential services in the ADD program; hospital administration and operations are budgeted in the Direct Care Support Services program.

### Program Administration

Staff at central and regional offices administer program activities, oversee operations and planning, and conduct policy planning, quality assurance, and technical support for the developmental disabilities programs. The central office coordinates services between regional offices, state hospital services, and home and community-based providers. Program administration staff oversee reporting and tracking of trends for waiver services and the planning lists, as well as DOJ-mandated activities. Program administration staff also provide for training and quality reviews for regional staff, CSBs, and private service providers.

## **Results and Recommendations**

### Realign position count

The number of filled positions is far less than the number of budgeted positions. In FY 2017, the program had 1,000 budgeted positions, but only 741 filled. In FY 2016, the program had 1,000 budgeted positions, but only 654 filled. DBHDD should submit an amendment to their annual operating budget (AOB) to more accurately reflect the number of positions in the program.

### Realign motor vehicle count

The number of actual vehicles is far less than the number of budgeted vehicles. In FY 2017, the program had 243 budgeted vehicles, but only 153 vehicles actually in their fleet. DBHDD vehicles that are budgeted for in ADD are utilized at community sites. DBHDD should conduct a fleet audit in order to realign the number of budgeted vehicles with the number of actual vehicles in service.

### Monitor federal funding of Medicaid for possible reductions

Medicaid is a medical assistance program for low-income families, pregnant women, and individuals who are determined to be aged, blind, or disabled. Medicaid is the primary source of health coverage and specialized health services for individuals with ID/DD. Medicaid is a mandated federal program, which is implemented by the state and is funded using a combination of federal and state funds. Medicaid state plans must provide several mandatory benefits to eligible individuals including inpatient and outpatient hospital services, nursing facility services, physician services, and some home health services. Other benefits, many of which individuals with ID/DD rely on such as ICF services and personal care services, are optional benefits and as such are offered only when included in a state's Medicaid plan. The NOW and COMP waivers for individuals with ID/DD are optional benefits authorized in Section 1915(c) of the *Social Security Act of 1965*, as amended by the *Omnibus Budget Reconciliation Act of 1981*.

Several recent healthcare reforms have considered instituting a statewide or per-capita cap on Medicaid spending, with growth in spending tied to the Medical Consumer Price Index (MCPI), a measure of overall inflation, rather than the rate of household healthcare consumption, which tends to underestimate total healthcare spending by not including expenditures made on behalf of a household by another entity, such as an employer or government.<sup>13</sup> If a statewide or per-capita cap on Medicaid spending is implemented and when spending surpasses that cap, either due to changes in economic conditions or healthcare cost growth outpacing MCPI, eliminating optional benefits, such as NOW and COMP waivers, could be a way to curtail overall Medicaid spending. Eliminating or significantly reducing the number of NOW and COMP waivers would leave many individuals with ID/DD without access to necessary health and community services. DBHDD should continue to monitor federal proposals to reduce and/or change the Medicaid spending methodology for its potential impact upon the state's budget.

### Update the waiver planning list to better reflect eligible population

DBHDD maintains a waiver planning list to prioritize individuals seeking waiver services, subdivided by whether or not that individual will be accessing services in the short or long-term. For an individual to be placed on the waiver planning list, he or she must meet diagnostic eligibility criteria per a doctor's referral as well as meet functional eligibility requirements as determined by waiver administration staff. Initial functional evaluations are completed by regional intake and evaluation staff on all individuals on the planning list. In order to be placed on the short-term planning list or into waiver services, a full needs determination analysis must be completed, and

individuals with the highest functional or diagnostic need are given priority in having this determination completed. Not all individuals on the planning list have had a needs determination completed, and the process for completing these determinations for individuals on the long-term planning list or for periodically reassessing these determinations is unclear. In order to better reflect the true population of individuals who are eligible and in need of waiver services, DBHDD should initiate a more transparent process of regular planning list audits to remove individuals who are no longer eligible, have accessed private services, or have passed away.

Continue to improve efficiency of waiver program budgeting, implementation, and service provision

DBHDD has progressed over the last several years towards more efficient and beneficial practices in waiver administration. DBHDD has appropriately transitioned regional prioritization of the waiver planning list to statewide prioritization, which has resulted in those individuals most in need across the state being placed into home and community-based services. Additionally, DBHDD is continuing to work towards improvements in planning list prioritization by further sub-dividing the planning list by waiver type, so as to place more individuals in more person-centered waiver services. DBHDD has also identified an inefficiency in NOW waiver retention, in that some recipients were utilizing services past the expenditure cap and therefore being transitioned onto the broader COMP waiver. Some overutilization was a result of small changes to services or due to one-time or time-limited changes in service needs. As a result, DBHDD has submitted an amendment to the state's Medicaid plan, pending CMS approval, which will increase the NOW waiver cap from \$30,000 to \$40,000 annually. DBHDD determined that \$40,000 is the appropriate amount for maintaining individuals better suited for NOW services on the NOW waiver. DBHDD should continue to implement and build upon these waiver program changes.

New 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; they should also be appropriate and relevant to the policy goals of the agency and state as a whole. During the ZBB process, a new measure was developed for ADD to better reflect and track program performance. In addition to reporting on the total number of Georgia consumers on the waiver planning list at the end of the fiscal year, the following new measure was added to better measure the movement of individuals off the waiver planning lists and into waiver services:

- Number of individuals transitioned from the waiver planning list and into waiver services

DBHDD is currently working to improve relevance and accuracy of all agency measures, as well as improve the efficiency of the measurement and reporting process.

- 
1. O.C.G.A. § 37-1-20 requires the department to “establish a system for local administration of mental health, developmental disability, and addictive disease services in institutions and in the community.”
  2. O.C.G.A. § 37-5-8 establishes the duty of the department to “establish standards for community services” and to “regularly inspect programs under operation.”
  3. O.C.G.A. § 37-1-2 states that “the functions of service planning, coordination, contracting, resource allocation, and consumer assessment should be separated from the actual treatment, habilitation, and prevention services provided by contractors.”
  4. O.C.G.A. §37-5-5 requires DBHDD regional offices to “be the source of referral and information for the families or guardians of developmentally disabled individuals... to appropriate services.”
  5. The Division of Aging Services within the Department of Human Services works with DBHDD to maintain Aging and Disability Resource Centers to connect eligible consumers with available government and private benefits and services.
  6. Department of Behavioral Health and Developmental Disabilities. (2010). “ADA Settlement Agreement Overview.”
  7. Department of Behavioral Health and Developmental Disabilities. (2016). “Extension Agreement Overview,”
  8. The average cost of institutional care is calculated by DCH based on claims data for intermediate care facilities providing ID/DD services, not including nursing homes. The aggregate cap is calculated by multiplying the average per person cost, calculated by cost per bed per day, by the number of individuals projected to be served by COMP services in that year.
  9. Medicaid Administrative Claiming does not reimburse states for personnel costs of direct service providers, including healthcare providers, which assist in conducting eligibility evaluations in DBHDD regional offices.
  10. Institutional level of care is assessed per DCH policy.
  11. Need prioritization is not means-based but is rather a total determination of need for services based on diagnosis, functional ability, and existing access to services and support. Need is determined by a need determination analysis conducted by DBHDD waiver administration staff.
  12. O.C.G.A. §§ 37-5-2, 37-5-4, 37-5-9.
  13. U.S. Bureau of Labor Statistics. (2010). Measuring Price Change for Medical Care in the CPI.

**Department of Behavioral Health and Developmental Disabilities  
ZBB Program: Adult Developmental Disabilities Services**

**Key Activities**

| Activity*                                 | Description   | Authority   | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|---|---|---|------------------|---------------------|----------------------|
| Waiver Direct Services**                  | Provides home and community-based services to adults with intellectual and developmental disabilities through two Medicaid waivers, the Comprehensive Supports Waiver and the New Options Waiver. Assists in the transition of individuals out of state-operated hospitals and into community care. | O.C.G.A. Title 37 Chapters 1, 4, 5, 6, and 9; Social Security Act § 1915(c); Americans with Disabilities Act Amended 2008 |                  | \$180,000,000       | \$180,000,000        |
| Waiver Support Services                   | Conducts intake and evaluation activities to determine eligibility and level of care analyses for placement of individuals onto a Medicaid waiver. Maintains planning list for individuals waiting for a Medicaid waiver.   | O.C.G.A. Title 37 Chapters 1, 4, 5, 6, and 9; Social Security Act § 1915(c); Americans with Disabilities Act Amended 2008 | 377              | 21,116,737          | 35,722,461           |
| Crisis Services                           | Maintains mobile crisis hotline, mobile crisis units, respite care facilities, and hospital transition high risk surveillance list for individuals with intellectual and developmental disabilities.  | O.C.G.A. § 37 - 1, 4; Americans With Disabilities Act Amended 2008  |                  | 17,716,243          | 17,716,243           |
| Community/Family Supports and Services*** | Provides specialized supports and services, such as supported employment, transportation, dental care, and medical equipment for individuals on the Medicaid waiver planning list or ineligible for a Medicaid waiver.  | O.C.G.A. Title 37 Chapters 1, 4, 5, 6, and 9; Social Security Act § 1915(c); Americans with Disabilities Act Amended 2008 | 29               | 95,853,594          | 123,727,395          |

|                             |  |  |       |               |               |
|-----------------------------|--|--|-------|---------------|---------------|
| Hospital Inpatient Services | Delivers medical treatment and care for individuals with developmental disabilities at two state-operated hospitals. | O.C.G.A. Title 37 Chapter 1; O.C.G.A. Title 37 Chapter 9; Americans With Disabilities Act Amended 2008         | 556   | 25,238,826    | 38,198,826    |
| Program Administration      | Provides operational support for the developmental disabilities programs.  | O.C.G.A. Title 37 Chapters 1, 4, 5, 6, and 9; Social Security Act of 1983 § 1915(c); 527 U.S. 581 Amended 2008 | 38    | 501,229       | 1,002,457     |
| <b>Total</b>                |  |  | 1,000 | \$340,426,629 | \$396,367,382 |

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

\*\* Federal Medicaid matching funds for waiver services are budgeted in the Department of Community Health.

\*\*\* Community/Family Supports and Services, other than dental clinic services and transportation services, are provided by private providers that contract with the Department of Behavioral Health and Developmental Disabilities.

**Department of Behavioral Health and Developmental Disabilities  
ZBB Program: Adult Developmental Disabilities Services**

**Financial Summary**

| Objects of Expenditure      | Expenditures         |                      | FY 2018              |
|-----------------------------|----------------------|----------------------|----------------------|
|                             | FY 2016              | FY 2017              | Current Budget       |
| Personal Services           | \$47,721,574         | \$53,780,019         | \$50,095,642         |
| Regular Operating Expenses  | 4,834,801            | 4,747,488            | 10,694,110           |
| Motor Vehicle Purchases     |                      |                      |                      |
| Equipment                   | 3,778                | 11,398               |                      |
| Computer Charges            | 303,777              | 224,053              | 8,000                |
| Real Estate Rentals         | 88,145               | 268,771              | 267,225              |
| Telecommunications          | 2,800,397            | 2,791,018            | 2,169,000            |
| Contractual Services        | 289,466,422          | 308,885,365          | 332,990,605          |
| Grants and Benefits         | 210,276              | 310,775              | 142,800              |
| <b>Total Expenditures</b>   | <b>\$345,429,170</b> | <b>\$371,018,887</b> | <b>\$396,367,382</b> |
| <b>Fund Type</b>            |                      |                      |                      |
| State General Funds         | \$275,937,630        | \$295,004,644        | \$330,171,491        |
| Tobacco Funds               | 10,255,138           | 10,255,138           | 10,255,138           |
| Medical Assistance Program† | 15,492,544           | 16,740,337           | 12,336,582           |
| Social Services Block Grant | 18,038,815           | 27,272,542           | 30,644,171           |
| Other Funds                 | 25,705,027           | 21,424,225           | 12,960,000           |
| Federal Funds               | 17                   | 322,001              |                      |
| <b>Total Funds</b>          | <b>\$345,429,171</b> | <b>\$371,018,887</b> | <b>\$396,367,382</b> |
| <b>Positions</b>            | <b>654</b>           | <b>753</b>           | <b>1,000</b>         |
| <b>Motor Vehicles</b>       | <b>243</b>           | <b>157</b>           | <b>243</b>           |

† Federal Medicaid matching funds for waiver services are budgeted in the Department of Community Health.

**Department of Behavioral Health and Developmental Disabilities**  
**ZBB Program: Adult Developmental Disabilities Services**

**Performance Measures**

**Agency Mission:**

The Department of Behavioral Health and Developmental Disabilities provides treatment and support services to people with behavioral health challenges and addictive diseases, and assists individuals who live with developmental disabilities. The agency seeks to provide high-quality health care opportunities for individuals with developmental disabilities or behavioral health challenges close to their homes, so that they can live a life of independence and recovery and create a sustainable, self-sufficient, and resilient life in their community.

**Program Purpose:**

The purpose of this program is to promote independence of adults with significant development disabilities through institutional care, community support and respite, job readiness, training, and a crisis and access line.

| Performance Measures   | Actuals   |           |           |           |
|--|-----------|-----------|-----------|-----------|
|  | FY 2014   | FY 2015   | FY 2016   | FY 2017   |
| 1. Persons served in community-based adult developmental disabilities services                                 | 14,183    | 15,668    | 18,147    | 16,310    |
| 2. Number of persons receiving supported employment  | 2,390     | 2,160     | 2,222     | 1,976     |
| 3. Average Mobile Crisis Response Time (in minutes)  | 60        | 71        | 80        | 77        |
| 4. Average cost per New Options Waiver   | \$18,326  | \$17,990  | \$18,672  | \$18,181  |
| 5. Number of Georgia consumers on waiting list for waivers as of June 30                                       | 7,341     | 8,070     | 8,574     | 8,915     |
| 6. Number of developmental disabilities consumers transitioned from Georgia's state hospitals to the community | 46        | 14        | 26        | 29        |
| 7. Average cost per Comprehensive Supports Waiver  | \$67,183  | \$73,589  | \$72,906  | \$80,897  |
| 8. Average cost per Comprehensive Supports Waiver to transition a person from a State Psychiatric Hospital     | \$113,992 | \$166,920 | \$107,870 | \$122,530 |
| 9. Number of individuals transitioned from the waiver planning list into waiver services (New)                 | 400       | 469       | 636       | 527       |



# FY 2019 Zero-Based Budget Analysis

## Department of Behavioral Health and Developmental Disabilities ZBB Program: Child and Adolescent Developmental Disabilities Services

### Executive Summary

- The Child and Adolescent Developmental Disabilities Services program provides home and community based services to children and adolescents with intellectual or developmental disabilities through Medicaid waiver services and community health services providers.
- The Department of Behavioral Health and Developmental Disabilities should submit an amendment to the automated budget system to more accurately reflect the position count within the program.
- Medicaid is a medical assistance program for low-income families, pregnant women, and individuals who are determined to be aged, blind, or disabled. Medicaid is the primary source of health coverage and funds specialized health services for individuals with intellectual and developmental disabilities. The agency should monitor potential changes in Medicaid funding, which greatly impact services for disabled individuals.
- The program maintains a prioritized planning list for the transition of individuals into Medicaid waiver services. The planning list should be analyzed and updated to remove individuals who may no longer need services or do not need services in the near future, on a more consistent basis.
- The agency has made efforts to improve efficiency and effectiveness of the waiver by improving service prioritization processes, further sub-dividing the waiver planning list for more efficient program utilization, and updating waiver expenditure caps. The agency should continue to implement these changes and build upon these efforts to continue to improve the waiver program's budgeting and service provision processes.
- The program should change an existing performance measure to better describe workload, efficiency, and effectiveness.

### Program Overview

The Child and Adolescent Developmental Disabilities Services program (CADD) provides home and community-based services and supports to children and adolescents with intellectual or developmental disabilities (ID/DD). The purpose of the program is to provide evaluation, residential, support, and education services to promote independence for children and adolescents with developmental disabilities. The Department of Behavioral Health and Developmental Disabilities (DBHDD) maintains operations for CADD services, oversees direct service provision, and provides overall program and service management. Program operations are conducted through six regional offices, each managed by a regional administrator.<sup>1</sup> Each region is divided into three to five Community Service Areas in which Community Service Boards (CSBs) provide direct services to individuals with ID/DD.<sup>2</sup> Program planning and management is conducted by staff at the regional and central DBHDD offices. Separation between service planning and coordination and direct service provision is defined in statute.<sup>3</sup>

Individuals access services through DBHDD regional offices, where staff conduct intake and evaluation activities, as well as connect individuals to available services, supports, programs, or treatments.<sup>4</sup> An individual or his family

can contact the regional office directly, or can be referred by Aging and Disability Resource Centers, emergency or crisis personnel, healthcare providers, or Medicaid program administrators.<sup>5</sup> Individuals can also access resources and applications for services on the DBHDD website.

Waiver Direct Services

The majority of program services are provided through two home and community-based Medicaid waivers: the New Options Waiver (NOW) and the Comprehensive Supports Waiver Program (COMP). Section 1915(c): Home and Community Based Waivers of the *Social Security Act of 1965*, as amended by the *Omnibus Budget Reconciliation Act of 1981*, offers home and community-based services under Georgia’s Medicaid plan. Waiver programs must demonstrate budget neutrality compared to providing similar services in an institution and must provide services are based on person-centered care plans.

NOW and COMP waivers are funded by state funds and Medicaid. State funds for the waiver programs are budgeted in CADD and the Adult Developmental Disabilities Services program (ADD). Medicaid funds are budgeted in the Department of Community Health (DCH), which administers the state’s Medicaid program. Services provided by the NOW and COMP waivers are billed and paid for on a fee-for-service basis through approved providers.<sup>6</sup> Providers bill DCH for rendered services, DBHDD reimburses DCH with the state share of funding, and the Centers for Medicare and Medicaid Services (CMS) reimburses DCH for the federal portion. DBHDD budgeted \$3.4 million in state funds in 2018 for waiver services in CADD, combined with \$180 million for waiver services in ADD. The total state reimbursement for waiver services in 2017 was approximately \$179 million.

NOW and COMP waivers differ in services offered. In fiscal year (FY) 2016, the average cost of a NOW waiver was \$18,672 and the average cost for a COMP waiver was \$72,906. The NOW waiver provides services for individuals who require fewer supports and services to live on their own or in their family’s home. The COMP waiver serves individuals who need comprehensive and intensive services and supports to live in the community. The COMP waiver provides out-of-home residential services, whereas the NOW waiver provides supports and coordination that assists an individual in living independently or with family. Services and supports provided for children and adolescents by the waivers are:

| NOW  | COMP   |
|--|--|
| Therapy Services (Occupational, Physical, Speech & Language) | Therapy Services (Occupational, Physical, Speech & Language) |
| Behavioral Supports Consultation                             | Behavioral Supports Consultation                             |
| Community Access Services                                    | Community Access Services                                    |
| Community Guide  | Community Guide  |
| Community Living Support                                     | Community Living Support                                     |
| Environmental Accessibility Adaption                         | Environmental Accessibility Adaption                         |
| Prevocational Services                                       | Prevocational Services                                       |
| Specialized Medical Equipment or Supplies                    | Specialized Medical Equipment or Supplies                    |
| Support Coordination   | Support Coordination   |
| Vehicle Adaptation or Transportation Services                | Vehicle Adaptation or Transportation Services                |
| Individual Directed Goods and Services                       | Community Residential Alternative Services                   |
| Natural Supports Training                                    |  |
| Respite Services   |  |

Each waiver has an annual spending cap. The COMP waiver program has an aggregate cap based on the average cost of institutional care, as set by DCH. The average cost of institutional care is assessed on the individual level and then multiplied by the total number of individuals utilizing COMP waiver services, and the total constitutes the aggregate cap that all COMP recipients combined cannot exceed in a given year.<sup>7</sup> The cap currently equals a total of approximately \$423 million. The NOW waiver has an individual cap set at an amount determined by DBHDD to be necessary for NOW recipients to access necessary services. The cap is currently \$30,000, but could increase to \$40,000 beginning in September 2017 pending the approval of a submitted Medicaid state plan amendment by DCH to CMS. Operationally, once an individual reaches or surpasses the cap, DBHDD transitions that individual from the NOW waiver to the COMP waiver, which allows that individual to access more services.

### Waiver Support Services

DBHDD staff at the regional and central offices oversee NOW and COMP waiver operations. Staff conduct intake and evaluation of individuals, oversee and administer the waiver planning lists, and provide operational support to CSBs and service providers. Most budgeted positions are partially reimbursed by a federal cost share through Section 1903(a) of the *Social Security Act of 1965*, or Medicaid Administrative Claiming.<sup>8</sup> Medicaid Administrative Claiming provides 50-75 percent cost reimbursement for personnel expenditures incurred as a necessary component of administering the state's Medicaid program.

Waiver eligibility depends upon an individual's diagnostic and functional ability, current Medicaid eligibility status or pending eligibility determination, and willingness to waive one's right to institutional Medicaid services. Diagnostically, an individual must be diagnosed with a developmental disability before age 22 and must have an intelligence quotient (IQ) of less than 70. Functionally, an individual must present with three or more functional impairments, or conditions for which the individual cannot care for him or herself, and must be assessed as requiring an institutional level of care.<sup>9</sup> Not all eligible individuals seeking to be on a waiver are able to access services immediately.

DBHDD maintains a waiver planning list to keep track of individuals seeking waiver services and to prioritize, by need, the movement of individuals into waiver services.<sup>10</sup> The planning list is divided into two categories:

1. Short-term: this planning list includes individuals most functionally in need of waiver services and nearest to being ready to move into the community.
2. Long-term: this planning list includes individuals who may be eligible for services but whose current needs assessment doesn't require immediate access to services, including individuals who may be diagnostically and functionally eligible but who have not had their full need determination analysis completed.

In addition, the long-term waiver planning list contains individuals who do not currently need waiver services but who may one day in the future, such as children currently receiving services in school or through their parents' health coverage. DBHDD plans to further subdivide the planning list by waiver type, which will allow individuals who are better suited for the NOW waiver to access that program in a more timely manner. As of the end of FY 2017, there were 3,057 individuals on the short-term planning list and 5,859 on the long-term planning list.

### Community Care and Support Services

CADD offers care and support services for children and adolescents with ID/DD and their families through three community providers:

1. Marcus Autism Center: a nonprofit healthcare provider associated with Children's Healthcare of Atlanta that provides services and supports for children and adolescents with moderate to severe autism spectrum disorders and developmental disabilities in the Atlanta area. The Marcus Center provides assessment and diagnosis services, behavioral treatment and counseling, feeding assistance, and language and learning assistance. Medicaid reimburses a portion of the services offered by the Marcus Center and DBHDD covers any costs not fully reimbursed by an individual's Medicaid or healthcare plan.

2. Emory Autism Center: provides services, supports, and training to children and adolescents with an autism spectrum disorder, complications of fetal alcohol syndrome, or other developmental disabilities in the Decatur area. DBHDD assists the Emory Autism Center in providing behavioral support and skill building services, as well as diagnostic and healthcare planning services. DBHDD covers costs of diagnostic and evaluation services not fully reimbursed by an individual's Medicaid or healthcare plan.
3. Matthew Reardon Center for Autism: a nonprofit education and advocacy organization in Savannah that provides educational and behavioral support services to children and adolescents with an autism spectrum disorder. Through assistance from DBHDD, the center operates a year-round educational program for children and adolescents with an autism spectrum disorder as well as conducts autism training and outreach activities throughout the southeast. Matthew Reardon does not provide direct medical services and is not recognized as an approved provider under the Medicaid state plan.

### Program Administration

DBHDD budgets administration for the activities of the CADD program in the ADD program and conducts administration activities at both the central and regional offices. Staff administer the program's activities, oversee operations, and conduct policy planning, quality assurance, and technical support. Program administrative staff manage the contracts for Community Care and Support Services.

## **Results and Recommendations**

### Realign position count

The number of filled positions is far less than the number of budgeted positions. In FY 2017, the program had 45 budgeted positions, but only 34 filled. In FY 2016, the program had 45 budgeted positions, but only 33 filled. DBHDD should submit an amendment to their annual operating budget (AOB) to more accurately reflect the number of positions in the program.

### Monitor federal funding of Medicaid for possible reductions

Medicaid is a medical assistance program for low-income families, pregnant women, and individuals who are determined to be aged, blind, or disabled. Medicaid is the primary source of health coverage and specialized health services for individuals with ID/DD. Medicaid is a mandated federal program, which is implemented by the state and is funded using a combination of federal and state funds. Medicaid state plans must provide several mandatory benefits to eligible individuals including inpatient and outpatient hospital services, nursing facility services, physician services, and some home health services. Other benefits, many of which individuals with ID/DD rely on such as ICF services and personal care services, are optional benefits and as such are offered only when included in a state's Medicaid plan. The NOW and COMP waivers for individuals with ID/DD are optional benefits authorized in Section 1915(c) of the *Social Security Act of 1965*, as amended by the *Omnibus Budget Reconciliation Act of 1981*.

Several recent healthcare reforms have considered instituting a statewide or per-capita cap on Medicaid spending, with growth in spending tied to the Medical Consumer Price Index (MCPI), a measure of overall inflation, rather than the rate of household healthcare consumption, which tends to underestimate total healthcare spending by not including expenditures made on behalf of a household by another entity, such as an employer or government.<sup>11</sup> If a statewide or per-capita cap on Medicaid spending is implemented and when spending surpasses that cap, either due to changes in economic conditions or healthcare cost growth outpacing MCPI, eliminating optional benefits, such as NOW and COMP waivers, could be a way to curtail overall Medicaid spending. Eliminating of significantly reducing the number of NOW and COMP waivers would leave many individuals with ID/DD without access to necessary health and community services. DBHDD should continue to monitor federal proposals to reduce and/or change the Medicaid spending methodology for its potential impact upon the state's budget.

### Update the waiver planning list to better reflect eligible population

DBHDD maintains a waiver planning list to prioritize individuals seeking waiver services, subdivided by whether or not that individual will be accessing services in the short or long-term. For an individual to be placed on the waiver planning list, he or she must meet diagnostic eligibility criteria per a doctor's referral as well as meet functional eligibility requirements as determined by waiver administration staff. Initial functional evaluations are completed by regional intake and evaluation staff on all individuals on the planning list. In order to be placed on the short-term planning list or into waiver services, a full needs determination analysis must be completed, and individuals with the highest functional or diagnostic need are given priority in having this determination completed. Not all individuals on the planning list have had a needs determination completed, and the process for completing these determinations for individuals on the long-term planning list or for periodically reassessing these determinations is unclear. In order to better reflect the true population of individuals who are eligible and in need of waiver services, DBHDD should initiate a more transparent process of regular planning list audits to remove individuals who are no longer eligible, have accessed private services, or have passed away.

Continue to improve efficiency of waiver program budgeting, implementation, and service provision

DBHDD has progressed over the last several years towards more efficient and beneficial practices in waiver administration. DBHDD has appropriately transitioned from regional prioritization of the waiver planning list to statewide prioritization, which has resulted in individuals most in need across the state being placed into home and community-based services. Additionally, DBHDD is continuing to work towards improvements in planning list prioritization by further sub-dividing the planning list by waiver type, so as to place more individuals in more person-centered waiver services. DBHDD has also identified an inefficiency in NOW waiver retention, in that some recipients were utilizing services past the expenditure cap and therefore being transitioned onto the broader COMP waiver. Some of this over utilization was a result of small changes to services or due to one-time or time-limited changes in service needs. As a result, DBHDD has submitted an amendment to the state's Medicaid plan, pending CMS approval, which will increase the NOW waiver cap from \$30,000 to \$40,000 annually. DBHDD determined that \$40,000 is the appropriate amount for maintaining individuals better suited for NOW services on the NOW waiver. DBHDD should continue to implement and build upon these waiver program changes.

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; they should also be appropriate and relevant to the policy goals of the agency and state as a whole. During the ZBB process, two existing measures were identified where a change in the measure would better reflect and track program performance:

- The measure "Number of children and adolescents accessing family support services for the first time" should be changed to "Number of children and adolescents accessing family support services" to better capture all individuals served by the program.
- The measure "Percentage of all children and adolescents with developmental disabilities receiving family support services for the first time" should be reworded to "Percentage of all first time family support services recipients who are children or adolescents" to provide more clarity in the output measured.

- 
1. O.C.G.A. §37-1-20 requires the department to "establish a system for local administration of mental health, developmental disability, and addictive disease services in institutions and in the community."
  2. O.C.G.A. §37-5-8 establishes the duty of the department to "establish standards for community services" and to "regularly inspect programs under operation."
  3. O.C.G.A. §37-1-2 states that "the functions of service planning, coordination, contracting, resource allocation, and consumer assessment should be separated from the actual treatment, habilitation, and prevention services provided by contractors."
  4. O.C.G.A. §37-5-5 requires DBHDD regional offices to "be the source of referral and information for the families or guardians of developmentally disabled individuals... to appropriate services."
  5. The Division of Aging Services within the Department of Human Services works with DBHDD to maintain Aging and Disability Resource Centers to connect eligible individuals with available government and private benefits and services.
  6. O.C.G.A. §37-5-8.
  7. The average cost of institutional care is calculated by DCH based on claims data for intermediate care facilities providing ID/DD services, not including nursing homes. The aggregate cap is calculated by multiplying the average per person cost, calculated by cost per bed per day, by the number of individuals projected to be served by COMP services in that year.

8. Medicaid Administrative Claiming does not reimburse states for personnel costs of direct service providers, including healthcare providers, which assist in conducting eligibility evaluations in DBHDD regional offices.
9. Institutional level of care is assessed per DCH policy.
10. Need prioritization is not means-based but is rather a total determination of need for services based on diagnosis, functional ability, and existing access to services and supports. Need is determined by a need determination analysis conducted by DBHDD waiver administration staff.
11. U.S. Bureau of Labor Statistics. (2010). Measuring Price Change for Medical Care in the CPI.

**Department of Behavioral Health and Developmental Disabilities  
ZBB Program: Child and Adolescent Developmental Disabilities Services**

**Key Activities**

| <b>Activity*</b>                       | <b>Description</b>   | <b>Authority</b>   | <b>No. of Positions</b> | <b>FY 2018 State Funds</b> | <b>FY 2018 Total Budget</b> |
|--|--|--|-------------------------|----------------------------|-----------------------------|
| Waiver Direct Services**               | Provides home and community-based services to children and adolescents with intellectual and developmental disabilities through two Medicaid waivers, the Comprehensive Supports Waiver and the New Options Waiver.                  | O.C.G.A. Title 37; Social Security Act § 1915(c); Americans with Disabilities Act Amended 2008 |                         | \$3,400,000                | \$3,400,000                 |
| Waiver Support Services                | Conducts intake and evaluation activities to determine eligibility and level of care analyses for placement of children or adolescents onto Medicaid waivers. Maintains planning list for individuals waiting for a Medicaid waiver. | O.C.G.A. Title 37; Social Security Act § 1915(c); Americans with Disabilities Act Amended 2008 | 45                      | 1,996,788                  | 2,395,480                   |
| Community Care and Support Services*** | Provides medical services, day centers, and care coordination for children with autism, fetal alcohol syndrome, and other developmental disabilities through three medical service providers.  | O.C.G.A. Title 37; Social Security Act § 1915(c); Americans with Disabilities Act Amended 2008 |                         | 3,615,000                  | 6,805,000                   |
| <b>Total</b>                           |  |  | <b>45</b>               | <b>\$9,011,788</b>         | <b>\$12,600,480</b>         |

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

\*\* Federal Medicaid matching funds for waiver services are budgeted in the Department of Community Health.

\*\*\* Administration and management of Community Care and Support Services are budgeted in the Adult Developmental Disabilities Services program.

**Department of Behavioral Health and Developmental Disabilities**  
**ZBB Program: Child and Adolescent Developmental Disabilities Services**

**Financial Summary**

| <b>Objects of Expenditure</b> | <b>Expenditures</b> |                     | <b>FY 2018</b>        |
|-------------------------------|---------------------|---------------------|-----------------------|
|                               | <b>FY 2016</b>      | <b>FY 2017</b>      | <b>Current Budget</b> |
| Personal Services             | \$2,413,072         | \$2,417,377         | \$2,509,670           |
| Regular Operating Expenses    | 122,813             | 125,606             | 91,600                |
| Motor Vehicle Purchases       |                     |                     |                       |
| Equipment                     |                     |                     |                       |
| Computer Charges              | 3,306               | 2,099               |                       |
| Real Estate Rentals           |                     |                     |                       |
| Telecommunications            | 79,894              | 76,599              | 113,500               |
| Contractual Services          | 10,464,683          | 10,483,101          | 9,885,710             |
| <b>Total Expenditures</b>     | <b>\$13,083,768</b> | <b>\$13,104,782</b> | <b>\$12,600,480</b>   |
| <b>Fund Type</b>              |                     |                     |                       |
| State General Funds           | \$8,647,266         | \$8,669,885         | \$9,011,788           |
| Medical Assistance Program†   | 4,436,502           | 4,434,897           | 3,588,692             |
| <b>Total Funds</b>            | <b>\$13,083,768</b> | <b>\$13,104,782</b> | <b>\$12,600,480</b>   |
| <b>Positions</b>              | <b>33</b>           | <b>35</b>           | <b>45</b>             |
| <b>Motor Vehicles</b>         | <b>0</b>            | <b>0</b>            | <b>0</b>              |

† Federal Medicaid matching funds for waiver services are budgeted in the Department of Community Health.

**Department of Behavioral Health and Developmental Disabilities**  
**ZBB Program: Child and Adolescent Developmental Disabilities Services**

**Performance Measures**

**Agency Mission:**

The Department of Behavioral Health and Developmental Disabilities provides treatment and support services to people with behavioral health challenges and addictive diseases, and assists individuals who live with developmental disabilities. The agency seeks to provide high-quality health care opportunities for individuals with developmental disabilities or behavioral health challenges close to their homes, so that they can live a life of independence and recovery and create a sustainable, self-sufficient, and resilient life in their community.

**Program Purpose:**

The purpose of this program is to provide evaluation, residential, support, and education services to promote independence for children and adolescents with developmental disabilities.

| Performance Measures  | Actuals |         |         |         |
|---|---------|---------|---------|---------|
|   | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Persons served in community-based child and adolescent developmental disabilities programs   | 2,762   | 4,100   | 3,218   | 3,908   |
| 2. Number of children and adolescents receiving family support services                         | 2,360   | 2,299   | 3,025   | 3,602   |
| 3. Percentage of first time family support services recipients who were children or adolescents | 57%     | 56%     | 67%     | 70%     |



# FY 2019 Zero-Based Budget Analysis

Department of Community Affairs

ZBB Program: Homeownership Programs

## Executive Summary

- The Department of Community Affairs' Homeownership Programs administer the Georgia Dream and HomeSafe initiatives designed to provide education and assistance to eligible home buyers.
- The Agency should provide the Office of Planning and Budget updates on loan issuances and bond limit capacity related to the Georgia Dream initiative and the ability to issue loans.
- The Agency should continue to monitor and evaluate innovative programs that effectively phase out the Hardest Hit Fund initiative or HomeSafe that is set to expire December 31, 2020.
- The Agency should report new performance measures to better demonstrate the program's workload, efficiency, and effectiveness.

## Program Overview

Georgia's Homeownership Programs administer the Georgia Dream initiative, which provides first mortgage loans, down payment assistance, and home buyer education to eligible home buyers. The program also oversees the Hardest Hit Fund (HHF) also known as the HomeSafe program, which provides foreclosure help to homeowners most affected by the combination of rising unemployment and declining home prices during the recession from December 2007 to June 2009. HomeSafe Georgia was established by the Georgia Department of Community Affairs (DCA) to administer the \$339 million designated to Georgia, as one of the 18 "hardest hit" states. The purpose of this review is to evaluate the effectiveness and efficiency of the program.

## Results and Recommendations

### Georgia Dream

The Georgia Dream initiative provides first mortgage loans, down payment assistance, and home buyer education to eligible home buyers. Individuals that are eligible for Georgia Dream loans are first-time home buyers, individuals that have not owned a home in the past three years, or those purchasing a home in a targeted area. The borrower must meet income and purchase price limits, which can vary based on the area an individual would like to purchase. Other requirements take into account the potential borrowers' limited assets and ability to invest at least \$1,000 into the purchase transaction. All eligible borrowers qualify for \$5,000, but protectors, educators, healthcare workers, and families with members who are disabled are eligible for \$7,500.

The Georgia Dream initiative is possible due to the program's ability to meet all federal requirements and bond obligations. The initiative provides Georgians the ability to purchase their first home with down payment assistance from the proceeds of funds raised through the sale of tax-exempt bonds. DCA's Georgia Housing and Finance Authority is one of nine "Triple A" bond rated agencies and has issued more than \$3.2 billion in loans since the program launched and more than \$148 million in loans in FY 2017 alone. In the FY 2016 legislative session, HB 773 was passed to increase DCA's bond capacity to \$3 billion for single-family residential housing. DCA should provide the Office of Planning and Budget (OPB) updates related to loan issuances and bond limit capacity related to the Georgia Dream's ability to issue loans.

### Hardest Hit Fund

In February 2010, the HHF was established to provide aid to states impacted the most by the economic and housing market downturn. The funds were to be administered by states' Federal Housing Authorities (FHAs) to develop specific foreclosure prevention solutions in areas impacted by declining home prices and high unemployment. Georgia received \$339 million. The program was set to end by December 31, 2017, but Georgia received an additional \$30.8 million in 2016 when the program was extended through December 31, 2020. As part of the \$30.8 million in additional funds, DCA began leveraging the Georgia Dream initiative to create a new down payment assistance option for qualified individuals to obtain up to \$15,000 to purchase existing homes in ten of Georgia's hardest hit counties.

As part of the funding, the HomeSafe Georgia initiative requires utilization thresholds that must be met in order to retain funding. DCA's current programs are projected to meet the December 31, 2017 threshold requirement of 95% (\$322,293,028) of funding through four rounds of allocations, and the December 31, 2018 threshold requirement of 80% (\$296,109,115) of the total allocation (\$370,136,394), in November 2017. HomeSafe Georgia has provided assistance to approximately 9,700 homeowners under the initiative's mortgage payment assistance, reinstatement assistance, underwater Georgia, and hardest hit fund down payment assistance requirements. DCA should continue to monitor, and evaluate innovative programs that effectively phase out the Hardest Hit Fund initiative or HomeSafe that is set to end December 31, 2020.

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

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. Through ZBB analysis, additional measures were developed and evaluated to supplement existing program performance measures.

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

- Georgia Dream foreclosure rates
- Percent of Georgia Dream applicants qualifying for loans
- Percent of lending capacity obligated
- Median household income for Georgia Dream participants
- Number of families that purchased homes under the Georgia Dream initiative
- Total amount of loans and assistance issued
- Median home price purchased by Georgia Dream applicant

**Department of Community Affairs**  
**ZBB Program: Homeownership Programs**

**Key Activities**

| <b>Activity*</b>            | <b>Description</b>   | <b>Authority</b>   | <b>No. of Positions</b> | <b>FY 2018 State Funds</b> | <b>FY 2018 Total Budget</b> |
|-----------------------------|--|--------------------|-------------------------|----------------------------|-----------------------------|
| Georgia Dream Homeownership | Provides affordable mortgage financing, down payment assistance and home buyer education to eligible home buyers who are first-time home buyers, have not owned a home in the past three years, or who purchase in a targeted area.                                    | O.C.G.A. § 50-26-8 | 18                      |                            | \$2,676,533                 |
| Portfolio Management        | Promotes and protects the interests of Georgia Housing and Finance Authority with respect to the single family mortgage loan portfolio by ensuring compliance with insurer and bond guidelines and analyzing the portfolio with an emphasis on program sustainability. | O.C.G.A. § 50-26-8 | 12                      |                            | 1,784,356                   |
| Bond Finance                | Issues and sells bonds to provide the funding for loans generated by the Georgia Dream Homeownership Initiative.   | O.C.G.A. § 50-26-8 | 4                       |                            | 594,785                     |
| Housing Counseling          | Administers HUD housing counseling grant to counseling agencies throughout the state and provides online counseling courses for pre-purchase counseling and financial literacy.  | O.C.G.A. § 50-26-8 | 6                       |                            | 892,178                     |
| HomeSafe Georgia            | Provides mortgage payment assistance, reinstatement assistance, and one-time payments for loans recast or underwater.  |                    | 34                      |                            | 3,839,989                   |
| <b>Total</b>                |  |                    | <b>74</b>               | <b>\$0</b>                 | <b>\$9,787,841</b>          |

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

**Department of Community Affairs**  
**ZBB Program: Homeownership Programs**

**Financial Summary**

| <b>Objects of Expenditure</b> | <b>Expenditures</b> |                    | <b>FY 2018</b>        |
|-------------------------------|---------------------|--------------------|-----------------------|
|                               | <b>FY 2016</b>      | <b>FY 2017</b>     | <b>Current Budget</b> |
| Personal Services             | \$5,399,280         | \$5,678,964        | \$6,625,108           |
| Regular Operating Expenses    | 258,400             | 240,631            | 428,656               |
| Motor Vehicle Purchases       |                     |                    |                       |
| Equipment                     |                     |                    |                       |
| Computer Charges              | 59,311              | 60,121             | 172,709               |
| Real Estate Rentals           | 277,490             | 304,459            | 301,501               |
| Telecommunications            | 72,653              | 83,715             | 103,866               |
| Contractual Services          | 1,406,276           | 1,703,671          | 2,156,001             |
| <b>Total Expenditures</b>     | <b>\$7,473,410</b>  | <b>\$8,071,561</b> | <b>\$9,787,841</b>    |
| <b>Fund Type</b>              |                     |                    |                       |
| Other Funds                   | \$4,491,216         | \$4,864,573        | \$5,947,852           |
| Federal Funds                 | 2,982,194           | 3,206,988          | 3,839,989             |
| <b>Total Funds</b>            | <b>\$7,473,410</b>  | <b>\$8,071,561</b> | <b>\$9,787,841</b>    |
| <b>Positions</b>              | 70                  | 69                 | 74                    |
| <b>Motor Vehicles</b>         | 4                   | 2                  | 2                     |

**Department of Community Affairs**  
**ZBB Program: Homeownership Programs**

**Performance Measures**

**Agency Mission:**

The Department of Community Affairs' mission is to serve as the state's primary community development agency and partners with the Department of Economic Development in bringing jobs to Georgia by administering various financial incentive programs that further the Governor's goals of economic growth and job creation. The agency also serves as the state's lead agency in housing finance and development; operates a host of state and federal grant programs; and provides comprehensive planning, technical, and research assistance to local governments.

**Program Purpose:**

The purpose of this program is to expand the supply of affordable housing through rehabilitation and construction financing, and to promote homeownership for low and moderate-income individuals by providing sustainable housing grants to local governments, administering the mortgage and down payment assistance programs for low and moderate-income homebuyers, and offering homeownership counseling and home buyer education programs through a partnership with private providers.

| Performance Measures  | Actuals |         |         |         |
|---|---------|---------|---------|---------|
|   | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Number of people who receive pre-purchase, post purchase, or foreclosure prevention counseling | 7,309   | 8,474   | 9,481   | 6,984   |
| 2. Georgia Dream foreclosure rates (New)  | N/A     | N/A     | N/A     | N/A     |
| 3. Percent of Georgia Dream applicants qualifying for loans (New)                                 | N/A     | N/A     | N/A     | N/A     |
| 4. Percent of lending capacity obligated (New)  | N/A     | N/A     | N/A     | N/A     |
| 5. Median household income for Georgia Dream participants (New)                                   | N/A     | N/A     | N/A     | N/A     |
| 6. Number of families that purchased homes under the Georgia Dream initiative (New)               | N/A     | N/A     | N/A     | N/A     |
| 7. Total amount of loans and assistance issued (New)  | N/A     | N/A     | N/A     | N/A     |
| 8. Median home price purchased by Georgia Dream applicant (New)                                   | N/A     | N/A     | N/A     | N/A     |



# FY 2019 Zero-Based Budget Analysis

## Department of Community Affairs ZBB Program: Special Housing Initiatives

### Executive Summary

- The Special Housing Initiatives program houses Georgia's State Housing Trust Fund for the Homeless Commission and administers programs designed to assist Georgia's most vulnerable population with acquiring resources for affordable housing and shelter.
- The Department of Community Affairs should report new performance measures to better demonstrate the program's workload, efficiency, and effectiveness.

### Program Overview

The Department of Community Affairs' (DCA) Special Housing Initiatives (SHI) program administers federal and state programs designed to help Georgia's most vulnerable population with acquiring resources for affordable housing and shelter. As part of the program's mission, the program houses Georgia's State Housing Trust Fund for the Homeless Commission which leverages federal funding designed to help Georgia citizens and their dependents achieve or return to self-sufficiency and to a stable living environment.

The SHI program also provides funding through grants to eligible non-profits for special housing for homeless individuals, persons with AIDS, disabled homeless individuals, and ex-offenders; assists communities in creating locally based plans to achieve their affordable housing needs; and provides grants to improve the accessibility of an owner-occupied home in which an individual with a disability resides. The purpose of this review is to evaluate the effectiveness and efficiency of the program.

### Results and Recommendations

#### State Housing Trust Fund for the Homeless Commission

The State Housing Trust Fund for the Homeless Commission (Commission) consists of nine members. Seven of the members are appointed by the Governor, while two must be the commissioner of DCA (or his/her designee), and the chairperson of the Board of Community Affairs (or a member of the Board of Community Affairs designated by the chairperson). By statute, the Commission is not allowed to hire staff but must contract with DCA to provide administrative support in helping the Commission accomplish its mission of "supporting the efforts of organizations that provide housing and essential services for individuals and families striving to end their state of homelessness."

As part of the SHI program, the Commission is appropriated approximately \$2.9 million to leverage state and federal resources through numerous Housing and Urban Development (HUD) grants. An example of leveraging federal and state resources is exemplified through HUD's Continuum of Care (CoC) initiative which is designed to promote community wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and state and local governments to quickly rehouse homeless individuals and families while optimizing self-sufficiency among individuals and families experiencing homelessness. Georgia has nine CoC operations that include: Athens/Clarke, Augusta/Richmond, Columbus/Muscogee, Atlanta, and Chatham, Cobb, DeKalb, and Fulton counties. DCA is the ninth, known as the balance of state CoC with representatives organized within the remaining 152 of Georgia's 159 counties.

### Home Access Initiative

In the FY 2017 Zero-Based Budget (ZBB), the Office of Planning and Budget (OPB) wrote that the Home Access initiative provided grants to improve the accessibility of owner-occupied units of low income households in which individuals with disabilities lived. Projects undertaken by these grant awards included bathroom retrofitting, wheelchair ramp installation, and widening of doorways. The ZBB also found that the initiative had been funded on an ongoing basis since 2008 through the Brain and Spinal Injury Trust Fund Commission. As a result of the Governor's FY 2017 ZBB recommendation and signed appropriations bill (HB 751), the initiative received an additional \$224,902 in state funds, which allows DCA to extend services to all low income applicants. In the FY 2018 appropriations bill (HB 44), funding was reduced to \$100,000 with annual report submissions due by December 31 on the number of clients assisted.

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

Performance measures are an integral component of the 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 department to ensure new performance measures are annually updated into the new Planning and Budget Cloud Services (PBCS) system.

- Number of grants awarded
- Amount of grants facilitated
- Percentage of grant applicants awarded
- Number of individuals assisted through the Home Access initiative

**Department of Community Affairs**  
**ZBB Program: Special Housing Initiatives**

**Key Activities**

| Activity*  | Description   | Authority                  | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|--|---|----------------------------|------------------|---------------------|----------------------|
| State Housing Trust Fund                         | Provides funding to assist persons who are homeless or in danger of becoming homeless by matching and leveraging federal funding. Governed by a nine member board with seven appointed by the Governor from the public and two being the DCA commissioner (or designee) and DCA's board chairman (or designee).   | O.C.G.A. § 8-3-300 et seq. |                  | \$2,962,892         | \$2,962,892          |
| Continuum of Care and Continuum of Care Planning | Provides funding for efforts by nonprofit providers and local governments to quickly re-house homeless individuals. Establishes competitive grants for new construction; acquisition, rehabilitation, or leasing of buildings to provide transitional or permanent housing; rental assistance; payment of operating costs; supportive services; re-housing services; payment of administrative costs; and grants for technical assistance. Examines HUD mandate activities to ensure compliance.  | 42 U.S.C. § 11381-11389    | 10               |                     | 1,114,827            |
| Shelter Plus Care                                | Provides permanent housing and supportive services to homeless people with disabilities and their families, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS), and related diseases. Services include rental assistance for a variety of housing choices, accompanied by a range of supportive services.   | 42 U.S.C. § 11381-11389    | 6                |                     | 840,574              |
| Emergency Shelter and Solutions (ESG)            | Provides outreach, shelter, rapid re-housing, homelessness prevention and related services to persons experiencing homelessness, or for persons in danger of becoming homeless. Includes immediate shelter and essential services to homeless persons through the State Housing Trust Fund for the Homeless Commission (HTF) and Federal HUD ESG funds to nonprofit organizations and local government entities operating homeless housing and/or providing services to the homeless. Acts as a first step in a continuum of assistance to enable homeless individuals and families to move toward independent living as well as to prevent homelessness. | 42 U.S.C. § 11381-11389    | 4                |                     | 304,318              |
| Housing Opportunities for Persons with AIDs      | Provides grants to local communities, and nonprofit organizations for projects that benefit low-income persons living with HIV/AIDS and their families.   | 42 U.S.C. § 11381-11389    |                  |                     | 94,743               |

|                                |  |                         |   |         |         |
|--------------------------------|--|-------------------------|---|---------|---------|
| Management Information Systems | Provides a system to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness. Homeless Management Information Systems (HMIS) must comply with HUD's data collection, management, and reporting standards. Implements the Coordinated Entry process developed to ensure that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs. Additionally, DCA has their Point in Time Count that is managed every two years that tries to count every unsheltered person. | 42 U.S.C. § 11381-11389 | 3 |         | 295,821 |
| Home Access                    | Provides funding for persons that have traumatic brain injury or spinal cord injuries for accessibility improvements at owner-occupied homes in which individuals with disabilities reside and utilize as their primary residence. Funds may be used to widen doorways, construction of wheelchair ramps, bathroom retrofitting, installations of stair or porch lifts, accessibility improvements to kitchens, lowering of closet shelves and installation of visual aids and/or audible alarms.  |                         | 4 | 100,000 | 412,609 |
| Re-Entry Partnership Housing   | Provides short-term housing and board for convicted felons who are considered homeless after authorized release.   | O.C.G.A. § 42-3-5       | 2 |         | 463,832 |

|              |  |  |    |             |             |
|--------------|--|--|----|-------------|-------------|
| <b>Total</b> |  |  | 29 | \$3,062,892 | \$6,489,616 |
|--------------|--|--|----|-------------|-------------|

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

**Department of Community Affairs  
ZBB Program: Special Housing Initiatives**

**Financial Summary**

| <b>Objects of Expenditure</b>        | <b>Expenditures</b> |                    | <b>FY 2018</b>        |
|--------------------------------------|---------------------|--------------------|-----------------------|
|                                      | <b>FY 2016</b>      | <b>FY 2017</b>     | <b>Current Budget</b> |
| Personal Services                    | \$1,826,970         | \$2,404,447        | \$2,661,953           |
| Regular Operating Expenses           | 158,432             | 97,156             | 114,330               |
| Motor Vehicle Purchases              |                     |                    | 4,400                 |
| Equipment                            |                     |                    |                       |
| Computer Charges                     | 19,051              | 116,229            | 23,196                |
| Real Estate Rentals                  | 78,322              | 77,401             | 76,874                |
| Telecommunications                   | 23,462              | 23,338             | 25,476                |
| Contractual Services                 | 301,083             | 286,147            | 520,495               |
| Grants and Benefits                  |                     | 224,902            | 100,000               |
| Payments to State Housing Trust Fund | 2,962,892           | 2,962,892          | 2,962,892             |
| <b>Total Expenditures</b>            | <b>\$5,370,212</b>  | <b>\$6,192,512</b> | <b>\$6,489,616</b>    |
| <b>Fund Type</b>                     |                     |                    |                       |
| State General Funds                  | \$2,962,892         | \$3,187,794        | \$3,062,892           |
| Other Funds                          | 503,848             | 518,694            | 1,048,423             |
| Federal Funds                        | 1,903,472           | 2,486,024          | 2,378,301             |
| <b>Total Funds</b>                   | <b>\$5,370,212</b>  | <b>\$6,192,512</b> | <b>\$6,489,616</b>    |
| <b>Positions</b>                     | 19                  | 30                 | 29                    |
| <b>Motor Vehicles</b>                | 1                   | 0                  | 3                     |

**Department of Community Affairs**  
**ZBB Program: Special Housing Initiatives**

**Performance Measures**

**Agency Mission:**

The Department of Community Affairs' mission is to serve as the state's primary community development agency and partners with the Department of Economic Development in bringing jobs to Georgia by administering various financial incentive programs that further the Governor's goals of economic growth and job creation. The agency also serves as the state's lead agency in housing finance and development; operates a host of state and federal grant programs; and provides comprehensive planning, technical, and research assistance to local governments.

**Program Purpose:**

The purpose of this program is to fund the State Housing Trust Fund; to provide grants to providers of shelter and services to homeless individuals; to administer loans and grants for affordable housing; to offer local communities collaboration and technical assistance in the development and implementation of an affordable housing plan; and to provide for other special housing initiatives.

| Performance Measures   | Actuals |         |         |         |
|--|---------|---------|---------|---------|
|  | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Number of individuals served through the state's initiatives            | 26,670  | 26,722  | 20,678  | 20,020  |
| 2. Number of grants awarded (New)  | N/A     | N/A     | N/A     | N/A     |
| 3. Amount of grants facilitated (New)                                      | N/A     | N/A     | N/A     | N/A     |
| 4. Percentage of grant applicants awarded (New)                            | N/A     | N/A     | N/A     | N/A     |
| 5. Number of individuals assisted through the Home Access initiative (New) | N/A     | N/A     | N/A     | N/A     |



# FY 2019 Zero-Based Budget Analysis

## Department of Community Health ZBB Program: Georgia Board for Physician Workforce: Board Administration

### Executive Summary

- The Georgia Board of Physician Workforce: Board Administration program coordinates funding and implements policies and regulations established by the 15-member Board of Physician Workforce related to state-sponsored medical education initiatives.
- Currently, the number of unfunded residency slots, cost, and overall funding of graduate medical education is collected and maintained by separate entities. The agency should consider developing and administering a survey for graduate medical education programs in an effort to assess the overall impact of such programs upon the state of Georgia.
- In recent years, the agency's responsibilities have expanded to include programs that recruit and retain physician assistants, advanced practice registered nurses, and dentists. An agency name-change should be considered due to the agency's involvement with an expanded number of medical professions.
- Stakeholders have indicated that there is a lack of awareness of loan repayment programs and career opportunities among residents and medical students, which contributes to Georgia's physician shortage. The agency should consider developing a marketing strategy to increase awareness of loan repayment programs and career opportunities among residents and medical students.
- The agency should adopt new performance measures to better describe the workload, efficiency, and effectiveness of the program.

### Program Overview

The Georgia Board of Physician Workforce: Board Administration (the program) coordinates funding and implements policies and regulations related to state-sponsored medical education initiatives. In fiscal year (FY) 2017, the program allocated funds for 30 loan repayment recipients, who participated in the Physicians for Rural Areas program, 476 Undergraduate Medical Education (UME) slots, 1,755 Graduate Medical Education (GME) slots, and the Mercer University and Morehouse University Schools of Medicine Operating Grants. The program, staffed with eight employees, conducts the following activities: executive leadership, data analysis and reporting, contract management and regulatory compliance, and legislative and external affairs.

Executive leadership oversees the agency's day-to-day operations and initiatives, establishes policies and procedures, and manages the allocation of capitation funding and loan repayments.

Legislative and external affairs staff serve as a liaison between the 15-member Board of Physician Workforce, community stakeholders, and medical education program beneficiaries. Additionally, this position monitors and analyzes legislation impacting the Georgia Board of Physician Workforce (GBPW), and coordinates practice opportunity fairs that connect residents with employment opportunities in Georgia medical practices.

Data analysis and reporting staff have the following responsibilities:

- Evaluates license renewal data for physicians, dentists, advanced practice registered nurses, and physician assistants (PAs) to establish workforce trends and inform stakeholders about Georgia's healthcare practitioner needs.

- Maintains the physician workforce database and develops healthcare practitioner workforce reports, which includes the biannual Physician Workforce data book.
- Analyzes responses to UME and GME exit surveys and publishes annual reports detailing student and resident feedback on their experience in Georgia’s medical education programs.

Contract management and regulatory compliance staff are responsible for reviewing applications related to funding for the Physicians for Rural Areas, UME, and GME programs. Additionally, contract management staff ensures beneficiaries comply with the terms, conditions, and outcomes stipulated in contractual agreements governing their financial awards.

The program is administratively attached to the Department of Community Health (DCH). DCH performs administrative functions on behalf of GBPW, including accounting, purchasing, human resources, and information technology support.

## **Results and Recommendations**

### *Consider developing a survey to consolidate the reporting of GME funding data*

Currently, there are 19 GME programs that support 2,400 residency slots. The cost of training residents, funding received per resident, and the number of funded and unfunded slots varies between hospitals.<sup>1</sup> The degree of variation between programs is difficult to determine due to the lack of a standardized reporting process. According to the 2013 Medicare cost report, GME residency slots cost range from \$137,284 to over \$200,000. In 2016, the Statewide Area Health Education Center reported that GME programs receive \$80,000 to over \$135,000 in direct and indirect Medicare GME payments. The lack of a formal reporting process makes it difficult for decision-makers to evaluate the financial impact GME programs have on hospital financial positions. Currently, cost and funding information is maintained by a variety of federal and state agencies, and it is often dated. Consolidating this information will provide decision-makers with access to the most recent data and improve their ability to assess the impact of GME programs. The program should consider developing and administering a survey for GME programs to report the following metrics: average cost of training residents, Medicaid funds received per resident, Medicare funds received per resident, number of funded residency slots, and number of unfunded residency slots.

### *Consider renaming the agency to reflect expanded responsibilities*

When GBPW was established, its primary mission was to identify the physician workforce needs of the state and support the development of medical education programs. In recent years, the agency’s responsibilities have expanded to include developing and administering loan repayment programs to recruit PAs, advance practice registered nurses (APRNs), and dentists to practice in Georgia. Additionally, the agency is responsible for collecting and reporting data related to physician, PA, APRN, and dentist workforce needs. The agency should consider changing its name to more accurately reflect its involvement with an expanded number of medical professions. Changing the name of the agency will require legislative action and Board of Physician Workforce approval.

### *Consider the development of a marketing strategy to increase awareness of agency programs to enhance Georgia’s physician workforce*

GBPW administers the Georgia Physician Loan Repayment Program and the Physicians for Rural Areas Assistance Program, which are service cancelable loan repayment programs for physicians willing to work in a “Health Professional Shortage Area,” as determined by the Health Resources and Services Administration of the United States Department of Health and Human Services. These programs are designed to address Georgia’s physician shortage by encouraging licensed physicians to practice in rural and/or underserved areas in exchange for state funds being used to reduce any debt incurred from attending medical school. The agency should consider developing a marketing strategy to increase awareness and interest in these programs among residents and medical students. The marketing strategy could include re-establishing state-sponsored medical employment opportunity fairs, distributing information related to loan repayment programs directly to residents and medical students, and maintaining a database of employment opportunities for medical professionals in Georgia.

*New 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; they should also be appropriate and relevant to the policy goals of the agency and state as a whole. During the ZBB process, new measures were developed for the GBPW: Board Administration program to better track performance.

The following performance measures are added for FY 2019:

- Number of employers participating in practice opportunity fairs
- Number of students attending practice opportunity fairs

---

1. Funded slots refer to residency slots eligible for Medicare reimbursement and unfunded residency slots refer to residency slots in excess of a hospital's limit which are ineligible for Medicare reimbursement.

## Department of Community Health

### ZBB Program: Georgia Board for Physician Workforce: Board Administration

#### Key Activities

| Activity*                                     | Description  | Authority                          | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|---|--|------------------------------------|------------------|---------------------|----------------------|
| Contract Management and Regulatory Compliance | Ensures Graduate Medical Education (GME) programs comply with the terms, conditions, and outcomes stated in the contractual agreements.  | O.C.G.A. §49-10-4                  | 2                | \$194,462           | \$194,462            |
| Data Analysis and Reporting                   | Collects and analyzes healthcare practitioner staffing data and GME exit survey responses; prepares and publishes reports and fact sheets to inform stakeholders about Georgia's healthcare practitioner needs and GME participant satisfaction.   | O.C.G.A. §49-10-3                  | 4                | 451,802             | 451,802              |
| Executive Leadership                          | Manages day-to-day operations of the agency, which includes: supervising agency personnel, developing rules and policies, implementing Board initiatives, and overseeing the allocation of capitation payments and loan repayment funds.   | O.C.G.A. §49-10-1; 49-10-3;49-10-4 | 2                | 423,782             | 423,782              |
| Legislative and External Affairs              | Meets with prospective loan and scholarship recipients, hospitals, and community stakeholders to encourage participation in medical education programs; coordinates practice opportunity fairs to link residents with employment opportunities; monitors and analyzes legislation impacting agency operations. | O.C.G.A. §49-10-3                  | 1                | 121,921             | 121,921              |
| <b>Total</b>                                  |  |                                    | <b>9</b>         | <b>\$1,191,967</b>  | <b>\$1,191,967</b>   |

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

**Department of Community Health**  
**ZBB Program: Georgia Board for Physician Workforce: Board Administration**

**Financial Summary**

| <b>Objects of Expenditure</b> | <b>Expenditures</b> |                  | <b>FY 2018</b>        |
|-------------------------------|---------------------|------------------|-----------------------|
|                               | <b>FY 2016</b>      | <b>FY 2017</b>   | <b>Current Budget</b> |
| Personal Services             | \$468,297           | \$617,083        | \$895,170             |
| Regular Operating Expenses    | 23,902              | 28,753           | 67,932                |
| Motor Vehicle Purchases       |                     |                  |                       |
| Equipment                     |                     |                  |                       |
| Computer Charges              |                     | 3,495            | 5,271                 |
| Real Estate Rentals           | 28,506              | 28,506           | 29,900                |
| Telecommunications            | 14,099              | 21,478           | 60,835                |
| Contractual Services          | 151,149             | 126,621          | 132,859               |
| <b>Total Expenditures</b>     | <b>\$685,953</b>    | <b>\$825,936</b> | <b>\$1,191,967</b>    |
| <b>Fund Type</b>              |                     |                  |                       |
| State General Funds           | \$685,953           | \$825,936        | \$1,191,967           |
| <b>Total Funds</b>            | <b>\$685,953</b>    | <b>\$825,936</b> | <b>\$1,191,967</b>    |
| <b>Positions</b>              | 7                   | 7                | 9                     |
| <b>Motor Vehicles</b>         | 0                   | 0                | 0                     |

**Department of Community Health**  
**ZBB Program: Georgia Board for Physician Workforce: Board Administration**

**Performance Measures**

**Agency Mission:**

The Department of Community Health provides access to affordable, quality health care to Georgians, through effective planning, purchasing, and oversight.

**Program Purpose:**

The purpose of this appropriation is to provide administrative support to all agency programs.

| Performance Measures   | Actuals |         |         |         |
|--|---------|---------|---------|---------|
|  | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Percentage of payments processed within 10 days of receiving invoice  | 87%     | 92%     | 95%     | 92%     |
| 2. Number of page views of agency website for physician workforce data   | 26,571  | 27,191  | 29,242  | 33,085  |
| 3. Number of employers participating in practice opportunity fairs (New) | N/A     | N/A     | N/A     | 112     |
| 4. Number of students attending practice opportunity fairs (New)         | N/A     | N/A     | N/A     | 241     |



# FY 2019 Zero-Based Budget Analysis

## Department of Community Health ZBB Program: Georgia Board for Physician Workforce: Graduate Medical Education

### Executive Summary

- The Georgia Board of Physician Workforce: Graduate Medical Education program provides state funding to support the development of medical education programs in the state of Georgia.
- Graduate Medical Education exit surveys indicate a higher probability for physicians choosing to practice in the state where they complete their residency and graduate medical school. The agency should consider evaluating the efficacy of incentive programs to improve retention of Georgia residents following the completion of their training.
- Currently, the number of unfunded residency slots, cost, and overall funding of graduate medical education is collected and maintained by separate entities. The agency should consider developing and administering a survey for graduate medical education programs in an effort to assess the overall impact of such programs upon the state of Georgia.
- The agency should adopt new performance measures to better describe the workload, efficiency, and effectiveness of the program.

### Program Overview

The Georgia Board of Physician Workforce: Graduate Medical Education (GME) program provides state funding to support the development of medical education programs throughout Georgia to address the state's physician needs. GME refers to the training of medical school graduates as residents employed by hospitals. As of fiscal year (FY) 2017, Georgia GME hospitals maintained 2,715 accredited residency slots with 2,406 slots being filled. Out of the 2,406 filled residency slots, the Georgia Board of Physician Workforce (GBPW) provided capitation funding for 1,755 slots. Georgia's GME slots are supported through a variety of fund sources including, but not limited to, state general funds, Medicaid, and Medicare.

#### State Capitation Funding for GME

The GBPW: GME program provides funding to sustain residency programs through capitation payments to participating hospitals. Capitation payments are made to hospitals in two ways, residency capitation and specialty specific residency capitation. Residency capitation provides funds for all residents at 14 designated teaching hospitals as defined by O.C.G.A. §31-7-95. Under current statute, hospitals may receive a maximum capitation payment of \$10,000 per resident, and all specialties are eligible for capitation payments. Currently, designated hospitals receive \$3,172 per resident for 1,435 residents training at 14 teaching hospitals. O.C.G.A. §31-7-95 prohibits hospitals from receiving residency capitation payments without legislative approval. 1,015 residency capitation slots receive Medicaid matching funds.

The United States and Georgia have experienced significant specialization in the overall physician workforce, which has created a shortage of primary-care physicians, general surgeons, and obstetrics/gynecologists (OB/GYNs). The Georgia General Assembly established specialty specific residency capitation to address Georgia's primary-care physician shortage and the specialization trend by encouraging hospitals to hire primary care physicians and other needed disciplines. Specialty specific residency capitation provides funds to support family medicine, internal medicine, emergency medicine, pediatrics, and OB/GYN residency slots at 19 teaching and non-

teaching hospitals. Specialty specific residency capitation payments range from \$8,073 for preventative medicine residents to \$18,754 for family medicine residents (see Table 1). 333 specialty specific residency slots receive Medicaid matching funds.

**Table 1:**

| Specialty             | Capitation Amount | Number of Residency Slots |
|-----------------------|-------------------|---------------------------|
| Family Medicine       | \$18,754          | 252                       |
| Pediatrics            | \$15,591          | 50                        |
| Preventative Medicine | \$8,073           | 10                        |
| Internal Medicine     | \$15,000          | 125                       |
| Emergency Medicine    | \$14,500          | 0                         |
| Psychiatry            | \$14,500          | 4                         |
| General Surgery       | \$15,503          | 4                         |
| Obstetrics/Gynecology | \$15,333          | 38                        |

Medicaid Funding for GME

Medicaid programs within the Department of Community Health (DCH) are the second largest financial contributor to GME.<sup>1</sup> Georgia’s Medicaid program reimburses hospitals participating in GME through direct and indirect payments. Direct GME payments support the salaries and fringe benefits for residents, teaching physicians, and administrative staff. Indirect Medical Education Adjustment payments are intended to offset additional costs of providing care to Medicaid recipients associated with maintaining GME residency slots, such as additional tests and longer patient interaction times. Medicaid payments for GME programs are made directly to teaching hospitals. Direct GME payments are paid directly by DCH to the hospitals. Indirect GME payments are part of the base rates, and are paid by DCH or care management organizations (CMO) depending on whether the enrollee is a fee for service or CMO beneficiary.

Currently, hospitals participating in the GME program are reimbursed through hospital specific payments based on program costs for both fee for service and CMO beneficiaries. Current Direct GME funding is 100% of the Medicaid share of GME costs reported in the hospital’s 2011 Medicare Cost Report. Payments are made quarterly from DCH to participating hospitals. Indirect GME payments are based on the Indirect GME Adjustment Factor multiplied by the hospital’s base rate.<sup>2</sup> Indirect payments are paid as part of inpatient claims. Typically, the CMOs pay inpatient hospital claims based on Medicaid fee for service rates and the CMO claims payment will include the indirect payment. DCH reimburses the CMOs for this payment through capitation rates.

Medicare Funding for GME

Medicare is the largest funding source for GME. Similar to Medicaid, Medicare reimburses hospitals participating in the GME program through two payment streams, direct GME payments and indirect medical education adjustments. Medicare payments are calculated based on the percentage of charges attributed to Medicare patients. As the largest funding source of GME slots in the state, Medicare provides approximately \$100,000 per resident.

The *Balanced Budget Act of 1997* altered GME funding by freezing Medicare payments at 1997 levels for all residency programs operating at the time of passage and placing limits on the number of funded GME slots. As a result, the number of Medicare funded residents in Georgia was fixed at 20.8 GME residents/100,000 citizens.

---

1. While Medicaid funding for GME slots is optional, 32 states elected to provide Medicaid funds to support GME programs, as of 2016.  
 2. The Indirect Medical Education adjustment factor is calculated in the following formula:  $(1.35 \times [(1 + (r/b))^{0.405}])$  where r=# of residents and b=# of beds.

The limits on funded residency slots are based on the reporting period ending December 31, 1996. Many hospitals impacted by the *Balanced Budget Act of 1997* have added slots in excess of their limits, subsidizing the cost of additional residency slots by using non-Medicare revenues. GME programs established after the passage of the *Balanced Budget Act of 1997* receive Direct GME payments based on current cost reports. Newer residency programs receive higher levels of Medicare funding than programs in existence in 1997.

### GME Expansion Program

In 2012, the Governor and the Georgia General Assembly directed the University System of Georgia (USG) to establish the GME Regents Evaluation and Assessment Team (GREAT) to address Georgia's physician shortage. The GREAT committee is charged with the following:

- Developing partnerships between the USG and local hospitals to expand Georgia's GME programs
- Aligning the number of residency slots to medical school graduates
- Enhancing the ratio of residents to Georgia citizens
- Strengthening the primary-care and general-surgery workforce with an emphasis on rural areas
- Reviewing proposals from hospitals interested in establishing residency programs
- Allocating funding to support the development of new GME programs once approved

A hospital must pledge financial support to develop GME programs to be eligible to receive matching start-up funds from the state. Start-up funds are disbursed over a three-year development period and end once the first resident reports for work. GBPW, Medicaid, and Medicare funding begin when residents commence training in hospitals.

From FY 2013 to FY 2016, the GREAT committee allocated \$14,025,000 in start-up funding to establish new GME programs at nine hospital systems:

1. WellStar Health System (Marietta)
2. Gwinnett Medical Center (Lawrenceville)
3. St. Mary's Health Care System (Athens)
4. Athens Regional Medical Center (Athens)
5. Tanner Health System (Carrollton)
6. Redmond Regional Medical Center (Rome)
7. University Hospital (Augusta)
8. Northeast Georgia Medical Center (Gainesville)
9. South Georgia Medical Education Consortium (Valdosta, Tifton, Moultrie, Thomasville)

These facilities are expected to increase the number of specialty-specific residency slots by 384 in FY 2025. In FY 2018 the legislature appropriated funding for an additional 100 specialty-specific residency slots, bringing the total number of slots to 484.

## **Results and Recommendations**

*Consider evaluating the efficacy of incentive programs to improve the number of Georgia GME graduates that practice medicine in the state of Georgia*

The Governor and Georgia General Assembly have taken actions to address Georgia's physician shortage, which include increasing the number of residency slots to train physicians with the intent that physicians who train in Georgia will continue practicing in the state following the completion of their residency. While the number of residency slots have increased, many physicians choose to practice in other states after completing their training at Georgia hospitals.

Historically, Georgia has offered two programs to enhance Georgia's physician workforce:

1. A scholarship program for college graduates accepted to medical school in exchange for practicing in a rural area

## 2. A loan repayment program for licensed physicians practicing in a rural area

In FY 2017, the scholarship program for medical students willing to practice in rural areas was phased out and the funds were redirected to the loan repayment program for licensed physicians practicing in rural or underserved communities. Currently, there are no incentive programs for Georgia medical school graduates training in Georgia GME programs.

According to the 2016 GME exit survey, 49 percent of Georgia GME graduates intend on practicing in Georgia following the completion of their residency. According to GBPW, if a medical student is from Georgia, graduates from a Georgia medical school, and trains in a Georgia residency program, there is approximately an 80 percent chance that a physician will continue practicing in Georgia upon completion of their residency program. Conversely, there is only a 37 percent chance that Georgia retains a physician if they complete medical school outside the state. In 2016, 23.7 percent of Georgia residents graduated from a Georgia high school and 24.7 percent of residents graduated from a Georgia medical school. According to UME exit surveys, 15.1 percent of Georgia medical school graduates indicated they desired to complete their residency in Georgia but did not match to a Georgia residency program. The agency should consider evaluating the efficacy of incentive programs to encourage Georgia GME programs to recruit Georgia medical school graduates to increase the likelihood that physicians-in-training will ultimately practice in the state of Georgia.

### Consider developing a survey to consolidate the reporting of GME funding data

Currently, there are 19 GME programs that support 2,400 residency slots at Georgia hospitals. The cost of training residents, funding received per resident, and the number of funded and unfunded slots varies between hospitals. The degree of variation between programs is difficult to determine due to the lack of a standardized reporting process. According to the 2013 Medicare cost report, GME residency slots cost range from less \$137,284 to over \$200,000. In 2016, the Statewide Area Health Education Center reported that GME programs receive \$80,000 to over \$135,000 in direct and indirect Medicare GME payments. The lack of a formal reporting process makes it difficult for decision-makers to evaluate the financial impact GME programs have on hospital financial positions. Currently, cost and funding information is maintained by a variety of federal and state agencies and it is often dated. Consolidating this information will provide decision-makers with access to the most recent data and improve their ability to assess the impact of GME programs. The program should consider developing and administering a survey for GME programs to report the following metrics: average cost of training residents, Medicaid funds received per resident, Medicare funds received per resident, number of funded residency slots, and number of unfunded residency slots.

### New 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; they should also be appropriate and relevant to the policy goals of the agency and state as a whole. During the ZBB process, new measures were developed for the GBPW: GME program to better track performance.

The following performance measures are added for FY 2019:

- Percentage of Graduate Medical Education applicants holding a degree from a Georgia medical school
- Percentage of Graduate Medical Education residents holding a degree from a Georgia medical school
- Percentage of residency program graduates practicing in Georgia (all specialties)
- Percentage of GME residency slots receiving funding from Georgia Board of Physician Workforce
- Percentage of residents completing the GME exit survey

**Department of Community Health**  
**ZBB Program: Georgia Board for Physician Workforce: Graduate Medical Education**

**Key Activities**

| Activity*                               | Description   | Authority         | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|---|---|-------------------|------------------|---------------------|----------------------|
| Residency Capitation                    | Provides capitation funding for residents in training at 14 teaching hospitals designated by the Georgia General Assembly.  | O.C.G.A. §31-7-95 |                  | \$4,552,927         | \$4,552,927          |
| Specialty Specific Residency Capitation | Provides capitation funding for residents in family practice, internal medicine, emergency medicine, Obstetrics/Gynecology, and psychiatry disciplines at designated teaching and non-teaching hospitals. | O.C.G.A. §31-34-4 |                  | 8,743,871           | 8,743,871            |
| <b>Total</b>                            |   |                   | 0                | \$13,296,798        | \$13,296,798         |

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

**Department of Community Health**  
**ZBB Program: Georgia Board for Physician Workforce: Graduate Medical Education**

**Financial Summary**

| Objects of Expenditure     | Expenditures       |                     | FY 2018             |
|----------------------------|--------------------|---------------------|---------------------|
|                            | FY 2016            | FY 2017             | Current Budget      |
| Personal Services          |                    |                     |                     |
| Regular Operating Expenses |                    |                     |                     |
| Motor Vehicle Purchases    |                    |                     |                     |
| Equipment                  |                    |                     |                     |
| Computer Charges           |                    |                     |                     |
| Real Estate Rentals        |                    |                     |                     |
| Telecommunications         |                    |                     |                     |
| Contractual Services       | \$1,563,574        | \$1,655,406         | \$2,859,594         |
| Grants and Benefits        | 8,286,212          | 9,466,199           | 10,437,204          |
| <b>Total Expenditures</b>  | <b>\$9,849,786</b> | <b>\$11,121,605</b> | <b>\$13,296,798</b> |
| <b>Fund Type</b>           |                    |                     |                     |
| State General Funds        | \$9,849,786        | \$11,121,605        | \$13,296,798        |
| <b>Total Funds</b>         | <b>\$9,849,786</b> | <b>\$11,121,605</b> | <b>\$13,296,798</b> |
| <b>Positions</b>           | 0                  | 0                   | 0                   |
| <b>Motor Vehicles</b>      | 0                  | 0                   | 0                   |

**Department of Community Health**  
**ZBB Program: Georgia Board for Physician Workforce: Graduate Medical Education**  
**Performance Measures**

**Agency Mission:**

The Department of Community Health provides access to affordable, quality health care, through effective planning, purchasing, and oversight.

**Program Purpose:**

The purpose of this appropriation is to address the physician workforce needs of Georgia communities through the support and development of medical education programs.

| Performance Measures  | Actuals |         |         |         |
|---|---------|---------|---------|---------|
|   | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Percentage of residency program graduates practicing family medicine in Georgia (data lagged by one fiscal year) | 61.3%   | 59.32%  | 62.4%   | N/A     |
| 2. Number of residents trained through Georgia's Graduate Medical Education programs (filled positions)             | 2,195   | N/A     | 2,315   | 2,406   |
| 3. Percentage of Graduate Medical Education applicants holding a degree from a Georgia medical school (New)         | N/A     | N/A     | N/A     | N/A     |
| 4. Percentage of Graduate Medical Education residents holding a degree from a Georgia medical school (New)          | N/A     | N/A     | N/A     | N/A     |
| 5. Percentage of residency program graduates practicing in Georgia (all specialties) (New)                          | N/A     | N/A     | N/A     | N/A     |
| 6. Percentage of GME residency slots receiving funding from Georgia Board of Physician Workforce (New)              | N/A     | N/A     | N/A     | N/A     |
| 7. Percentage of residents completing the GME exit survey (New)   | N/A     | N/A     | N/A     | N/A     |



# FY 2019 Zero-Based Budget Analysis

## Department of Community Health ZBB Program: Georgia Drugs and Narcotics Agency

### Executive Summary

- The Georgia Drugs and Narcotics Agency protects the health, safety, and welfare of Georgia's citizens by enforcing all laws and regulations pertaining to controlled substances, dangerous drugs, and durable medical equipment.
- HB 249 of the 2017 legislative session transferred the administration of the Prescription Drug Monitoring Program from the Georgia Drugs and Narcotics Agency, to the Department of Public Health. The Prescription Drug Monitoring Program assists in the reduction of the abuse of controlled substances and provides prescribers and pharmacists with critical information regarding a patient's controlled substance prescription history and protects patients at-risk of abuse.
- The Georgia Drugs and Narcotics Agency should create accounting chartfields to better track activities within the program.

### Program Overview

The Georgia Drugs and Narcotics Agency (GDNA) was created by the Georgia General Assembly in 1908 to ensure and protect the health, safety, and welfare of Georgia's citizens by enforcing laws and rules pertaining to manufactured or compounded drugs and to ensure that only licensed facilities or persons dispense or distribute pharmaceuticals. GDNA was originally established to parallel the United States Food and Drug Administration on a state level to enforce dangerous and prescription drug laws. In later years, GDNA also assumed the state level work of the United States Drug Enforcement Administration to enforce and regulate prescription controlled substances. In 2015, GDNA was transferred from the Secretary of State's office to the Department of Community Health (DCH) as an attached agency for administrative purposes only and acts as the law enforcement and regulatory division for the Georgia State Board of Pharmacy (the Board).

GDNA consists of a director, appointed by the Board, a deputy director, special agents, and other personnel, as needed, to conduct and assist with inspections. The director, deputy director, and special agents of GDNA are required to be registered pharmacists in the state of Georgia and certified Georgia Peace Officers by the Georgia Peace Officer Standards and Training Council. Acting as both Georgia licensed pharmacists and law enforcement, GDNA agents are uniquely qualified to assist the Georgia Composite Medical Board, Georgia Board of Nursing, Georgia Board of Dentistry, Georgia's Board of Veterinarians, Georgia's Medicaid program, and DCH with any issues involving prescription medications or other duties as directed by the Board.

Such duties include, assisting the Board in administering annual compounding examinations for the licensing of applicants who qualify to practice pharmacy. These examinations test the proficiency of such applicants in combining, mixing, or altering ingredients of a prescription drug to create medication tailored to meet the needs of patients. In fiscal year (FY) 2016, GDNA assisted the Board in proctoring approximately 1,080 compounding examinations. The number of compounding examinations varies by year, due to the number of applicants who are pharmacists in other states attempting to reciprocate their license in Georgia. Additionally, GDNA inspects facilities, investigates alleged violations, and compiles a list of known dangerous drugs to be submitted to the General Assembly during each annual legislative session.

### Inspections

GDNA inspects every facility licensed by the state to handle, possess, distribute, or dispense pharmaceuticals. Inspected facilities include factories, warehouses, wholesaling establishments, chemical laboratories, and other such establishments in which any drugs or devices are manufactured, processed, packaged, sold at wholesale, sold at retail, or otherwise held for introduction into commerce. GDNA has averaged 1,538 inspections per year over the past five years, and as of May 2017, Georgia permitted 2,784 pharmacy facilities.<sup>1</sup>

During the 2017 legislative session, the Georgia General Assembly passed Senate Bill 41, which authorizes the Board to license suppliers of Durable Medical Equipment (DME) in Georgia and inspect facilities belonging to these suppliers. DME requires a prescription and must meet the following criteria:

- Can withstand repeated use
- Has an expected lifetime of at least three years
- Used for a medical reason
- Generally not useful to a person who is not sick or injured
- Used in the home

Georgia houses an estimated 550 DME facilities, but the identification and location of all DME facilities is ongoing. Once the Board begins registering DME facilities, GDNA will start inspecting and investigating those facilities, as needed.

GDNA also inspects and investigates violations of pharmacists and nurses utilizing vaccine protocol agreements that have been filed with the Georgia Composite Medical Board.

### Investigations

GDNA agents investigate violations of the *Georgia Controlled Substances Act* and the *Dangerous Drug List* as it relates to the diversion of legitimately manufactured pharmaceuticals and how they are distributed, dispensed, or transferred by a firm registered in the state of Georgia. GDNA then reports these violations of Georgia drug laws and Board of Pharmacy rules to the Board. Investigations into these violations are usually criminal in nature and are generated either by the Board, from the public, through intelligence from other law enforcement agencies, or from GDNA agents.

When an investigation is opened, it is classified into one of seven categories:

- GDNA generated pharmacy registrant complaint
- Board generated pharmacy registrant complaint
- A complaint that is criminal and not pharmacy related
- A complaint regarding another health profession registrant (e.g. Medical, Dental, etc.)
- Information complaint
- Prescription Drug Monitoring Program (PDMP) generated complaint
- A complaint dealing strictly with pharmacy technicians

Any individual can register a complaint regarding prescription pharmaceuticals via the Board's website, contacting a Board member, or contacting the GDNA office or a GDNA agent. The most common complaints are the diversion of drugs from a pharmacy, misfiled prescriptions by a pharmacist, and unlawful dispensing of drugs by a pharmacist. No requirement exists related to the time of completion for an investigation. In FY 2016, GDNA opened 692 investigations.

### Drug and Narcotics Classification

GDNA compiles and submits to the General Assembly during each annual legislative session: (1) a list of known dangerous drugs and/or devices which the Board has determined may be dangerous or detrimental to the public health and safety and should require a prescription; and (2) a list of substances to be rescheduled (i.e. change drug classification category based on severity) or added to the drug schedules of the Georgia Code.

## Results and Recommendations

### Transfer of the PDMP to the Department of Public Health (DPH)

The PDMP is an electronic database used to monitor the prescribing and dispensing of controlled substances. The PDMP:

- Eliminates duplicative prescribing and overprescribing of controlled substances
- Provides a prescriber or pharmacist with information regarding a patient's controlled substance prescription history
- Protects patients at-risk of abuse

House Bill 249, which was passed in the 2017 legislative session, transferred administration of the PDMP from GDNA to DPH. The purpose of transferring the PDMP from GDNA to DPH is to allow for the development of a comprehensive strategy to reduce the abuse of controlled substances through preventive methods.

House Bill 249 also provides for several changes related to the use of the PDMP. Effective July 1, 2017, dispensers will be required to enter prescription information for schedule II, III, IV, or V controlled substances within 24 hours. The intent of this change is to provide prescribers access to information with less wait time. Prior to this revision, dispensers were required to submit prescription information on at least a weekly basis. Currently, approximately 10 percent of prescribers in Georgia are registered in the PDMP. House Bill 249 requires all prescribers who are not already registered in the PDMP to register by January 1, 2018. Beginning in FY 2019, prescribers will also be required to check the PDMP before prescribing Schedule II drugs or benzodiazepines.<sup>2</sup> Prescribers are currently encouraged to check the PDMP before prescribing Schedule II drugs or benzodiazepines, but are not yet required to do so.

The transition of the PDMP is an ongoing collaboration between GDNA and DPH to facilitate a successful implementation of the program at DPH. While administration of the PDMP will now fall within DPH, GDNA will remain the enforcement agency, and any violations of the rules and regulations will be investigated and reported to the appropriate licensing board.

### Improve department IDs to better track activities within the program

Accounting chartfields categorize expenditures related to specific activities within a fiscal program. GDNA only utilizes a single department ID: 41958- "Georgia Drugs and Narcotics Agency." GDNA should work with budget personnel within DCH to develop chartfields for the program's key activities, which will achieve greater fiscal accountability.

- 
1. Does not include approximately 1,200 drug wholesalers or 500 drug researchers in the state.
  2. Benzodiazepines are classified as schedule IV depressants, but potential exists for dependency and abuse. Benzodiazepines are most commonly used to treat insomnia and anxiety, with Valium and Xanax being the most familiar among them.

**Department of Community Health**  
**ZBB Program: Georgia Drugs and Narcotics Agency**

**Key Activities**

| <b>Activity*</b>                  | <b>Description</b>  | <b>Authority</b>  | <b>No. of Positions</b> | <b>FY 2018 State Funds</b> | <b>FY 2018 Total Budget</b> |
|-----------------------------------|---|-------------------|-------------------------|----------------------------|-----------------------------|
| Inspections                       | Performs regulatory inspections of various facilities that sell or distribute prescription pharmaceuticals and Durable Medical Equipment (DME) facilities (non-pharmacies). | O.C.G.A. §26-4-29 | 5.5                     | \$700,750                  | \$700,750                   |
| Investigations                    | Investigates alleged violations of laws and regulations regarding prescription pharmaceuticals and DME suppliers.   | O.C.G.A. §26-4-29 | 5.5                     | 859,749                    | 859,749                     |
| Compounding Examination           | Assists the Georgia Board of Pharmacy in proctoring the prescription drug compounding examination for Georgia pharmacy students.  | O.C.G.A. §26-4-29 | 2                       | 254,820                    | 254,820                     |
| Drug and Narcotics Classification | Provides annual update to Georgia General Assembly for legislation regarding the classification of illicit substances.  | O.C.G.A. §26-4-29 |                         |                            |                             |
| Administration                    | Provides operational support for the agency's core business functions.  | O.C.G.A. §26-4-29 | 3                       | 454,727                    | 454,727                     |
| <b>Total</b>                      |   |                   | 16                      | \$2,270,046                | \$2,270,046                 |

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

**Department of Community Health  
ZBB Program: Georgia Drugs and Narcotics Agency**

**Financial Summary**

| <b>Objects of Expenditure</b> | <b>Expenditures</b> |                    | <b>FY 2018</b>        |
|-------------------------------|---------------------|--------------------|-----------------------|
|                               | <b>FY 2016</b>      | <b>FY 2017</b>     | <b>Current Budget</b> |
| Personal Services             | \$1,468,393         | \$1,552,836        | \$1,996,214           |
| Regular Operating Expenses    | 144,775             | 108,000            | 89,632                |
| Motor Vehicle Purchases       | 98,225              | 27,306             |                       |
| Equipment                     |                     |                    |                       |
| Computer Charges              | 158,314             | 159,000            | 30,717                |
| Real Estate Rentals           | 84,368              | 84,368             | 72,500                |
| Telecommunications            | 76,592              | 108,018            | 70,983                |
| Contractual Services          | 32,086              | 29,412             | 10,000                |
| <b>Total Expenditures</b>     | <b>\$2,062,753</b>  | <b>\$2,068,940</b> | <b>\$2,270,046</b>    |
| <b>Fund Type</b>              |                     |                    |                       |
| State General Funds           | \$2,000,857         | \$2,037,101        | \$2,270,046           |
| Other Funds                   | 25,838              | 31,839             |                       |
| Federal Funds                 | 36,058              |                    |                       |
| <b>Total Funds</b>            | <b>\$2,062,753</b>  | <b>\$2,068,940</b> | <b>\$2,270,046</b>    |
| <b>Positions</b>              | 12                  | 13                 | 16                    |
| <b>Motor Vehicles</b>         | 12                  | 12                 | 12                    |

**Department of Community Health**  
**ZBB Program: Georgia Drugs and Narcotics Agency**

**Performance Measures**

**Agency Mission:**

The Department of Community Health provides access to affordable, quality health care, through effective planning, purchasing, and oversight.

**Program Purpose:**

The purpose of this program is to protect the health, safety, and welfare of the general public by providing an enforcement presence to oversee all laws and regulations pertaining to controlled substances and dangerous drugs.

| Performance Measures   | Actuals |         |         |         |
|--|---------|---------|---------|---------|
|  | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Number of inspections conducted for the Georgia State Board of Pharmacy | 1,551   | 1,429   | 1,364   | 1,591   |
| 2. Number of investigations and complaints of Board registrants            | 460     | 370     | 427     | 345     |
| 3. Number of all other investigations                                      | 105     | 135     | 204     | 131     |



# FY 2019 Zero-Based Budget Analysis

## Department of Community Supervision ZBB Program: Departmental Administration

### Executive Summary

- The Departmental Administration program of the Department of Community Supervision delivers fiscal management, human resources, information technology, executive operations, and business operations services to the agency's ten facilities and its administratively attached agency.
- The agency should examine information technology staffing and identify additional areas where service delivery could be improved. Contracted services should be compared with staffing numbers against workload to identify an efficient ratio.
- The department should report new performance measures to more effectively demonstrate the workload and efficiency of the program.

### Program Overview

The Department of Community Supervision (DCS) is responsible for the supervision of adult felony offenders; in Fiscal Year 2016 alone, the Department oversaw 224,000 offenders. The agency aims to reduce the state's recidivism rate and promote efficient and effective guiding principles for parolees and probationers.

In May 2015, Governor Deal signed House Bill 310 which created the Department of Community Supervision by transferring the supervision of parolees, probationers, and Class A and B juveniles to the newly formed agency. Additionally, the oversight of private and governmental misdemeanor probation was similarly transferred to the Board of Community Supervision created under DCS by House Bill 310.

The Departmental Administration program includes 71 employees who support and manage 2,264 agency employees, ten facilities, and 721 vehicles. This program's budget comprises 5.1 percent of the agency's \$182.4 million total budget. The purpose of the program is to provide administrative support for the other three agency programs which includes: Field Services, Office of Transition, Support and Reentry, and Misdemeanor Probation. Primary program activities include financial management, human resources, information technology, executive operations, and business operations. DCS provides all administrative services for the attached agency, the Georgia Commission on Family Violence. Additionally the Department provides several administrative functions for the State Board of Pardons and Paroles (SBPP).

#### Financial Management

The program conducts budget, accounting, and procurement services to ensure all state and federal requirements are met. DCS provides procurement services for SBPP as well as all administrative functions for the Georgia Commission on Family Violence at no charge to the Commission. Accounts payable and payroll functions are contracted to the State Accounting Office.

#### Human Resources (HR)

Twelve positions under HR encompass benefits administration, employee relations, personnel transactions, and also provide strategic and operations services for recruitment. In an effort to maximize efficiency, HR has recently implemented mass hire events for officer positions. This allows applicants to interview, take health and

psychological screenings, drug test, and receive a background check on the same day. This has dramatically reduced the agencies time to fill needed positions.

### Information Technology (IT)

IT accounts for one-third of the program's staffing and budget. Given recent technological upgrades, one project goal would allow for the development of geospatial tracking systems as well as information support. Portions of the IT workload -specifically focusing on application development, help desk, and network architecture- are contracted out, though DCS is not a part of the Georgia Enterprise Technology Services program.

### Executive Operations

Executive operations incorporates executive leadership such as the Commissioner, Assistant Commissioner, twelve division directors, and supporting staff. It also includes legal services, communications, governmental affairs, internal investigations, strategic planning, and research.

### Business Operations

As the smallest portion of the program budget, this activity contains facility and fleet maintenance and management for the agency's ten locations and 721 vehicles, as well as telecommunication support, and oversight of the agency's risk management and surplus property programs. This function includes the agency coordination and management while the actual maintenance is conducted under the Field Services program.

## **Results and Recommendations**

### Evaluate IT Position Count

When offender supervision was transferred to DCS, Parole and Probation programs utilized two separate IT systems to log case notes, effectively doubling the workload on officers. One of the primary projects of the IT staff involved streamlining the two functions to one program in order to create efficiencies. DCS similarly completed a migration to Chromebook and Google based cloud software in an efforts to streamline technology use.

In an effort to maximize efficiency, a significant portion of IT work was contracted to assist with performing application development for the DCS case management system; this contract not only provides the specialized skills needed for this program, it also reduces the administrative burdens on staff as they serve a growing agency.

Beginning in Fiscal Year 2018, the IT contract for the development of the a case management system will be paid out of the Field Services program because the PORTAL case management system will be used in the Field Services program. The funds remaining in Departmental Administration after this shift should be utilized for program staffing. With these aspects in mind and in order for the agency to align with similar programs, the number of information technology positions should be evaluated. This will ensure that workload responsibilities and requirements reflect accurately in the program position count and funding.

### New performance measures should be added

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; they should also be appropriate and relevant to the policy goals of the agency and state as a whole. During the ZBB process, new measures were developed for the program to better track performance. All additional performance measures are consistent with other Departmental Administration programs.

- Percentage of Electronic Payments by ACH
- Number of Audit Findings
- Agency Turnover Rate
- Percentage of Transactions Processed on behalf of attached agencies
- Number of Open Records Requests fulfilled
- Number of IT service requests

**Department of Community Supervision  
ZBB Program: Departmental Administration**

**Key Activities**

| Activity*              | Description  | Authority        | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|------------------------|--|------------------|------------------|---------------------|----------------------|
| Financial Management   | Provides budget, revenue, procurement, and accounting support to the agency and attached agency; ensures that federal and state requirements are met; reports financial and tax information.   | O.C.G.A. §42-3-5 | 15               | \$1,694,875         | \$1,694,875          |
| Human Resources        | Provides both operational and strategic services for recruitment and selection of new hires; oversees benefit administration; provides support and assistance to agency employees. Accounts payable and payroll functions are contracted to the State Accounting Office.   | O.C.G.A. §42-3-5 | 12               | 1,259,814           | 1,259,814            |
| Information Technology | Provides server infrastructure, application support and development, hardware troubleshooting, and network services to the agency, the State Board of Pardons and Paroles, and the Georgia Commission on Family Violence. Portions of application development, help desk, and network architecture are contracted out. | O.C.G.A. §42-3-5 | 23               | 3,279,192           | 3,279,192            |
| Executive Operations   | Provides executive leadership, legal services, communications, government affairs, internal investigations, strategic planning, and research to the agency.  | O.C.G.A. §42-3-5 | 19               | 2,890,902           | 2,890,902            |
| Business Operations    | Provides facility and fleet maintenance and management, telecommunication support, and oversight of the agency's risk management and surplus property programs.  | O.C.G.A. §42-3-5 | 2                | 281,749             | 281,749              |
| <b>Total</b>           |  |                  | 71               | \$9,406,532         | \$9,406,532          |

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

**Department of Community Supervision  
ZBB Program: Departmental Administration**

**Financial Summary**

| <b>Objects of Expenditure</b> | <b>Expenditures</b> |                    | <b>FY 2018</b>        |
|-------------------------------|---------------------|--------------------|-----------------------|
|                               | <b>FY 2016</b>      | <b>FY 2017</b>     | <b>Current Budget</b> |
| Personal Services             | \$5,806,617         | \$7,080,649        | \$7,181,025           |
| Regular Operating Expenses    | 557,178             | 439,482            | 345,291               |
| Motor Vehicle Purchases       |                     |                    |                       |
| Equipment                     |                     | 57,998             |                       |
| Computer Charges              | 273,868             | 396,160            | 280,070               |
| Real Estate Rentals           | 350,490             | 301,798            | 301,797               |
| Telecommunications            | 193,650             | 187,667            | 222,000               |
| Contractual Services          | 1,573,120           | 968,651            | 1,076,349             |
| <b>Total Expenditures</b>     | <b>\$8,754,923</b>  | <b>\$9,432,405</b> | <b>\$9,406,532</b>    |
| <b>Fund Type</b>              |                     |                    |                       |
| State General Funds           | \$8,284,512         | \$8,901,900        | \$9,406,532           |
| Other Funds                   | 300,141             | 352,515            |                       |
| Federal Funds                 | 170,270             | 177,990            |                       |
| <b>Total Funds</b>            | <b>\$8,754,923</b>  | <b>\$9,432,405</b> | <b>\$9,406,532</b>    |
| <b>Positions</b>              | 48                  | 62                 | 71                    |
| <b>Motor Vehicles</b>         | 0                   | 0                  | 0                     |

**Department of Community Supervision  
ZBB Program: Departmental Administration**

**Performance Measures**

**Agency Mission:**

The Department of Community Supervision protects and serves all Georgia citizens through effective and efficient offender supervision in our communities, while providing opportunities for successful outcomes.

**Program Purpose:**

The purpose of this program is to provide administrative support for the agency.

| Performance Measures   | Actuals  |          |         |         |
|--|----------|----------|---------|---------|
|  | FY 2014* | FY 2015* | FY 2016 | FY 2017 |
| 1. Percentage of electronic payments by ACH (New)                          | N/A      | N/A      | 81.00%  | 80.91%  |
| 2. Number of audit findings (New)  | N/A      | N/A      | 0       | N/A     |
| 3. Agency turnover rate (New)  | N/A      | N/A      | N/A     | 13.09%  |
| 4. Percentage of transactions processed on behalf of attached Agency (New) | N/A      | N/A      | 5.76%   | 6.00%   |
| 5. Number of open records requests fulfilled (New)                         | N/A      | N/A      | N/A     | 338     |
| 6. Number of IT service requests (New)                                     | N/A      | N/A      | 10,456  | 8369    |



# FY 2019 Zero-Based Budget Analysis

## Department of Community Supervision ZBB Program: Misdemeanor Probation

### Executive Summary

- The purpose of this program is to ensure a fair and just misdemeanor probation system in Georgia by ensuring state laws, rules, and regulations are being adhered to by governmental and private probation service providers.
- Two positions should be transferred from the Field Services program to the Misdemeanor Probation program to accurately reflect the budget, expenditures, and position counts within the program.
- The Department of Community Supervision should evaluate implementation of a centralized database for quarterly reporting and case management efficiencies.
- The agency should report new performance measures and update existing performance measures to better reflect the workload, efficiency, and effectiveness of the program.

### Program Overview

The Department of Community Supervision (DCS) established the Misdemeanor Probation program to implement the rules and regulations of the DCS Board and to provide oversight to all misdemeanor probation providers in Georgia, including both private and governmental entities. While the supervision responsibility of misdemeanor probation cases does not belong to DCS, they provide the oversight to the misdemeanor probation system. The program also provides training to misdemeanor probation providers to ensure awareness of new rules and regulations that govern their business operations.

Compliance and registration staff of the Misdemeanor Probation Oversight Unit (Unit) ensure misdemeanor probation providers are adhering to state laws and Board rules and regulations. Each provider is registered with the Unit and audited for compliance. The requirements to be enrolled with the Unit and pass the audit process include criminal background checks of all employees within a probation entity, training and educational requirements mandated by statute and Board rules, service agreement compliance, offender case management and supervision review, and documentation including fee collection, compliance, and reporting. The program also provides training to misdemeanor probation providers to ensure they are aware of new rules and regulations that govern their business operations.

The Misdemeanor Probation Oversight Unit's focus is to develop business processes and quality assurance tools for providers. The new processes involve the use of technology and efficiencies to allow all providers and their employees to be audited on an annual basis. Both provider and individual registration is now conducted each year to ensure compliance with statute, Board rules, and to ensure proper supervision of misdemeanor probationers.

There are currently 78 providers of which 48 are governmental providers and 30 are private providers. These providers together have over 1,000 employees. This program also provides courts, who contract with misdemeanor probation providers, with audit outcomes and findings, as well as annual reports, as the contracts are completed. There are 767 misdemeanor probation contracts statewide.

Misdemeanor probation providers are required to submit quarterly activity reports to DCS that include number of probationers under supervision, amount of fines, fees, and restitution collected, number of community service hours performed, etc. Reports are currently submitted through an online application in the DCS Georgia Reentry Web

Portal (Portal). The Portal is the statewide community supervision repository and information system that is used to supervise felony probationers and parolees.

## **Results and Recommendations**

### Transfer misdemeanor program staff to the appropriate program.

The Director of Misdemeanor Probation and the Training Coordinator are budgeted in the Field Services program. The agency should transfer \$248,198 and two positions to accurately align job function with budget, expenditures, and position count within the appropriate program.

### Evaluate the use of a centralized database for efficiency.

In addition to putting information into the portal, misdemeanor probation providers are also using their own in-house case management systems or contracting with third-party vendors for case management software. There are six different case management systems utilized among the providers contracting with outside vendors. The process of entering information into several systems is redundant and creates an opportunity for errors. The current process also does not take into account probationers who may be under supervision in multiple jurisdictions, thus inflating the true misdemeanor probation population in Georgia as data is not synced between providers. The lack of standardization has proven to be problematic and sometimes creates delays in providing information for compliance staff when attempting to obtain financial records and individual case management entries for review.

To ensure efficiency and data integrity in misdemeanor probation oversight, the agency should evaluate the value or effectiveness of a centralized database with the ability to be integrated with other systems. This would provide real-time updates so that providers can better document the number of probationers across all jurisdictions statewide, as well as prevent duplications in the number of probationers reported.

### Revise Performance Measures

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, a new measure was developed and evaluated to supplement existing performance measures. In addition, existing performance measures were revised to better describe the workload measures of the program. Below is a list of recommended changes to current measures as well as a new recommended performance measure.

New Measure:

- Number of trainings provided to misdemeanor probation providers

Revised Measures:

- Revise measure of percentage of on-site visits with misdemeanor probation contractor sites to:
  - Number of on-site visits with misdemeanor probation providers
- Revise measure of percentage of completed audits on misdemeanor probation contractor sites to:
  - Number of audits completed on misdemeanor probation providers
- Revise measure of percentage of contracts reviewed to:
  - Number of misdemeanor probation contracts reviewed

**Department of Community Supervision  
ZBB Program: Misdemeanor Probation**

**Key Activities**

| Activity*                 | Description   | Authority              | No. of Positions** | FY 2018 State Funds | FY 2018 Total Budget |
|---------------------------|---|------------------------|--------------------|---------------------|----------------------|
| Board Oversight           | The Board of Community Supervision is the sole entity responsible for promulgating rules and regulations regarding contracts for misdemeanor probation services, conduct of business by misdemeanor probation providers, professional standards, services to the courts, inspections and investigations into misdemeanor probation providers, and enforcement of registration requirements. | O.C.G.A. §42-8-106.1   | 0                  | \$0                 | \$0                  |
| Compliance & Registration | Ensures misdemeanor probation providers, governmental and private, are adhering to state laws and board rules and regulations. This includes reviews of contracts, employee background checks, offender supervision and case notes, and training audits.  | O.C.G.A. §42-8-100-109 | 8                  | 639,159             | 639,159              |
| Training                  | Provides training to misdemeanor probation providers to ensure they are aware of new rules and regulations that govern their business operations.   | O.C.G.A. §42-8-100-109 | 0                  | 0                   | 0                    |
| <b>Total</b>              |   |                        | 8                  | \$639,159           | \$639,159            |

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

\*\* Two positions dedicated to the Misdemeanor Probation program are currently budgeted in the Field Services program. These positions are not reflected in the position count above. These positions in addition to the eight positions listed above accomplish the activities of this program.

**Department of Community Supervision  
ZBB Program: Misdemeanor Probation**

**Financial Summary**

| <b>Objects of Expenditure</b> | <b>Expenditures</b> |                  | <b>FY 2018</b>        |
|-------------------------------|---------------------|------------------|-----------------------|
|                               | <b>FY 2016</b>      | <b>FY 2017</b>   | <b>Current Budget</b> |
| Personal Services             | \$453,477           | \$544,940        | \$568,225             |
| Regular Operating Expenses    | 12,438              | 20,164           | 22,237                |
| Motor Vehicle Purchases       | 37,948              | 37,705           | 33,756                |
| Equipment                     |                     |                  |                       |
| Computer Charges              |                     | 3,216            | 1,653                 |
| Real Estate Rentals           |                     |                  |                       |
| Telecommunications            | 5,790               | 6,814            | 12,465                |
| Contractual Services          | 28,007              | 3,537            | 823                   |
| <b>Total Expenditures</b>     | <b>\$537,660</b>    | <b>\$616,376</b> | <b>\$639,159</b>      |
| <b>Fund Type</b>              |                     |                  |                       |
| State General Funds           | \$537,660           | \$616,376        | \$639,159             |
| <b>Total Funds</b>            | <b>\$537,660</b>    | <b>\$616,376</b> | <b>\$639,159</b>      |
| <b>Positions</b>              | 5                   | 8                | 8                     |
| <b>Motor Vehicles</b>         | 3                   | 3                | 3                     |

**Department of Community Supervision  
ZBB Program: Misdemeanor Probation**

**Performance Measures**

**Agency Mission:**

The Department of Community Supervision protects and serves all Georgia citizens through effective and efficient offender supervision in our communities, while providing opportunities for successful outcomes.

**Program Purpose:**

The purpose of this appropriation is to provide regulation of all governmental and private misdemeanor providers through inspection and investigation.

| Performance Measures   | Actuals  |          |         |         |
|--|----------|----------|---------|---------|
|  | FY 2014* | FY 2015* | FY 2016 | FY 2017 |
| 1. Number of on-site visits with misdemeanor probation providers (revised) | N/A      | N/A      | N/A     | 46      |
| 2. Number of audits completed on misdemeanor probation providers (revised) | N/A      | N/A      | N/A     | 41      |
| 3. Number of misdemeanor probation contracts reviewed (revised)            | N/A      | N/A      | N/A     | 175     |
| 4. Number of trainings provided to misdemeanor probation providers (New)   | N/A      | N/A      | N/A     | N/A     |

\*Agency not in existence until FY 2016.



# FY 2019 Zero-Based Budget Analysis

## Department of Community Supervision ZBB Program: Commission on Family Violence

### Executive Summary

- The Commission on Family Violence provides for the study and evaluation of needs and services relating to family violence in Georgia; develops models for community task forces on family violence; and develops standards to be used in the certification and the regulation of Family Violence Intervention Programs.
- The Department of Community Supervision should revise current performance measures to better demonstrate the workload and efficiencies of the program.

### Program Overview

The Commission on Family Violence (COFV) is administratively attached to the Department of Community Supervision. It collaborates with communities across Georgia to provide leadership and guidance in strengthening statewide efforts to reduce family violence. The Commission is comprised of legislators, judges, victim advocates, as well as other appointed individuals. It was established by the General Assembly during the 1992 legislative session. Since that time, COFV has worked to reduce family violence in the state through the criminal justice process. COFV develops models for community task forces on family violence and establishes standards to be used in the certification and the regulation of Family Violence Intervention Programs (FVIP).

COFV is statutorily responsible for the certification and monitoring of FVIPs. A FVIP is a 24-week program that is imposed on a defendant for an offense involving family violence and is designed to rehabilitate family violence offenders. Individuals can participate in the program voluntarily or as a condition of sentencing. There are over 100 certified FVIPs in Georgia with over 170 locations statewide.

Currently, COFV collects two primary fees. The first fee is paid to COFV by the offender. Each offender placed in a FVIP will pay a \$20 fee to COFV at the time of registration. The second fee of \$150 is paid to COFV by the FVIP for certification and recertification. FVIPs must recertify with the Commission on Family Violence every two years.

The COFV is also required to provide training and continuing education on family violence, to develop models for community task forces on family violence, and to make recommendations for education and training for law enforcement, prosecuting attorneys, and members of the judiciary. The COFV provides trainings to state and local agencies and community partners, and hosts the annual Georgia Family Violence Conference.

COFV is expected to be the state expert on the criminal justice aspects of family violence and is responsible for the development of the Georgia State Plan to End Family Violence. This document contains information and findings made by the commission in regards to family violence in Georgia and the plan to eliminate it. COFV researches available data on family violence from the Georgia Bureau of Investigation and the court system. That research can lead to potential legislative changes, to recommendations on the availability of services in an area, or to new training methods on family violence.

## **Results and Recommendations**

### Determine if fee structure needs updating

The two fees that the Commission on Family Violence collects from Family Violence Intervention Programs have remained the same since 2004. The Department of Community Supervision and the Commission on Family Violence should evaluate if the fee needs modification since it has not been updated in over 10 years.

### Revise Performance Measures

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, a new measure was developed and evaluated to supplement existing performance measures. In addition, existing performance measures were revised to better describe the workload measures of the program. Below is a list of recommended changes to current measures as well as a new recommended performance measure.

#### New Measures:

- Number of Family Violence Intervention Programs certified in Georgia
- Number of individuals trained on family violence awareness
- Number of active family violence task forces

#### Revised Measures:

- Revise measure of Percentage of on-site visits of Family Violence Intervention Programs to:
  - Number of site visits of Family Violence Intervention Programs
- Revise measure of Percentage of family violence task forces supported receiving technical assistance to:
  - Number of family violence task forces supported receiving technical assistance

**Department of Community Supervision**  
**ZBB Program: Commission on Family Violence**

**Key Activities**

| Activity*  | Description  | Authority                                     | No. of Positions** | FY 2018 State Funds | FY 2018 Total Budget |
|--|--|---|--------------------|---------------------|----------------------|
| Family Violence Research and Analysis                            | Collects and analyzes statewide family violence data to draft potential legislation, develop trainings, and draft the state plan to end family violence.   | O.C.G.A. §19-13-31, O.C.G.A. §19-13-34        | 2                  | \$178,192           | \$238,192            |
| Certify and Monitor Family Violence Intervention Programs (FVIP) | Provides oversight of FVIPs in the state by developing and disseminating standards, conducting training for service providers, and performing compliance audits to ensure all program fidelity. Commission on Family Violence (COFV) is responsible for the investigation of complaints against FVIPs and is empowered to revoke a FVIP's license should the program be found to be in non-compliance. COFV currently collects fees from FVIP certifications and re-certifications, as well as a offender fee. | O.C.G.A. §19-13-10 through O.C.G.A. §19-13-17 | 2.5                | 222,741             | 222,741              |
| External Services  | Provides services, trainings, and technical assistance to community task forces, state agencies, and other partners. These partnerships with judicial and law enforcement agencies and the community empower COFV to create a unified approach to combating family violence in the state.  | O.C.G.A. §19-13-34                            | 1.5                | 133,644             | 308,644              |
| <b>Total</b>   |  |   | 6                  | \$534,577           | \$769,577            |

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

\*\* Two positions dedicated to the Misdemeanor Probation program are currently budgeted in the Field Services program. These positions are not reflected in the position count above. These positions in addition to the eight positions listed above accomplish the activities of this program.

**Department of Community Supervision**  
**ZBB Program: Commission on Family Violence**

**Financial Summary**

| <b>Objects of Expenditure</b> | <b>Expenditures</b> |                  | <b>FY 2018</b>        |
|-------------------------------|---------------------|------------------|-----------------------|
|                               | <b>FY 2016</b>      | <b>FY 2017</b>   | <b>Current Budget</b> |
| Personal Services             | \$301,409           | \$429,799        | \$460,776             |
| Regular Operating Expenses    | 26,487              | 69,001           | 15,293                |
| Motor Vehicle Purchases       | 18,974              | 18,853           |                       |
| Equipment                     |                     | 7,996            |                       |
| Computer Charges              | 3,650               | 11,606           | 2,150                 |
| Real Estate Rentals           | 3,305               |                  | 13,500                |
| Telecommunications            | 4,534               | 9,096            | 3,056                 |
| Contractual Services          | 135,260             | 330,810          | 257,002               |
| Grants and Benefits           |                     |                  | 17,800                |
| <b>Total Expenditures</b>     | <b>\$493,619</b>    | <b>\$877,161</b> | <b>\$751,777</b>      |
| <b>Fund Type</b>              |                     |                  |                       |
| State General Funds           | \$372,275           | \$334,430        | \$534,577             |
| Other Funds                   | 42,725              | 391,211          | 125,000               |
| Federal Funds                 | 78,619              | 151,520          | 110,000               |
| <b>Total Funds</b>            | <b>\$493,619</b>    | <b>\$877,161</b> | <b>\$769,577</b>      |
| <b>Positions</b>              | 3                   | 5                | 6                     |
| <b>Motor Vehicles</b>         | 1                   | 1                | 1                     |

**Department of Community Supervision  
ZBB Program: Commission on Family Violence**

**Performance Measures**

**Agency Mission:**

The Department of Community Supervision protects and serves all Georgia citizens through effective and efficient offender supervision in our communities, while providing opportunities for successful outcomes.

**Program Purpose:**

The purpose of this appropriation is to provide regulation of all governmental and private misdemeanor providers through inspection and investigation.

| Performance Measures  | Actuals  |          |         |         |
|---|----------|----------|---------|---------|
|   | FY 2014* | FY 2015* | FY 2016 | FY 2017 |
| 1. Number of Family Violence Intervention Programs certified in Georgia           | 99       | 105      | 110     | 112     |
| 2. Number of site visits with Family Violence Intervention Programs (Revised)     | N/A      | N/A      | N/A     | 20      |
| 3. Number of individuals trained on family violence awareness                     | N/A      | N/A      | N/A     | 1,825   |
| 4. Number of active family violence task forces                                   | N/A      | N/A      | N/A     | 38      |
| 5. Number of family violence task forces receiving technical assistance (Revised) | N/A      | N/A      | N/A     | N/A     |

\*Agency not in existence until FY 2016.



# FY 2019 Zero-Based Budget Analysis

## Department of Corrections ZBB Program: State Prisons

### Executive Summary

- The State Prisons program is responsible for providing housing, academic education, religious support, vocational training, counseling, and substance abuse treatment for violent and/or repeat offenders, or non-violent offenders who have exhausted all other forms of punishment in a secure, well-supervised setting.
- The State Prison program also assists in the reentry of offenders back into society. Lastly, the program provides fire services and work details to the department, state agencies, and local communities.
- One Residential Substance Abuse Treatment Detention Center and two Integrated Treatment Facilities should be transferred to the Detention Centers program to accurately reflect the budget, expenditures, and position count in the appropriate program.
- The Department of Corrections should update performance measures in the program to better describe the workload, efficiency, and effectiveness of the program.

### Program Overview

The State Prisons program is responsible for providing secure housing for approximately 51,500 felony offenders sentenced to serve time in Georgia's prison system. This program is critical to the criminal justice system as it enables the state of Georgia to enforce laws by providing a safe, secure option for the custodial supervision of convicted felons that have been sentenced to a period of incarceration. State prisons protect the public by effectively operating these facilities. In addition to housing offenders, the program provides various education, vocation, and counseling services for offenders to help prepare them to become productive citizens upon their return to society. The State Prisons program has six core responsibilities: academic services, risk reduction and reentry services, operations and support, security operations, work details, and administrative support.

#### Academic Services

The State Prisons program provides academic education, vocational education, and on-the-job training (OJT) opportunities for offenders. The goal is to prepare them to become productive citizens upon returning to society. Academic education classes at the Georgia Department of Corrections (GDC) are offered to 5,500 to 6,000 offenders daily. General and special education classes including Adult Basic Education, Literacy/Remedial Reading, English as a Second Language, and other classes are classroom-based. Courses are delivered by part-time and full-time GDC teachers and instructors from local area technical colleges. The program also provides GED preparation, testing, and completion, as well as academic credit courses for offenders pursuing their high school diploma through the Charter High School Program. In FY 2017, 1,624 GEDs were earned by offenders. In partnership with Foothills Education Charter School, two charter high schools were developed in 2015 to allow offenders the opportunity to complete their high school education and obtain their diplomas rather than earning a GED. A total of 112 offenders have graduated from the charter high school program. FY 2017 had the largest graduating class with 55 graduates. With continued success in this area, an additional male charter high school with enrollment of 60 students was added in the fall of 2017 at Phillips State Prison.

GDC also offers vocational and OJT programs for a variety of skill areas to provide offenders with specific job instruction, technical skills, and soft skill competencies critical to finding and maintaining employment. These skills are transferable into community employment or community college programming through state and/or federally

recognized certifications upon completion. The ability to get and maintain employment is a key element to success upon release from incarceration. Employment instills a sense of purpose and self-esteem; being able to support themselves can guide former inmates on the path of a law-abiding life, resulting in a lower recidivism rate. The average monthly enrollment for vocational and OJT programs for FY 2017 was 3,768 offenders. In FY 2017, a total of 4,805 vocational and OJT program certificates were earned.

### Risk Reduction & Re-entry Services

This program is responsible for providing opportunities for offenders to achieve positive change in the areas of substance abuse treatment, counseling programs, religious support, and re-entry programs to promote successful transition back to the community after incarceration.

GDC is constitutionally mandated to offer risk reduction programming and implement programs that target crime-producing behavior. Risk reduction services include cognitive-behavioral therapy, counseling, research, evaluation, assessment development, and substance abuse treatment. The program provides behavioral health and substance abuse counseling to offenders as well as implementation of individual treatment plans that address the specific needs of the offenders with the goal of rehabilitation and prevention. These programs are designed to change criminal thinking and behavior and address substance abuse issues for offenders who have a history of substance abuse leading to crime-producing behavior.

In April 2016, Lee State Prison was designated Georgia's first program prison. The facility utilizes research-based methods to reduce recidivism as well as improve offender behavior and best practices among staff. Methods include offering offender programs and changes in offender supervision philosophy and practices. Additionally, offenders work with local community partners to increase their opportunities to return to their families and communities as productive citizens. Since the program prison was created, disciplinary reports dropped by over 50 percent.

The program also provides chaplaincy services and access to pastoral care for offenders to ensure protection of offenders' First Amendment religious rights. Chaplaincy services coordinates worship services for multi-faith and culturally diverse groups, provides pastoral and crisis intervention counseling, facilitates religious instruction among various faith groups, and offers spiritual guidance. In addition, chaplaincy staff provide training and oversight to community volunteers who assist the offender population by providing resources and connecting them with service providers in their communities to prepare them for their transition from custody back to society.

The agency offers a faith and character-based program, designed to equip participating offenders to explore and choose alternatives to criminal thinking and behavior through emphasis on spiritual, moral, and character development, community service, family relationships, and life skills training. The goal is to meet the needs of the offender population, their families, and their communities, enhance existing programs, and involve the community in the re-entry efforts. Currently, Walker State Prison serves as the only faith and character-based facility; however, most medium and large facilities have faith and character based dormitories. The current recidivism rate for the participants in the faith and character-based program is less than five percent.

Through its re-entry services unit, the agency assists offenders with obtaining identification, housing, employment, clothing, transportation, food, money management, medical care, legal assistance, education, family reunification, parental accountability, restoration of rights, and community supervision upon their release from incarceration. According to the Bureau of Justice Statistics, at least 95 percent of all state prisoners will return to society at some point. In Georgia, 26.6 percent of offenders will return to prison with new charges within three years of release. The primary focus of this unit is to assist offenders in becoming productive members of society upon release and link offenders to program services necessary for successful transition and reentry into the community. The unit builds collaborative partnerships through interagency agreements with federal and state agencies, local governments, and community organizations to optimize the services provided with external stakeholders and service providers that support offender transition to the community.

### Operations and Support

The State Prisons program budgets funds for the operations and support of the facilities within this program. Basic facility operations, inmate store operations, food operations, care and custody services, and diagnostic activities are included in the budget.

Facility operations provide maintenance and operational support to all state prison facilities. Store operations provide and deliver inmate commissary products and services for the inmate offender population. Food operations prepare and serve food that meets the statutorily required level of nutrition and dietary needs for all offenders under GDC supervision. Diagnostic activities consist of the testing and processing of all sentenced felony offenders when they are first admitted into the state correctional system. Health screenings, risk assessments, education assessments, and other tests are used to identify the needs of the offender. This information is then used in the Offender Management program to determine the optimal placement for each offender.

### Security Operations

Security operations provide security and oversight within all state prison facilities to ensure a safe and secure environment for offenders, correctional staff, and the public. This function is also responsible for providing supervision during transportation of offenders to and from various appointments and work sites as needed. Security must be provided 24 hours per day, 365 days a year. These positions maintain security and inmate accountability to prevent disturbances, assaults, and escapes. To help ensure that inmates are orderly and obey rules, correctional officers monitor the activities and supervise the work assignments of inmates. They must search inmates and their living quarters for contraband like cell phones, weapons, or drugs, settle disputes between inmates, and enforce discipline. Correctional Officers periodically inspect the facilities for unsanitary conditions, contraband, fire hazards, and any evidence of infractions of rules. Additionally, they routinely inspect locks, windows, doors, and gates for signs of tampering.

Offenders are assigned to a security level by the Next Generation Assessment (NGA) upon intake into the prison system. The system utilizes factors such as the offender's sentence, nature of the crime, criminal history, history of violence, and medical and treatment risks and needs. There are three classification levels: close security, medium security, and minimum security inmates. The classification process is carried out by the Offender Management program. Security levels determined during this process drive which prison an offender will be housed. Of the 33 state prisons, seven facilities are categorized as close security where approximately 9,400 inmates are housed. Close security facilities house offenders that other facilities cannot handle due to behavioral issues. Close security offenders are considered escape risks, have assaultive histories, and may have detainers for other serious crimes on file. These offenders are not eligible for outside work details and require supervision at all times by a correctional officer. Close security facilities also house tiered segregation units for offenders needing a more secure, monitored environment. The tiered approach enhances security management and implementation of needs-based programming of long-term administrative segregation offenders, providing a path for them to successfully transition to lower security levels or less restrictive housing.

There are 20 medium security prisons in Georgia that house medium and minimum security offenders. Medium security level represents the largest category of offenders, housing approximately 19,500 inmates. These offenders have no major adjustment problems and most may work outside the prison fence but must be under constant supervision. Minimum security offenders tend to abide by prison regulations, present a minimal risk of escape, have been judged to be a minimal threat to the community, and may work outside the prison with minimal supervision. Minimum security offenders are eligible for transitional center referrals if proven to be trustworthy, cooperative, and have no drug or alcohol problems. Minimum security offenders are housed at medium and close security facilities to perform job functions around the facility that medium and close security offenders cannot complete due to security risks.

GDC has six special mission facilities to help best meet the needs of certain offenders. These facilities house approximately 8,500 inmates, and provide specialized services that range from acute care and surgical services to diagnostics and housing offenders under death sentence. In addition, these facilities fit the needs of prison populations that require specialized programming such as housing juvenile offenders adjudicated as adults, strategic intervention programming, and faith and character-based programming.

In 2011, Georgia began pursuing criminal justice reforms to improve the state's criminal justice system by addressing the state's growing prison population and increasing correctional costs. At that time, Georgia's prison population was projected to rise to 60,000 by the end of 2016. In the last five years, Georgia has implemented community-based alternatives to incarceration for non-violent offenders and passed sentencing reforms to raise weight and dollar thresholds for non-violent drug and property crimes, respectively. Reform efforts have been

successful in decreasing the overall prison population by diverting low-level offenders away from prison through accountability court programs. As a result, GDC has experienced an increasing percentage of the offender population being sentenced for more violent crimes and sex offenses.

This shift has created security challenges for the agency and the need for more safe and secure facilities. In the face of aging facilities and an increasingly violent population, GDC initiated hardening efforts in 2013 to improve and enhance facility infrastructure to prevent inmates from manipulating existing locking mechanisms and fixtures to obtain mobility, brand weapons, and conceal contraband. Renovations such as installation of heavy gauge steel fixtures, wall mounted beds, tray and handcuff slots, and updated lockers, light fixtures, heater vents, and shower doors were implemented at close security facilities first. The hardening project also enabled close security facilities to establish a tiered disciplinary segregation system for disruptive offenders. In addition, correctional officers assigned to tier units were issued pepper spray and stab resistant vests. The agency expanded the hardening project in 2015 to include select medium security facilities. These continued hardening measures ensure that offenders remain in a controlled setting, making the environment safer and more secure for offenders and staff.

In addition to hardening facilities, the agency continues to expand the use of technology to enhance inmate and facility security. GDC has on-going projects such as the replacement of the inmate phone system to provide additional monitoring and reporting capabilities to support investigations of suspected illegal activities, construction of new mail and package inspection areas, and installation of perimeter netting and thermal cameras designed to reduce contraband. The agency faces a significant challenge with offender access to contraband cell phones. In FY 2017, more than 6,500 contraband cell phones were found in Georgia's correctional facilities. In order to combat this issue, GDC has implemented increased security methods and utilized new technology, such as shakedown and mailroom scanners. The agency has also implemented contraband interdiction technology such as Rapid ID fingerprint identification devices to identify visitors who are on probation or parole or have active warrants, body scanners to detect contraband, CellSense cellphone and other metal contraband detection scanners, infrared cameras to view and detect heat from objects, animals, and people, and Managed Access Systems to prevent unauthorized devices from accessing wireless signals.

### Work Details

Inmate work details are another essential component of the program. Offenders who are physically capable have the opportunity to be assigned to work details. The agency utilizes inmate labor to assist with the ongoing operation of each facility to include cooking, cleaning, laundry, and making general repairs around each facility. Low risk offenders also have the opportunity to work on specialized work details including special construction projects, fire services, community work details, food and farm operations, and other Georgia Correctional Industries (GCI) manufacturing productions.

Offender construction crews serve the construction needs of the agency, other state agencies, and communities. Carefully supervised, skilled offenders are temporarily housed in nearby facilities while completing approved renovation and remodeling projects around the state. The fire services program provides fire protection to state property and local communities surrounding each prison facility across Georgia. Specially selected minimum security offenders may be chosen to work in the prison fire stations responding to prison and rural fire emergencies. Offenders receive certification through the Georgia Firefighter Standards and Training Council (GFSTC) to become firefighters. There are 19 fire stations in state prison facilities statewide with more than 220 offenders participating in the fire services work detail program. GDC fire stations respond to more than 3,000 calls annually. Under supervision, low security offenders also build, refurbish, and maintain prison and civic buildings, perform roadwork, clean public buildings and schools, and work at recycling centers and landfills as part of community work details.

With supervision provided by Correctional Officers and GCI staff, GCI factories manufacture competitive products, ranging from furniture to janitorial supplies. Offenders learn how to make, assemble, service, and distribute products in 21 factories across Georgia. More than 1,400 offenders are selected to receive on-the-job training in areas such as metal fabrication, optics, mattresses, printing and binding, motor vehicle license plates, footwear, wood furnishings, screen printing, signs and decals, upholstery, garments and linens, and chemical production. During their incarceration, they learn work ethic, job skills, and may earn a paycheck through the Prison Industries Enhancement (PIE) certification program. GCI serves multiple sectors including corrections, education, food

service, health care, parks and recreation, public safety, and transportation. The GCI manufacturing program produces over 10,000 different products.

GCI also oversees the food and farm operations for the agency, which is responsible for managing timber resources and feeding GDC's inmates. The agency utilizes approximately 5,000 offenders to work on prison farms and in food production, processing, warehousing, distribution, and preparation, while providing them with opportunities to earn on-the-job training hours. The Food and Farm program is able to produce a large portion of the food consumed by inmates, including milk, eggs, beef and vegetables, at costs as low as \$1.40 per offender. The agency also prepares and serves more than 39 million meals annually through GCI's food service operations. They provide on-site food service to training cadets, staff, and visitors at GDC headquarters.

### Administrative Support

The administrative support function provides the business support operations and necessary materials and resources to enable effective operations at the facility level, including financial, human resources, procurement, audits, compliance, clerical, and other support to the program. In addition to the facility level administrative positions, the State Prisons program also includes three regional state offices. The North, Southeast, and Southwest Regional Offices are responsible for communications between Central Office and individual prisons as well as for a broader administrative oversight. The Consolidated Banking Unit (CBU) is located in this key activity. Parolee and probationer restitution payments, court-ordered fines, and supervision fees are collected into one consolidated system managed by GDC. CBU disperses restitution payments to victims and remits unclaimed restitution payments to the Criminal Justice Coordinating Council's Crime Victim's Compensation Program. Individuals may also deposit funds to state prison inmate trusts through the consolidated banking system.

The Office of Professional Standards (OPS) department is included in administrative support. OPS supports the mission of the State Prisons program through gathering and disseminating intelligence information, conducting a variety of investigations, and ensuring adherence to standards and performance criteria. The department works closely with state, local, and federal law enforcement partners and is comprised of seven distinct units including criminal investigations, special investigations, criminal intelligence, internal affairs, fugitive apprehension unit, canine unit, and audits and compliance.

Prison Rape Elimination Act (PREA) compliance is also an important function to GDC. PREA was signed into law in 2003 and developed national standards to prevent incidents of sexual violence in prisons. The agency's PREA unit promotes awareness within the agency of zero tolerance of sexual assaults, ensuring all facilities implement guidelines and policies and are in full compliance with the national standards. The unit also has a training component to ensure GDC employees get initial training and continued education on PREA. Accreditation is also a part of the audits and compliance unit. GDC is currently in the process of obtaining national accreditation through the American Correctional Association (ACA) by improving the agency's operational effectiveness and efficiency to align policies, practices, and procedures to established national standards. There is also an Americans with Disabilities Act (ADA) component to ensure GDC facilities are in compliance with ADA standards.

## **Results and Recommendations**

### Correctional Officer Turnover

The agency relies heavily on security officers to run its facilities and have experienced exceptionally high turnover for these positions. The turnover rate for correctional officers at the agency has grown each year since 2009 and was 31 percent in 2014. GDC currently has 821 vacant correctional officer positions, with an average FY 2017 vacancy rate of over 14 percent. Recruitment and retention of security officers remains a significant cost and consistent challenge to the agency, particularly as the prison population is hardening, as they work to ensure that security posts are adequately staffed and constantly recruit and train new Correctional Officers. In FY 2015, GDC revised its pay structure to increase the starting salary of certain positions, as well as provide a tenure increase for officers with more experience. In FY 2016, GDC received funding to create a new job classification for correctional officer positions at special mission facilities. In an effort to further address turnover and demonstrate commitment to retention strategies for correctional officers, the Governor's FY 2017 budget recommended \$23.6 million in salary

increases for security officers at correctional facilities at GDC. The General Assembly funded a seven percent across-the-board salary increase to all post-certified security officers. Although adequate time has not passed to fully assess the impact of the salary increases, the agency has seen a decrease in Correctional Officer turnover from 30.18 percent in FY 2016 to 26.81 percent in FY 2017.

**GDC Corrections Officer Starting Salaries**

| Positions                     | Pre-Raise | Post-Raise | % Change |
|-------------------------------|-----------|------------|----------|
| <b>Correctional Officer 1</b> | \$ 24,322 | \$ 27,936  | 15%      |
| <b>Correctional Officer 2</b> | \$ 27,472 | \$ 31,040  | 13%      |
| <b>Sergeant</b>               | \$ 29,690 | \$ 35,479  | 19%      |
| <b>Lieutenant</b>             | \$ 32,659 | \$ 37,558  | 15%      |
| <b>Captain</b>                | \$ 32,659 | \$ 40,570  | 24%      |

Transfer RSAT and ITF Facilities to the Detention Centers Program

Residential Substance Abuse Treatment (RSAT) Detention Centers provide a nine-month program targeting high risk, high needs probationers with a history of chronic substance abuse and dependence issues. Similarly, Integrated Treatment Facilities (ITF) provide a nine-month program targeting dual diagnosis probationers with a history of substance abuse and mental health issues. Currently, the budget, expenditures, position count, and vehicles of three stand-alone facilities that house probationers are reflected in the State Prisons program. These facilities include Turner RSAT Detention Center, Appling ITF, and West Central ITF. The agency should transfer \$10,958,963 and 138 positions from the State Prisons program to the Detention Centers program to accurately reflect the budget, expenditures, and position count of these facilities in the appropriate program.

Revise Performance Measures

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, new measures were developed and evaluated to supplement existing performance measures.

The following new performance measures will help track the agency’s State Prisons operation. Performance measures should be updated annually.

New Measures:

- General population bed utilization rate
- Number of inmates enrolled in GED programs
- Number of inmates enrolled in vocational and on-the-job training certificate programs
- Number of vocational and on-the-job training programs offered across all state prison facilities
- Number of charter high school diplomas earned
- Number of inmates enrolled in charter high school programs

In addition, the agency should revise the following performance measures to provide more descriptive efficiency and workload measures of the State Prisons program.

Revised Measures:

- Revise measure of Occupancy rate to:
  - Physical utilization rate
- Revise measure of Number of inmates earning vocational training certificates to:
  - Number of vocational and on-the-job training certificates earned

**Department of Corrections**  
**ZBB Program: State Prisons**

**Key Activities**

| Activity*                         | Description  | Authority  | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|-----------------------------------|--|--|------------------|---------------------|----------------------|
| Academic Services                 | Provides opportunities for offenders in the areas of academic education, vocational education, and special education to prepare offenders to become more productive citizens upon their return to society.   | O.C.G.A. §42-2-5, 42-2-5.1, 42-2-5.2, 42-2-6, 42-5-64, 42-5-101  | 95               | \$31,655,897        | \$31,755,897         |
| Risk Reduction & Reentry Services | Provides opportunities for offenders to achieve positive change in the areas of substance abuse treatment, counseling programs, religious support, and reentry programs to promote successful transition back to the community after incarceration.  | O.C.G.A. §42-2-5, 42-2-6, 42-2-8, 42-2-9, 42-2-11, 42-5-20, 42-5-21, 42-5-57, 42-5-101                                       | 448              | 11,971,393          | 11,971,393           |
| Operations & Support              | Provides maintenance and operational support to state prison facilities; provides and delivers inmate commissary products and services for the offender population; prepares and serves food that meets the statutorily required level of nutrition and dietary needs for the offenders under supervision; conducts testing and diagnostic processing of all sentenced felony offenders to begin the process of being admitted into the state prison system. | O.C.G.A. §42-2-5, 42-2-6, 42-2-8, 42-2-11, 42-5-2, 42-5-50, 42-5-52  | 1,279            | 465,324,056         | 473,491,134          |
| Security Operations               | Provides security within all state prison facilities and during transportation of offenders to and from various appointments and work details to ensure a safe and secure environment for offenders, staff, and the public.  | O.C.G.A. §42-2-8, 42-5-14, 42-5-19, 42-5-30, 42-5-34, 42-5-35, 42-5-51, 42-5-52, 42-5-53, 42-5-56, 42-5-58, 42-5-62, 42-5-63 | 6,997            | 56,437,751          | 59,421,714           |
| Work Details                      | Utilizes inmate labor to assist with various maintenance tasks connected to the ongoing operations of state prison facilities such as cooking, cleaning, laundry, or general repairs around the facilities. Offenders also have the opportunity to work on special work details such as construction projects, fire services, food and farm operations, community work details, and Georgia Correctional Industries.   | O.C.G.A. §42-5-59, 42-5-60, 42-5-60.1, 42-5-101, 42-5-120  | 120              | 5,950,889           | 7,494,451            |
| Administrative Support            | Provides all business support operations at the facility level including financial, human resources, procurement, audits, compliance, clerical, and other support to the program.  | O.C.G.A. §42-2-5, 42-2-6, 42-2-8, 42-2-9, 42-2-11, 42-5-13, 42-5-35  | 662              | 53,132,470          | 53,132,470           |
| <b>Total</b>                      |  |  | 9,601            | \$624,472,456       | \$637,267,059        |

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

**Department of Corrections**  
**ZBB Program: State Prisons**

**Financial Summary**

| <b>Objects of Expenditure</b>                | <b>Expenditures</b>  |                      | <b>FY 2018</b>        |
|--|----------------------|----------------------|-----------------------|
|  | <b>FY 2016</b>       | <b>FY 2017</b>       | <b>Current Budget</b> |
| Personal Services                            | \$466,534,925        | \$503,481,618        | \$525,978,763         |
| Regular Operating Expenses                   | 76,238,563           | 79,340,055           | 78,097,160            |
| Motor Vehicle Purchases                      | 1,860,767            | 5,448,009            | 0                     |
| Equipment                                    | 6,094,759            | 973,344              | 1,236,617             |
| Computer Charges                             | 4,290,154            | 4,439,584            | 2,285,070             |
| Real Estate Rentals                          | 117,550              | 108,427              | 131,953               |
| Telecommunications                           | 12,127,549           | 11,361,433           | 11,020,087            |
| Contractual Services                         | 13,892,158           | 19,607,230           | 17,663,486            |
| Capital Outlay                               | 17,290,996           | 30,695,813           | 53,923                |
| Energy Performance Contracts                 | 0                    | 1,088,455            | 0                     |
| Central Repair Fund                          | 3,420,189            | 5,915,623            | 800,000               |
| Other  | 1,250                | 35,350               | 0                     |
| Payments to Central State Hospital for Meals | 29,378               | 0                    | 0                     |
| <b>Total Expenditures</b>                    | <b>\$601,898,238</b> | <b>\$662,494,941</b> | <b>\$637,267,059</b>  |
| <b>Fund Type</b>                             |                      |                      |                       |
| State General Funds                          | \$569,768,211        | \$607,962,440        | \$624,472,456         |
| Other Funds                                  | \$1,849,862          | \$1,129,312          | \$100,000             |
| Federal Funds                                | \$30,280,165         | \$53,403,189         | \$12,694,603          |
| <b>Total Funds</b>                           | <b>\$601,898,238</b> | <b>\$662,494,941</b> | <b>\$637,267,059</b>  |
| <b>Positions</b>                             | 9,400                | 9,404                | 9,601                 |
| <b>Motor Vehicles</b>                        | 1,195                | 1,195                | 1,220                 |

**Department of Corrections  
ZBB Program: State Prisons**

**Performance Measures**

**Agency Mission:**

The Georgia Department of Corrections protects the public by operating secure and safe facilities while reducing recidivism through effective programming, education, and healthcare.

**Program Purpose:**

The purpose of this program is to provide housing, academic education, religious support, vocational training, counseling, and substance abuse treatment for violent and/or repeat offenders, or non-violent offenders who have exhausted all other forms of punishment in a secure, well-supervised setting; to assist in the reentry of these offenders back into society; and to provide fire services and work details to the Department, state agencies, and local communities.

| Performance Measures  | Actuals |         |         |         |
|---|---------|---------|---------|---------|
|   | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Physical utilization rate (revised)  | 105.79% | 108.20% | 109.00% | 109.07% |
| 2. Three-year felony re-conviction rate   | 26.80%  | 27.60%  | 26.40%  | 27.30%  |
| 3. Number of GED diplomas received*   | 605     | 236     | 764     | 1,624   |
| 4. Number of vocational and on-the-job training certificates earned (revised)   | 3,663   | 2,260   | 3,196   | 4,805   |
| 5. General population bed utilization rate (New)  | N/A     | N/A     | N/A     | N/A     |
| 6. Number of inmates enrolled in GED programs (New)   | N/A     | N/A     | N/A     | N/A     |
| 7. Number of inmates enrolled in vocational training and on-the-job training certificate programs (New)               | N/A     | N/A     | N/A     | N/A     |
| 8. Number of vocational and on-the-job training certificate programs offered across all state prison facilities (New) | N/A     | N/A     | N/A     | N/A     |
| 9. Number of charter high school diplomas earned (New)  | N/A     | N/A     | N/A     | N/A     |
| 10. Number of inmates enrolled in charter high school programs (New)  | N/A     | N/A     | N/A     | N/A     |

\*More rigorous GED standards contributed to fewer GED diplomas received in FY 2015.



# FY 2019 Zero-Based Budget Analysis

## Department of Economic Development ZBB Program: Governor's Office of Workforce Development

### Executive Summary

- The Governor's Office of Workforce Development program administers the federally funded Workforce Innovation and Opportunity Act, formerly known as the Workforce Investment Act.
- The Governor's Office of Workforce Development should transfer to the Technical College System of Georgia to leverage workforce development initiatives and educational resources to meet industry workforce training demands.
- The Governor's Office of Workforce Development should continue to provide the Office of Planning and Budget with updates related to the impact of the changes in Workforce Innovation and Opportunity Act.
- The program should consider additional tracking mechanisms through the use of subprograms to more clearly delineate the Governor's Office of Workforce Development's statewide and administrative activities, and local distributions when compared to state allocations.
- The program should report new performance measures to better demonstrate the program's workload, efficiency, and effectiveness.

### Program Overview

The Governor's Office of Workforce Development (GOWD) administers the federally funded Workforce Innovation and Opportunity Act (WIOA), formerly known as the Workforce Investment Act (WIA). As the administrative agency for WIOA, GOWD coordinates, among the local workforce development boards, education and training services for eligible job seekers to achieve sustainable employment opportunities. Specifically, GOWD on behalf of the State Workforce Development Board, implements statewide policies and initiatives; ensures compliance with WIOA requirements; and reports, monitors and distributes WIOA funding to the 19 Local Workforce Development Boards (LWDBs). In addition to GOWD's core responsibilities, the office supports various statewide initiatives that allow the Georgia Department of Economic Development (GDECd) to market Georgia's workforce when attracting businesses to Georgia. The purpose of this review is to evaluate the effectiveness and efficiency of the program.

### Results and Recommendations

#### *Transfer the program to the Technical College System of Georgia to consolidate workforce development*

GOWD and the Technical College System of Georgia (TCSG) both have initiatives in place with similar or complementing activities related to workforce development. TCSG identifies high-demand fields and provides training and certifications to job-seekers through its 22 colleges that are strategically placed in regional economic areas. GOWD through its statewide and local initiatives as well as its 19 LWDBs works to connect Georgians with educational resources, jobs, and prospective businesses in order to meet the needs of high demand careers. GOWD also works with TCSG and other institutions as part of its Eligible Training Provider List (ETPL) established and mandated under WIOA to provide customer-focused employment training resources for adults and dislocated workers. Transferring GOWD to TCSG would help to consolidate these efforts supporting training and workforce initiatives throughout the state and would allow prospective businesses to connect directly with job seekers being

trained in high-demand fields. As a result, the Governor's Office of Workforce Development should be transferred to the Technical College System of Georgia to leverage workforce development initiatives and educational resources to meet industry workforce training demands.

### Workforce Innovation and Opportunity Act vs. Workforce Investment Act

On July 22, 2014, WIOA was signed into law, replacing the Workforce Investment Act of 1998 and amending the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. WIOA took effect on July 1, 2015 with additional provisions taking effect July 1, 2016. Like WIA, WIOA is designed to assist states in the coordination of education, training, and support services for jobseekers with barriers to employment so they are able to gain the skills needed for sustainable careers.

Conversely, changes in the law have created a few differences for WIOA. For example, the state and local workforce board's structure still require a business majority and chair; however, the number of required members are reduced. For all core programs, WIOA requires state and local plans to be aligned, and federal performance measures for adults must be common. In addition, one-stop centers under WIOA now require states to establish criteria to evaluate continuous improvement, access to services (including virtual access), and integrated service delivery for job seekers and employers every three years. This includes key services and program partners for employers and job seekers including Wagner-Peyser Employment services and the addition of the Temporary Assistance for Needy Families (TANF) program at the one-stop centers.

WIOA also differs from WIA by codifying the elimination of the original sequence of services, which removes the requirement of individuals to receive career services prior to receiving training services. WIOA also restores the Governor's state-wide set-aside to 15 percent, which is used to administer WIOA and promote various mandatory and voluntary statewide initiatives. Lastly, all programs must account for the same core metrics. With the various changes and project partners needed to address core services throughout the state, and with the two year phase in approach, FY 2017 was the first year of WIOA's complete implementation. As a result, GDEcD should continue to provide the Office of Planning and Budget (OPB) with updates related to the impact of the changes in WIOA.

### Statewide Tracking

GOWD is the largest program within GDEcD, making up 99 percent of the agency's federal funds. The largest concentration of GOWD's funding comes from WIOA's three funding streams known as Youth, Adult, and Dislocated Workers. These funding streams allow spending for up to three years and support all state and local board activities including administration. Specifically, GOWD's administrative and statewide functions are funded through the WIOA's set-aside provision, which allows up to 15 percent from each funding stream for mandatory and optional statewide activities. This includes a limit of five percent specifically for administration. GOWD is also allowed to retain up to 25 percent of the dislocated workers' funding to establish rapid response services for employers and workers during layoffs or business closings.

With funding for WIOA programs averaging over \$80 million a year with three years to expend, tracking expenses is very important to carrying out the program's mission. As a result, the funding streams are tracked as it relates to state and local allocations; however, current tracking does not easily show the program's statewide activities compared to administrative functions. As a result, evaluating and analyzing GOWD's administrative costs compared to statewide activities are not easily discernible. GOWD should consider additional tracking mechanisms through subprograms to more clearly delineate the program's statewide and administrative activities budget and expenses.

### Local Workforce Development Board Distributions

Georgia has 19 local workforce development boards. These boards deliver services to workers and employers in their specific areas by developing strategic plans and setting priorities related to services and funding for their area. These activities and services are predominantly funded through WIOA's Youth, Adult, and Dislocated Workers funding allocations.

In accordance with federal guidance outlined in 20 C.F.R. 667.130, all local workforce development boards (including Georgia's 19 local areas) receive levels of Youth, Adult, and Dislocated Workers funding through specific distribution requirements. These funding guidelines take into account the number of unemployed individuals; the number of disadvantaged individuals; and the excess number of unemployed individuals in each local workforce area when compared to the state. As a result, GOWD currently tracks local funding distributions for each area of funding at the state and local levels. This process allows GOWD to maintain transparent reporting; however, current tracking does not easily provide a mechanism to track and compare local distributions in the aggregate to state allocations. GDEcD should consider additional tracking mechanisms through a local distribution subprogram to not only track expenses through each funding stream, but budget local distributions for local workforce boards when compared to state allocations.

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

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. Through ZBB analysis, additional measures were developed and evaluated to supplement federal program performance measures.

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

- Number of individuals served
- Number of new job seekers on the Operation: Workforce website
- Second quarter employment rate
- Fourth quarter employment rate
- Median earnings
- Credential attainment
- Measurable skill gain
- Employer retention rate
- Repeat business customers
- Number of WARN-eligible events within the fiscal year
- Rapid Response/Business downsizing assistance

**Department of Economic Development**  
**ZBB Program: Governor's Office of Workforce Development**

**Key Activities**

| Activity*                          | Description  | Authority  | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|------------------------------------|--|--|------------------|---------------------|----------------------|
| WIOA Data and Information          | Provides oversight of the Georgia Work Ready Online Participant Portal, the case management system utilized to track all participants who receive WIOA services. Oversees the Eligible Training Provider list and submission of quarterly state and local performances to USDOL.   | WIOA Sec. 134(a)(2)(B)(v), (vi).   | 4                |                     | \$1,339,029          |
| Grants Administration              | Provides financial and grants administration activities for WFD's other teams as well as providing financial processing and technical assistance to the LWDA's.  | WIOA Sec. 134(a)(2)(B)(iii), (iv), (vi).<br>WIOA Sec. 134(a)(3)(A)(xiv).                                 | 5                |                     | 566,092              |
| Compliance                         | Oversees regulatory compliance activities for the LWDA's, including Equal Opportunity compliance, Americans with Disabilities Act compliance, and compliance with Georgia Rule on WIOA. Compliance also guides the annual onsite monitoring process completed by the WIOA Programs, Grants Administration, and Compliance teams.   | WIOA Sec. 134(a)(2)(B)(iv).  | 7                |                     | 600,565              |
| Rapid Response                     | Responsible for receiving all Worker Adjustment and Retraining Notification Act (WARN) notifications and distributing them to other partners as necessary, and helping to coordinate the response activities for all separation events. Additionally, the Rapid Response team records the separation details in the online case management system so that dislocated workers can be identified by their separation event and tracked as they receive workforce services. | WIOA Sec 134(a)(2)(a).   | 6                |                     | 273,868              |
| State Workforce Initiative         | Supports and manages the High Demand Career Initiative (HDCI), TradeFive, Operation: Workforce, Georgia WorkSmart, and the Disability Employment Initiative (DEI).   | WIOA Sec. 134(a)(3)(A)(i), (iv), (ix);<br>Federal award authorized under WIOA Sec. 169:                  | 10               |                     | 1,626,303            |
| Local Workforce Development Boards | Leads effort in the local areas to identify and promote proven and promising strategies and initiatives for meeting the needs of employers, workers and job seekers, and identify and disseminate information on proven and promising practices carried out in other local areas; Assistance to the Governor in developing the statewide workforce and labor market information system.  | WIOA Sec. 134(a)(2)(B)(iii), (iv), (vi).<br>WIOA Sec. 134(a)(3)(A)(xiv). 20 CFR Part 679; 20 CFR 683.200 |                  |                     | 68,127,502           |
| Administration                     | Serves as the staff to the State Workforce Development Board's 32 members and its committees. Oversees program delivery implementation within the Local Workforce Development Areas (LWDAs) and provides technical assistance to LWDAs.  | WIOA Sec 134 (a)(2)(B)(i), (ii), (iii), (iv), (vi).<br>WIOA Sec 134 (a)(3)(A)(ii), (ix).                 | 8                |                     | 828,559              |
| <b>Total</b>                       |  |  | <b>40</b>        | <b>\$0</b>          | <b>\$73,361,918</b>  |

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

**Department of Economic Development**  
**ZBB Program: Governors Office of Workforce Development**

**Financial Summary**

| Objects of Expenditure     | Expenditures        |                     | FY 2018             |
|----------------------------|---------------------|---------------------|---------------------|
|                            | FY 2016             | FY 2017             | Current Budget      |
| Personal Services          | \$3,021,017         | \$3,501,704         | \$2,605,495         |
| Regular Operating Expenses | 328,911             | 465,657             | 325,050             |
| Motor Vehicle Purchases    |                     |                     |                     |
| Equipment                  |                     |                     |                     |
| Computer Charges           | 34,007              | 38,277              | 17,500              |
| Real Estate Rentals        | 210,472             | 218,001             | 324,000             |
| Telecommunications         | 26,405              | 71,261              | 35,000              |
| Contractual Services       | 2,509,996           | 2,838,188           | 3,146,485           |
| Grants and Benefits        | 89,733,897          | 90,366,953          | 66,908,388          |
| <b>Total Expenditures</b>  | <b>\$95,864,705</b> | <b>\$97,500,041</b> | <b>\$73,361,918</b> |
| <b>Fund Type</b>           |                     |                     |                     |
| State General Funds        |                     |                     |                     |
| Other Funds                | \$240,224           | \$200,000           |                     |
| Federal Funds              | 95,624,481          | 97,300,041          | \$73,361,918        |
| <b>Total Funds</b>         | <b>\$95,864,705</b> | <b>\$97,500,041</b> | <b>\$73,361,918</b> |
| <b>Positions</b>           | 34                  | 32                  | 40                  |
| <b>Motor Vehicles</b>      | 0                   | 0                   | 0                   |

**Department of Economic Development**  
**ZBB Program: Governor's Office of Workforce Development**

**Performance Measures**

**Agency Mission:**

The Georgia Department of Economic Development's mission is to serve as the lead agency to strategically enhance 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 tourists from within and outside the state; promoting Georgia as a desirable location for entertainment business and projects; and partnering with stakeholders to optimize results.

**Program Purpose:**

The purpose of this program is to improve the job training and marketability of Georgia's workforce.

| Performance Measures  | Actuals |         |         |         |
|---|---------|---------|---------|---------|
|   | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Number of individuals served (New)                                 | N/A     | N/A     | N/A     | N/A     |
| 2. Number of new job seekers on the Operation:Workforce website (New) | N/A     | N/A     | N/A     | N/A     |
| 3. Second quarter employment rate (New)                               | N/A     | N/A     | N/A     | N/A     |
| 4. Fourth quarter employment rate (New)                               | N/A     | N/A     | N/A     | N/A     |
| 5. Median earnings (New)  | N/A     | N/A     | N/A     | N/A     |
| 6. Credential attainment (New)  | N/A     | N/A     | N/A     | N/A     |
| 7. Measurable skill gain (New)  | N/A     | N/A     | N/A     | N/A     |
| 8. Employer retention rate (New)                                      | N/A     | N/A     | N/A     | N/A     |
| 9. Repeat business customers (New)                                    | N/A     | N/A     | N/A     | N/A     |
| 10. Number of WARN-eligible events within the fiscal year (New)       | N/A     | N/A     | N/A     | N/A     |
| 11. Rapid Response/Business downsizing assistance (New)               | N/A     | N/A     | N/A     | N/A     |



# FY 2019 Zero-Based Budget Analysis

Department of Human Services

ZBB Program: Child Abuse and Neglect Prevention

## Executive Summary

- The Child Abuse and Neglect Prevention program of the Division of Family and Children Services within the Department of Human Services provides services and programs, which incorporate strategies to help parents and communities create safe, stable, and nurturing environments that promote the safety of all family members and healthy child development.
- The number of open child protective services cases has decreased in state fiscal year 2017, but the number of children placed in foster care continues to increase. The opioid epidemic has significantly impacted Georgia's child welfare system and is primarily attributed with the high volume of children placed in foster care. The Division of Family and Children Services within the Department of Human Services should develop child abuse and neglect prevention efforts for families impacted by the opioid epidemic.
- The Temporary Assistance for Needy Families block grant, a federal fund source for Child Abuse and Neglect Prevention, has never been reauthorized. Federal budget initiatives for federal fiscal year 2018 would reduce the grant by 10 percent. The agency should continue to monitor federal policy for its potential impact to the program.
- The program should adopt new performance measures to better describe the workload, efficiency, and effectiveness of the program.

## Program Overview

The Division of Family and Children Services (DFCS) of the Department of Human Services (DHS) develops partnerships with local entities to reduce the incidence of child abuse and neglect by targeting at-risk families with early intervention techniques, such as parental education for expecting families. In addition to state funds, the program is federally funded by the Temporary Assistance for Needy Families (TANF) block grant, Community-Based Child Abuse Prevention (CBCAP) grant, and the Title V Abstinence Education Grant Program (AEGP). DFCS of DHS implements the program through direct and indirect services with community-based partnerships and public agencies, such as Child Advocacy Centers of Georgia and Atlanta Public Schools, respectively.

### Community-based Partnerships

DFCS of DHS facilitates community-based partnerships with local entities to provide voluntary prevention programming, such as parental education programs that reach parents at the time of birth and prenatally. For example, Families First, Inc. offers several parenting classes and trainings to fit any family situation for parents, guardians, and children in metropolitan Atlanta. Specifically, Families First, Inc. is an affiliate of Parents as Teachers, which provides services to families with children during prenatal development to kindergarten. Parents receive direct service support via personal visits and child screening in efforts to increase parental knowledge of early childhood development and to prevent child abuse and neglect.

### Child Abuse and Neglect Prevention Programming

Child abuse and neglect prevention programming supports infrastructure contracts for prevention programming with public agencies like Atlanta Public Schools and community-based organizations like Georgia Family

Connection Partnership. These contracts support resources for communities to assist in providing child abuse and neglect prevention via infrastructure and professional development opportunities.

For example, the Second Step-Emotional Learning program serves as a classroom-based curriculum that intends to reduce impulsive and aggressive behaviors and increase protective factors and social-emotional competence. Second Step-Emotional Learning is organized by grade level and includes an add-on unit, the Child Protection Unit (CPU). CPU addresses the multiple influences that parents, families, children, and the environment can contribute to child abuse and neglect in conjunction with the overall Second Step-Emotional Learning curriculum.

### Teen Pregnancy Prevention

The Title V AEGP provides funding for abstinence education, mentoring, counseling, and adult supervision to promote abstinence from sexual activity. The focus of this initiative is to engage groups most likely to bear children out of wedlock, such as youth who are homeless, in foster care, and/or live in rural or geographic areas with high teen birth rates. Public agencies and local organizations with AEGP contracts include Ben Hill County School District, Douglas County School System, and Family Support Circle, Inc. AEGP requires a 43 percent state match, satisfied with contributions from public agencies and local organizations.

### Competitive Grants

DFCS of DHS administers federal grants for child and neglect prevention, which are awarded via contract to community-based organizations through an application process. The program issues a statement of need, which sets the requirements, lists the criteria for applicants, and presents the funding priorities for the 12-month grant award. Grantees must demonstrate the capacity and capability to manage a contract and meet criteria established by DFCS of DHS. Program staff monitor grantees for financial and programmatic progress through quarterly reports, which include applicable performance measures that show how many families are reached through their efforts and complete their programs.

TANF is used to fund the majority of child abuse and neglect prevention program contracts. TANF supports the Child Advocacy Centers of Georgia by funding the statewide network of Child Advocacy Centers, approximately \$1.5 million for state fiscal year (SFY) 2018. The United States Congress established the TANF block grant via the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. In order to receive the TANF block grant, states must provide funds to be used for programs specifically serving needy families, known as the “Maintenance of Effort” (MOE). Third party MOE is nongovernmental expenditures, such as services provided by a nonprofit organization, which are used to help meet the overall TANF MOE requirement. In SFY 2016, DFCS of DHS generated \$172 million in both direct and third party MOE. The state of Georgia utilizes third party MOE, generated by contractors of the program and other partners in order to provide family stabilization services to Georgia citizens.

CBCAP was established by Title II of the Child Abuse Prevention and Treatment Act (CAPTA) Amendments of 1996 and most recently reauthorized by the CAPTA Reauthorization Act of 2010. CBCAP requires a 20 percent state match that is restricted to programming related to child abuse prevention. There were approximately 30 contracts funded through CBCAP in SFY 2017. For example, DFCS of DHS partners through Strengthening Families Georgia (SFG) with the Georgia Chapter of the Association of Young Children, Inc. (GAYC), a state affiliate of the National Association for the Education of Young Children. SFG is a multi-disciplinary partnership with DFCS of DHS dedicated to embedding five research-based Protective Factors<sup>1</sup> into services and support for the children and families of Georgia.

## **Results and Recommendations**

### Increase of children in child placement services

The opioid epidemic has negatively affected communities across the United States and has significantly impacted the state’s foster care system. Georgia’s child welfare system has reported an increase in families with substance abuse issues, which impacts a parent’s ability to safely raise a child. While the overall trend for child protective

service cases decreased in SFY 2017 by 7.3 percent, the number of children in placement services has increased 8.9 percent, mirroring national trends. In June 2017, the number of children in placement services was 18,309.

Currently, this program does not have specific opioid prevention programming as part of its abuse and neglect prevention efforts. Due to the significant impact that the opioid crisis is having on the child welfare system, DFCS of DHS should seek federal funding opportunities through the Substance Abuse and Mental Health Service Administration (SAMHSA) and ACF that would allow the program to create future curriculums for providers to prioritize and implement opioid prevention strategies and education for parents in efforts to reduce the likelihood of abuse and neglect due to opioid abuse.

#### Potential Reduction in TANF

The Consolidated Appropriations Act of 2017 has extended TANF through federal fiscal year (FFY) 2018 and reduces the state block grant allotments by \$55 million annually in FFY 2017 and FFY 2018. The House also passed the Accelerating Individuals into the Workforce Act, which provides one-time grants to states to develop subsidized employment demonstrations that would evaluate strategies for helping TANF recipients obtain and retain employment. This effort will be funded by reducing State Family Assistance Grant amounts for each state by 0.33 percent.

Other federal budget initiatives propose a ten percent reduction in TANF. Under the current law, Georgia is awarded \$331 million in TANF. Should this initiative become enacted, Georgia would be negatively impacted as it would result in a TANF reduction of approximately \$31 million. The next TANF reauthorization or extension will determine if reductions will continue beyond FFY 2018. DFCS of DHS should continue to monitor federal policy changes for its potential impact upon the state's budget.

#### Performance measures should be added to monitor the program's performance

Performance measures are an integral component of the Zero-Based Budgeting (ZBB) process. Currently, DHS does not report any performance measures for the Child Abuse and Neglect Prevention program, to the Office of Planning and Budget; however, performance measures are tracked internally and reported to the federal Administration for Children and Families. Performance metrics should not only track the workload and effectiveness of a program, but also be appropriate and relevant to the policy goals of the agency and state as a whole. Through the ZBB analysis, new measures were developed and evaluated.

The following new performance measures serve as effective indicators for this budgetary program and properly measure workload and the population served by the program:

- Total number of children reached
- Total number of families reached
- Number of community-based partnerships
- Number of local entities participating in Abstinence Education Grant Program

---

1. The five Protective Factors are the foundation of SFG model: (1) Parental Resilience, (2) Social Connections, (3) Knowledge of Child Development, (4) Concrete Support in Times of Need, and (5) Social and Emotional Competence of Children.

**Department of Human Services**  
**ZBB Program: Child Abuse and Neglect Prevention**

**Key Activities**

| Activity*                                      | Description  | Authority   | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|--|--|---|------------------|---------------------|----------------------|
| Community-based Partnerships                   | Facilitates partnerships with community-based organizations for parental education and abuse and neglect prevention for at-risk Georgia families.                          | Child Abuse Prevention and Treatment Act Reauthorization Act of 2010; Social Security Act, Title IV, Part A, 42 U.S.C. 601; O.C.G.A. §49-5-7 to O.C.G.A. §49-5-8  | 5                | \$1,229,770         | \$2,013,114          |
| Child Abuse and Neglect Prevention Programming | Supports infrastructure for prevention programming and resources with community-based organizations for at-risk Georgia families.  | Child Abuse Prevention and Treatment Act Reauthorization Act of 2010; Social Security Act, Title IV, Part A, 42 U.S.C. 601; O.C.G.A. §49-5-7 to O.C.G.A. §49-5-10 |                  | 104,995             | 3,177,878            |
| Teen Pregnancy Prevention                      | Provides programming for local school systems and community-based organizations to implement prevention strategies for teen pregnancy and sexually transmitted infections. | Social Security Act, Title V, Section 510 (b)(2)(A-H); O.C.G.A. §49-5-7 to O.C.G.A. §49-5-8   | 2                |                     | 2,707,189            |
| <b>Total</b>                                   |  |   | 7                | \$1,334,765         | \$7,898,181          |

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

**Department of Human Services**  
**ZBB Program: Child Abuse and Neglect Prevention**

**Financial Summary**

| <b>Objects of Expenditure</b>                       | <b>Expenditures</b> |                     | <b>FY 2018</b>        |
|---|---------------------|---------------------|-----------------------|
|   | <b>FY 2016</b>      | <b>FY 2017</b>      | <b>Current Budget</b> |
| Personal Services                                   | \$600,192           | \$591,046           | \$815,759             |
| Regular Operating Expenses                          | 117,970             | 83,613              | 232,027               |
| Motor Vehicle Purchases                             |                     |                     |                       |
| Equipment   |                     |                     |                       |
| Computer Charges                                    | 399                 | 569                 | 1,000                 |
| Real Estate Rentals                                 | 506                 |                     |                       |
| Telecommunications                                  | 494                 | 3,665               | 5,500                 |
| Contractual Services                                | 16,280,944          | 14,592,471          | 6,843,895             |
| <b>Total Expenditures</b>                           | <b>\$17,000,505</b> | <b>\$15,271,364</b> | <b>\$7,898,181</b>    |
| <b>Fund Type</b>                                    |                     |                     |                       |
| State General Funds                                 | \$1,267,548         | \$1,326,006         | \$1,334,765           |
| Temporary Assistance for Needy Families Block Grant | 3,072,670           | 3,101,947           | 3,072,670             |
| Federal Funds                                       | 12,660,286          | 10,841,411          | 3,490,746             |
| Other Funds   |                     | 2,000               |                       |
| <b>Total Funds</b>                                  | <b>\$17,000,504</b> | <b>\$15,271,364</b> | <b>\$7,898,181</b>    |
| <b>Positions</b>                                    | <b>6</b>            | <b>7</b>            | <b>7</b>              |
| <b>Motor Vehicles</b>                               | <b>0</b>            | <b>0</b>            | <b>0</b>              |

**Department of Human Services**  
**ZBB Program: Child Abuse and Neglect Prevention**

**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 program is to promote child abuse and neglect prevention programs and support child victims of abuse.

| Performance Measures  | Actuals |         |         |         |
|---|---------|---------|---------|---------|
|   | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Total number of children reached (New)   | N/A     | 28,013  | 94,431  | N/A     |
| 2. Total number of families reached (New)   | N/A     | 21,699  | 18,793  | N/A     |
| 3. Number of community-based partnerships (New)                                       | N/A     | 212     | 217     | 221     |
| 4. Number of local entities participating in Abstinence Education Grant Program (New) | N/A     | 25      | 35      | 35      |



# FY 2019 Zero-Based Budget Analysis

Department of Human Services

ZBB Program: Support for Needy Families  
- Basic Assistance

## Executive Summary

- The Division of Family and Children Services of the Department of Human Services manages the Support for Needy Families-Basic Assistance program, which provides cash assistance to eligible, low-income families.
- The Temporary Assistance for Needy Families block grant, the program's sole federal fund source, has not been reauthorized since federal fiscal year 2010. Federal budget initiatives for federal fiscal year 2018 would reduce the block grant by 10 percent. The agency should continue to monitor federal policy for its potential impact to the state budget.
- Support for Needy Families-Basic Assistance should adopt a new performance measure to better describe the workload, efficiency, and effectiveness of the program.

## Program Overview

The Support for Needy Families (SNF)-Basic Assistance program of the Division of Family and Children Services (DFCS) within the Department of Human Services (DHS), uses the Temporary Assistance for Needy Families block grant (TANF) to provide cash assistance to eligible, low-income families. Eligibility for TANF cash assistance is broadly based upon two types of cases, child-only and adult. Caseworkers in the Federal Eligibility Benefit Services, also of DHS, administer and determine eligibility for TANF cash assistance, which is budgeted in the SNF-Basic Assistance program.

### TANF

The United States Congress through the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created TANF, which replaced the Aid to Families with Dependent Children originally established in 1935. The purpose of TANF is to assist in strengthening the economic and social stability of families through the following four goals:

1. Provide assistance to needy families so that children can be cared for in their homes or the homes of relatives.
2. End dependency of needy parents on government benefits by promoting job preparation, work, and marriage.
3. Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies.
4. Encourage the formation and maintenance of two-parent families.

The federal government grants TANF to the state of Georgia; the state must then expend TANF according to an approved state plan. In order to receive TANF, states must also spend some of their own funds, known as Maintenance of Effort (MOE).<sup>1</sup>

The SNF - Basic Assistance program provides cash assistance to low-income families that qualify. Monthly monetary benefits are based upon household size and income. A household's countable net income must be below a

certain established limit that is adjusted for the number of persons in the household. Table 1 below illustrates income requirements and maximum TANF award amounts according to household size.

**Table 1. Eligibility/Payment Table  
TANF Gross Income Ceiling & Standard of Need**

| No. in AU*        | Gross Monthly Income Ceiling | Standard of Need | TANF Family Max. | TANF - GRG |
|-------------------|------------------------------|------------------|------------------|------------|
| 1                 | \$435                        | \$235            | \$155            | \$1,584    |
| 2                 | \$659                        | \$356            | \$235            | \$2,136    |
| 3                 | \$784                        | \$424            | \$280            | \$2,688    |
| 4                 | \$925                        | \$500            | \$330            | \$3,240    |
| 5                 | \$1,060                      | \$573            | \$378            | \$3,792    |
| 6                 | \$1,149                      | \$621            | \$410            | \$4,344    |
| 7                 | \$1,243                      | \$672            | \$444            | \$4,898    |
| 8                 | \$1,319                      | \$713            | \$470            | \$5,453    |
| 9                 | \$1,389                      | \$751            | \$496            | \$6,008    |
| 10                | \$1,487                      | \$804            | \$530            | \$6,564    |
| 11                | \$1,591                      | \$860            | \$568            | \$7,119    |
| <b>Ea. Add'l.</b> | <b>\$ + 44</b>               | <b>\$ +24</b>    | <b>\$ +17</b>    |            |

\*Assistance Unit is also known as the household size

#### Child-Only Cases

The majority of cash assistance recipients in the SNF-Basic Assistance program are child-only cases. Child-only cases are defined as a non-parent relative, such as an aunt or grandparent, caring for an eligible minor dependent. In state fiscal year 2016, DHS reported 9,659 child-only cases, approximately 80 percent of all open cases. Depending on the type of case, families are eligible for two types of subsidies in addition to their monthly cash assistance benefit: Grandparents Raising Grandchildren (GRG) and Family Violence Emergency Assistance (FVEA).

- GRG provides an additional \$100 per child per month if eligibility requirements are met (See Table 1). In order to receive this subsidy, the grandparent must meet the age requirement of 55 years old or older.
- FVEA is a pilot program, which began in 2015, and benefits TANF eligible households who are in certified domestic violence shelters. Families that qualify for FVEA may receive a one-time payment up to \$3,000 in a lifetime to assist with the transition to permanent housing from a certified domestic violence shelter.

#### Adult Cases

An adult case is a mother or father caring for a minor dependent from birth to 18 years of age. An adult case can receive cash assistance up to 48 months in a lifetime, while a child-only case can receive benefits as long as they meet eligibility requirements to age 18. A family's eligibility for this program must meet certain financial criteria. For example, a family of three (mother and two children) must have a gross income that is below \$784 per month and less than \$1,000 in countable assets (e.g. checking, savings, property). Approximately 12,000 families in Georgia benefit from this program.

## **Results and Recommendations**

#### Potential reduction in TANF

In 2005, the Deficit Reduction Act reauthorized TANF through September 30, 2010. The United States Congress has continued the program through short-term extensions. The Consolidated Appropriations Act of 2017 has extended TANF through federal fiscal year (FFY) 2018, but reduces total state block grant allotments by \$55 million annually in FFY 2017 and FFY 2018. The House also passed the Accelerating Individuals into the Workforce Act, which provides one-time grants to states to develop subsidized employment demonstrations that would evaluate strategies for helping TANF recipients obtain and retain employment. This effort will be funded by reducing State Family Assistance Grant amounts for each state by 0.33 percent.

Other federal budget initiatives for FFY 2018 propose a ten percent reduction in TANF. Under current law, Georgia is awarded \$331 million in TANF. Should this initiative become enacted, Georgia would be negatively impacted, as it would result in a TANF reduction of approximately \$31 million. The next TANF reauthorization or extension will determine if reductions will continue beyond FFY 2018. DFCS of DHS should continue to monitor federal policy changes for its potential impact upon the program.

*A new performance measure 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 and effectiveness of a program, but also be appropriate and relevant to the policy goals of the agency and state as a whole. Currently, DHS reports two SNF-Basic Assistance performance measures to the Office of Planning and Budget. Through the ZBB analysis, a third performance measure was developed and evaluated to supplement existing performance measures.

The following new performance measure will track open SNF-Basic Assistance cases:

- Number of child-only cases receiving cash assistance

---

1. \$100,000 in state funds are appropriated in this program as part of the state's total MOE requirement of \$172 million.

**Department of Human Services**

**ZBB Program: Support for Needy Families - Basic Assistance**

**Key Activities**

| Activity*        | Description   | Authority  | No. of Positions** | FY 2018 State Funds | FY 2018 Total Budget |
|------------------|---|--|--------------------|---------------------|----------------------|
| Child-only cases | Provides cash assistance for non-parent relatives caring for eligible minor dependents. | Social Security Act, Title IV, Part A, 42 U.S.C. 601                     |                    |                     | \$38,645,288         |
| Adult cases      | Provides cash assistance to eligible families for up to 48 months in a lifetime.        | Social Security Act, Title IV, Part A, 42 U.S.C. 601; O.C.G.A. §49-4-182 |                    | \$100,000           | 4,907,720            |
| <b>Total</b>     |   |  | 0                  | \$100,000           | \$43,553,008         |

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

\*\*Eligibility for services in this program is determined by caseworkers in the Federal Eligibility Benefit Services (FEBS) program within the Department of Human Services. Program administration also occurs within the FEBS program.

**Department of Human Services**  
**ZBB Program: Support for Needy Families - Basic Assistance**

**Financial Summary**

| Objects of Expenditure                              | Expenditures        |                     | FY 2018             |
|---|---------------------|---------------------|---------------------|
|   | FY 2016             | FY 2017             | Current Budget      |
| Personal Services                                   |                     |                     |                     |
| Regular Operating Expenses                          |                     |                     |                     |
| Motor Vehicle Purchases                             |                     |                     |                     |
| Equipment   |                     |                     |                     |
| Computer Charges                                    |                     |                     |                     |
| Real Estate Rentals                                 |                     |                     |                     |
| Telecommunications                                  |                     |                     |                     |
| Contractual Services                                |                     |                     |                     |
| Grants and Benefits                                 | \$37,524,445        | \$35,134,003        | \$43,553,008        |
| <b>Total Expenditures</b>                           | <b>\$37,524,445</b> | <b>\$35,134,003</b> | <b>\$43,553,008</b> |
| <b>Fund Type</b>                                    |                     |                     |                     |
| State General Funds                                 | \$50,888            | \$48,212            | \$100,000           |
| Temporary Assistance for Needy Families Block Grant | 37,466,671          | 35,085,791          | 43,453,008          |
| Federal Funds                                       | 6,886               |                     |                     |
| <b>Total Funds</b>                                  | <b>\$37,524,445</b> | <b>\$35,134,003</b> | <b>\$43,553,008</b> |
| <b>Positions</b>                                    | 0                   | 0                   | 0                   |
| <b>Motor Vehicles</b>                               | 0                   | 0                   | 0                   |

**Department of Human Services**

**ZBB Program: Support for Needy Families - Basic Assistance**

**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 program is to assist needy Georgian families in achieving self-sufficiency by obtaining and keeping employment as well as complying with Georgia's state plan for the federal Temporary Assistance for Needy Families program.

| Performance Measures  | Actuals |         |         |         |
|---|---------|---------|---------|---------|
|   | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Number of adults receiving cash assistance                                   | 3,597   | 2,707   | 2,457   | 2,182   |
| 2. Percentage of individuals receiving assistance within 45 days of application | 83.47%  | 66.1%   | 90.52%  | 95.32%  |
| 3. Number of child-only cases receiving cash assistance (New)                   | 12,488  | 10,843  | 9,659   | N/A     |



# FY 2019 Zero-Based Budget Analysis

## Department of Human Services ZBB Program: Support for Needy Families - Work Assistance

### Executive Summary

- The Division of Family and Children Services of the Department of Human Services implements the Support for Needy Families-Work Assistance program, which provides monthly cash assistance with an employment services component for eligible, low-income families with children under the age of 18.
- Support for Needy Families-Work Assistance also provides employment services through the SNAP Employment & Training program for eligible food stamp recipients.
- Supplemental Nutrition Assistance Program Works 2.0 is a three-year demonstration grant that will expire in state fiscal year 2019. If the agency is not able to demonstrate program efficacy after state fiscal year 2019, the grant's state matching funds should be eliminated for state fiscal year 2020 and future fiscal years.
- The Temporary Assistance for Needy Families block grant, a significant funding source for this program, has not been authorized since federal fiscal year 2010. Federal budget initiatives for federal fiscal year 2018 would reduce the grant by 10 percent. The agency should continue to monitor federal policy for its potential impact to the program.
- Support for Needy Families-Work Assistance should adopt a new performance measure to better describe the workload, efficiency, and effectiveness of the program.

### Program Overview

Support for Needy Families (SNF)-Work Assistance of the Division of Family and Children Services (DFCS) within the Department of Human Services (DHS) provides cash assistance along with employment services to eligible families. Caseworkers in the Federal Eligibility Benefit Services program, also of DHS, determine eligibility for services budgeted in the SNF-Work Assistance program. SNF-Work Assistance also provides participants with support services such as the Work Support Program (WSP), Community Partnership Investment (CPI), and Teen Works Internship Program (Teen Works) to help individuals obtain full-time employment. Additionally, SNF-Work Assistance implements the Supplemental Nutrition Assistance Program Employment & Training (SNAP E&T), which provides employment services to eligible food stamp recipients.

#### WSP

WSP provides Temporary Assistance for Needy Families (TANF) cash assistance to families enrolled in a work activity. The United States Congress through the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created the TANF block grant, which replaced the Aid to Families with Dependent Children (AFDC) originally established in 1935. The purpose of TANF is to assist in strengthening the economic and social stability of families.<sup>1</sup>

In order to be eligible to receive TANF cash assistance in the SNF-Work Assistance program, specific criteria must be met by members of the household. Eligible children must be less than 18 years of age (19 years of age if the child is a full-time student). Additionally, eligible children must be deprived due to at least one parent's absence from the home, physical or mental incapacity, or death. The family must also meet income requirements according to the household size, also known as "assistance unit." Adult recipients have a work requirement and must

participate in work activities and/or training for a minimum of 30 hours per week. TANF-eligible families that receive cash assistance through WSP may receive benefits up to 48 months in a lifetime. Time limits may be extended due to certain hardships, including domestic violence and physical or mental incapacity.

SNF-Work Assistance offers work-eligible families employment activities depending on the work-eligible adult's abilities. Work activities must be in accordance with federal and state law. Countable work activities include but are not limited to: job training, subsidized or unsubsidized employment, community service, or vocational education. When necessary, SNF-Work Assistance provides support services, such as transportation and childcare. WSP provides a monthly monetary assistance and support services for up to 12 months while families transition to full-time employment. The federal work participation requirement is 50 percent, and the state of Georgia's self-imposed work participation requirement is 60 percent. As of February 2017, the state's work participation rate was 67 percent, exceeding both federal and state minimum work participation requirements.

### Teen Works

Teen Works provides employment opportunities to youth in the state custody between the ages of 15 to 18, who are enrolled in the Independent Living Program (ILP). The purpose of Teen Works is to provide foster children with work experience as they transition into the adult workforce. Participants are referred to the program by their ILP advisor. In state fiscal year (SFY) 2016, ILP advisors referred 649 foster children to over 100 participating employers. Eligible foster children are then interviewed by the participating employer and potentially hired, which provides experience with the hiring process. The employer is expected to provide on-the-job training, teach proper work ethic, and assign meaningful responsibilities. In return, the children are paid \$10 per hour and work up to 25 hours a week; children who are 18 are allowed to work up to 40 hours a week. Teen Works is implemented only when the participating foster children are not in school (e.g. summer and/or winter break).

### CPI

CPI assists WSP enrollees by contracting with community organizations to provide services, such as child care assistance, job search and preparation, and after-school activities for children. During SFY 2016, 18 CPIs delivered services including Hosea Feeds the Hungry, East Atlanta Kids Club Inc., and West Broad Street Young Men's Christian Association (YMCA) in Savannah. The CPI program generates approximately \$18 million of third party Maintenance of Effort (MOE) funds. Third-party MOE are nongovernmental expenditures, such as services provided by a nonprofit organization, which are used to help meet the overall TANF MOE requirement.<sup>2</sup> MOE funds are state funds that must be used for programs specifically serving needy families. MOE is the state spending requirement that replaced the state match required by the AFDC. In SFY 2016, over 6,000 TANF-eligible participants received services.

### SNAP E&T

SNAP E&T provides employment opportunities for SNAP (Food Stamp) recipients and promotes self-sufficiency through a combination of employment, training, education, and support services.<sup>3</sup> The state of Georgia receives federal funds from the Food and Nutrition Service (FNS) of the United States Department of Agriculture to provide SNAP E&T services each year. SNAP E&T also receives federal funding for a three-year SNAP E&T demonstration project referred to as SNAP Works 2.0. The demonstration project supports able bodied adults without dependents (ABAWDs), who are required to engage in work activities in order to receive SNAP. An ABAWD is an individual who does not have any dependents, is not pregnant or disabled, and is between the ages of 18 to 49. The SNAP Works program uses a third party funding model, whereby community partners, like Goodwill of North Georgia, provide employment and training opportunities to ABAWDs at no additional cost to the state. State general funds must be used to match 50 percent of the cost associated with providing transportation and support services to SNAP Works participants.

Currently, Georgia implements two types of SNAP E&T programs:

1. Mandatory: participants in this program are work participants in one of the ten counties involved with SNAP Works 2.0. Participants in these counties are required to receive coordinated case management and services in order to meet the work requirements. The mandatory program ends in federal fiscal year (FFY) 2019 when the demonstration grant is complete.

2. Voluntary: this program has a time-limit for ABAWDs and is currently active in 24 counties.<sup>4</sup> Participants must volunteer to “opt-in” services that will help the individual meet the work requirements for SNAP Works. The ABAWD time-limit, a federal regulation under the SNAP program, mandates that ABAWDs receive food stamp assistance for only three months in a 36-month period without meeting the ABAWD working requirements. Eligible states can submit a waiver request to FNS to temporarily waive the time-limit regulation in counties with high unemployment rates or lack of employment opportunities.<sup>5</sup> In FFY 2017, Georgia received an ABAWD waiver approval from FNS to waive the time-limit for 135 counties out of 159.

## Results and Recommendations

### SNAP Works 2.0 demonstration grant

In FFY 2016, Georgia was awarded the SNAP Works 2.0 demonstration grant. DFCS of DHS began services associated with this program in February 2016. FNS awards Georgia \$5 million every year for three years (\$15 million total) and requires \$100,000 in state matching funds. The demonstration grant will expire in SFY 2019. If the state is not able to demonstrate efficacy after SFY 2019, state matching funds should be eliminated from the program’s budget in SFY 2020 and subsequent fiscal years.

### Potential reduction in TANF

In 2005, the Deficit Reduction Act reauthorized TANF through September 30, 2010. The United States Congress has continued the program through short-term extensions. The Consolidated Appropriations Act of 2017 has extended TANF through FFY 2018, but reduces state block grant allotments by \$55 million annually in FFY 2017 and FFY 2018. The House also passed the Accelerating Individuals into the Workforce Act, which provides one-time grants to states to develop subsidized employment demonstrations that would evaluate strategies for helping TANF recipients obtain and retain employment. This effort will be funded by reducing State Family Assistance Grant amounts for each state by 0.33 percent.

Other federal budget initiatives propose a ten percent reduction in TANF. Under current law, Georgia is awarded \$331 million in TANF. Should this initiative become enacted, Georgia would be negatively impacted as it would result in a TANF reduction of approximately \$33 million. The next TANF reauthorization or extension will determine if reductions will continue beyond FFY 2018. DFCS of DHS should continue to monitor federal policy changes for its potential impact upon the program.

### A new performance measure 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 and effectiveness of a program, but also be appropriate and relevant to the policy goals of the agency and state as a whole. Currently, DHS reports three SNF-Work Assistance performance measures to the Office of Planning and Budget. Through the ZBB analysis, a fourth performance measure was developed and evaluated to supplement existing performance measures.

The following new performance measure will track participants in SNAP E&T:

- Number of Able-Bodied Adults Without Dependents participating in Supplemental Nutrition Assistance Program-Employment & Training

---

1. The statutory purpose of TANF is the following four goals: 1) provide assistance to needy families so that children may be cared for in their own home or in the homes of relatives; 2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; 3) preventing and reducing the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and 4) encouraging the formation and maintenance of two-parent families.
2. The state funds appropriated in this program are part of the state’s total MOE requirement of \$172 million.
3. Each state’s SNAP E&T program must be approved by the Food and Nutrition Service (FNS) of the United States Department of Agriculture.
4. As of SFY 2017, the 24 counties where ABAWD Time-Limits are active are: Banks, Barrow, Bartow, Brooks, Catoosa, Clarke, Cobb, Coweta, Dade, Fayette, Forsyth, Gordon, Gwinnett, Hall, Heard, Jackson, Lowndes, Madison, Oconee, Oglethorpe, Paulding, Troup, Walker, and Walton.
5. Surplus Area by the U.S. Department of Labor.
6. States qualify for a waiver if they have eligibility for extended unemployment benefits, a recent unemployment rate of over 10 percent, a recent 24-month average unemployment rate of 20 percent above the national unemployment rate for that same 24-month period, or are designated as a Labor Surplus Area by the U.S. Department of Labor.

**Department of Human Services**  
**ZBB Program: Support for Needy Families - Work Assistance**

**Key Activities**

| <b>Activity*</b>  | <b>Description</b>  | <b>Authority</b>   | <b>No. of Positions**</b> | <b>FY 2018 State Funds</b> | <b>FY 2018 Total Budget</b> |
|---|---|--|---------------------------|----------------------------|-----------------------------|
| Work Support Program  | Provides assistance to individuals enrolled in work activities that are in accordance with the Temporary Assistance for Needy Families block grant.   | Personal Responsibility and Work Opportunity Act of 1996; Social Security Act , Title IV, Part A, 42 U.S.C 601 | 7                         |                            | \$14,358,388                |
| Teen Works  | Assists foster children in the agency's Independent Living Program to gain work experience.   | Personal Responsibility and Work Opportunity Act of 1996; Social Security Act , Title IV, Part A, 42 U.S.C 601 | 103                       |                            | 444,074                     |
| Community Partnership Investment                                | Provides direct services like child care assistance, job search and preparation, housing for homeless families, after-school activities, and other services that promote two-parent households. | Personal Responsibility and Work Opportunity Act of 1996; Social Security Act, Title IV, Part A, 42 U.S.C 601  |                           |                            | 3,164,478                   |
| Supplemental Nutrition Assistance Program-Employment & Training | Delivers employment and training services to able-bodied adults in the Supplemental Nutrition Assistance Program.   | Personal Responsibility and Work Opportunity Act of 1996; Agricultural Act of 2014                             | 3                         | 100,000                    | 7,700,815                   |
| <b>Total</b>  |   |  | 113                       | \$100,000                  | \$25,667,755                |

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

\*\*Eligibility for services in this program is determined by caseworkers in the Federal Eligibility Benefit Services program.

**Department of Human Services**  
**ZBB Program: Support for Needy Families - Work Assistance**

**Financial Summary**

| <b>Objects of Expenditure</b>                       | <b>Expenditures</b> |                     | <b>FY 2018</b>        |
|---|---------------------|---------------------|-----------------------|
|   | <b>FY 2016</b>      | <b>FY 2017</b>      | <b>Current Budget</b> |
| Personal Services                                   | \$5,017,343         | \$4,064,564         | \$5,695,794           |
| Regular Operating Expenses                          | 168,905             | 212,833             | 117,543               |
| Computer Charges                                    | 16,861              | 46,176              | 4,675                 |
| Equipment   |                     |                     |                       |
| Real Estate Rentals                                 | 4,649               |                     | 4,953                 |
| Telecommunications                                  | 7,621               | 8,618               | 6,452                 |
| Contractual Services                                | 8,975,990           | 6,777,547           | 8,581,240             |
| Grants and Benefits                                 | 10,045,672          | 10,462,938          | 11,257,098            |
| <b>Total Expenditures</b>                           | <b>\$24,237,041</b> | <b>\$21,572,676</b> | <b>\$25,667,755</b>   |
| <b>Fund Type</b>                                    |                     |                     |                       |
| State General Funds                                 |                     | \$54,269            | \$100,000             |
| Temporary Assistance for Needy Families Block Grant | \$17,123,955        | 16,042,499          | 17,332,866            |
| Other Funds   | 81,761              |                     |                       |
| Federal Funds                                       | 7,031,325           | 5,475,908           | 8,234,889             |
| <b>Total Funds</b>                                  | <b>\$24,237,041</b> | <b>\$21,572,676</b> | <b>\$25,667,755</b>   |
| <b>Positions</b>                                    | 141                 | 75                  | 113                   |
| <b>Motor Vehicles</b>                               | 0                   | 0                   | 0                     |

**Department of Human Services**

**ZBB Program: Support for Needy Families - Work Assistance**

**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 program is to assist needy Georgian families in achieving self-sufficiency by obtaining and keeping employment as well as complying with Georgia's state plan for the federal Temporary Assistance for Needy Families program.

| Performance Measures  | Actuals |         |         |         |
|---|---------|---------|---------|---------|
|   | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Percentage of single parent households who are in qualified work activities  | 89.89%  | 85.99%  | 81.22%  | 82.25%  |
| 2. Percentage of households who return to Temporary Assistance for Needy Families in 1st year following exit                              | 14.04%  | 11.68%  | 6.44%   | 88.5%   |
| 3. Percentage of cases renewed on-line  | N/A     | 49.63%  | 50.92%  | N/A     |
| 4. Number of Able-Bodied Adults Without Dependents participating in Supplemental Nutrition Assistance Program-Employment & Training (New) | N/A     | N/A     | N/A     | N/A     |



# FY 2019 Zero-Based Budget Analysis

Georgia Bureau of Investigation  
ZBB Program: Criminal Justice  
Coordinating Council: Family Violence

## Executive Summary

- The Family Violence program provides grants to certified domestic violence shelters and sexual assault centers who are providing services to victims of family violence and their dependent children statewide.
- The program should annually review the domestic violence shelter grant awards formula.
- The program purpose statement should be updated to accurately reflect the program's responsibilities and use of funds.
- The Criminal Justice Coordinating Council should report new performance measures to better demonstrate the workload and effectiveness of the program.

## Program Overview

The Family Violence program provides grants to certified domestic violence shelters and sexual assault centers who are providing services for victims of family violence and their dependent children statewide. In an effort to better align family violence activities in the state, five positions and approximately \$506,297 (\$279,000 state) was transferred to the Criminal Justice Coordinating Council (CJCC) from the Governor's Office for Children and Families in the 2015 budget. The 2016 budget also included an \$11,802,450 transfer to the Family Violence program from the Department of Human Services (DHS) to continue with the realignment efforts.

CJCC awards \$11.6 million in state fund grants annually to 46 domestic violence shelters across the state. Each grant award varies and is based upon a funding formula created by CJCC. This formula takes in to consideration the number of services provided by the shelter, the total number of bed nights provided, the poverty level of the service area, the geographic size of the service area, and population of the service area. These shelters provide overnight, residential services at no charge to the victims of domestic violence and their dependents. In addition to complying with O.C.G.A. §19-13-22, domestic violence shelters must provide the services and meet the standards created by CJCC.

CJCC also awards \$91,536 in state fund grants to 23 sexual assault centers. Sexual assault centers provide services for victims, survivors, and collateral victims of all ages 24-hours per day/ 7-days per week. Services are provided free of charge and are confidential. Each center receives \$39,632 annually. These centers must also comply with standards set forth by CJCC.

## Results and Recommendations

### Annually review domestic violence shelter grant award formula

The funding formula for domestic violence shelters was last calculated in 2012. The individual factors used in the formula may have changed at each shelter and may affect the shelter's grant award. CJCC should review each shelter's formula annually to ensure that the distribution is accurate based on the intent of the formula and funding availability.

Program purpose statement should be updated

The program purpose statement does not accurately reflect the activities of the program. This program provides grants to domestic violence shelters and sexual assault centers who provide direct services to the community. The sexual assault centers should also be reflected in the program purpose statement.

The current purpose statement reads, “The purpose of this appropriation is to provide safe shelter and related services for victims of family violence and their dependent children and to provide education about family violence to communities across the state.”

The program purpose statement should be changed to read as follows, “The purpose of this appropriation is to provide certified domestic violence shelters and sexual assault centers with funds so as to provide the necessary services to primary and secondary victims of domestic violence and sexual assault statewide.”

Performance measures should be added to monitor the program’s overall performance

The Family Violence program currently does not have any 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 following performance measures were developed for this program:

- Number of primary and secondary domestic violence victims served
- Number of primary and secondary sexual assault victims served
- Number of site visits conducted
- Domestic violence shelter occupancy rate

These measures will reflect the activity of the individuals administering the grants and indicate the activity of the grantees.

**Georgia Bureau of Investigation**  
**ZBB Program: Criminal Justice Coordinating Council: Family Violence**

**Key Activities**

| Activity*                        | Description   | Authority          | No. of Positions** | FY 2018 State Funds | FY 2018 Total Budget |
|----------------------------------|---|--------------------|--------------------|---------------------|----------------------|
| Domestic Violence Shelter Grants | Provides grants to domestic violence shelters   | O.C.G.A. §19-13-22 | 0                  | \$11,615,854        | \$11,615,854         |
| Sexual Assault Center Grants     | Provides grants to sexual assault centers   | None               | 0                  | 911,536             | 911,536              |
| Grant Administration             | Certifies sexual assault centers and domestic violence shelters, ensures shelters maintain compliance with standards, and reviews complaints against shelters. The program is also responsible for providing reports that detail demographic and other information of the population that is being served by the sexual assault centers and domestic violence shelters. | None               | 0                  | 153,533             | 153,533              |
| <b>Total</b>                     |   |                    | 0                  | \$12,680,923        | \$12,680,923         |

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

\*\*The five positions that perform the Grant Administration activity are budgeted in the Criminal Justice Coordinating Council program.

**Georgia Bureau of Investigation**  
**ZBB Program: Criminal Justice Coordinating Council: Family Violence**

**Financial Summary**

| Objects of Expenditure     | Expenditures        |                     | FY 2018             |
|----------------------------|---------------------|---------------------|---------------------|
|                            | FY 2016             | FY 2017             | Current Budget      |
| Personal Services          |                     | \$91,891            |                     |
| Regular Operating Expenses |                     | 9,080               |                     |
| Motor Vehicle Purchases    |                     |                     |                     |
| Equipment                  |                     |                     |                     |
| Computer Charges           |                     | 1,162               |                     |
| Real Estate Rentals        |                     | 3,431               |                     |
| Telecommunications         |                     | 209                 |                     |
| Contractual Services       |                     | 324                 |                     |
| Grants and Benefits        | \$11,888,619        | \$12,286,918        | \$12,680,923        |
| <b>Total Expenditures</b>  | <b>\$11,888,619</b> | <b>\$12,393,015</b> | <b>\$12,680,923</b> |
| <b>Fund Type</b>           |                     |                     |                     |
| State General Funds        | \$11,888,619        | \$12,393,015        | \$12,680,923        |
| Other Funds                |                     |                     |                     |
| Federal Funds              |                     |                     |                     |
| <b>Total Funds</b>         | <b>\$11,888,619</b> | <b>\$12,393,015</b> | <b>\$12,680,923</b> |
| <b>Positions</b>           | 0                   | 0                   | 0                   |
| <b>Motor Vehicles</b>      | 0                   | 0                   | 0                   |

**Georgia Bureau of Investigation**

**ZBB Program: Criminal Justice Coordinating Council: Family Violence**

**Performance Measures**

**Agency Mission:**

The Criminal Justice Coordinating Council financially and programmatically supports innovative programs and services to improve criminal justice and empower victims in the state of Georgia.

**Program Purpose:**

The purpose of this program is to provide safe shelter and related services for victims of family violence and their dependent children and to provide education about family violence to communities across the state.

| Performance Measures                              | Actuals |         |         |         |
|---|---------|---------|---------|---------|
|   | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Number of domestic abuse victims served (New)  | N/A     | N/A     | N/A     | N/A     |
| 2. Number of sexual assault victims served (New)  | N/A     | N/A     | N/A     | N/A     |
| 3. Number of site visits conducted (New)          | N/A     | N/A     | N/A     | N/A     |
| 4. Domestic violence shelter occupancy rate (New) | N/A     | N/A     | N/A     | N/A     |



# FY 2019 Zero-Based Budget Analysis

## Department of Natural Resources ZBB Program: Environmental Protection Division

### Executive Summary

- The Environmental Protection Division is the state entity tasked with protecting Georgia's environmental resources by ensuring clean air, water, and land through regulatory mechanisms mandated by state and federal statute.
- The division should segregate financial activity of the Underground Storage Tank Trust Fund to simplify budget transactions within the contractual services object class.
- The division should continue to streamline the agricultural water metering program through financial management and statutory integration.
- The division should continue to collaborate with the Department of Natural Resources' administrative unit to follow existing administrative reporting requirements.
- The division should report new performance measures to better demonstrate its workload and effectiveness.

### Program Overview

The Environmental Protection Division (EPD) engages with environmental stakeholders, businesses, and citizens to promote healthy communities and ensure regulatory compliance with federal and state environmental statutes. EPD is comprised of three main branches of environmental preservation and protection: Air, Land, and Water Protection. These three branches provide guidance and regulatory oversight to their respective domain of natural resources in Georgia. In addition, EPD consists of seven districts which provide compliance support and emergency response to all geographic areas of the state.

EPD promulgates rules and enforces regulations over air quality, water quality, water supply, land disturbances, waste byproducts, and several additional areas of environmental policy. To engage and interact with public and private businesses and citizens alike, EPD issues permits, collects fees, and assesses compliance through permit requirements and audits of fee collections. EPD monitors environmental interaction through scientific and statistics-based research, investigation, permit compliance, and reporting. EPD also oversees administration of the Hazardous and Solid Waste Trust Fund(s), which are funding mechanisms to assess and remediate any hazardous or solid waste sites that lack a financially liable party and pose a risk to public health. Through regulation and permit-based compliance, EPD is able to survey environmental stakeholders and assess Georgia's environmental needs and concerns. The purpose of this review is to assess the program's activities against its statutory responsibilities, purpose, cost to provide services, and desired performance outcomes.

### Results and Recommendations

#### Underground Storage Tank Trust Fund Transparency

The Underground Storage Tank Trust Fund is a program EPD offers to businesses and citizens that utilize underground storage tanks (USTs). The program offers financial assistance to owners of registered USTs by providing funding for remediation of leaking or faulty storage tanks for up to one million dollars in fund coverage per UST release. Technical assistance is also provided by EPD-administered regular inspections for UST structural

integrity. In return, the registered UST owner must pay an annual fee to EPD for UST assurance. In Fiscal Year 2017, over 13,000 UST facilities were enrolled in the EPD UST program, with remediation projects totaling \$14.4 million in expenditures.

Currently, EPD books expenses for the UST program under the contractual services object class. When doing so, it requires EPD to carry over the fund balance of the UST program into the contractual services budget, while also placing all UST remediation expenses in contractual services as well. To that end, the fund balance of the UST program greatly inflates the contractual services object class budget. Additionally, of the \$36.4 million in expenditures in EPD contractual services in 2017, approximately 40 percent consisted of UST remediation expenses.

To provide a more transparent and streamlined financial process for the UST program, EPD should place the UST program budget and associated UST remediation transactions in a unique object class to be used for UST program purposes only. By doing so, the UST program will be able to display true costs of remediation activities and fund balance, separate of other EPD contracts. This will also allow the EPD contractual services object class budget to be less inflated by the UST fund balance and its associated large expenses, providing a clearer concept of EPD contractual services activity.

#### *Agricultural Water Metering Program*

EPD is tasked with monitoring agricultural water use and providing data and analysis to aid in water conservation measures for state and regional water planning. EPD has assumed a more intensive role in Georgia's Agricultural Water Metering program through the Fiscal Year 2018 budget, which transferred six employees into the program from the State Soil and Water Conservation Commission. Pursuant to this change, duties mandated by O.C.G.A § 12-5-31 (m.1) (1) requiring the Commission to purchase, install, operate, and maintain agricultural water meters have now been transferred to EPD via a Memorandum of Understanding. With EPD now installing, maintaining, and collecting water use data from water meters, the agricultural water metering program has grown considerably in size and scope for the Division.

In order to delineate and distinguish the activities of the Water Metering program, EPD should consider creating a new budget subprogram for the Agricultural Water Metering initiative. By doing so, EPD could separate the activities and operations of employees who conduct inspections, installations, and maintenance on agricultural water meters on a daily basis from those who perform other Water Protection duties.

In addition, EPD should also continue to work to identify ways to streamline the Agricultural Water Metering program's delivery of service by communicating statutory and operational needs.

#### *Continued collaboration with Department of Natural Resources Administration*

EPD is the largest program under the Department of Natural Resources (DNR) from an employee and total funding perspective. In addition, EPD has its own Director and a unique structure of operations. Due to the unique nature of EPD and its relationship with DNR, EPD maintains administrative functions similar to those of DNR Administration. These functions include financial management, human resources, legal services, and information technology. It is important to note that some administrative employees in EPD submit technical information and financial transaction data in the same way that other DNR program staff submit to DNR Administration.

O.C.G.A § 12-2-2 empowers the EPD Director to make and delegate permitting and certification decisions over EPD's large catalogue of permits and environmental certifications. To that end, autonomy exists between the EPD and DNR concerning permitting decisions and the powers of the Director. To aid in the permitting process, the administrative unit in EPD utilizes an information technology department to maintain electronic records of permits and permitting decisions. Similarly, legal services staff within EPD administration must provide the Director legal advice on issues arising from permitting decisions and other environmentally-specific issues. When considering the uniqueness of the EPD Director and his duties to the state in relation to the DNR, some degree of autonomy from DNR administration is necessary.

Continued collaboration between DNR and EPD will be pivotal moving forward as both play vital roles in securing the stewardship of Georgia's natural resources. As DNR is the parent agency of the EPD program, statewide

reporting requirements must be communicated between the two units and reported to DNR Administration to ensure agency compliance and internal control measures are being met.

*New Performance Measures should be added to monitor the program's overall performance*

Performance measures are an integral component of the Zero-Based Budget process, aiming to assign quantitative measures of program workload, efficiency, and effectiveness, while also reflecting the execution of program, agency, and state initiatives. Performance measures on file for current EPD activities should be refined to be more comprehensible, while also doing a more effective job of showing core programmatic operations and workload efficiency.

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

- Percentage of public water systems meeting health based standards
- Average number of days to resolve a citizen complaint
- Number of expedited air permits completed
- Percentage of landfills in compliance with groundwater standards

**Department of Natural Resources**  
**ZBB Program: Environmental Protection Division**

**Key Activities**

| Activity*        | Description  | Authority  | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|------------------|--|--|------------------|---------------------|----------------------|
| Air Protection   | Oversees Georgia's air quality through the regulation of emissions from industrial and mobile sources. Monitors Georgia's air quality through permitting and regulation of industrial, mobile, and stationary source emissions; monitors chemical components of air pollutants throughout the state by the hour; and projects future climate and air quality trends to evaluate federal air quality compliance.  | O.C.G.A § 12-9-1 et seq. ; 42 U.S.C 7401 et seq. (1970)  | 192              | \$538,982           | \$29,221,603         |
| Land Protection  | Provides protection and management of the disposal and treatment of solid and hazardous wastes throughout the state. Ensures compliance enforcement of municipal and industrial solid waste landfills; provides inspection, assurance, and remediation of underground storage tanks; permits and inspects surface mining operations; encourages the reduction, reuse, and recycling of waste materials; provides investigation, classification, and remediation action(s) on hazardous waste sites; provides oversight and eradication of activity related to lead-based paint and asbestos; and oversees the administration of the Hazardous Waste and Solid Waste Trust Fund(s).   | O.C.G.A § 12-8-20 et seq. ; O.C.G.A § 12-14-1; O.C.G.A § 16-7-40-16-7-50; 42 U.S.C 6901 et seq. (1990) | 163              | 2,713,838           | 37,906,138           |
| Water Protection | Protects and conserves Georgia's water resources and supply through water permitting, planning, and regulation, and through the issuance of water management practices. Manages water resources by permitting and evaluating municipal and industrial water discharge; permits, inspects, and provides technical assistance to public drinking water systems; classifies and inspects watershed dams; manages nonpoint sources of runoff and pollution by: issuing management practices, evaluating flood plans, overseeing stormwater runoff, and reviewing erosion and sedimentation control plans; conducts water quality monitoring and data modeling on Georgia's waterways; and issues guidance and water resource protection measures to Georgia's citizenry to preserve and protect current water resources. | O.C.G.A § 12-5-20 et seq. ; 33 U.S.C 1251 et seq. (1972)   | 265              | 14,587,857          | 36,650,255           |
| District Offices | Operates seven district office locations statewide, which supply support staff for EPD regulatory functions. Provides regional compliance support through inspections and enforcement and prompt emergency response actions to environmental emergencies.  | O.C.G.A § 12-7-1; O.C.G.A § 12-5-520 et seq.   | 70               | 9,361,055           | 10,517,552           |
| Administration   | Provides statewide coordination of policy, financial, legal, information technology, and human resources leadership for the Division.  | O.C.G.A. § 12-2-2; O.C.G.A. § 12-16-4 -12-16-9   | 25               | 3,618,136           | 4,187,971            |
| <b>Total</b>     |  |  | <b>715</b>       | <b>\$30,819,868</b> | <b>\$118,483,519</b> |

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

**Department of Natural Resources**  
**ZBB Program: Environmental Protection Division**

**Financial Summary**

| <b>Objects of Expenditure</b> | <b>Expenditures</b>  |                      | <b>FY 2018</b>        |
|-------------------------------|----------------------|----------------------|-----------------------|
|                               | <b>FY 2016</b>       | <b>FY 2017</b>       | <b>Current Budget</b> |
| Personal Services             | \$55,016,457         | \$56,471,459         | \$60,471,537          |
| Regular Operating Expenses    | 4,911,119            | 5,454,781            | 3,938,465             |
| Motor Vehicle Purchases       | 1,218,037            | 171,457              |                       |
| Equipment                     | 434,812              | 623,901              | 261,250               |
| Computer Charges              | 329,043              | 403,202              | 17,945                |
| Real Estate Rentals           | 5,495,391            | 5,503,438            | 4,658,805             |
| Telecommunications            | 1,634,174            | 2,050,602            | 934,440               |
| Capital Outlay                | 400                  |                      |                       |
| Contractual Services          | 38,847,887           | 36,602,186           | 48,201,077            |
| Grants and Benefits           | 953,179              | 4,841,821            |                       |
| Other                         |                      | 42,500               |                       |
| Repairs and Maintenance       |                      | 162,076              |                       |
| Hazardous Waste Trust Fund    | 581,204              | 180,680              |                       |
| Solid Waste Trust Fund        | 38,850               | 170,814              |                       |
| <b>Total Expenditures</b>     | <b>\$109,460,553</b> | <b>\$112,678,917</b> | <b>\$118,483,519</b>  |
| <b>Fund Type</b>              |                      |                      |                       |
| State General Funds           | \$29,989,092         | \$30,467,662         | \$30,819,868          |
| Other Funds                   | 47,986,521           | 45,042,495           | 55,793,855            |
| Federal Funds                 | 31,484,940           | 37,168,760           | 31,869,796            |
| <b>Total Funds</b>            | <b>\$109,460,553</b> | <b>\$112,678,917</b> | <b>\$118,483,519</b>  |
| <b>Positions</b>              | 657                  | 686                  | 715                   |
| <b>Motor Vehicles</b>         | 231                  | 239                  | 245                   |

**Department of Natural Resources**  
**ZBB Program: Environmental Protection Division**

**Performance Measures**

**Agency Mission:**

The Department of Natural Resources' mission is to sustain, enhance, protect, and conserve Georgia's natural, historic, and cultural resources for present and future generations, while recognizing the importance of promoting the development of commerce and industry that utilize sound environmental practices.

**Program Purpose:**

The purpose of this program is to protect the quality of Georgia's air by controlling, monitoring, and regulating pollution from large, small, mobile, and area sources (including pollution from motor vehicle emissions) by performing ambient air monitoring, and by participating in the Clean Air Campaign; to protect Georgia's land by permitting, managing, and planning for solid waste facilities; by implementing waste reduction strategies; by administering the Solid Waste Trust Fund and the Underground Storage Tank program; by cleaning up scrap tire piles; by permitting and regulating surface mining operations; to protect Georgia and its citizens from hazardous materials by investigating and remediating hazardous sites, and by utilizing the Hazardous Waste Trust Fund to manage the state's hazardous sites inventory; to oversee site cleanup and brownfield remediation; to remediate abandoned sites; to respond to environmental emergencies; and to monitor and regulate the hazardous materials industry in Georgia. The purpose of this program is also to ensure the quality and quantity of Georgia's water supplies by managing floodplains; by ensuring the safety of dams; by monitoring, regulating, and certifying water quality; and by regulating the amount of water used.

| Performance Measures  | Actuals     |             |             |             |
|---|-------------|-------------|-------------|-------------|
|   | FY 2014     | FY 2015     | FY 2016     | FY 2017     |
| 1. Number of Notice of Violations issued  | 3,709       | 3,401       | 3,644       | 3,805       |
| 2. Number of consent orders executed  | 828         | 806         | 1,179       | 675         |
| 3. Settlement dollars collected for executed consent orders                                 | \$2,859,523 | \$2,295,397 | \$2,383,139 | \$2,216,310 |
| 4. Number of air permit applications processed  | 646         | 635         | 671         | 608         |
| 5. Water withdrawal for municipal and industrial water use (in gallons per capita per day)  | 151         | 145         | 146         | 153         |
| 6. Number of agricultural water meters installed *  | 73          | 32          | 67          | N/A         |
| 7. Average number of days to resolve a citizen complaint (New)                              | N/A         | N/A         | N/A         | N/A         |
| 8. Percentage of public drinking water systems meeting federal health based standards (New) | N/A         | N/A         | N/A         | N/A         |
| 9. Number of expedited air permits completed (New)  | N/A         | N/A         | N/A         | N/A         |
| 10. Percentage of landfills in compliance with groundwater standards (New)                  | N/A         | N/A         | N/A         | N/A         |

Performance measure formerly maintained by the State Soil and  
 \* Water Conservation Commission



# FY 2019 Zero-Based Budget Analysis

Department of Natural Resources

ZBB Program: Solid Waste Trust Fund

## Executive Summary

- The Solid Waste Trust Fund, administered by the Environmental Protection Division, receives an annual appropriation to encourage recycling and reuse of waste materials and to mitigate solid waste issues in Georgia associated with scrap tire management, abandoned solid waste landfills, and emergency situations.
- The program should continue to engage with local governments to cooperate in the statewide eradication and management of scrap tires.
- The program should continue to examine new markets for scrap tire reuse by encouraging scrap tire processors and secondary users.
- The program should assess means of scrap tire fee collections by examining online and used tire sales, and evaluating fee collections at the retail tire sale level.

## Program Overview

The Solid Waste Trust Fund (SWTF), established in 1990 as part of the Comprehensive Solid Waste Management Act (O.C.G.A § 12-8-10 et Seq.), is a funding mechanism used to mitigate solid waste management issues, statewide. To fund SWTF operations, a one dollar scrap tire fee is assessed statewide at all tire retailers when purchasing new tires. The SWTF is authorized to use appropriated funding for scrap tire management, cleanups, and enforcement; closure and maintenance care of abandoned landfills; emergency and preventative actions at solid waste facilities; and the encouragement of waste reduction and recycling programs.

A large amount of the trust fund's activities involve the scrap tire management program, which permits all stakeholders in the scrap tire disposal process and seeks to eradicate abandoned scrap tire piles statewide. The program is administered by employees in the Land Protection branch of the Environmental Protection Division, providing oversight of scrap tire disposal from scrap tire generation to landfill storage or reuse. In addition, the SWTF is the state entity in charge of managing and facilitating cleanups of abandoned solid waste landfills for unidentified or insolvent liable parties. The SWTF manages initial engineering assessments of abandoned landfills, landfill cleanup, and post-closure care and monitoring of landfills for groundwater, surface water, and soil contamination. The purpose of this review is to assess the program's activities against its statutory responsibilities, purpose, cost to provide services, and desired performance outcomes.

## Results and Recommendations

### *Continuing to Engage Local Governments in Scrap Tire Eradication*

Local government participation is instrumental in pursuit of the SWTF's goal of eliminating unregulated scrap tire piles. Currently, the SWTF offers reimbursements to local governments for scrap tire cleanups that occur within the local government's jurisdiction. To further encourage and foster cooperation between the SWTF program and local governments, the SWTF should continue to engage local governments with events and programs to stimulate scrap tire cleanups. To that end, the SWTF should continue activities associated with cleanup reimbursements and "Scrap Tire Amnesty Days," which provide opportunities for citizens out of compliance with scrap tire rules and local code enforcement to turn in tires at designated local collection sites without penalty. This initiative allows local governments an opportunity to participate in the program by providing SWTF funding and technical assistance on scrap tire disposal, and fosters a working environment with scrap tire stakeholders. By utilizing unique events like

Scrap Tire Amnesty Days, the SWTF can cultivate working relationships with local governments while also incentivizing citizens that may be out of local or state compliance to turn in abandoned tires.

In addition, the SWTF should consider new ways to engage with local governments to build upon progress made in statewide scrap tire eradication. In collaboration with county enforcement, the SWTF has helped remediate over 350 illegal scrap tire sites statewide, with an equivalent of 694,000 scrap tires. To continue the momentum in scrap tire site remediation efforts, extended cooperation with local governments will be imperative. Examining opportunities such as designated county tire disposal sites, annual forums to bring together state and local compliance officers, and incentivizing local governments for reusing scrap tires are additional methods that may provide opportunities to eradicate illegal scrap tire dumping. Continued cooperation with local governments and the SWTF could serve as a catalyst to scrap tire management, providing a safer solid waste disposal process.

#### Encouraging Scrap Tire Market Development

When a scrap tire is generated in the state of Georgia, a tire can take several paths to its final disposal. The tire first starts at a tire retail center, also known as a “generator,” where scrap tires are taken off of vehicles. From the generator, the tire moves to a licensed tire “carrier,” which carries an excess of 10 tires at a time to a landfill or tire collection center. Landfills and tire collection centers, also known as tire “sorters,” store and sort tires in compliance with environmental rules and regulations, and can move their tires in storage to an end user for tire reuse. These end users are commonly referred to as a tire “retreader” and/or “processor.” Retreaders repurpose scrap tires into used tires with improved tread, while processors find innovative ways to market scrap tires for secondary product use. Each step of this scrap tire “life cycle” is permitted by the SWTF, and each step is key in the ultimate goal of scrap tire reduction and reuse.

While scrap tires are permitted to be deposited in landfills, tires are not biodegradable waste products. Consequently, scrap tires will need to be repurposed and reused to mitigate public health risks associated with scrap tires occupying space in landfills and at illegal dump sites. Fortunately, scrap tires have the ability to be repurposed into secondary products, and offer a unique waste reduction solution to a persistent scrap tire disposal problem. Currently, Georgia operates with 55 scrap tire sorters, while only nine scrap tire processors operate in-state. In addition, the nine scrap tire processors mostly operate in the metro Atlanta area, therefore causing some of the scrap tires in South Georgia to be destined for landfills, or sent out of state to one of the 33 approved out of state scrap tire processors.

To stimulate a market for the reuse and reduction of scrap tires in Georgia, the SWTF should examine and communicate ways to incentivize scrap tire processing entities. Scrap tires can be reused for a litany of purposes, including: asphalt aggregate material for roads and highways, applications in civil engineering for concrete production and plumbing, drainage systems, construction materials, manufacturing fuel, recreation track and trail surfacing, and various landscaping and green surface improvements. Energizing a market for the reuse of scrap tire materials could not only improve solid waste management issues in Georgia, but may also provide avenues into business development opportunities within the state.

#### Examining Means of Scrap Tire Fee Collections

As the retail sales industry continues to evolve and move toward electronic and secondary means of purchase, the SWTF should continue to examine new methods of collecting scrap tire fees on online sales and at used tire shops. An ever-increasing amount of tire sales fall into these two areas of retail purchase, and collecting scrap tire fees has become more challenging for the SWTF and the Georgia Department of Revenue. While online tire sales and used tire shops contribute tangibly to scrap tire disposal needs statewide, there is a limited financial contribution made from these purchases toward scrap tire management. Meanwhile, retail tire shops have continued to assess the scrap tire fee to their customers, therefore creating a disadvantageous market for in-state new tire retailers.

To continue and supplement the operations of the SWTF and to provide an equitable retail purchase market, the program should continue to examine policies to collect scrap tire fees on these areas of retail sales. In addition, the SWTF should continue to investigate practices to ease collections and compliance by examining scrap tire fee collections at different phases of the tire sale process. Fee collections and compliance efforts at the retail level of tire sales can be challenging due to the amount of tire retailers and the growing diversification of sellers. This

challenge is exemplified when considering scrap tire fee collections in fiscal year 2016, where roughly 70 percent of tire retailers correctly remitted scrap tire fees, resulting in possible lost collections in excess of \$2 million. Examining alternative methods of fee collection may prove to be more effective in measuring compliance, sustaining scrap tire and solid waste management operations, and could provide more accurate data on the amount of scrap tires generated in Georgia.

**Department of Natural Resources**  
**ZBB Program: Solid Waste Trust Fund**

**Key Activities**

| Activity*  | Description  | Authority                                  | No. of Positions** | FY 2018 State Funds | FY 2018 Total Budget |
|--|--|--|--------------------|---------------------|----------------------|
| Compliance   | Permits scrap tire generators, carriers, sorters, and processors; manages scrap tire composting activities; conducts solid waste and scrap tire site inspections; assists in the scrap tire fee collection process.  | O.C.G.A. § 12-8-27.1; O.C.G.A. § 12-8-40.1 |                    | \$1,244,651         | \$1,244,651          |
| Fund Administration                                  | Issues local government reimbursements for scrap tire cleanups and solid waste projects; manages scrap tire abatements; maintains Solid Waste Management Plan; provides educational outreach on waste reduction in Georgia; finances emergency remediation of solid waste contamination situations that present a risk to public health. | O.C.G.A. § 12-8-27.1                       |                    | 975,493             | 975,493              |
| Closure and Post Closure Care of Abandoned Landfills | Assesses design and structural needs for landfill closure; provides abatement of abandoned solid waste landfill sites; provides design and structural planning for post closure care and maintenance.  | O.C.G.A. § 12-8-27.1                       |                    | 570,631             | 570,631              |
| <b>Total</b>   |  |  | 0                  | \$2,790,775         | \$2,790,775          |

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

\*\* Positions to administer the program are located in a separate program within the agency

**Department of Natural Resources**  
**ZBB Program: Solid Waste Trust Fund**

**Financial Summary**

| Objects of Expenditure     | Expenditures       |                    | FY 2018            |
|----------------------------|--------------------|--------------------|--------------------|
|                            | FY 2016            | FY 2017            | Current Budget     |
| Personal Services          |                    |                    |                    |
| Regular Operating Expenses |                    |                    |                    |
| Motor Vehicle Purchases    |                    |                    |                    |
| Equipment                  |                    |                    |                    |
| Computer Charges           |                    |                    |                    |
| Real Estate Rentals        |                    |                    |                    |
| Telecommunications         |                    |                    |                    |
| Contractual Services       |                    |                    |                    |
| Solid Waste Trust Fund     | \$2,530,376        | \$2,324,269        | \$2,790,775        |
| <b>Total Expenditures</b>  | <b>\$2,530,376</b> | <b>\$2,324,269</b> | <b>\$2,790,775</b> |
| <b>Fund Type</b>           |                    |                    |                    |
| State General Funds        | \$2,530,376        | \$1,322,401        | \$2,790,775        |
| Prior Year Funds           |                    | \$1,001,868        |                    |
| <b>Total Funds</b>         | <b>\$2,530,376</b> | <b>\$2,324,269</b> | <b>\$2,790,775</b> |
| <b>Positions</b>           | 0                  | 0                  | 0                  |
| <b>Motor Vehicles</b>      | 0                  | 0                  | 0                  |

**Department of Natural Resources**  
**ZBB Program: Solid Waste Trust Fund**

**Performance Measures**

**Agency Mission:**

The Department of Natural Resources' mission is to sustain, enhance, protect, and conserve Georgia's natural, historic and cultural resources for present and future generations, while recognizing the importance of promoting the development of commerce and industry that utilize sound environmental practices.

**Program Purpose:**

The purpose of this program is to fund the administration of the Scrap Tire Management Program; to enable emergency, preventative, and corrective actions at solid waste disposal facilities; to assist local governments with the development of solid waste management plans; and to promote statewide recycling and waste reduction programs.

| Performance Measures  | Actuals |         |         |         |
|---|---------|---------|---------|---------|
|   | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Number of new or modified solid waste permits issued   | 4       | 5       | 14      | 10      |
| 2. Dollar amount reimbursed to local governments for solid waste cleanups (New)                       | N/A     | N/A     | N/A     | N/A     |
| 3. Percentage of tires cleaned up through enforcement measures (New)                                  | N/A     | N/A     | N/A     | N/A     |
| 4. Percentage of tires cleaned up through state-led contract (New)                                    | N/A     | N/A     | N/A     | N/A     |
| 5. Percentage of tires cleaned up through local government reimbursement (New)                        | N/A     | N/A     | N/A     | N/A     |
| 6. Average number of days from initial inspection to state-led cleanup of scrap tire dump sites (New) | N/A     | N/A     | N/A     | N/A     |
| 7. Number of permitted scrap tire facilities (New)  | N/A     | N/A     | N/A     | N/A     |



# FY 2019 Zero-Based Budget Analysis

## State Board of Pardons and Paroles ZBB Program: Victim Services

### Executive Summary

- The Office of Victim Services provides notification to victims of changes in offender status or placement; conducts outreach and information gathering from victims during clemency proceedings; hosts victims visitors' days; and acts as a liaison for victims to the state corrections, community supervision, and pardons and paroles systems.
- The program purpose statement of the Victim Services program should be updated to reflect the relationship between victims and the various agencies with which the program works.
- The State Board of Pardons and Paroles should revise current performance measures to better demonstrate the workload and efficiencies of the program.

### Program Overview

The Georgia Office of Victim Services (OVS) provides notification to victims of changes in offender status or placement; conducts outreach and information gathering from victims during clemency proceedings; hosts victim visitors' days; and acts as a liaison for victims to the state corrections, community supervision, and pardons and paroles systems. OVS serves as a single point of coordination for the State Board of Pardons and Parole (SBPP), the Department of Corrections (GDC), and the Department of Community Supervision (DCS). If a victim has a question regarding the status of an offender, OVS will contact the appropriate person at either SBPP, GDC, or DCS depending on the victim's inquiry. Additionally, through the Victim Information Program (V.I.P.), the SBPP, GDC, and DCS communicate changes in offender status and other required information to the victim.

In order for the victim, the family member, or interested citizen to receive notifications, they must register for the V.I.P. program. OVS has over 32,000 actively registered users and registers roughly 2,000 additional individuals every year. In addition to these statutorily required activities, OVS also provides program services directly to victims such as Victim Visitor's Day. This is an opportunity for victims to ask questions directly to staff from SBPP, GDC, DCS, and OVS and to learn more about what services are available to them. OVS also offers a Victim-Offender Dialogue service. This provides victims the opportunity to speak with their offender, should both parties agree, in a safe, victim-determined environment.

This program is housed within the State Board of Pardons and Paroles. Although the program has only five budgeted positions, it operates with 12 full-time employees. The additional employees, who serves as liaisons from SBPP, GDC, and DCS, are necessary to ensure that the communication across these agencies is seamless and services are provided to victims in an expeditious manner.

### Results and Recommendations

#### *Modify Program Purpose Statement*

The program purpose statement should be modified to accurately reflect key activities of the program. The current purpose statement reads as follows: "The purpose of this appropriation is to provide notification to victims of changes in offender status or placement through the Victim Information Program, conduct outreach and information gathering from victims during clemency proceedings, host victims and visitors' days, and act as a liaison for victims to the state corrections, community supervision, and pardons and paroles systems." The program purpose statement

does not accurately reflect the different processes that victims have rights to take part in. Therefore, the program purpose statement should be changed to read as follows: “The purpose of this appropriation is to provide notification to victims of changes in offender status or placement, conduct outreach and information gathering from victims during clemency proceedings, host victims visitors’ days, and act as a liaison for victims to the state corrections, community supervision, and pardons and paroles systems.”

#### Update and Revise Performance Measures

The program should update the performance measures that are currently being tracked. The proposed changes will more accurately portray the workload placed on the program’s different activities. Below is a list of the recommended changes to and deletions of current measures as well as new recommended performance measures.

#### New Measures:

- Total Number of Tier 1 individuals registered in the Georgia Victim Information Program
- Total Number of Tier 2 individuals registered in the Georgia Victim Information Program

#### Removal of Measures:

- Percentage of Victims' Visitor Day respondents who indicated all of their questions were answered
- Amount of restitution disbursed to victims during the year (combined total of Board parolees and GDC probationers)
- Number of phone calls logged
- Number of victims and their family members spoken to in person on visitors days and through the year
- Number of hits on the Office of Victim Services web site

#### Revised Measures:

- Revise measure from All impact statements and notifications filed by the public with the Office of Victim Services to:
  - Number of impact statements and notifications filed by the public with the Office of Victim Services
- Revise measure from Number of direct face to face contacts with District Attorney Victim-Witness staff to:
  - Number of information sessions with District Attorney Victim-Witness staff

**State Board of Pardons and Paroles**  
**ZBB Program: Victim Services**

**Key Activities**

| Activity*                               | Description  | Authority   | No. of Positions** | FY 2018 State Funds | FY 2018 Total Budget |
|---|--|---|--------------------|---------------------|----------------------|
| Registration and Notifications          | Registers and provides the appropriate notifications to victims and interested parties within the timelines provided by statute. The Office of Victim Services is responsible for separating victims and their families from other interested parties into distinct categories. These categories determine what notifications and services will be provided to individuals.  | O.C.G.A. §17-17-13, 42-9-47, 42-1-11(b)                   | 2.5                | \$189,261           | \$189,261            |
| Interagency and Victim Point of Contact | Acts as the point of contact between the Department of Community Supervision, the State Board of Pardons and Paroles, the Department of Corrections, and victims for restitution, unwanted offender contact, and other services. OVS has positions within each of these agencies so as to effectively address victims' questions or concerns throughout the criminal justice process.  | O.C.G.A. §42-3-5(a), 17-14-7 through 17-14-17, 17-17-12.1 | 1.5                | 126,174             | 126,174              |
| Assistance Programs                     | Provides services directly to victims to ensure that they are aware of the potential role they can play in the criminal justice system. Victims Visitors' Day allows victims to meet Board members as well as have any questions answered by OVS staff. Victim Offender Dialogue allows victims the opportunity to speak with their offender, should both parties agree, in a safe, victim-determined environment. Other services include programs that prepare and assist victims or their families through clemency hearings and executions when applicable. | None  | 2                  | 189,260             | 189,260              |
| <b>Total</b>                            |  |   | 6                  | \$504,695           | \$504,695            |

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

\*\* Two positions from the Department of Corrections, two positions from the State Board of Pardons and Paroles, two positions from the Department of Community Supervision, and a VOCA-funded position in addition to the positions above make up the Office of Victim Services.

**State Board of Pardons and Paroles**  
**ZBB Program: Victim Services**

**Financial Summary**

| <b>Objects of Expenditure</b> | <b>Expenditures</b> |                  | <b>FY 2018</b>        |
|-------------------------------|---------------------|------------------|-----------------------|
|                               | <b>FY 2016</b>      | <b>FY 2017</b>   | <b>Current Budget</b> |
| Personal Services             | \$412,478           | \$441,665        | \$421,852             |
| Regular Operating Expenses    | 36,263              | 45,644           | 40,843                |
| Motor Vehicle Purchases       | 15,380              |                  |                       |
| Equipment                     |                     |                  |                       |
| Computer Charges              | 21,455              | 23,237           | 8,000                 |
| Real Estate Rentals           |                     |                  |                       |
| Telecommunications            | 21,425              | 16,066           | 24,000                |
| Contractual Services          | 23,789              | 10,770           | 10,000                |
| <b>Total Expenditures</b>     | <b>530,790</b>      | <b>537,382</b>   | <b>504,695</b>        |
| <b>Fund Type</b>              |                     |                  |                       |
| State General Funds           | \$480,790           | \$487,382        | \$504,695             |
| Other Funds                   | 50,000              | 50,000           |                       |
| <b>Total Funds</b>            | <b>\$530,790</b>    | <b>\$537,382</b> | <b>\$504,695</b>      |
| <b>Positions</b>              | 6                   | 6                | 6                     |
| <b>Motor Vehicles</b>         | 0                   | 0                | 1                     |

**State Board of Pardons and Paroles  
ZBB Program: Victim Services**

**Performance Measures**

**Agency Mission:**

The State Board of Pardons and Paroles serves the citizens of Georgia by exercising the constitutional authority of executive clemency through informed decision making, thereby ensuring public safety, protecting victims' rights, and providing offenders with opportunities for positive change.

**Program Purpose:**

The purpose of this program is to provide notification to victims of changes in offender status or placement through the Victim Information Program; to conduct outreach and information gathering from victims during clemency proceedings; to host victim and visitor days; and to act as a liaison for victims to the state corrections system.

| Performance Measures  | Actuals |         |         |         |
|---|---------|---------|---------|---------|
|   | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Number of victims who received restitution   | N/A     | N/A     | 8,322   | 9,239   |
| 2. Number of new people registered in the Georgia Victim Information Program system                               | 1,989   | 1,768   | 1,905   | 2,473   |
| 3. Number of correspondences sent out to victims  | 9,590   | 8,791   | 12,270  | 12,086  |
| 4. Number of impact statements and notifications filed by the public with the Office of Victim Services (Revised) | 2,401   | 2,393   | 4,716   | 2,539   |
| 5. Number of information sessions with District Attorney Victim-Witness staff (Revised)                           | 18      | 31      | 32      | 42      |
| 6. Number of Georgia Victim Information Program notification calls to victims                                     | 375     | 287     | 581     | 510     |
| 7. Number of calls to the Georgia Victim Information Program automated phone system by victims and others         | 8,531   | 8,615   | 6,796   | 3,649   |
| 8. Total number of Tier 1 individuals registered in the Victim Information Program (New)                          | N/A     | N/A     | N/A     | N/A     |
| 9. Total number of Tier 2 individuals registered in the Victim Information Program (New)                          | N/A     | N/A     | N/A     | N/A     |



# FY 2019 Zero-Based Budget Analysis

## Department of Public Health ZBB Program: Adult Essential Health Treatment Services

### Executive Summary

- The Adult Essential Health Treatment Services program within the Department of Public Health provides: payments for cancer diagnosis and treatment services, and direct hypertension management services including screening, lifestyle coaching, and doctor referrals.
- The Department of Public Health should submit an amendment to the budget system to more accurately reflect its actual position count within the program.
- The Department of Public Health should monitor potential federal policy initiatives affecting the Prevention and Public Health Fund, which could impact the budget of the Adult Essential Health Treatment Services program.
- The Adult Essential Health Treatment Services program should adopt new performance measures to better describe the workload, efficiency, and effectiveness of the program.

### Program Overview

The Department of Public Health (DPH) prevents disease, injury and disability; promotes health and well-being; and prepares for and responds to emergency disasters from a health perspective. House Bill 214 established DPH in 2011, which was previously consolidated within the Department of Community Health (DCH) as the Division of Public Health. The state is divided into 18 public health districts, ranging from districts that include one county to districts that include multiple counties. On average, there are approximately nine counties per public health district. Public health services in the state of Georgia are implemented through a three-tiered delivery model. DPH provides policy direction, public health districts serve as the management liaison between DPH and county health departments, and public health services are delivered at county health departments. The Adult Essential Health Treatment Services (AEHTS) program within DPH provides diagnostic and treatment services to low-income Georgians with cancer and Georgians at risk of stroke or heart attacks, through the Cancer State Aid (CSA) and Hypertension Management programs, respectively.

#### Cancer State Aid

CSA was established in 1937 as a program within DPH for the prevention, control, and treatment of cancer among patients who require lifesaving therapy but are uninsured and have limited annual household income. CSA provides payments for: cancer-related diagnostic testing of conditions medically evaluated to be highly suspicious for cancer; cancer staging and treatment planning for Georgians who have a cancer diagnosis, but have not yet received a comprehensive medical workup; and standard cancer treatment services to patients whose prognosis and planned treatments are medically eligible for program funding.

Examples of prior-approved cancer related services funded by CSA include:

- Cancer diagnostic services to include diagnostic scans, biopsies, bone marrow aspiration, colonoscopy, mammography, surgery, etc.
- Cancer treatment services to include surgical interventions, chemotherapy, hormone therapy, immunotherapy, radiotherapy, targeted therapy, etc.

- Cancer-related pharmacy services covering prescriptions for treatment medication, as well as medication for pain management or other conditions or illness that arise as an effect of cancer treatment therapies

Hospitals, free standing radiation therapy centers, physician group practices, and contracted pharmacies must be certified to provide prior-approved services. To be eligible for CSA certification, these treatment facilities must be licensed by the state of Georgia and compliant with provisions stated in the annual CSA participation agreement. Participating hospitals must also be accredited by the Joint Commission on Accreditation of Healthcare Organizations or by another Centers for Medicare and Medicaid Services accepted accreditation organization. Applications for CSA are provided at participating hospitals and free-standing radiation therapy centers and are submitted by the participating facility on behalf of the patient to CSA. To be eligible for CSA enrollment, applicants must:

- Be uninsured
- Have an annual income at or below 250 percent of the Federal Poverty Level
- Be legal residents of Georgia
- Have a confirmed diagnosis or a condition highly suspicious for cancer
- Have a stage of disease that is likely to benefit from treatment as having at least 25 percent survival rate for five years from completion of an approved treatment plan
- Be determined ineligible for health coverage under Medicaid and/or Medicare

Once a patient is accepted they must re-apply for program enrollment each fiscal year to continue receiving services.

CSA is appropriated Tobacco Settlement Funds, which are funds received as part of the 1998 national Tobacco Master Settlement Agreement with five major tobacco manufacturers to recover tobacco-related healthcare costs incurred by states. In FY 2018 Georgia budgets \$136,509,071 in Tobacco Settlement Funds, distributed between the Department of Behavioral Health and Developmental Disabilities, DCH, DPH, and the Department of Revenue. For FY 2018, DPH is appropriated \$13,717,860 in Tobacco Settlement Funds in four different program areas:

- Adolescent and Adult Health Promotion - \$6,857,179
- Adult Essential Health Treatment Services - \$6,613,249
- Departmental Administration - \$131,795
- Epidemiology - \$115,637

AEHTS utilizes the Tobacco Settlement Funds to pay for CSA patient treatment through reimbursements to participating treatment facilities. DPH contracts with 22 participating hospitals and 19 radiation therapy centers to provide diagnostic and treatment services, while outpatient pharmacy services are provided via contractual agreement with 11 non-retail participating pharmacies. See Table 1 for a breakdown of treatment facilities available by county.

**Table 1**

| Treatment facility type    | Number of counties | Name of counties   |
|----------------------------|--------------------|--|
| Hospitals Only             | 15                 | Bibb, Camden, Cherokee, Dougherty, Forsyth, Glynn, Hall, Lowndes, Muscogee, Sumter, Thomas, Tift, Toombs, Troup, Whitfield |
| Radiation Centers Only     | 11                 | Bulloch, Clayton, Floyd, Greene, Laurens, Newton, Pulaski, Rockdale, Spalding, Union, Ware                                 |
| Hospital/Radiation Centers | 4                  | Cobb, DeKalb, Fulton, Gwinnett   |

From FY 2013 to FY 2017, 1,221 patients have been enrolled in CSA and 1,086 have received services. The number of patients served could be dependent upon patient compliance and participation in approved treatment services, timely submission of claims by participating facilities, and patient approval for other coverage by Medicaid, Medicare, or other insurer. In FY 2016, the average cost of treatment per patient was \$26,337. In FY 2017, 242

patients have enrolled in CSA, averaging 244 enrollees per year over the last five years. In FY 2017, 59 percent of enrolled patients were male and 41 percent female, with 89 percent of patients enrolled between the ages of 40 and 69.

### Hypertension Management

The Georgia Hypertension Management Program addresses uncontrolled blood pressure that could lead to health conditions such as cardiovascular disease, heart attack, and stroke. The Preventive Health and Health Services (PHHS) Block Grant authorizes the Hypertension Management program and the Prevention and Public Health Fund (PPHF) provides the funding. In FY 2016, DPH received \$4,795,453 in federal funds from PHHS, \$300,000 of which DPH used to provide direct hypertension management services to uninsured and low-income adults with high blood pressure. These services include blood pressure screening and assessment, disease management and treatment, referrals to doctors, and lifestyle coaching. Specifically, the lifestyle coaching service includes counseling on healthy eating, physical activity, tobacco cessation, weight management, and medication adherence.

Public Health nurses administer hypertension management services at local health departments within select counties across five public health districts:

- Northwest (Rome)
- Northeast (Athens)
- South Central (Dublin)
- East Central (Augusta)
- Southwest (Albany)

To access these services, patients must contact a county health department within one of these five public health districts.<sup>1</sup> Recipients of hypertension management services are individuals with risk factors for cardiovascular disease in targeted areas of the state.

In an effort to improve the Hypertension Management program, local public health districts will have the opportunity to re-compete for funding under a new district funding opportunity model. Beginning in October 2017, public health districts that are awarded hypertension funds must adopt and implement DPH's Hypertension and Diabetes Nurse Protocol and ensure that district nurses are properly trained in all local health department clinics where hypertension or diabetes related services are being administered. Participating districts will implement public outreach strategies to increase awareness of the need for screening for hypertension and diabetes. Districts will also utilize hypertension funds to administer services related to the prevention and control of the risk factors for diabetes and cardio metabolic syndrome.

## **Results and Recommendations**

### Realign position count

The number of full-time, benefit-eligible employees currently listed in the budget system does not reflect the actual number of positions in the AEHTS program. In the budget system there are no positions budgeted to reflect employees within DPH who oversee state level administration of the Hypertension Management subprogram. DPH should submit an amendment to their annual operating budget (AOB) to realign position counts to reflect the number of positions budgeted for this program and accurately align positions on the sub-program level.

### Monitor federal initiatives impacting PPHF

The PPHF was established by the *Patient Protection and Affordable Care Act of 2010* (PPACA) to provide funds for prevention and public health programs to improve health. Since Federal Fiscal Year (FFY) 2014, the PHHS has been funded entirely through transfers from PPHF and provides all states with funding to address their individual public health needs in locally defined ways. Legislation that would impact the PPHF is currently moving through the United States Congress. Other federal initiatives have also outlined proposals in the FFY 2018 budget to altogether eliminate annual appropriations for the PHHS. DPH should continue to monitor potential initiatives affecting PPHF and evaluate policy impacts that such initiatives could create.

*New 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; they should also be appropriate and relevant to the policy goals of the agency and state as a whole. During the ZBB process, new measures were developed for AEHTS to better track performance.

The following list briefly describes the new performance measures:

- DPH should implement a new performance measure to monitor the success of patients who receive treatment through the CSA program. As a condition of eligibility, CSA enrolled patients must have a stage of disease that is likely to benefit from treatment as having at least 25 percent survival rate for five years from completion of an approved treatment plan. Given this condition, the following performance measure is added for FY 2019:
  - Percentage of CSA patients who have survived five years or longer after the completion of a CSA approved treatment plan
- In addition to the percentage of enrolled patients served by the CSA program, tracking the total number of enrolled patients as an absolute number provides a concrete measurement of the program's impact. The following performance measure is added for FY 2019:
  - Total number of eligible enrolled patients receiving services from CSA
- Currently, no performance measures exist for the Hypertension Management subprogram. The following performance measures are added for FY 2019:
  - Total number of patients receiving hypertension management services
  - Percentage of patients whose blood pressure has lowered after receiving hypertension management services

---

1. Any Georgia resident who meets eligibility for the Hypertension Management program may access services. Hypertension Management services are not exclusive to residents of the district that provides them.

**Department of Public Health**  
**ZBB Program: Adult Essential Health Treatment Services**

**Key Activities**

| Activity*               | Description   | Authority  | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|-------------------------|---|--|------------------|---------------------|----------------------|
| Cancer State Aid        | Provides payments for cancer diagnosis and treatment services to eligible Georgians.  | O.C.G.A. §31-15-2  | 6                | \$6,613,249         | \$6,613,249          |
| Hypertension Management | Provides direct services including screening, hypertension management education, lifestyle coaching, and doctor referrals to uninsured adults with high blood pressure. | 42 USC Sec 300w-300w-10, Patient Protection and Affordable Care Act, O.C.G.A. §31-2A-4 |                  |                     | 300,000              |
| <b>Total</b>            |   |  | 6                | \$6,613,249         | \$6,913,249          |

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

**Department of Public Health**  
**ZBB Program: Adult Essential Health Treatment Services**

**Financial Summary**

| <b>Objects of Expenditure</b>                   | <b>Expenditures</b> |                    | <b>FY 2018</b>        |
|---|---------------------|--------------------|-----------------------|
|   | <b>FY 2016</b>      | <b>FY 2017</b>     | <b>Current Budget</b> |
| Personal Services                               | \$419,562           | \$537,728          | \$458,955             |
| Regular Operating Expenses                      | 5,162               | 11,724             | 6,346                 |
| Motor Vehicle Purchases                         |                     |                    |                       |
| Equipment                                       |                     |                    |                       |
| Computer Charges                                |                     |                    | 10,500                |
| Real Estate Rentals                             |                     |                    |                       |
| Telecommunications                              | 6,365               | (223,121)          |                       |
| Contractual Services                            | 24,980              | 160,006            | 79,901                |
| Grants and Benefits                             | 6,733,991           | 6,937,825          | 6,357,547             |
| <b>Total Expenditures</b>                       | <b>\$7,190,060</b>  | <b>\$7,424,162</b> | <b>\$6,913,249</b>    |
| <b>Fund Type</b>                                |                     |                    |                       |
| Tobacco Settlement Funds                        | \$6,583,644         | \$6,613,249        | \$6,613,249           |
| Preventive Health & Health Services Block Grant | 606,416             | 759,743            | 300,000               |
| Federal Funds                                   |                     | 51,170             |                       |
| <b>Total Funds</b>                              | <b>\$7,190,060</b>  | <b>\$7,424,162</b> | <b>\$6,913,249</b>    |
| <b>Positions</b>                                | 7                   | 6                  | 6                     |
| <b>Motor Vehicles</b>                           | 0                   | 0                  | 0                     |

**Department of Public Health**  
**ZBB Program: Adult Essential Health Treatment Services**

**Performance Measures**

**Agency Mission:**

The Department of Public Health prevents disease, injury, and disability; promotes health and well-being; and prepares for and responds to disasters.

**Program Purpose:**

The purpose of this program is to provide treatment and services to low-income Georgians with cancer and Georgians at risk of stroke or heart attacks.

| Performance Measures   | Actuals |         |         |         |
|--|---------|---------|---------|---------|
|  | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Percentage of eligible enrolled patients served by the Cancer State Aid (CSA) program   | 93%     | 92%     | 90%     | N/A     |
| 2. The number of public health districts (out of 18 total districts) with hospitals that have participation agreements with the Cancer State Aid program to foster program outreach and access | 13      | 13      | 13      | N/A     |
| 3. The number of public health districts (out of 18 total districts) with hospital-based and free-standing radiation centers providing access to radiation treatment services                  | 17      | 17      | 17      | N/A     |
| 4. Total number of eligible enrolled patients receiving services from CSA (New)  | 233     | 207     | 227     | N/A     |
| 5. Total number of patients receiving hypertension management services (New)   | 1,161   | 1,256   | 816     | N/A     |
| 6. Percentage of patients whose blood pressure has lowered after receiving hypertension management services (New)  | N/A     | N/A     | N/A     | N/A     |



# FY 2019 Zero-Based Budget Analysis

Department of Public Safety

ZBB Program: Capitol Police Services

## Executive Summary

- The Capitol Police Services program of the Department of Public Safety is tasked with the responsibility of protecting life, enforcing traffic regulations, monitoring the entrances of state buildings, screening packages and personal items of individuals entering state facilities, and providing general security for elected officials, government employees, and visitors to the Capitol as well as a five mile radius around Capitol Square.
- The agency should evaluate and implement additional recruitment procedures specific to Capitol Police and Security Officer employment.
- The agency should evaluate the utilization of the Capitol Hill Alert system.
- The agency should establish additional performance measures to track and annually report on the workload and efficiencies of sworn personnel within the program.

## Program Overview

The Department of Public Safety (DPS) is comprised of five programs tasked with providing public safety services and assistance within the state of Georgia. The Department's sworn personnel work collaboratively with state and local agencies to reduce public safety risks by enforcing traffic laws and preventing and detecting criminal acts. As one of the three sworn divisions within the agency, Capitol Police Services provides primary law enforcement and security duties for the Georgia State Capitol, the Coverdell Legislative Office Building, Judicial Building, Two Peachtree, and all other state-owned buildings located in the Capitol Hill area.

The Capitol Police Services program was created July, 1, 2010 through House Bill 1074. Prior to this legislation, police and security services in the Capitol Hill area were managed by agreements between the Georgia Building Authority (GBA) and DPS with statutory responsibility residing with GBA. After the passage of this legislation which transferred the responsibility of security provision to DPS, the two entities entered into an intergovernmental agreement through which Georgia Building Authority provides a portion of rent collected from state agencies in the Capitol Square area to fund this division. The Capitol Police program has 73 filled positions and 42 contracted Dynamic Security officers with an annual budget of \$8.1 million. Personal services is the primary cost driver within this program and represents 83.2% of total program expenditures. Primary key activities within this program include Post 50-Capitol Hill, Capitol Police Division, Capitol Police Division Command, Capitol Hill Security, Capitol Hill Alerts, and Contract Security.

### Post 50-Capitol Hill

Post 50 is comprised of 25 Georgia State Patrol troopers and one post secretary position. Sworn personnel within this post are tasked with protecting and controlling access to critical entrances for the State Capitol, Judicial Building, Coverdell Legislative Office Building, and the Governor's Office of Planning and Budget. All state employees and visitors entering these locations are screened for valid identification and prohibited items that may represent a threat to public safety. Staffing and assignment of these positions is directly tied to the highest risk areas of state government and is based upon periodic security threat assessments. Additionally, during the legislative

session there are three troopers and three Motor Carrier Compliance Officers that are detached from regular operations to Post 50 for added security due to the influx of people and traffic.

#### Capitol Police Division

The Capitol Police Division of this program consists of 16 certified law enforcement officers who respond to public safety incidents, as well as protect the state's assets, employees, and visitors within the Capitol Hill area. Primary services of this division include enforcement of traffic and parking laws and regulations, maintenance of peace and order, and prevention and detection of criminal acts. Sworn members of this division complete 11 weeks of basic mandate training and become Peace Officer Standards Training Council (P.O.S.T) certified prior to patrolling the Capitol Hill area.

#### Capitol Police Division Command

The Capitol Police Division Command consists of one Director (Captain), two Assistant Directors (one Lieutenant and one Sergeant) one Executive Assistant, and one Senior Dispatcher. The Division Command is in charge of developing the program's processes and business operations, as well as program strategy, budget, and public affairs. The command staff meets regularly and consults with the offices of the constitutional officers and executive leadership of the Georgia Building Authority to ensure that security services provided continue to meet the demand for the area.

#### Capitol Hill Security

Capitol Hill Security consists of 24 non-sworn Safety Officers. These officers provide general security and monitor the entrances to the State Capitol, Coverdell Legislative Office Building, the Judicial Building, the Trinity-Washington Building, and various other areas of egress during non-business hours. Because these positions are not P.O.S.T. certified, primary job functions are comprised of securing doors, buildings, and parking decks. Additionally, Safety Officers assist the Capitol Police Division by providing additional security staff to ensure adequate coverage during scheduled public events.

#### Contract Security

Dynamic Security Inc. is a private security company that contracts with the Department of Public Safety. This vendor provides general security and monitoring of the entrances to Floyd Building (Twin Towers), Two Peachtree, as well as controlling access to parking facilities at the Trinity Washington Building. These non-sworn officers are assigned in areas with the lowest security risk and work during business and non-business hours within these locations.

#### Capitol Hill Alerts

Capitol Hill Alerts is the emergency notification system that sends email alerts and text messages regarding public safety events to all state employees registered with the system. Notifications sent through this system are considered high priority incidents that present an immediate danger to the public. Georgia Building Authority is responsible for communicating other notices through their Tenant Notices service.

### **Results and Recommendations**

#### Evaluate recruitment and retention efforts for Capitol Police and Security Officer positions

From FY 2014 to FY 2017, the Capitol Police Services Division has recognized a decrease in staffing of 21.5%. It is recommended that the agency evaluate additional recruitment and retention measures for both Capitol Police Officer and Security Officer positions to ensure that staffing levels are appropriate to the determined workload of the Capitol Hill area. During this time, there has not been a change in the number of buildings or areas of egress that this division is responsible for monitoring. Additionally, with the construction of the new judicial complex slated to open in late 2019, it is anticipated that the workload will increase for all sworn positions in this program.

#### Evaluate Capitol Hill Alerts System Delivery

Currently, Capitol Hill Alerts are provided to employees working in the Capitol Hill area on a registration basis. Individuals are provided paperwork by their employer at the time of hire that details the service and information

necessary to register. Of the 13,860 employees that work in the Capitol Hill area, 3,230 are currently registered for the service. Due to the nature of the alert, and its current underutilization, it is recommended that this service be provided to all employees within the Capitol Hill area. The agency should collaborate with the Human Resource Administration to provide new and existing employees with registration information. Additionally, the agency should evaluate the delivery of the alerts to ensure that appropriate and timely communication is provided to employers and employees within the Capitol Hill area.

Implement new performance measures and revise existing measures

DPS's Capitol Police Services program should begin to track and annually report on performance metrics related to sworn and non-sworn personnel workload. The recommended measures will better reflect the varied job functions and activity that occurs within the Capitol Police Services program.

New Measures:

- Number of security location checks by non-sworn personnel
- Number of suspicious package, persons, and vehicle reports investigated by sworn personnel
- Number of patrols by sworn personnel
- Number of visitors processed through security checkpoints by contracted security

Revised Measures:

- Revise measure of Number of incidents responded to:
  - Number of incidents investigated by Capitol Police

**Department of Public Safety**  
**ZBB Program: Capitol Police Services**

**Key Activities**

| Activity*                       | Description  | Authority                             | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|---------------------------------|--|---------------------------------------|------------------|---------------------|----------------------|
| Post 50 - Capitol Hill          | Protects the entrances and controls access to the Georgia State Capitol and surrounding state buildings; provides security for elected officials, state employees and guests at the Capitol and buildings and roads within a five mile radius of the Capitol. This activity is carried out by Georgia State Patrol's Post 50 Troopers. | O.C.G.A. §35-2-121; 35-2-122; 50-2-28 | 27               | \$0                 | \$3,427,176          |
| Capitol Police Division         | Protects civilian life and property, conducts traffic stops within a five mile radius of the Capitol, and prevents and detects criminal acts. This activity consists of sworn law enforcement officers.  | O.C.G.A. §35-2-121; 35-2-122; 50-2-28 | 25               | 0                   | 1,033,243            |
| Capitol Police Division Command | Develops programs, processes, and business operations; oversees program strategies, budget, and public affairs; and provides leadership to the entire program.   | O.C.G.A. §35-2-121; 35-2-122; 50-2-28 | 6                | 0                   | 599,789              |
| Capitol Hill Security           | Provides general security and monitors entrances in the Capitol Square area as well as other Georgia Building Authority leased buildings. This activity consists of non-sworn safety officers.   | O.C.G.A. §35-2-121; 35-2-122; 50-2-28 | 24               | 0                   | \$1,266,652          |
| Contract Security               | Provides general security and monitors the entrance to the Floyd Building (Twin Towers) and a booth next to the Trinity/Washington Building controlling the parking entrance. The agency contracts with Dynamic Security Inc, a private security company consisting of 42 security officers.   | O.C.G.A. §35-2-121; 35-2-122; 50-2-28 | 0                | 0                   | \$1,815,375          |
| Capitol Hill Alerts             | The Capitol Hill emergency notification system is designed to send email alerts and texts to all state employees registered to the system notifying them of public safety incidents  | None                                  | 0                | 0                   | \$1,086              |
| <b>Total</b>                    |  |                                       | 82               | \$0                 | \$8,143,321          |

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

**Department of Public Safety**  
**ZBB Program: Capitol Police Services**

**Financial Summary**

| <b>Objects of Expenditure</b>       | <b>Expenditures</b> |                    | <b>FY 2018</b>        |
|-------------------------------------|---------------------|--------------------|-----------------------|
|                                     | <b>FY 2016</b>      | <b>FY 2017</b>     | <b>Current Budget</b> |
| Personal Services                   | \$4,948,797         | \$5,444,417        | \$5,101,301           |
| Regular Operating Expenses          | 529,897             | 490,688            | 796,309               |
| Motor Vehicle Purchases             | 82,432              | 102,059            | 70,000                |
| Equipment                           | 159,923             | 49,491             | 358,800               |
| Computer Charges                    | 244,399             | 220,123            | 26,000                |
| Real Estate Rentals                 |                     |                    |                       |
| Telecommunications                  | 38,792              | 65,478             | 120,000               |
| Contractual Services                | 1,158,400           | 1,192,444          | 1,670,911             |
| DPS Facility Repair and Maintenance | 317                 | 20,160             |                       |
| <b>Total Expenditures</b>           | <b>\$7,162,957</b>  | <b>\$7,584,860</b> | <b>\$8,143,321</b>    |
| <b>Fund Type</b>                    |                     |                    |                       |
| State General Funds                 |                     |                    |                       |
| Other Funds                         | \$7,162,257         | \$7,577,044        | \$8,143,321           |
| Federal Funds                       | 700                 | 7,816              |                       |
| <b>Total Funds</b>                  | <b>\$7,162,957</b>  | <b>\$7,584,860</b> | <b>\$8,143,321</b>    |
| <b>Positions</b>                    | 82                  | 82                 | 82                    |
| <b>Motor Vehicles</b>               | 47                  | 48                 | 48                    |

**Department of Public Safety**  
**ZBB Program: Capitol Police Services**

**Performance Measures**

**Agency Mission:**

The Georgia Department of Public Safety (DPS) works cooperatively with all levels of government to provide a safe environment for residents and visitors to our state. Although focused primarily on the enforcement of traffic laws and investigation of traffic crashes, DPS will support the efforts of all public safety agencies to reduce criminal activity, apprehend those involved, and respond to natural and man-made disasters. In all of their endeavors, DPS personnel will provide the highest level of customer service while remaining committed to following the core beliefs of trust, fortitude, compassion, and professionalism.

**Program Purpose:**

The purpose of this program is to protect life and property in the Capitol Square area, enforce traffic regulations around the Capitol, monitor entrances of state buildings, screen packages and personal items of individuals entering state facilities, and provide general security for elected officials, government employees, and visitors to the Capitol.

| Performance Measures  | Actuals |         |         |         |
|---|---------|---------|---------|---------|
|   | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Number of security events  | 109     | 43      | 77      | 271     |
| 2. Number of incidents investigated by Capitol Police (revised)                                     | 2,989   | 2,913   | 2,741   | 3,006   |
| 3. Number of security location checks by non-sworn personnel (New)                                  | 30,417  | 26,891  | 36,209  | 40,872  |
| 4. Number of suspicious package, persons, and vehicle reports investigated by sworn personnel (New) | 758     | 795     | 772     | 857     |
| 5. Number of patrols by sworn personnel (New)   | N/A     | 101,114 | 95,678  | 99,916  |
| 6. Number of visitors processed through security checkpoints by contracted security (New)           | N/A     | 103,441 | 93,885  | 88,447  |



# FY 2019 Zero-Based Budget Analysis

## Department of Public Safety ZBB Program: Departmental Administration

### Executive Summary

- The Departmental Administration program of the Department of Public Safety provides executive leadership, financial management, human resources, information technology, legal services, and facility and support services to the agency's four programs. Additionally, the agency provides human resources and financial management to four administratively attached agencies.
- The agency should transfer administrative positions that provide agency-wide support from the Motor Carrier Compliance program to the Departmental Administration Program.
- The agency should consider allocating information technology expenditures on a pro-rata basis to the Field Offices and Services program to accurately reflect expenditures.
- The Department should modify the program purpose statement to appropriately reflect key activities of the program.
- The agency should establish new performance measures to track and annually report on the workload and efficiencies within the program.

### Program Overview

The Georgia Department of Public Safety (DPS) is comprised of five programs tasked with providing public safety services and assistance within the state of Georgia. Primary responsibilities include patrolling public roads and highways, investigating traffic accidents, conducting commercial carrier safety inspections, and assisting state and local agencies in aerial search, rescue, or apprehension missions. The Department's sworn personnel work collaboratively with state and local agencies to reduce public safety risks by enforcing traffic laws, encouraging seat belt usage, and targeting drivers under the influence of drugs and alcohol.

The Departmental Administration program currently has 62 full time employees who support the agency's 1,654 employees and oversee its \$188.4 million budget. This program's budget represents 5.1 percent of the overall agency budget with personal services representing the largest cost driver. This program and its activities ensure that the essential functions and statutory requirements of the agency are met.

Primary activities include executive leadership, financial management, human resources, information technology, legal services, and facility and support services. Additionally, this program provides financial management and human resource functions to the following administratively attached agencies: Georgia Public Safety Training Center, Governor's Office of Highway Safety, Peace Officer Standards and Training Council, Georgia Firefighter Standards and Training Council.

The purpose of this review is to evaluate the cost-effectiveness of the key activities of the Departmental Administration program, establish performance measures, and recommend operational changes that will promote efficiency.

## **Results and Recommendations**

### *Transfer Motor Carrier Compliance Division Administrative Positions into the Departmental Administration Program*

Currently, there are two human resources positions, one legal position, one financial management position and two information technology positions that work in the identified key activities of Departmental Administration. These positions perform agency-wide functions within their respective roles, are physically located in headquarters, and directly report to positions within Departmental Administration; however, these positions are expensed out of the Motor Carrier Compliance program. To accurately reflect expenditures and activity for administration within the appropriate program, these six positions should be transferred from the Motor Carrier Compliance to the Departmental Administration program. Funding remaining in the program should be utilized to address the deficit of sworn personnel for commercial carrier enforcement.

### *Evaluate Telecommunications Cost Structure*

Non-personnel related Information technology infrastructure costs are expensed to the Departmental Administration program. The agency should evaluate and develop a methodology to prorate these expenditures into each respective program based upon end user utilization.

### *Update Program Purpose Statement*

The program purpose statement should be modified to reflect key activities of the program. The current purpose statement reads as follows: “The purpose of this appropriation is to work cooperatively with all levels of government to provide a safe environment for residents and visitors to our state.” A purpose statement that is more in line with the activities of the program and other agency administration programs would read: “The purpose of the program is to provide administrative support for all programs of the department and administratively attached agencies.”

### *Implement new performance measures*

DPS’s Departmental Administration program should begin to track and annually report on standard performance metrics for administration programs used in other state agencies. These metrics will adequately illustrate the workload and efficiencies associated with administrative program activities and bring the program into compliance with the state performance measure guidelines.

New Measures:

- Number of open records requests fulfilled
- Percentage of electronic payments
- Number of audit findings
- Agency turnover rate
- Percentage of Financial Transactions processed on behalf of attached agencies
- Percentage of Human Resource Transactions processed on behalf of attached agencies

**Department of Public Safety  
ZBB Program: Departmental Administration**

**Key Activities**

| Activity*                     | Description  | Authority                               | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|-------------------------------|--|---|------------------|---------------------|----------------------|
| Executive Leadership          | Provides direction, policy, guidance, and oversight for all agency activities and operations. Coordinates with board members to streamline policy and agency initiatives; informs and advises General Assembly members and stakeholders on agency operations and needs; provides special counsel to the Governor concerning public safety matters affecting the state. | O.C.G.A. §35-2-3                        | 8                | \$1,926,098         | \$1,935,179          |
| Financial Management          | Provides budget, revenue, procurement, and accounting support to the agency and attached agencies; ensures that federal and state requirements are met; reports financial and tax information; administers the Federal 1122 Procurement Program and 1033 Excess Property Program for state and local agencies on behalf of the State of Georgia.                       | O.C.G.A. §35-2-3;<br>O.C.G.A. §35-2-8   | 32               | 2,330,708           | 2,330,708            |
| Human Resources               | Provides both operational and strategic services for recruitment and selection of new hires; oversees benefit administration; provides support and assistance to agency and attached agency employees.   | O.C.G.A. §35-2-3                        | 11               | 1,154,576           | 1,154,576            |
| Information Technology        | Provides technology assistance to the agency; maintains agency and program websites, internal servers, and applications; maintains the department's electronic systems, software, digital storage and analysis, and technological infrastructure.  | O.C.G.A. §35-2-3                        | 10               | 2,229,980           | 2,229,980            |
| Legal Services                | Provides legal support to the agency; investigates allegations of employee misconduct or discipline; manages open records requests; serves as liaison with the Office of the Attorney General.   | O.C.G.A. §35-2-3;<br>O.C.G.A. §50-18-71 | 13               | 911,920             | 911,920              |
| Facility and Support Services | Provides maintenance for the nine buildings that comprise the agency's headquarters complex.   | O.C.G.A. §35-2-3                        | 2                | 956,630             | 956,630              |
| <b>Total</b>                  |  |   | 76               | \$9,509,912         | \$9,518,993          |

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

**Department of Public Safety**  
**ZBB Program: Departmental Administration**

**Financial Summary**

| <b>Objects of Expenditure</b>              | <b>Expenditures</b> |                    | <b>FY 2018</b>        |
|--|---------------------|--------------------|-----------------------|
|  | <b>FY 2016</b>      | <b>FY 2017</b>     | <b>Current Budget</b> |
| Personal Services                          | \$6,472,320         | \$6,752,103        | \$7,332,947           |
| Regular Operating Expenses                 | 882,185             | 979,312            | 884,925               |
| Motor Vehicle Purchases                    |                     |                    |                       |
| Equipment                                  | 295,451             | 172,394            | 250,000               |
| Computer Charges                           | 628,739             | 906,341            | 538,911               |
| Real Estate Rentals                        |                     |                    |                       |
| Telecommunications                         | 174,194             | 178,134            | 180,210               |
| Contractual Services                       | 195,339             | 164,761            | 250,000               |
| Other                                      |                     | 365                |                       |
| State Patrol Posts Repairs and Maintenance | 103,821             | 57,034             | 82,000                |
| <b>Total Expenditures</b>                  | <b>\$8,752,049</b>  | <b>\$9,210,444</b> | <b>\$9,518,993</b>    |
| <b>Fund Type</b>                           |                     |                    |                       |
| State General Funds                        | \$8,675,493         | \$9,199,132        | \$9,509,912           |
| Other Funds                                | 76,556              | 1,649              | 3,510                 |
| Federal Funds                              |                     | 9,663              | 5,571                 |
| <b>Total Funds</b>                         | <b>\$8,752,049</b>  | <b>\$9,210,444</b> | <b>\$9,518,993</b>    |
| <b>Positions</b>                           | 76                  | 76                 | 76                    |
| <b>Motor Vehicles</b>                      | 11                  | 25                 | 25                    |

**Department of Public Safety**  
**ZBB Program: Departmental Administration**

**Performance Measures**

**Agency Mission:**

The Georgia Department of Public Safety (DPS) works cooperatively with all levels of government to provide a safe environment for residents and visitors to our state. Although focused primarily on the enforcement of traffic laws and investigation of traffic crashes, DPS will support the efforts of all public safety agencies to reduce criminal activity, apprehend those involved, and respond to natural and man-made disasters. In all of their endeavors, DPS personnel will provide the highest level of customer service while remaining committed to following the core beliefs of trust, fortitude, compassion, and professionalism.

**Program Purpose:**

The purpose of this program is to protect life and property in the Capitol Square area, enforce traffic regulations around the Capitol, monitor entrances of state buildings, screen packages and personal items of individuals entering state facilities, and provide general security for elected officials, government employees, and visitors to the Capitol.

| Performance Measures   | Actuals |         |         |         |
|--|---------|---------|---------|---------|
|  | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Number of open records requests completed (New)   | 14,255  | 15,681  | 21,181  | 28,230  |
| 2. Number of financial audit findings (New)  | 0       | 0       | 0       | N/A     |
| 3. Agency turnover rate (New)  | 10.7%   | 10.9%   | 14.7%   | 11.4%   |
| 4. Percentage of financial transactions processed on behalf of attached agencies (New)       | 17.4%   | 16.4%   | 18.8%   | 16.4%   |
| 5. Percentage of human resources transactions processed on behalf of attached agencies (New) | 9.7%    | 12.6%   | 13.5%   | 9.5%    |
| 6. Percentage of electronic payments by ACH (New)  | 52.8%   | 54.9%   | 58.9%   | 62.9%   |



# FY 2019 Zero-Based Budget Analysis

Board of Regents of the University System  
of Georgia

ZBB Program: Georgia Research Alliance

## Executive Summary

- Georgia Research Alliance should report the position count in the enterprise budget system.
- Georgia Research Alliance should use standard object classes in the enterprise budget system.
- The program will report the percentage of Venture Program companies operating after four years.

## Program Overview

The Georgia Research Alliance (GRA) is a non-profit organization formed in 1990 to bring together state government, businesses, and research universities to work on building a technology-driven economy based on university research. Scientists are recruited from all over the world to become GRA Eminent Scholars in Georgia research institutions to seed and shape startup companies and create jobs in the science and technology industries. The Alliance strategically focuses recruitment and commercial ventures in nine fields including agricultural science, immunology and vaccines, and computing and networks. State entities that work closely with GRA include the University System of Georgia and the Department of Economic Development. Its partner universities include the University of Georgia (UGA), Augusta University, Emory University, Clark Atlanta University, Georgia Institute of Technology, Georgia State University, Mercer University, and the Morehouse School of Medicine.

In FY 2017, GRA received \$5,097,451 in state funds. Of this amount, 72 percent supported the GRA Ventures program in issuing grants, loans, and support for developing startup companies. Salaries and benefits for GRA's eight employees comprised 18 percent of the FY 2017 appropriations, while the remaining 10 percent funded marketing and outreach and other operating expenses.

### Georgia Research Alliance Eminent Scholars

GRA partners with the state's research-intensive universities to attract scientists and build laboratories for scientists that support discovery and invention. There are 76 Eminent Scholar positions, 65 of which are currently filled at six institutions. The search for a new Eminent Scholar begins when a permanent endowment is vacated. In FY 2016, GRA Eminent Scholars earned \$527 million in research development grants from federal agencies, industry, and private foundations. Grant funding supports the salaries and benefits of Eminent Scholars and their teams. Competitive grants awarded to Eminent Scholars also cover materials and supplies associated with their research, along with small equipment needs and lab upgrades. Eminent Scholars have historically relied on state general obligation bond funding to support major equipment purchases and lab renovations at the universities.

Eminent Scholar labs employ 1,251 individuals in Georgia. These employees include research faculty, lab technicians, administrative personnel, post-doctoral students, and graduate student assistants. With the exception of graduate students, all employees are full-time. In FY 2017, the largest employer of Eminent Scholars and staff was Emory University with 544 positions. Eminent Scholars are predominately focused on research, and many do not teach classes at their universities; therefore, few professors receive funds through the Board of Regents' Teaching program formula.

When creating an Eminent Scholar position, Georgia Research Alliance works with private interest groups to acquire an initial investment of \$750,000 that is then matched by the state. These Eminent Scholar start-up funds

are then set aside and held by the university foundation as an endowment. Through investment, it generates dividends that can be used to facilitate research that benefits the state.

These endowments generate annual funds ranging from \$50,000 to \$200,000, depending on the age of the endowment and its investment structure. Eminent scholars use these funds to support staff and other operating expenses that might not be covered by grant funds or for travel to conferences and meetings. Universities are responsible for managing the use of Eminent Scholar endowment funds for each Eminent Scholar chair. When an Eminent Scholar candidate is selected, GRA strategically invests in laboratory space and equipment for scholars to accomplish their goals using general obligation bond appropriations. With the specialized research many of the Eminent Scholars perform, GRA facilitates the acquisition of sophisticated, one-of-a-kind research equipment. These bonds have not been appropriated every year, but since FY 2007 have varied between \$8 million and \$20 million.

Each year, GRA collects performance metrics on current Eminent Scholars including the number of publications and citations generated by the scholar, intellectual property activity, the amount of grant funding received, and student training. All intellectual property generated by Eminent Scholars is owned by the university. GRA has no ownership of technology developed by Eminent Scholars.

### Venture Development

Since 2002, GRA has provided seed funding to advance discoveries of faculty entrepreneurs. GRA Ventures uses state funds to employ GRA staff, employ commercialization consultants, and provide investment grants to venture companies in early stages. GRA issued grants or loans to 60 companies in FY 2015 and 40 companies in FY 2016.

All funding for venture development projects is milestone based and provided in three phases. Phase one funding supports seed companies. Seed-stage financing amounts do not exceed \$50,000, and these funds may typically be used for product development, continued research, and developing a business plan. Phase two funding is for early stage companies that are beginning operations but do not have commercial manufacturing or sales. Companies in this phase can receive up to \$100,000 to transition into pilot production and commercial rollout. Finally, phase three companies are in late stage development where the product has limited commercial availability but might have limited sales or manufacturing. Financing at this phase is available in loans which do not exceed \$250,000. GRA awards funding based on what the company needs at each stage of its development.

GRA Ventures works at the pre-incubator stage of development with companies, and many of the companies created by Eminent Scholars will move into University incubators. University incubators are centralized lab spaces that Augusta University, Emory University, Georgia State, Georgia Tech, and UGA make available to developing companies. In the past, GRA has provided funds appropriated through bonds to university incubators to purchase lab equipment to be shared by tenant companies. GRA also assisted Georgia Tech in developing laboratory space with advanced prototype development tools for its tenant companies to access. From FY 2007 to FY 2016, GRA provided \$3.35 million to incubators at Georgia's research universities. Each university has its own rules and eligibility requirements, and GRA has no management responsibility for the incubators.

In FY 2009, GRA established the Georgia Research Alliance Venture Fund LLC (GRAVF) to provide increased access to capital growth in the fields of technology and life sciences in Georgia. With a one-time state appropriation in FY 2009 of \$7.5 million, GRA leveraged state funds to raise \$37.5 million in private investment since the initial appropriation. In FY 2017, Georgia Research Alliance had 47 private donors consisting of individuals and corporations, as well as donations from university foundations totaling \$1,320,050 for the fiscal year. Functioning as an LLC instead of inside the GRA program, GRAVF is able to leverage an increased amount of private funds for investment into startup companies benefiting the state. The GRA Venture Fund has invested in 14 companies from FY 2009 to FY 2017, focusing on companies that need venture capital investments that exceed the normal GRA Ventures grant amount.

## **Results and Recommendations**

The Office of Planning and Budget recommends that Georgia Research Alliance begin reporting its position count in the enterprise budget system. GRA should also report its expenditures in the enterprise budget system using standard object classes; currently, all expenses are reported as general operating expenses.

GRA should also begin reporting new measures to better reflect the program's performance. GRA should report capital funding received by private venture development companies to track the appeal of GRA developed and promoted companies in the venture capital industry. Along with private capital funding, GRA should report contributions made to the GRA Venture Fund LLC. Finally, the alliance should report the percentage of companies funded by the GRA Venture Program operating after four years to track the success rate of GRA's Venture Company portfolio.

**Board of Regents of the University System of Georgia  
ZBB Program: Georgia Research Alliance**

**Key Activities**

| Activity*  | Description   | Authority                   | No. of Positions** | FY 2018 State Funds | FY 2018 Total Budget |
|--|---|-----------------------------|--------------------|---------------------|----------------------|
| GRA Eminent Scholars and University Lab Creation | Staff partner with the state's research-intensive universities to recruit world-class scientists and outfit university labs to support research programs of GRA Eminent Scholars.         | FY 1990 Appropriations Bill |                    | \$67,000            | \$67,000             |
| Venture Development                              | GRA equips incubator labs and provides venture development services and grants to build university-based companies and products that create jobs and ultimately expand Georgia's economy. | FY 2002 Appropriations Bill |                    | 4,384,252           | 4,384,252            |
| Marketing and Outreach                           | GRA markets scientific advances made by Eminent Scholars and the growth and development of companies based on their discoveries.  | FY 1990 Appropriations Bill |                    | 653,991             | 653,991              |
| <b>Total</b>                                     |   |                             | 0                  | \$5,105,243         | \$5,105,243          |

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

\*\*The Board of Regents of the University System of Georgia does not report the position count for the Georgia Research Alliance program.

**Board of Regents of the University System of Georgia**  
**ZBB Program: Georgia Research Alliance**

**Financial Summary**

| Objects of Expenditure                        | Expenditures |             | FY 2018        |
|---|--------------|-------------|----------------|
|   | FY 2016      | FY 2017     | Current Budget |
| Personal Services                             |              |             |                |
| Regular Operating Expenses                    |              |             |                |
| Motor Vehicle Purchases                       |              |             |                |
| Equipment                                     |              |             |                |
| Computer Charges                              |              |             |                |
| Real Estate Rentals                           |              |             |                |
| Telecommunications                            |              |             |                |
| Contractual Services                          |              |             |                |
| Operating Expenses - General and Departmental | \$5,344,609  | \$5,097,451 | \$5,105,243    |
| <b>Total Expenditures</b>                     | \$5,344,609  | \$5,097,451 | \$5,105,243    |
| <b>Fund Type</b>                              |              |             |                |
| State General Funds                           | \$5,344,609  | \$5,097,451 | \$5,105,243    |
| <b>Total Funds</b>                            | \$5,344,609  | \$5,097,451 | \$5,105,243    |
| <b>Positions</b>                              | 0            | 0           | 8              |
| <b>Motor Vehicles</b>                         | 0            | 0           | 0              |

**Board of Regents of the University System of Georgia  
ZBB Program: Georgia Research Alliance**

**Performance Measures**

**Agency Mission:**

The University System of Georgia (USG), through its 28 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 expand research and commercialization capacity in public and private universities in Georgia to launch new companies and create jobs.

| Performance Measures   | Actuals       |               |               |              |
|--|---------------|---------------|---------------|--------------|
|  | FY 2014       | FY 2015       | FY 2016       | FY 2017      |
| 1. Research & Development (R&D) grants awarded to Georgia Research Alliance's (GRA) Academy of Eminent Scholars  | \$422,180,000 | \$494,320,000 | \$527,060,000 | N/A          |
| 2. Average amount in R&D grants per Eminent Scholar researcher   | \$7,036,333   | \$8,103,606   | \$8,366,032   | N/A          |
| 3. Startup companies launched via the GRA Ventures Program (Ventures Program focuses on commercializing technologies and discoveries emerging from Georgia's research universities) presently operating in Georgia | 124           | 134           | 144           | 156          |
| 4. Average revenue earned per GRA Ventures Program company   | \$1,100,000   | \$1,100,000   | \$1,150,000   | \$1,266,973  |
| 5. Number of Georgia-based jobs presently supported through non-state R&D grants competitively awarded to GRA Eminent Scholars and companies launched via the GRA Ventures Program                                 | 2,098         | 2,317         | 2,494         | 2,790        |
| 6. Private capital funding received by venture development companies (New)   | \$30,720,000  | \$40,450,000  | \$35,764,500  | \$45,136,500 |
| 7. Private contributions made to the GRA Venture Fund LLC (New)  | \$1,452,156   | \$2,156,412   | \$1,040,590   | \$1,320,050  |
| 8. Percentage of GRA Venture Program companies operating in Georgia after four years (New)   | 63%           | 59%           | 69%           | 84%          |
| 9. Dollars of external funds generated per state dollar (New)  | \$78.77       | \$92.98       | \$97.85       | N/A          |



# FY 2019 Zero-Based Budget Analysis

Board of Regents of the University System of Georgia

ZBB Program: Georgia Tech Research Institute

## Executive Summary

- The Georgia Tech Research Institute conducts research and development in science, technology, and engineering to address issues in various sectors including national defense, agriculture, and health care for private and public clients.
- The program should report new performance measures to better demonstrate the workload and effectiveness of the state-funded programs.
- Standard object classes should be utilized by the agency in order to provide more detail on the program's budget and expenditures.
- The agency should submit an amendment in the enterprise budget system in order to accurately reflect the program's full-time benefit eligible positions and motor vehicle count.

## Program Overview

Authorized by the Georgia General Assembly in 1919 and launched in 1934, the Georgia Tech Research Institute (GTRI) is the applied research arm of the Georgia Institute of Technology (Georgia Tech). The program utilizes the expertise of the Georgia Tech community to conduct research, design, development, prototyping, and testing and evaluation in the fields of science, technology, and engineering in sectors such as national defense, agriculture, health care, energy, electronic communications, and weather for its contracting clients and the state of Georgia.

Supporting GTRI's \$412 million operations in FY 2018 are 1,619 full-time benefit eligible positions in over 20 offices and field locations across the nation. Approximately 1,200 of these positions are research faculty who spend on average 80 percent of their time executing contracts and 20 percent of their time on administrative tasks associated with their roles such as meetings, professional development, and sponsor engagements. The remaining positions provide support services in areas such as human resources, finance, IT, security, and facility maintenance. Personal services is approximately 56 percent of the program's budget.

### Contracted Operations

Approximately 96 percent of GTRI's total budget in FY 2018 is dedicated to conducting work for contracting clients in various sectors. GTRI acquired 803 contracts in FY 2017, of which 60 percent (483) were with federal agencies, 34 percent (272) with private businesses, 1 percent (11) with state and local governments, and 5 percent (37) with foundations, societies, universities, and other research institutions. Of the federal contracts acquired that year, 89 percent were with agencies within the United States Department of Defense. In addition to contracting directly with federal agencies, GTRI receives additional federal subcontracts through private businesses. Georgia state agencies that contracted with GTRI in FY 2017 included the Department of Economic Development, the Department of Community Health, the Department of Natural Resources, and the Division of Family and Children Services. The Georgia-Federal State Inspection Service was also a client of GTRI that year.

GTRI uses an independent, non-profit contracting agency, the Georgia Tech Applied Research Corporation (GTARC), to acquire and execute its contracts in order to comply with O.C.G.A. § 50-5-64. GTARC collects

revenue from the contracts and reimburses GTRI for any costs incurred on a monthly basis. Contracts are acquired through a request for proposal (RFP) process that starts either through solicitation (80 percent) on GTRI's behalf or through a public request from the contractor.

### State Enterprises

Each year, GTRI receives state appropriations to conduct work in four programs: the Agricultural Technology Research Program (ATRP), the Energy and Sustainability Research Group (ESRG), the Severe Storms Research Center (SSRC), and STEM@GTRI. For FY 2018, GTRI received \$6,072,039 in state funds, which comprises 1.5 percent of the program's total budget. Projects funded by state dollars are generally selected and approved by program managers with input from senior researchers and relevant stakeholders. These four programs also receive additional funding from contracts that often arises from the research conducted for the state projects or from technical assistance rendered. For example, because of the technical skills ATRP researchers developed in image processing and detection of objects in complex scenes, GTRI acquired and completed a \$377,000 contract with the Georgia Department of Transportation to develop and test a portable pedestrian detection system that monitored and analyzed pedestrian behavior at mid-block locations across Georgia.

The Agricultural Technology Research Program, which was launched in 1973, received \$2,054,293 in state funds in FY 2018 to work on a number of industry-wide technology initiatives aimed at maintaining Georgia's agriculture industry's competitiveness through the use of research, education, technical assistance, and outreach. For example, ATRP recently developed a system that uses imaging to analyze poultry carcasses and determine whether additional meat can be yielded from each carcass. This technology was licensed to a local Georgia company in 2017 and is expected to reduce waste and increase profit margins in the poultry industry. ATRP also supports Georgia's agriculture industry by providing free technical assistance and industry training to local companies and individuals.

Launched in the late 1990's, STEM@GTRI seeks to engage and inspire K-12 students and educators in the STEM fields through partnerships with school districts and private institutions. As the second largest state program, STEM@GTRI received \$1,172,971 in state funds in FY 2018 for activities such as summer camps, classroom instruction, lab tours, technical assistance, and internships. For example, STEM@GTRI partners with the Technology Association of Georgia - Education Collaborative (TAG-ED), a non-profit organization that aims to strengthen Georgia's future workforce in the STEM fields, to offer paid 6-8 weeks summer internships to high school students. In FY 2016, GTRI hosted 28 TAG-ED interns and over 13,000 K-12 students in various STEM educational programs. STEM@GTRI also offers professional development programs to educators, such as the Explorer's Guild program, to equip them with the technical skills necessary for teaching STEM subjects. In FY 2016, 335 educators from across the state participated in STEM professional development events.

The remaining two state programs, ESRG and SSRC, received \$479,390 and \$242,196 respectively in FY 2018. Work conducted by ESRG looks to promote sustainable energy practices through the development of new technologies that lowers the cost of energy sustainability. SSRC conducts research aimed at finding better ways to predict and track severe weather and tornadoes.

### Continuing Education

In addition to conducting research for its clients, GTRI partners with Georgia Tech Professional Education (GTPE) to design master's degrees and certificate programs for professionals in fields such as applied systems engineering, occupational safety and health, and national defense. In FY 2017, 143 GTRI research faculty members taught courses through GTPE. While the professional master's degree programs offered are structured like a traditional degree program, the certificate programs are short courses on a specific topic such as cyber security, electro optical technology, and electronic warfare. These courses typically span 1-5 days in length and costs \$700-\$2,500. Course instructors are funded through the fees associated with the course.

## **Results and Recommendations**

Performance measures are an integral part of the Zero-Based Budget process. Because state funds are invested into GTRI for the purpose of enhancing the welfare of the citizens of Georgia, GTRI should utilize additional performance measures to demonstrate the workload and effectiveness of each state-funded program.

GTRI currently utilizes two unique object classes for 44 percent of its budget in the state's enterprise budget system, Sponsored Operations and Operating Expense-General and Departmental, which provide little detail on the utilization of the program's budget. The agency should start utilizing standard object classes such as regular operating expenses and equipment to better reflect the program's budget and expenditures.

The position count currently reported for the program by the agency, 1,995, reflects full-time equivalent (FTE) counts. By using FTE counts, the program's annual operating budget (AOB) captures both full-time and part-time employees. The agency should submit an amendment to ensure that only full-time benefit eligible positions (1,619) are reported in the enterprise budget system.

Currently, the program has 76 motor vehicles which are not reflected in the enterprise budget system. The agency should submit an amendment to the AOB to reflect the actual number of motor vehicles budgeted for the program.

**Board of Regents of the University System of Georgia  
ZBB Program: Georgia Tech Research Institute**

**Key Activities**

| <b>Activity*</b>                                 | <b>Description</b>  | <b>Authority</b>     | <b>No. of Positions*</b> | <b>FY 2018 State Funds</b> | <b>FY 2018 Total Budget</b> |
|--|---|----------------------|--------------------------|----------------------------|-----------------------------|
| Applied Electromagnetics and Materials           | Research faculty perform research, modeling, simulation, design, development, and prototyping in radio frequency, electro-optical/infrared, and ultraviolet materials, and other electromagnetic applications for private and public clients. For example, faculty designed and developed specialized antennas and materials that absorb and reflect energy at various wavelengths in order to keep instruments cool. | O.C.G.A. § 20-11-1-2 | 502                      |                            | \$102,265,895               |
| Secure Information and Communication Systems     | Research faculty perform research, design, development, and testing in cyber security, secure databases, networks, telecommunications, mobile telecommunications, and information infrastructure with the aim of developing software products for transferring information in a secure environment for private and public clients.  | O.C.G.A. § 20-11-1-2 | 316                      |                            | 64,426,375                  |
| System Development, Engineering, and Prototyping | Research faculty design and develop hardware and software sub-systems for integration into a larger fully functioning system for the program's clients. For example, faculty designed and developed a landing system for an airplane.   | O.C.G.A. § 20-11-1-2 | 204                      |                            | 41,622,800                  |
| Threat Systems                                   | Research faculty design and develop hardware and software models of foreign threat systems in order to perform threat system accessibility, susceptibility, and vulnerability analysis for the program's federal contractors. An air defense radar is an example of the types of systems worked on in this field.   | O.C.G.A. § 20-11-1-2 | 922                      |                            | 193,809,582                 |
| Testing and Evaluation                           | Research faculty test and evaluate the performance of various items or systems for the program's private and public clients in order to validate if the systems perform as specified. For example, faculty conducted performance testing of a radar system.   | O.C.G.A. § 20-11-1-2 | 19                       |                            | 3,672,858                   |
| Research and Development in Other Disciplines    | Research faculty perform research, development, testing and evaluation, and other activities in fields outside of the program's core competencies for private and public clients. For example, GTRI received a grant in 2017 to develop and implement a training program for local communities on how to deal with hazardous materials in a disaster.   | O.C.G.A. § 20-11-1-3 | 32                       | \$6,072,039                | 6,500,064                   |
| <b>Total</b>                                     |   |                      | 1,995                    | \$6,072,039                | \$412,297,574               |

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

**Board of Regents of the University System of Georgia  
ZBB Program: Georgia Tech Research Institute**

**Financial Summary**

| <b>Objects of Expenditure</b>                | <b>Expenditures</b>  |                      | <b>FY 2018</b>        |
|--|----------------------|----------------------|-----------------------|
|  | <b>FY 2016</b>       | <b>FY 2017</b>       | <b>Current Budget</b> |
| Personal Services                            | \$201,054,555        | \$217,512,369        | \$229,656,593         |
| Regular Operating Expenses                   |                      |                      |                       |
| Motor Vehicle Purchases                      |                      |                      |                       |
| Equipment                                    |                      |                      |                       |
| Computer Charges                             |                      |                      |                       |
| Real Estate Rentals                          |                      |                      |                       |
| Telecommunications                           |                      |                      |                       |
| Contractual Services                         |                      |                      |                       |
| Sponsored Operations                         | 102,324,198          | 97,622,186           | 110,344,460           |
| Operating Expense - General and Departmental | 60,941,880           | 65,282,926           | 72,296,521            |
| <b>Total Expenditures</b>                    | <b>\$364,320,633</b> | <b>\$380,417,481</b> | <b>\$412,297,574</b>  |
| <b>Fund Type</b>                             |                      |                      |                       |
| State General Funds                          | \$5,694,440          | \$5,810,979          | \$6,072,039           |
| Other Funds                                  | 358,626,193          | 374,606,502          | 406,225,535           |
| <b>Total Funds</b>                           | <b>\$364,320,633</b> | <b>\$380,417,481</b> | <b>\$412,297,574</b>  |
| <b>Positions</b>                             | 1,770                | 1,985                | 1,995                 |
| <b>Motor Vehicles</b>                        | N/A                  | N/A                  | 76                    |

**Board of Regents of the University System of Georgia  
ZBB Program: Georgia Tech Research Institute**

**Performance Measures**

**Agency Mission:**

The University System of Georgia (USG), through its 29 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 funding to laboratories and research centers affiliated with the Georgia Institute of Technology whose scientific, engineering, industrial, or policy research promotes economic development, health, and safety in Georgia.

| Performance Measures   | Actuals       |               |               |               |
|--|---------------|---------------|---------------|---------------|
|  | FY 2014       | FY 2015       | FY 2016       | FY 2017       |
| 1. External sponsored research funds generated   | \$363,267,164 | \$338,164,751 | \$367,480,410 | \$377,046,684 |
| 2. Dollars of external research funds generated per state appropriated dollar                                    | \$65.00       | \$60.07       | \$64.53       | \$64.89       |
| 3. Estimated total economic impact of Georgia Tech Research Institute's sponsored funded research and activities | \$857,310,508 | \$798,068,812 | \$867,253,768 | \$821,961,771 |
| 4. Number of new sponsored projects (New)  | 773           | 792           | 764           | 803           |
| 5. Number of patents acquired each year (New)  | 3             | 18            | 4             | 0             |
| 6. Economic impact of state funded projects on Georgia (New)   | N/A           | N/A           | N/A           | N/A           |
| 7. Number of K-12 student participants in STEM educational programs (New)  | N/A           | 11,712        | 13,158        | N/A           |
| 8. Number of K-12 educators who participate in STEM professional development events (New)                        | N/A           | 421           | 335           | 565           |



# FY 2019 Zero-Based Budget Analysis

Board of Regents of the University System  
of Georgia

ZBB Program: Payments to Georgia  
Military College

## Executive Summary

- Georgia Military College, attached for administrative purposes to the Board of Regents of the University System of Georgia, is a liberal arts college providing associate degrees as well as operating a Preparatory School for grades six through twelve.
- The agency should revise the preparatory school graduation rate performance measure as well as the junior college graduation/four year college transfer rate to accurately reflect student performance at Georgia Military College.
- The Office of Planning and Budget recommends the agency begin tracking revenues and expenditures by fund source in its financial system.

## Program Overview

Georgia Military College (GMC) was established in 1879 and is the only public independent college in Georgia. In 1950, GMC was designated a Military Junior College by the United States Department of Defense and is one of the four remaining military junior colleges.

GMC is comprised of the Junior College, which served 14,343 students in FY 2017, and the Preparatory School which served 576 students in grades 6 through 12 in FY 2017. All Preparatory School students attend classes in Milledgeville, while Junior College students attend classes at the Milledgeville campus and at 11 satellite campuses throughout the state with the campuses in Augusta, Warner Robbins, and Valdosta being the largest. GMC leases instructional space for all of the satellite campuses outside of Milledgeville. In FY 2017, rental costs for junior college campuses were \$3.25 million, representing approximately 33 percent of GMC's total square footage.

### Junior College

The Junior College awards associate degrees as well as several bachelor of applied science degrees. GMC began offering bachelor programs in the fall of 2015 in business management, supervision and management, and supply chain management. The only admission requirement for the Junior College is a high school diploma.

Accredited by the Southern Association of Colleges and Schools Commission on Colleges, GMC's Junior College offers a total of 24 associate degree programs at the college's campuses in a variety of science technology, engineering, and mathematics (STEM), liberal arts, and business fields. In FY 2017, the top three associate degrees earned by percentage of graduates were General Studies (24 percent), Business Administration (17 percent), and Pre-Nursing (17 percent). GMC has articulation agreements with 44 colleges and technical colleges allowing the transfer of credits earned at GMC to other institutions. Currently, 40 of these agreements guarantee admission to the partner school upon completion of an associate degree at GMC.

As a designated Military Junior College, select Junior College students are eligible to become U.S. Army commissioned officers in a two-year timeframe through an early commissioning program. GMC Cadets adhere to a

military schedule during the school term and are required to reside in barracks on GMC's Milledgeville campus. In FY 2017, GMC enrolled 252 cadets and currently has a 254 bed capacity for housing cadets. While enrolled as a cadet at GMC, students attend Junior College courses while also participating in military science instruction with courses focusing on physical training and developing leadership skills useful to an officer in the army.

Georgia Military College's Junior College also has an online campus presence. Approximately 24 percent of GMC Junior College students in the 2015-2016 academic year were enrolled full time online. GMC offers 20 online associate degree programs in fields such as biology, cyber security, early childhood education, and pre-nursing. GMC also offers the Bachelor of Applied Science in Business Management degree program online.

From FY 2012 to FY 2017, the full-time faculty as a percentage of the total faculty decreased from 43 percent to 23 percent. While the number of full-time faculty has remained between 118 and 126 since FY 2012, the part-time faculty has increased from 165 to 418 in FY 2017. This increase is due to the addition and growth of GMC's online courses and three new campuses that only support part-time faculty (Dublin, Eastman, and Fayetteville).

The Junior College's primary revenue source is tuition and fees collected from students. The state does not have an enrollment-based funding formula for the Junior College. In FY 2017, excluding auxiliary income such as the bookstore, food services, or housing, GMC received \$52,304,771 in tuition and fees.

### Preparatory School

The Georgia Military College Preparatory School is a grade 6-12 school located on GMC's main Milledgeville campus. Along with preparing students for college and continuing education, the Preparatory School places a large emphasis on character and leadership development. Students are required to wear uniforms and participate in military style foot drill exercises and parades.

Advanced placement (AP) courses are available in biology, English, statistics, and calculus. The number of sophomore students enrolled in AP courses decreased from 62 students in FY 2015 to 37 students in FY 2017. This is primarily due to more students enrolling in the state's dual enrollment program. GMC's dual enrollment increased from 379 courses taken in FY 2015 to 1,280 courses taken in FY 2017.

GMC's Preparatory School receives state funding for student enrollment growth, the training and experience of certified educators, a superintendent, and a principal utilizing a formula similar to the Georgia Department of Education's Quality Based Education (QBE) formula used to provide state funding to public elementary and secondary schools. In FY 2017, 75 percent of GMC's Preparatory School faculty held advanced degrees. In addition, GMC charges tuition for students attending the preparatory school. In FY 2017, the preparatory school received \$3,004,278 in tuition and fees.

Beginning in the ninth grade, students are required to participate in the Junior Reserve Officers' Training Corps (JROTC). JROTC is a federal program operated by the United States Army that teaches students character education, student achievement, leadership, and diversity. Along with physical training, JROTC students also participate in national competitions such as air rifle shooting and drill team, which are hosted by the national JROTC program.

## **Results and Recommendations**

Georgia Military College currently calculates the preparatory school graduation rate by dividing the total number of students who graduate and receive a diploma by all students who started the beginning of the 12<sup>th</sup> grade. OPB recommends GMC revise the graduation rate calculation to match the Georgia Department of Education's calculation methodology by dividing the total number of students who graduate and receive a diploma by all students who started the 9<sup>th</sup> grade. OPB recommends additional performance measures to track student performance at the Preparatory School and the number of students taking dual enrollment courses at the Junior College.

Georgia Military College does not currently track expenses for both the Junior College and the Preparatory School by fund source. OPB recommends that GMC begin tracking its revenues and expenditures by fund source in its financial system to better reflect the use of state funds, other funds, and federal funds.

**Board of Regents of the University System of Georgia  
ZBB Program: Payments to Georgia Military College**

**Key Activities**

| Activity*                             | Description  | Authority           | No. of Positions** | FY 2018 State Funds | FY 2018 Total Budget |
|---------------------------------------|--|---------------------|--------------------|---------------------|----------------------|
| Junior College Instruction            | The Junior College provides two-year associate degree programs to students with a high school diploma or a GED.  | O.C.G.A. § 20-3-560 | 0                  | \$1,301,496         | \$1,301,496          |
| Preparatory School Instruction        | The Preparatory School provides students with an opportunity to earn a high school diploma, while developing character and leadership skills, and prepares students for successful college/university attendance.  | O.C.G.A. § 20-3-560 | 0                  | 2,828,606           | 2,828,606            |
| Student Services and Academic Affairs | Staff provide support services such as financial aid, student life services, cafeteria dining and academic support programs to students at both the Junior College and the Preparatory School.   | O.C.G.A. § 20-3-560 | 0                  | 1,570,953           | 1,570,953            |
| Military Instruction                  | Through the Corps of Cadets, GMC operates a U.S. Army Reserve Officer Training Corps (ROTC) which includes an early officer commissioning program. Upon admission, cadets reside at GMC's Milledgeville campus in military barracks and participate in physical training exercise (PT) and military science courses in addition to courses taken at the Junior College. All GMC Prep school students in grades 9 through 12 are enrolled in the Junior Reserve Officers' Training Corps (JROTC) program. | O.C.G.A. § 20-3-560 | 0                  | 461,553             | 461,553              |
| <b>Total</b>                          |  |                     | 0                  | \$6,162,608         | \$6,162,608          |

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

\*\*The Board of Regents of the University System of Georgia does not report the position count for the Payments to Georgia Military College program.

**Board of Regents of the University System of Georgia  
ZBB Program: Payments to Georgia Military College**

**Financial Summary**

| Objects of Expenditure               | Expenditures       |                    | FY 2018            |
|--------------------------------------|--------------------|--------------------|--------------------|
|                                      | FY 2016            | FY 2017            | Current Budget     |
| Personal Services                    |                    |                    |                    |
| Regular Operating Expenses           |                    |                    |                    |
| Motor Vehicle Purchases              |                    |                    |                    |
| Equipment                            |                    |                    |                    |
| Computer Charges                     |                    |                    |                    |
| Real Estate Rentals                  |                    |                    |                    |
| Telecommunications                   |                    |                    |                    |
| Contractual Services                 |                    |                    |                    |
| Payments to Georgia Military College | \$3,547,852        | \$7,298,849        | \$6,162,608        |
| <b>Total Expenditures</b>            | <b>\$3,547,852</b> | <b>\$7,298,849</b> | <b>\$6,162,608</b> |
| <b>Fund Type</b>                     |                    |                    |                    |
| State General Funds                  | \$3,547,852        | \$7,298,849        | \$6,162,608        |
| <b>Total Funds</b>                   | <b>\$3,547,852</b> | <b>\$7,298,849</b> | <b>\$6,162,608</b> |
| <b>Positions</b>                     | 0                  | 0                  | 0                  |
| <b>Motor Vehicles</b>                | 0                  | 0                  | 0                  |

**Board of Regents of the University System of Georgia  
ZBB Program: Payments to Georgia Military College**

**Performance Measures**

**Agency Mission:**

The University System of Georgia (USG), through its 28 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 quality basic education funding for grades six through twelve at Georgia Military College's Junior Military College and Preparatory School.

| Performance Measures  | Actuals    |            |            |            |
|---|------------|------------|------------|------------|
|   | FY 2014    | FY 2015    | FY 2016    | FY 2017    |
| 1. Preparatory school fall enrollment   | 529        | 549        | 577        | 576        |
| 2. Preparatory school state appropriated dollar per student                                       | \$2,904.58 | \$2,858.63 | \$3,558.96 | \$4,100.89 |
| 3. Preparatory school graduation rate   | 97%        | 100%       | 100%       | 100%       |
| 4. Junior college fall enrollment   | 7,069      | 7,221      | 7,876      | 8,234      |
| 5. Junior college state appropriated dollar per student   | \$106.35   | \$105.30   | \$126.25   | \$599.55   |
| 6. Junior college graduation rate   | 25%        | 25%        | 27%        | 28%        |
| 7. Junior college graduation/four year college transfer rate                                      | 61%        | 57%        | 53%        | 56%        |
| 8. Percentage of students who obtained a score of (3) or higher on advanced placement exams (New) | 59         | 62         | 80         | 76         |



# FY 2019 Zero-Based Budget Analysis

Department of Revenue

ZBB Program: Local Government Services

## Executive Summary

- The Local Government Services program of the Department of Revenue is responsible for assisting local tax officials with the administration of tax laws, distributing sales tax revenue, administering the Unclaimed Property Act, valuing and assessing public utility property, and providing training for local tax officials.
- The department should evaluate implementing a web-based property claim form.
- The department should complete a cost-benefit analysis on implementing public utility and tax distribution modules in the Integrated Tax System.
- The department should consider moving the Local Tax Officials Retirement and FICA program into Local Government Services as a subprogram with a unique object class.
- The department should report new performance measures to better demonstrate the workload of the program.

## Program Overview

The Local Government Services program of the Department of Revenue (DOR) is responsible for assisting local tax officials with the administration of tax laws, distributing sales tax revenue, and administering the Unclaimed Property Act. Program staff review property tax digests submitted by all 159 counties, oversee distributions to local governing authorities, and appraise and assess public utility property. The program is primarily state funded and represents 3 percent of the department's overall state funds budget. The purpose of this review is to evaluate the effectiveness and efficiency of the program.

## Results and Recommendations

### Unclaimed Property

The Unclaimed Property unit is responsible for administering the Unclaimed Property Act; the Act states that tangible and intangible property that has remained unclaimed by the owner for more than five years is presumed abandoned property and is transferred to the state for holding. Unclaimed property can include wages, savings accounts, stocks, escrow funds, and bank safe deposit boxes. In FY 2016, the program received \$179 million in unclaimed property and paid out \$22 million in claims. The department is authorized to hold a sale for all property that remains unclaimed for at least three years and return the proceeds to the state general fund. The program also liquidates stocks once every three years and returns the proceeds to the state general fund.

### Web-based Property Claim Form

The current process for resolving unclaimed property cases begins when a citizen goes to the department's website and uses the unclaimed property search engine. The search engine allows only for a search of the citizen's name and city. If there is a match, the citizen then requests a claim form to be mailed to them. This current process is not efficient for either the citizen or the program; the citizen does not know what the property is that the state is holding until their identity has been verified and the claim form has been mailed by the program.

A web-based form would work to eliminate issues for both the taxpayer and the program by allowing citizens to generate their own claim form to print and submit to the program. The program estimates that the new-web based claim form would result in more claims initiated and therefore more claims paid out, and the more efficient process would be a benefit to the taxpayer. The department should evaluate implementing a web-based property claim form.

#### Public Utility and Distributions Modules in Integrated Tax System

The department uses the Integrated Tax System (ITS) as their internal software with modules available to the divisions that are tailored to the program's activities. The program does not have modules for public utility or tax distributions in ITS; incorporating these activities into the system would enable program staff to work within the uniform tax system and would allow public utility companies to file electronic returns. The program should complete a cost-benefit analysis on potential cost savings from implementing the public utility and distributions modules in the tax system.

#### Local Tax Officials Retirement and FICA

The Local Tax Officials Retirement and FICA program is another program within the department that provides state retirement benefits and the employer share of FICA for local tax officials. The program has one unique object class to track these expenditures.

The department should consider moving the Local Tax Officials program into Local Government Services as a new subprogram, "Payments to Local Tax Officials Retirement and FICA", to streamline operations.

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

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. Through the ZBB analysis, new performance measures were developed to demonstrate the program's overall performance.

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

- Number of resolved Unclaimed Property claims
- Total amount of local tax distributions

**Department of Revenue**  
**ZBB Program: Local Government Services**

**Key Activities**

| Activity*                | Description  | Authority  | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|--------------------------|--|--|------------------|---------------------|----------------------|
| Distributions            | Manages the local sales tax distributions to MARTA, counties, cities and school systems; manages the Forest Land Protection Act Grant (FLPA) yearly distribution to counties, cities and school systems; manages yearly distribution for Prepaid Wireless E-911 program. | O.C.G.A § 48-8-89; O.C.G.A § 48-8-246; O.C.G.A § 48-8-265    | 4                | \$481,744           | \$481,744            |
| Unclaimed Property       | Collects unclaimed property that has been abandoned by its owners and retains the property until rightful owners are found.  | O.C.G.A § 44-12-193 to O.C.G.A. § 44-12-236                  | 19               | 1,926,979           | 2,126,979            |
| Digest Compliance        | Provides technical and administrative support to counties for property taxes; reviews ad valorem property tax digests; audits county tax commissioners; compiles the Annual Digest Report.   | O.C.G.A § 48-5-270; O.C.G.A § 48-5-342; O.C.G.A § 48-5-349.5 | 16               | 1,565,670           | 1,565,670            |
| Training                 | Provides training courses for county tax officials including tax assessors, tax commissioners and boards of equalization.  | O.C.G.A § 48-5-126.1; O.C.G.A § 48-5-13                      | 4                | 481,744             | 481,744              |
| Public Utility Valuation | Administers public utility tax returns; proposes assessment for railroad, utility and flight equipment company's properties; submits an annual report detailing public utility property to county boards of tax assessors.   | O.C.G.A § 48-5-511; O.C.G.A § 48-5-541; O.C.G.A § 48-5-524   | 4                | 481,744             | 481,744              |
| <b>Total</b>             |  |  | 47               | \$4,937,881         | \$5,137,881          |

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

**Department of Revenue**  
**ZBB Program: Local Government Services**

**Financial Summary**

| <b>Objects of Expenditure</b> | <b>Expenditures</b> |                    | <b>FY 2018</b>        |
|-------------------------------|---------------------|--------------------|-----------------------|
|                               | <b>FY 2016</b>      | <b>FY 2017</b>     | <b>Current Budget</b> |
| Personal Services             | \$3,198,154         | \$3,336,651        | \$3,297,386           |
| Regular Operating Expenses    | 445,789             | 615,100            | 568,823               |
| Motor Vehicle Purchases       | 122,975             | 123,475            |                       |
| Equipment                     | 17,053              |                    |                       |
| Computer Charges              | 132,404             | 132,583            | 141,117               |
| Real Estate Rentals           | 270,046             | 296,092            | 303,745               |
| Telecommunications            | 482,296             | 524,584            | 724,347               |
| Contractual Services          | 483,233             | 110,288            | 102,463               |
| <b>Total Expenditures</b>     | <b>\$5,151,950</b>  | <b>\$5,138,773</b> | <b>\$5,137,881</b>    |
| <b>Fund Type</b>              |                     |                    |                       |
| State General Funds           | \$4,698,937         | \$4,838,773        | \$4,937,881           |
| Other Funds                   | 453,013             | 300,000            | 200,000               |
| Federal Funds                 |                     |                    |                       |
| <b>Total Funds</b>            | <b>\$5,151,950</b>  | <b>\$5,138,773</b> | <b>\$5,137,881</b>    |
| <b>Positions</b>              | 41                  | 41                 | 47                    |
| <b>Motor Vehicles</b>         | 16                  | 16                 | 18                    |

**Department of Revenue**  
**ZBB Program: Local Government Services**

**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 assist local tax officials with the administration of state tax laws and administer the unclaimed property unit.

**Performance Measures**

| <b>Actuals</b> |                |                |                |
|----------------|----------------|----------------|----------------|
| <b>FY 2014</b> | <b>FY 2015</b> | <b>FY 2016</b> | <b>FY 2017</b> |

|   |     |     |     |     |
|---|-----|-----|-----|-----|
| 1. Number of resolved Unclaimed Property claims (New) | N/A | N/A | N/A | N/A |
| 2. Total amount of local tax distributions (New)      | N/A | N/A | N/A | N/A |



# FY 2019 Zero-Based Budget Analysis

## Department of Revenue ZBB Program: Revenue Processing

### Executive Summary

- The Revenue Processing program processes tax returns filed by the taxpayers of Georgia, deposits tax payments and issues tax returns.
- The department should consider best practices and Office of Planning and Budget year-end close out guidance for year-end purchase order agreements.

### Program Overview

The Revenue Processing program is responsible for processing tax payments and tax returns filed by the taxpayers of Georgia. In addition, the program provides processing services for the Local Government Services and Motor Vehicle Registration and Titling programs within the department.

The program's day-to-day operations focus on processing both paper and electronic tax payments and tax returns. The program is responsible for opening, sorting, and preparing incoming mail - this can include tax payments, motor vehicle title and registration payments, and payments made by local governing authorities to the department. During the peak tax season, the program processes an average of 9,082 pieces of mail a day.

In addition to opening, sorting, and scanning paper documents, the program processes electronic tax payments and tax returns. The department is authorized to verify and correct errors on individual and business tax returns but is required to notify the taxpayer of the correction. The program also works with the Department of Revenue's Office of Special Investigations unit when documents are suspected to contain false or fraudulent information. The purpose of this review is to determine whether the program is operating efficiently and effectively.

### Results and Recommendations

*Consider best practices for year-end purchase orders in accordance with state policy*

The program has spent an increasing percent of its budget in the last two months of the fiscal year. In FY 2015, the program spent 17 percent of its budget in the last two months of the fiscal year, which is consistent with typical spend patterns. However, expenses increased to 30 percent in FY 2016 and 26 percent in FY 2017. The expenditures were for items that are considered a recurring cost, such as postage and printing related needs.

The Office of Planning and Budget (OPB) requests that agencies prioritize fourth-quarter expenditures to optimize funds available for surplus at fiscal year-end. The agency should review best practices for year-end expenditures and should work with OPB during the budget development process to ensure the budget is accurately aligned with projected expenditures.

**Department of Revenue**  
**ZBB Program: Revenue Processing**

**Key Activities**

| Activity*          | Description   | Authority         | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|--------------------|---|-------------------|------------------|---------------------|----------------------|
| Mail Processing    | Receives, opens, sorts, and prepares incoming mail; distributes mail within the department; scans incoming mail and documents; delivers documents to third-party vendors for destruction. | O.C.G.A § 48-2-32 | 17               | \$2,435,192         | \$2,435,192          |
| Payment Processing | Processes and deposits paper check payments; receives electronic filings and tax payments; inputs data from paper and imaged tax returns.   | O.C.G.A § 48-2-30 | 25               | 3,409,268           | 3,409,268            |
| Tax Verification   | Validates and corrects errors on individual and business tax returns.   | O.C.G.A § 48-2-48 | 33               | 4,220,999           | 4,220,999            |
| Support Services   | Provides support to other department divisions; develops and maintains tax forms with input from other divisions; oversees day-to-day program operations.                                 | O.C.G.A § 48-2-12 | 32               | 4,058,653           | 4,058,653            |
| <b>Total</b>       |   |                   | 107              | \$14,124,112        | \$14,124,112         |

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

**Department of Revenue**  
**ZBB Program: Revenue Processing**

**Financial Summary**

| <b>Objects of Expenditure</b> | <b>Expenditures</b> |                     | <b>FY 2018</b>        |
|-------------------------------|---------------------|---------------------|-----------------------|
|                               | <b>FY 2016</b>      | <b>FY 2017</b>      | <b>Current Budget</b> |
| Personal Services             | \$4,194,732         | \$5,433,868         | \$5,542,548           |
| Regular Operating Expenses    | 3,759,046           | 3,324,604           | 2,628,907             |
| Motor Vehicle Purchases       | 27,253              | 24,695              |                       |
| Equipment                     | 1,156,577           | 116,022             |                       |
| Computer Charges              | 584,102             | 1,658,236           | 1,628,845             |
| Real Estate Rentals           | 406,746             | 435,004             | 446,247               |
| Telecommunications            | 1,044,637           | 1,130,165           | 1,577,146             |
| Contractual Services          | 2,226,163           | 1,948,754           | 2,300,419             |
| <b>Total Expenditures</b>     | <b>\$13,399,256</b> | <b>\$14,071,348</b> | <b>\$14,124,112</b>   |
| <b>Fund Type</b>              |                     |                     |                       |
| State General Funds           | \$13,281,004        | \$13,957,636        | \$14,124,112          |
| Other Funds                   | 118,252             | 113,712             |                       |
| <b>Total Funds</b>            | <b>\$13,399,256</b> | <b>\$14,071,348</b> | <b>\$14,124,112</b>   |
| <b>Positions</b>              | 77                  | 87                  | 107                   |
| <b>Motor Vehicles</b>         | 3                   | 3                   | 3                     |

**Department of Revenue**  
**ZBB Program: Revenue Processing**

**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 ensure that all tax payments are received, credited and deposited according to sound business practices and the law, and to ensure that all tax returns are reviewed and recorded to accurately update taxpayer information.

| Performance Measures  | Actuals   |           |           |           |
|---|-----------|-----------|-----------|-----------|
|   | FY 2014   | FY 2015   | FY 2016   | FY 2017   |
| 1. Total number of returns processed                                | 6,536,719 | 7,488,690 | 8,037,113 | 8,116,274 |
| 2. Total returns processed by tax type - Withholding                | 1,051,585 | 1,180,067 | 1,254,542 | 1,563,067 |
| 3. Total returns processed by tax type - Corporate                  | 209,993   | 275,776   | 283,370   | 288,429   |
| 4. Total returns processed by tax type - Sales                      | 1,243,415 | 1,308,778 | 1,442,573 | 1,349,188 |
| 5. Total returns processed by tax type - Individual                 | 3,786,179 | 4,724,069 | 4,722,617 | 4,543,121 |
| 6. Average cost to process tax returns - paper                      | 1.50      | 1.50      | 1.51      | 1.5       |
| 7. Average cost to process tax returns - electronic                 | 0.50      | 0.50      | 0.50      | 0.5       |
| 8. Percentage of individual tax returns filed electronically        | 82.02%    | 83.45%    | 86.04%    | 86.46%    |
| 9. Percentage of withholding tax returns filed electronically       | 85.49%    | 88.54%    | 87.75%    | 90.44%    |
| 10. Percentage of corporate tax returns filed electronically        | 68.22%    | 72.53%    | 76.41%    | 77.24%    |
| 11. Percentage of sales tax returns filed electronically            | 91.83%    | 94.79%    | 96.2%     | 97.05%    |
| 12. Percentage of total tax returns filed electronically            | 83.08%    | 85.83%    | 87.74%    | 88.26%    |
| 13. Average time to process a return (New)                          | N/A       | N/A       | N/A       | N/A       |
| 14. Average time to process an electronic filing - individual (New) | N/A       | N/A       | N/A       | N/A       |
| 15. Average time to process a paper return - individual (New)       | N/A       | N/A       | N/A       | N/A       |



# FY 2019 Zero-Based Budget Analysis

## Department of Revenue ZBB Program: Tax Policy

### Executive Summary

- The Tax Policy program of the Department of Revenue provides legal and tax policy guidance to the department, taxpayers, and other state officials.
- The program typically reviews twenty-five to fifty new regulations each year with input from external stakeholders during the public comment period and public hearing.
- The department should report new performance measures to better demonstrate the workload of the program.

### Program Overview

The Tax Policy program of the Department of Revenue (DOR) provides legal and tax policy counsel by issuing written guidance to assist taxpayers in complying with Georgia tax law, motor vehicle tag and title law, and regulatory and licensing requirements of alcohol and tobacco. In addition, the program reviews and issues recommendations on policies, regulations, proposed legislation, protest rulings, and taxpayer correspondence.

The program is essential for the department's overall operations due to its responsibilities related to income tax, state sales tax, motor fuel tax, and alcohol and tobacco tax. The program is 100 percent state funded and represents two percent of the department's overall state budget. The purpose of this review is to determine whether the program is operating efficiently and effectively.

### Results and Recommendations

#### Promulgation of Regulations

The department typically promulgates twenty-five to fifty new regulations each year. The primary reason for a new or amended regulation is passage of legislation by the General Assembly; when necessary, the department is responsible for making an interpretation through regulation.

The first step of the process is for the relevant division to draft the proposed regulation and be approved internally. The commissioner then executes the public notice document by posting on the department's website, which begins the public comment period for a minimum of thirty days. The department evaluates all written comments received during the thirty-day comment period, as well as the verbal comments presented during the statutorily-required public hearing on the final day of the comment period. If the commissioner determines that substantive changes should be made to the proposed regulation based on the comments received, the amended proposed regulation is then re-promulgated for public comment and the process begins again. In addition to the public comment period for external stakeholders, the department also provides a copy of the proposed regulation to Legislative Counsel and the presiding offices of the General Assembly; the regulation is then assigned to the appropriate committee for review.

As the final stage of the process, the commissioner will sign a certification document to adopt the proposed regulation, which is then sent to the Secretary of State. The regulation is effective 20 days after the Secretary of State acknowledges receipt of the rule.

### Specialized Tax

The specialized tax division within the program is responsible for writing regulations and providing legal guidance for all taxes other than income and sales and use; these taxes include motor vehicle title ad valorem, motor fuel, alcohol and tobacco. The most recent addition for the division is the fireworks excise tax, which was created by House Bill 110 during the 2015 legislative session. In 2016, Georgia voters approved a constitutional amendment that dedicates revenue from the fireworks excise tax to trauma care, fire protection services, and public safety. The specialized tax division was responsible for writing guidance on the fireworks excise tax and the dedicated revenue piece.

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

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. Through the ZBB analysis, new performance measures were developed to demonstrate the program's overall performance.

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

- Number of taxpayer conferences completed
- Number of Georgia Tax Tribunal cases resolved during the automatic remand period
- Number of letter rulings issued

**Department of Revenue**  
**ZBB Program: Tax Policy**

**Key Activities**

| Activity*         | Description   | Authority   | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|-------------------|---|---|------------------|---------------------|----------------------|
| Sales and Use Tax | Holds conferences for taxpayers protesting sales tax assessments; drafts regulations; issues sales tax exemption certificates; prepares annual Streamlined Sales Tax filings.   | O.C.G.A § 48-8-3;<br>O.C.G.A § 48-2-12;<br>O.C.G.A § 48-2-35(c)(2)    | 6                | \$997,899           | \$997,899            |
| Income Tax        | Holds conferences for taxpayers protesting income tax assessments; analyzes income tax bills; drafts regulations; provides in-house guidance as it relates to income tax.   | O.C.G.A § 48-2-12;<br>O.C.G.A § 48-2-35(c)(2)                         | 6                | 997,899             | 997,899              |
| Specialized Tax   | Provides legal and policy guidance on taxation and regulation of motor vehicles, motor fuel, property, alcohol and tobacco.   | O.C.G.A § 40-2-11;<br>O.C.G.A § 3-2-1;<br>O.C.G.A § 40-2-23           | 5                | 831,581             | 831,581              |
| Legal Affairs     | Provides legal review and guidance in-house for the department; responds to subpoenas and open records requests; reviews and drafts proposed legislation; verifies annual legislator tax compliance review; serves as General Counsel for the Commissioner. | O.C.G.A § 50-18-94;<br>O.C.G.A § 28-1-8.1                             | 6                | 997,899             | 997,899              |
| Tribunal Appeals  | Serves as liaison with the Attorney General's office on taxpayer appeals in the Georgia Tax Tribunal (GTT); resolves cases before they go to trial; attends and testifies at GTT court proceedings.   | O.C.G.A § 48-2-59;<br>O.C.G.A § 48-2-18.1;<br>O.C.G.A § 48-2-35(c)(4) | 3                | 498,949             | 498,949              |
| <b>Total</b>      |   |   | 26               | \$4,324,227         | \$4,324,227          |

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

**Department of Revenue**  
**ZBB Program: Tax Policy**

**Financial Summary**

| <b>Objects of Expenditure</b> | <b>Expenditures</b> |                    | <b>FY 2018</b>        |
|-------------------------------|---------------------|--------------------|-----------------------|
|                               | <b>FY 2016</b>      | <b>FY 2017</b>     | <b>Current Budget</b> |
| Personal Services             | \$2,930,489         | \$3,116,931        | \$3,179,271           |
| Regular Operating Expenses    | 132,033             | 167,605            | 141,590               |
| Motor Vehicle Purchases       |                     |                    |                       |
| Equipment                     |                     |                    |                       |
| Computer Charges              | 32,895              | 256,734            | 165,029               |
| Real Estate Rentals           | 488,523             | 386,262            | 478,511               |
| Telecommunications            | 218,997             | 226,728            | 322,214               |
| Contractual Services          | 113,011             | 67,257             | 37,612                |
| <b>Total Expenditures</b>     | <b>\$3,915,948</b>  | <b>\$4,221,517</b> | <b>\$4,324,227</b>    |
| <b>Fund Type</b>              |                     |                    |                       |
| State General Funds           | \$3,915,948         | \$4,221,517        | \$4,324,227           |
| <b>Total Funds</b>            | <b>\$3,915,948</b>  | <b>\$4,221,517</b> | <b>\$4,324,227</b>    |
| <b>Positions</b>              | 25                  | 26                 | 26                    |
| <b>Motor Vehicles</b>         | 0                   | 0                  | 0                     |

**Department of Revenue**  
**ZBB Program: Tax Policy**

**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 conduct all administrative appeals of tax assessments; draft regulations for taxes collected by the department; support the State Board of Equalization; and draft letter rulings and provide research and analysis related to all tax law and policy inquiries.

**Performance Measures**

| <b>Actuals</b>  |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
|   | <b>FY 2014</b> | <b>FY 2015</b> | <b>FY 2016</b> | <b>FY 2017</b> |
| 1. Number of taxpayer conferences completed (New)                                     | N/A            | N/A            | N/A            | N/A            |
| 2. Number of Georgia Tax Tribunal cases resolved during automatic remand period (New) | N/A            | N/A            | N/A            | N/A            |
| 3. Number of letter rulings issued (New)  | N/A            | N/A            | N/A            | N/A            |



# FY 2019 Zero-Based Budget Analysis

## Georgia Student Finance Commission ZBB Program: HERO Scholarship

### Executive Summary

- The program provides financial aid to members of the Georgia National Guard and U.S. military reservists who served in combat zones and the spouse and children of such members.
- The commission should track internally the number of students in each qualifying category to better understand the population served.

### Program Overview

Created in FY 2006, the HERO (Helping Educate Reservists and their Offspring) Scholarship provides financial aid to qualifying Georgia National Guard or United States Military Reservists and their spouses and dependent children. The program is administered by the Georgia Student Finance Authority (GSFA), a component of the Georgia Student Finance Commission (GSFC). Recipients may receive up to \$2,000 per academic school year for four years of undergraduate or graduate coursework at an eligible postsecondary institution. A qualifying term of service is defined as deployment overseas, on or after February 1, 2003, for active service to a location outside of the United States and its territories designated by the U.S. Department of Defense as a combat zone, for a cumulative period of at least 181 days, or less than 181 days if evacuated due to severe injuries.

An eligible student must be enrolled full-time or part-time at a unit of the Technical College System of Georgia (TCSG) or University System of Georgia (USG), or at an eligible private, non-profit institution. For-profit institutions are ineligible to participate in the program. In addition to the general student eligibility requirements, a HERO Scholarship recipient must also meet the specific requirements for one of the following categories of students:

#### Category 1

- An active member of the Georgia National Guard or a U.S. Military Reservist who completed at least one qualifying term of service.

#### Category 2

- The child of a member of the Georgia National Guard or the U.S. Military Reserves who completed at least one qualifying term of service. Such child must have been born within nine months of the beginning of the qualifying term of service, and must have been 25 years of age or younger during the qualifying term of service.

#### Category 3

- The child of a member of the Georgia National Guard or the U.S. Military Reserves who was killed or received 100 percent disability as a result of injuries received in an eligible combat zone. Such child must have been born within nine months of the beginning of the qualifying term of service, and must have been 25 years of age or younger during the qualifying term of service.

#### Category 4

- The surviving spouse of a member of the Georgia National Guard or the U.S. Military Reserves who was killed or received 100 percent disability as a result of injuries received in an eligible combat zone.

Students who meet the eligibility requirements of Categories 1, 3, or 4 may receive up to \$8,000 over four years of study. Students who meet the eligibility requirements in Category 2 may receive up to \$2,000 per academic year for each qualifying term of service completed by a parent, for a maximum of four years. Students cannot receive payment for more than two semesters or three quarters in an award year. The award amount for an eligible part-time student is pro-rated based upon the award amount for full-time students and the number of hours enrolled. Students must file an application for the initial HERO Scholarship award no later than two years after gaining eligibility. The period of eligibility and required documentation varies based on the qualifying category. A renewal application must be completed each academic year to continue receiving the HERO Scholarship.

The HERO Scholarship is awarded on a first-come, first-served basis as appropriated funds are available. In FY 2017, all eligible students who applied received HERO Scholarship awards despite a program budget decrease from \$800,000 to \$700,000. The number of awards decreased by 49 percent between FY 2011 and FY 2017. Declining participation has resulted in surplus funds every year since FY 2012. GSFC has the authority to transfer the surplus to GSFA, which administers state scholarship and grant programs.

### **Results and Recommendations**

#### Program Award Amount

The average in-state tuition for full-time undergraduates at HERO eligible institutions increased by 49 percent between AFY 2006 and FY 2016; however, the HERO Scholarship award amount has remained stagnant over the same period. As a result, HERO Scholarship currently funds 20 percent of average in-state tuition, compared to 30 percent when introduced. The program surplused \$263,175 in state general funds in FY 2017. The commission should utilize existing funds to increase the award amount of the HERO Scholarship from \$2,000 to \$2,500 per academic year, which would cost an estimated \$155,675 in FY 2018.

HERO Scholarship recipients are eligible to receive federal and private assistance, as well as other state-funded financial aid, including HOPE scholarships and grants. HERO recipients received approximately \$1.1 million in state aid in FY 2016, with 41 percent receiving HOPE Scholarships and Grants. In addition, 54 percent of students receiving HERO Scholarships were eligible for the federal Pell Grant. The HERO Scholarship can be used to fill the gap between students' financial aid and the total cost of attendance, such as books and supplies, room and board, and other living expenses.

#### Performance Measures

GSFC should internally track the number of students in each qualifying category in order to better understand the population being served and project future needs.

**Georgia Student Finance Commission**  
**ZBB Program: HERO Scholarship**

**Key Activities**

| Activity*        | Description  | Authority                     | No. of Positions** | FY 2018 State Funds | FY 2018 Total Budget |
|------------------|--|-------------------------------|--------------------|---------------------|----------------------|
| HERO Scholarship | The Georgia HERO (Helping Educate Reservists and their Off-spring) Scholarship program was created to provide educational grant assistance to members of the Georgia National Guard and U.S. Military Reservists who served in combat zones, and the children and spouses of such members who were killed or disabled through service. Students who meet the eligibility requirements may receive up to \$2,000 per academic school year for up to four years of study at an eligible public or private postsecondary institution. | O.C.G.A. § 20-3-485; 20-3-487 |                    | \$700,000           | \$700,000            |
| <b>Total</b>     |  |                               | 0                  | \$700,000           | \$700,000            |

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

\*\*Positions to administer the program are located in the Georgia Student Finance Authority.

**Georgia Student Finance Commission**  
**ZBB Program: HERO Scholarship**

**Financial Summary**

| Objects of Expenditure     | Expenditures     |                  | FY 2018          |
|----------------------------|------------------|------------------|------------------|
|                            | FY 2016          | FY 2017          | Current Budget   |
| Personal Services          |                  |                  |                  |
| Regular Operating Expenses |                  |                  |                  |
| Motor Vehicle Purchases    |                  |                  |                  |
| Equipment                  |                  |                  |                  |
| Computer Charges           |                  |                  |                  |
| Real Estate Rentals        |                  |                  |                  |
| Telecommunications         |                  |                  |                  |
| Contractual Services       |                  |                  |                  |
| Financial Aid - State      | \$800,000        | \$700,000        | \$700,000        |
| <b>Total Expenditures</b>  | <b>\$800,000</b> | <b>\$700,000</b> | <b>\$700,000</b> |
| <b>Fund Type</b>           |                  |                  |                  |
| State General Funds        | \$800,000        | \$700,000        | \$700,000        |
| <b>Total Funds</b>         | <b>\$800,000</b> | <b>\$700,000</b> | <b>\$700,000</b> |
| <b>Positions</b>           | 0                | 0                | 0                |
| <b>Motor Vehicles</b>      | 0                | 0                | 0                |

**Georgia Student Finance Commission  
ZBB Program: HERO Scholarship**

**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 educational grant assistance to members of the Georgia National Guard and U.S. Military Reservists who served in combat zones and the spouses and children of such members.

| Performance Measures   | Actuals |         |         |         |
|--|---------|---------|---------|---------|
|  | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| 1. Number of awards disbursed  | 642     | 668     | 586     | 474     |
| 2. Average dollar amount per award   | \$924   | \$922   | \$917   | \$922   |
| 3. Number of students receiving Helping Educate Reservists and their Offspring (HERO) scholarships | 384     | 387     | 333     | 264     |



# FY 2019 Zero-Based Budget Analysis

## Georgia Student Finance Commission ZBB Program: Georgia Military College Scholarship

### Executive Summary

- The program provides full scholarships to attend Georgia Military College for select recipients who agree to serve in Georgia's Army National Guard.
- The Georgia Student Finance Commission should work with the Georgia Department of Defense to verify the status of all borrowers.
- The commission should work with Georgia Military College to develop strategies that will increase service repayment.
- The commission should report a new performance measure to better demonstrate the workload and effectiveness of the program.

### Program Overview

Created in FY 1995, the Georgia Military College Scholarship is a merit-based service cancelable loan program that provides the full cost of education at Georgia Military College (GMC). The program is administered by the Georgia Student Finance Authority (GSFA), a component of the Georgia Student Finance Commission (GSFC). GSFA awards 42 new scholarships each year that fund the full cost of tuition, fees, room, meals, books, and uniforms for up to two years of academic study. Recipients must serve in the Georgia National Guard for two years while attending GMC and for two years after graduation. If a recipient fails to meet this obligation, the scholarship becomes a loan which must be repaid in cash with interest. Students with a cumulative grade point average (GPA) of 2.5 or higher, and who have a minimum SAT score of 800 or ACT score of 17, are eligible to apply for the GMC scholarship.

Eligible students must submit an application and written essay to a member of the Georgia General Assembly to be nominated for the GMC scholarship. If nominated, the legislator must submit the signed application to GSFA by February 1<sup>st</sup>. All applications are reviewed by a selection committee consisting of the following members: a representative of the President of GMC, a member of the Georgia House of Representatives, a member of the Georgia Senate, a representative of the Georgia National Guard, a representative of the GMC Military Science Department, a GMC civilian faculty member, the GMC Director of Admissions, and a staff member of GSFA. Scholarships are awarded to three nominees from each congressional district. In the event that a district does not have three qualified nominees, the selection committee may select an alternate nominee without regard to district residence.

Program recipients must enlist in the Georgia National Guard, and must live on campus and fully participate in the Reserve Officers Training Corps (ROTC) program at GMC. Recipients must also maintain full-time enrollment status and a minimum GPA of 2.5. If a recipient fails to meet the required standards for retention or voluntarily ends participation in the program, the selection committee may award the remainder of that recipient's scholarship to another qualified candidate to fill the vacancy.

The award amount for GMC Scholarship is set each year based on GMC's costs for tuition, fees, books, supplies, uniform deposits, and on-campus room and meal charges. Financial aid received from state and federal grants will be credited toward a recipient's tuition and fees first, and then the GMC Scholarship is credited toward the

remaining balance of a recipient's charges. In FY 2016, 100 percent of GMC Scholarship recipients received state-funded Tuition Equalization Grants totaling \$46,066, and 40 percent of recipients qualified for lottery funded HOPE Scholarships totaling \$73,452. In addition, 63 percent of GMC Scholarship recipients were eligible for the federal Pell Grant.

In order to have the balance of the loan forgiven, borrowers must serve in the Georgia National Guard or United States Armed Forces for at least the number of years corresponding to receipt of a GMC Scholarship award. Borrowers must submit a Verification of Status (VOS) form to GSFA each year. The borrower's commanding officer completes the form to verify the dates of membership in the National Guard or United States Armed Forces. Any period of service prior to receipt of the GMC Scholarship does not reduce or cancel any portion of the service obligation.

If a recipient fails to honor the service obligation, he or she must repay GSFA a dollar amount equal to the amount of GMC Scholarship funds received plus eight percent interest, within five years after exiting the program. Interest begins to accrue from the date that participation in the program ends. Deferments or forbearances, which allow borrowers to temporarily stop making payments, may be granted on a case-by-case basis. GSFA utilizes the funds received from cash repayment to offset the operating costs to administer the program. GSFC also has the authority to transfer surplus state funds to GSFA, which uses the funds to administer state scholarship and grant programs.

## **Results and Recommendations**

### *Service Repayment*

The percentage of students repaying loans through service decreased from 78 percent in FY 2012 to 21 percent in FY 2017. If the borrower does not return the VOS form annually, the loan will convert to cash repayment status even if the borrower is still serving in the Georgia National Guard or United States Armed Forces. In FY 2017, 19 percent of borrowers were in cash repayment, and 53 percent were in deferment or forbearance on the loan. Approximately 11 percent of borrowers (124 borrowers) defaulted on a cumulative loan balance of \$1,781,910 between FY 2003 and FY 2017.

The commission should collaborate with the Georgia Department of Defense (DOD) to verify each borrower's status in the Georgia National Guard. The agencies should work together to develop a memorandum of understanding that explicitly establishes the responsibilities of each organization. The verification should include all borrowers in service repayment, cash repayment, deferment, and default. The goal of such collaboration is to increase service repayment by identifying those borrowers not returning the VOS form. An increase in service repayment would not significantly increase the cost of the program. GSFC recouped only \$6,167 through cash repayment in FY 2017.

The commission should also work with GMC to develop strategies that will improve service repayment rates. Such strategies include marketing and advertising the program to increase applications. The program received 29 applications in FY 2015, 29 applications in FY 2016, and 41 applications in FY 2017. Because there were more available scholarships than applications, 100 percent of applicants were awarded scholarships over the past three years. In addition, program regulations provide for a GSFA staff member on the selection committee, but there is currently no such member. Additional GSFC involvement throughout the selection process would reduce the risk of defaulted loans.

### *Performance Measures*

The commission should report a new performance measure to better demonstrate the workload and effectiveness of the program. GSFC should track and report the percentage of students with four or more awards to measure retention, which is directly correlated with cost. The Office of Planning and Budget will continue to work with GSFC to ensure new performance measures are updated annually.

**Georgia Student Finance Commission**  
**ZBB Program: Georgia Military College Scholarship**

**Key Activities**

| Activity*                            | Description   | Authority              | No. of Positions* | FY 2018 State Funds | FY 2018 Total Budget |
|--------------------------------------|---|------------------------|-------------------|---------------------|----------------------|
| Georgia Military College Scholarship | The Georgia Military Scholarship provides 42 new service - cancelable loans each year for Georgia residents to attend Georgia Military College (GMC). The program funds the full cost of attendance for up to two academic years including tuition, fees, room, meals, books, and uniforms. Recipients incur an obligation to serve in the Georgia National Guard for two years while attending GMC and two years after graduation. | HB 1375 (1994 Session) | 0                 | \$1,203,240         | \$1,203,240          |
| <b>Total</b>                         |   |                        | 0                 | \$1,203,240         | \$1,203,240          |

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

\*\*Positions to administer the program are located in the Georgia Student Finance Authority.

**Georgia Student Finance Commission**  
**ZBB Program: Georgia Military College Scholarship**

**Financial Summary**

| Objects of Expenditure     | Expenditures       |                    | FY 2018            |
|----------------------------|--------------------|--------------------|--------------------|
|                            | FY 2016            | FY 2017            | Current Budget     |
| Personal Services          |                    |                    |                    |
| Regular Operating Expenses |                    |                    |                    |
| Motor Vehicle Purchases    |                    |                    |                    |
| Equipment                  |                    |                    |                    |
| Computer Charges           |                    |                    |                    |
| Real Estate Rentals        |                    |                    |                    |
| Telecommunications         |                    |                    |                    |
| Contractual Services       |                    |                    |                    |
| Financial Aid - State      | \$1,203,240        | \$1,203,240        | \$1,203,240        |
| <b>Total Expenditures</b>  | <b>\$1,203,240</b> | <b>\$1,203,240</b> | <b>\$1,203,240</b> |
| <b>Fund Type</b>           |                    |                    |                    |
| State General Funds        | \$1,203,240        | \$1,203,240        | \$1,203,240        |
| <b>Total Funds</b>         | <b>\$1,203,240</b> | <b>\$1,203,240</b> | <b>\$1,203,240</b> |
| <b>Positions</b>           | 0                  | 0                  | 0                  |
| <b>Motor Vehicles</b>      | 0                  | 0                  | 0                  |

**Georgia Student Finance Commission**  
**ZBB Program: Georgia Military College Scholarship**

**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 outstanding students with a full scholarship to attend Georgia Military College, thereby strengthening Georgia's National Guard with their membership.

| Performance Measures                                     | Actuals  |          |          |          |
|--|----------|----------|----------|----------|
|  | FY 2014  | FY 2015  | FY 2016  | FY 2017  |
| 1. Number of students awarded scholarships               | 84       | 78       | 76       | 84       |
| 2. Average dollar amount per student                     | \$12,968 | \$12,335 | \$12,659 | \$14,594 |
| 3. Percentage of students repaying loans through service | 44%      | 34%      | 27%      | 21%      |
| 4. Percentage of students with four or more awards (New) | 64%      | 58%      | 63%      | 62%      |



# FY 2019 Zero-Based Budget Analysis

## General Obligation Debt Sinking Fund ZBB Program: General Obligation Bonds Issued and General Obligation Bonds New

### Executive Summary

- General obligation bonds are issued by the Georgia State Financing and Investment Commission to fund capital projects authorized by the General Assembly. The full faith, credit, and taxing power of the state are pledged to the payment of the bonds.
- The Constitution of the State of Georgia requires the General Assembly to appropriate such amounts as are necessary to pay annual debt service requirements on all general obligation debt to a special trust fund which is designated as the General Obligation Debt Sinking Fund (sinking fund).
- The department should report select performance measures, which are currently tracked internally, to the Office of Planning and Budget.

### Program Overview

The General Obligation Debt Sinking Fund receives an annual appropriation (1) sufficient to pay the annual debt service requirements on all existing general obligation bonds issued on behalf of the state (GO Bonds Issued); and (2) to provide the highest annual debt service requirements for future issuances of general obligation bonds (GO Bonds New).

Pursuant to O.C.G.A. §50-17-23(a), appropriations made for debt service purposes shall not lapse for any reason and shall continue until the debt is incurred. If the General Assembly fails to make sufficient appropriations to the sinking fund or if the amount in the sinking fund is insufficient to make all required payments, the state treasurer shall set aside first revenues received in the general fund, to the extent necessary, to cure the deficiency.

General obligation bonds are issued by the Georgia State Financing and Investment Commission (GSFIC) which is chaired by the Governor. Board members include the Lieutenant Governor, the Speaker of the House of Representatives, the Attorney General, the Commissioner of Agriculture, the State Treasurer, and the State Auditor. The governing board is charged with final approval of all issuances of state and state authority debt.

GSFIC usually issues general obligation bonds once a year to meet agency capital project funding needs. As of June 30, 2016 there are over 50 issues of outstanding GO bonds; debt service on all outstanding GO bonds is paid by the Office of the State Treasurer. Each year GSFIC updates the state's debt management plan to include projections for the annual debt service requirements for all outstanding debt and projected new debt. The debt management plan covers the current fiscal year and the four succeeding fiscal years.

### Results and Recommendations

#### Maintain Maximum Debt Service Ratio of 7 percent

One of the main goals of GSFIC is to maintain the state's triple-A credit rating. To help meet that goal, GSFIC provides an annual debt management plan to serve as a guide for the Governor and the General Assembly in their consideration of the authorization of new state debt during the budget process. The ratio of projected annual debt service requirements to treasury receipts received in the immediately preceding fiscal year is capped at 10 percent by the state constitution. However, in FY 2006 GSFIC policy set the debt service ratio at a maximum of 7 percent.

This change was instituted to put Georgia in line with other triple-A rated states. Georgia has maintained a triple-A rated credit rating by all three of the major rating agencies since 1997. GSFIC should continue its practice of setting the debt service ratio at or below 7 percent.

Update Performance Measures

GSFIC tracks measures for the sinking fund internally but does not report them to the Office of Planning and Budget (OPB). The department should work with OPB to report select measures which demonstrate each program's outputs and effectiveness.

**General Obligation Debt Sinking Fund**

**ZBB Program: General Obligation Bonds Issued and General Obligation Bonds New**

**Key Activities**

| Activity*       | Description  | Authority   | No. of Positions | FY 2018 State Funds | FY 2018 Total Budget |
|-----------------|--|---|------------------|---------------------|----------------------|
| GO Bonds Issued | Provides funding to meet annual debt service needs on all existing general obligation debt.          | Article VII, Section IV, Paragraph III(a) (2)(A) of the State Constitution; O.C.G.A. §50-17-23(a) |                  | \$1,091,170,677     | \$1,111,381,355      |
| GO Bonds New    | Provides funding for highest annual debt service requirements on new capital project authorizations. | Article VII, Section IV, Paragraph III(a) (1) of the State Constitution; O.C.G.A. §50-17-23(a)    |                  | 119,627,792         | 119,627,792          |
| <b>Total</b>    |  |   |                  | 0 \$1,210,798,469   | \$1,231,009,147      |

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

**General Obligation Debt Sinking Fund**

**ZBB Program: General Obligation Bonds Issued and General Obligation Bonds New**

**Financial Summary**

| <b>Objects of Expenditure</b> | <b>Expenditures</b>    |                        | <b>FY 2018</b>         |
|-------------------------------|------------------------|------------------------|------------------------|
|                               | <b>FY 2016</b>         | <b>FY 2017</b>         | <b>Current Budget</b>  |
| GO Bonds Issued               |                        |                        |                        |
| Capital Outlay                | \$1,081,231,109        | \$1,088,579,197        | \$1,111,381,355        |
| GO Bonds New                  |                        |                        |                        |
| Capital Outlay                | 117,313,492            | 110,041,738            | 119,627,792            |
| <b>Total Expenditures</b>     | <b>\$1,198,544,601</b> | <b>\$1,198,620,935</b> | <b>\$1,231,009,147</b> |
| <b>Fund Type</b>              |                        |                        |                        |
| State General Funds           | \$1,178,533,968        | \$1,178,410,258        | \$1,210,798,469        |
| Federal Recovery Funds        | 20,010,633             | 20,210,677             | 20,210,678             |
| <b>Total Funds</b>            | <b>\$1,198,544,601</b> | <b>\$1,198,620,935</b> | <b>\$1,231,009,147</b> |
| <b>Positions</b>              | 0                      | 0                      | 0                      |
| <b>Motor Vehicles</b>         | 0                      | 0                      | 0                      |

**General Obligation Debt Sinking Fund**

**ZBB Program: General Obligation Bonds Issued and General Obligation Bonds New**

**Performance Measures**

**Agency Mission:**

The General Obligation Debt Sinking Fund receives an annual appropriation (1) sufficient to pay the annual debt service requirements on all existing general obligation bonds issued on behalf of the state (GO Bonds Issued); and (2) to provide the highest annual debt service requirements for future issuances of general obligation bonds (GO Bonds New).

**Program Purpose:**

The purpose of these programs is to provide a fund whereby all state debt service requirements can be met.

| Performance Measures  | Actuals         |                 |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | FY 2014         | FY 2015         | FY 2016         | FY 2017         |
| 1. GO Bonds Issued - Annual state funds appropriated                                | \$1,220,378,099 | \$1,251,069,540 | \$1,293,777,519 | \$1,204,689,739 |
| 2. GO Bonds Issued - Annual debt service expenditures (state funds only)            | \$1,064,471,923 | \$1,184,343,339 | \$1,178,533,968 | \$1,178,410,258 |
| 3. GO Bonds Issued - Ratio of annual debt service to prior year's treasury receipts | 6.4%            | 6.1%            | 5.8%            | 5.4%            |
| 4. GO Bonds Issued - Percentage of debt service payments made in a timely matter    | 100%            | 100%            | 100%            | 100%            |
| 5. GO Bonds New - Number of new bonds authorized                                    | 117             | 132             | 135             | 131             |
| 6. GO Bonds New - Principal amount of new bonds authorized                          | \$ 850,000,000  | \$ 878,100,000  | \$1,099,260,000 | \$ 952,400,000  |
| 7. GO Bonds Issued - Annual refunding savings*                                      | \$ 58,430,125   | \$ 919,488      | \$ 1,000,392    | \$ 39,023,461   |

\* Savings from refunded bonds may be realized over a period of up to 20 years. Annual refunding savings reflect current year's savings only.





Governor's Office of  
PLANNING AND BUDGET  

---

THE STATE OF GEORGIA