



ZERO BASED BUDGET REPORTS
Fiscal Year 2020
Governor's Office of Planning and Budget



The photograph on the cover is of the Dawson Forest Wildlife Management Area and was taken by Mishay Allen from the Wildlife Resources Division of the Department of Natural Resources.

Table of Contents

Introduction	3
Administrative Services, Department of	
Surplus Property	4
Payments to Georgia Aviation Authority	9
Payments to Georgia Technology Authority	13
Behavioral Health and Developmental Disabilities, Department of	
Child and Adolescent Forensic Services	20
Departmental Administration	26
Direct Care and Support Services	32
Community Affairs, Department of	
Federal Community and Economic Development Programs	39
Regional Services	46
Research and Surveys	52
State and Community Development Programs	58
Community Health, Department of	
Departmental Administration	65
Medicaid: Aged, Blind and Disabled	73
Community Supervision, Department of	
Field Services	83
Governor's Office of Transition, Support, and Reentry	90
Human Services, Department of	
Child Care Assistance	97
Departmental Administration	102
Family Connection	111
Investigations, Georgia Bureau of	
Criminal Justice Coordinating Council: Council of Accountability Court Judges	117
Law, Department of	
Department of Law	122
Medicaid Fraud Control Unit	128
Pardons and Paroles, State Board of	
Board Administration	133

Regents of the University System of Georgia, Board of	
Veterinary Medicine Experiment Station	138
Veterinary Medicine Teaching Hospital	144
Secretary of State	
Investigations	149
Student Finance Commission, Georgia	
HOPE Scholarships- Private Schools	154
HOPE Scholarships- Public Schools	161
REACH Georgia Scholarship	168

FY 2020 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 2019 and FY 2020 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 summer of 2018. The ZBB review process included a detailed analysis of the cost and sources of funding for program activities, an examination of two years of expenditure trend data, as well as a review of the program's performance through measures capturing the effectiveness, efficiency, and workload of program activities.

The ZBB review process formalizes the work inherent in OPB's budget analysis and provides 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 2020 Zero-Based Budget Analysis

Department of Administrative Services ZBB Program: Surplus Property

Executive Summary

- The Department of Administrative Services' Surplus Property program works to identify, redistribute, and dispose of state personal property (not real estate) to state and local governments, eligible non-profits, and the public.
 - The program should evaluate its reimbursement schedule and payment model to include prior year reserves and operational needs to ensure equitable and timely reimbursement to state agencies.
 - The department should revise Policy 10 for motor vehicles to be processed solely through the Office of Fleet Management.
 - The agency should report performance measures that more accurately reflect the workload, efficiency, and effectiveness of the program.
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Program Overview

The Department of Administrative Services' Surplus Property program coordinates the identification, redistribution, and disposal of excess state and federal personal property to state agencies, local governments, eligible non-profits, and the public. With the exception of real estate, the program is responsible for the final disposition of all state personal property, with a goal of reducing acquisition and purchasing costs. It also serves as Georgia's designated agency for federal surplus property.

The program is responsible for various disposal methods based on state and federal policies, as well as property type. Since 2008, the program has evolved from a warehouse-based operation to an online model in which properties remain with custodian state agencies during processing and disposal. In 2013, the program acquired an online inventory application to streamline surplus processing. The purpose of this review is to evaluate the effectiveness and efficiency of the program.

Results and Recommendations

Evaluate Reimbursement Payment Model and Reimbursement Procedures

The Surplus Property program is funded entirely through proceeds generated from state property transactions, as well as service charges from federal property transactions. The sale amount for property is based on its quality, quantity, and fair market value. As shown in Table 1, the reimbursement amount a state agency may receive is based on the sale amount, agency reimbursement percentage, and cap amount retained by the program. The Surplus Property Manual was last updated in FY 2012 and indicates that state agencies are reimbursed 50 percent for sales between \$101 and \$9,999. However, the program abides by a 55 percent reimbursement to state agencies and reviews the percentage annually.

Table 1: Reimbursement Payment Calculation

Reimbursement Payment Calculation		
Sale Amount	Percent to State Agency	Cap Amount to DOAS
\$101 - \$9,999	55%	None
\$10,000 - \$49,999	75%	\$7,500
\$50,000 +	90%	\$10,000

The program re-distributes initial surplus transactions upon sale, but the program is able to retain funds above normal operating expenses as defined under O.C.G.A. § 50-5-17. Federal guidelines outlined in 2 C.F.R. § 200 Appendix V establish limits to these reserves through a reasonable reserve fund, which is 60 calendar days of normal operating expenses. In order to ensure compliance, the program redistributes any excess funds above the two months operating threshold to state agencies based on a percentage of their participation in the surplus property program.

These final reimbursements are distributed as lump-sum payments, and do not delineate the items sold or transactions originating from administratively attached agencies. Additionally, surplus funds are distributed back to agencies at the end of the fiscal year reducing agencies' ability to adhere to the spending order policy prioritizing federal and other funds expenditures. The program should evaluate its reimbursement schedule and payment model to include prior year reserves and operational needs to ensure equitable and timely reimbursement to state agencies.

Revise Policy 10 for motor vehicle transfers to be processed through the Office of Fleet Management

Policy 10 provides the rules, regulations, and procedures governing the use and assignment of motor vehicles, purchase, operation, and disposal of motor vehicles and associated record-keeping (effective July 2013). Under the policy, the Surplus Property program is responsible for tracking surplus vehicle sales associated with the annual replacement program to ensure timely disposal. It shares responsibility of overseeing the vehicle transfers between agencies with the Office of Fleet Management (OFM). In practice, OFM has been solely handling the vehicle transfer process, which has helped streamline the vehicle transfer process. This has assisted DOAS in dispersing state-owned vehicles in a more timely and efficient manner. In order to align current practice and policy, the department should coordinate with the Office of Planning and Budget (OPB) to revise Policy 10 to place the responsibility of vehicle transfers solely within OFM.

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

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

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

- Proportion of surplus property transactions redistributed to state agencies
- Proportion of surplus property transactions redistributed to eligible local governments and non-profits
- Number of annual property transactions received
- Average turnaround period for disposal

Department of Administrative Services
 ZBB Program: Surplus Property

Key Activities

Activity	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
State Surplus Property	Identifies, redistributes, and disposes of state personal properties. Disposal methods include inter-agency transfer, direct negotiated sale (fixed price), online cash auction, vendor return, and destruction. Determines donee eligibility; processes surplus requests; tracks properties in online asset disposal system; conducts site visits with custodian agencies; and maintains reporting and financial accounting of surplus assets.	O.C.G.A. § 50-5-141; § 50-5-143; § 50-5-144	3		\$678,825
Federal Surplus Property	Serves as the federally-designated State Agency for Surplus Property (SASP) in Georgia for the General Services Administration (GSA). Operates as a "direct donation" state for federal surplus properties. Establishes and maintains eligibility status for donees; submits donee requests to GSA for properties; provides donees authorization to remove properties. Maintains tracking of donee utilization and compliance of asset; maintains reporting and financial accounting in GSA's online disposal platform.	41 CFR 101-42.000; 101-43.000; 101-45.000; 41 CFR chapter 102, parts 102-1 to 102-220	1		400,927
Web Merchandising and Marketing	Manages online web sales through commercial internet service providers, such as Public Surplus and GovDeals. Reviews property transfer data for accuracy, completeness, and photo quality. Coordinates with General Services Administration, Department of Defense, and Small Business Administration for federal surplus on GSA's online disposal platform.	O.C.G.A. § 50-5-141; § 50-5-143; § 50-5-144; 41 CFR 101-42.000; 101-43.000; 101-45.000; 41 CFR chapter 102, parts 102-1 to 102-220	6		1,027,167
Total			10	\$0	\$2,106,919

Department of Administrative Services
 ZBB Program: Surplus Property

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$893,431	\$928,995	\$965,352
Regular Operating Expenses	33,730	29,381	45,971
Motor Vehicle Purchases			
Equipment			
Computer Charges	41,451	47,782	70,930
Real Estate Rentals	35,293	35,293	35,294
Telecommunications	86,553	109,028	105,372
Contractual Services	394,724	390,652	343,016
Transfers	820,822	522,563	540,984
Total Expenditures	\$2,306,004	\$2,063,694	\$2,106,919
Fund Type			
Other Funds	\$2,306,004	\$2,063,694	\$2,106,919
Total Funds	\$2,306,004	\$2,063,694	\$2,106,919
Positions	10	10	10
Motor Vehicles	0	0	0

Department of Administrative Services
 ZBB Program: Surplus Property

Performance Measures

Agency Mission:

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

Program Purpose:

The purpose of this program is to reduce cost through maximization of the useful life of state-owned equipment and redistribution of property to state and local governments, qualifying non-profits, and to the public through auction.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Amount of sales in the State Surplus Property program	\$5,626,417	\$5,049,812	\$5,573,822	\$7,707,962
2. Proportion of State Surplus Property transactions that are redistributed	6.0%	6.9%	6.22%	4.8%
3. Amount of funds returned to state entities from sales in the State Surplus Property program	\$3,851,445	\$3,330,221	\$3,308,657	\$6,086,627
4. Proportion of surplus property transactions redistributed to state agencies (New)	N/A	N/A	N/A	N/A
5. Proportion of surplus property transactions redistributed to eligible local governments and nonprofits (New)	N/A	N/A	N/A	N/A
6. Number of annual property transactions received (New)	N/A	N/A	N/A	N/A
7. Average turnaround period for disposal (New)	N/A	N/A	N/A	N/A



FY 2020 Zero-Based Budget Analysis

Department of Administrative Services ZBB Program: Payments to Georgia Aviation Authority

Executive Summary

- The Georgia Aviation Authority, which is attached to the Department of Administrative Services for administrative purposes, serves to support the flight logistics of state agencies' air assets.
 - The Authority should continue to work with the Governor's Office of Planning and Budget and the General Assembly to ensure appropriate funding levels are established for operations.
 - The authority should report performance measures that more accurately reflect the workload, efficiency, and effectiveness of the program.
-

Program Overview

Created in 2009, the Georgia Aviation Authority (GAA) administers logistical support of aviation transport for state business functions. GAA provides this support by scheduling agency aircraft flights, utilizing private partnerships with state charter flight vendors, and allotting flight hours for charter flights. The purpose of this review is to analyze program activities and evaluate whether the program is operating effectively and efficiently. GAA statutory responsibilities (O.C.G.A §6-5-3 et. seq.) contain core provisions giving GAA the power to regulate all aircraft acquisitions, state agency pilots, aircraft maintenance activities, and aircraft-related personnel decisions. The Authority is administratively attached to the Department of Administrative Services (DOAS), who performs various accounting and administrative duties. This partnership allows GAA to streamline budgetary operations.

Results and Recommendations

Authority funding

GAA was able to consolidate hangar space in fiscal year 2017 through the sale of the state hangar at Fulton County Airport. As a result, the fiscal year 2018 budget eliminated state general funds, instructing the authority to fund operations utilizing proceeds from the hangar sale. Based on current operations, available proceeds stemming from the hangar sale are projected to be nearly exhausted in FY 2020. The Authority should continue to work with the Governor's Office of Planning and Budget and the General Assembly to ensure appropriate funding levels are established for operations.

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

GAA should continue to work with the Office of Planning and Budget (OPB) to develop and refine new performance measures to show programmatic workload and effectiveness. 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.

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

- Percentage of allotted flight hours utilized
- Number of flights scheduled annually
- Number of private flight vendors utilized

Department of Administrative Services
 ZBB Program: Payments to Georgia Aviation Authority

Key Activities

Activity	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Executive Transportation	Provides flight scheduling and logistical services to state employees seeking air travel to conduct state business.	O.C.G.A § 6-5-4 (C)(1)	2		\$990,319
State Air Operations Administration	Provides oversight of state air assets; promulgates rules and practices for efficient state air asset management; manages the acquisition, leasing, and chartering of all state aircraft; manages state aircraft disposition; and manages state aircraft security and flight operations personnel.	O.C.G.A § 6-5-3; 6-5-9			
Total			2	\$0	\$990,319

Department of Administrative Services
 ZBB Program: Payments to Georgia Aviation Authority

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$179,396	\$190,881	\$211,368
Regular Operating Expenses	596,051	97,413	1,236
Motor Vehicle Purchases			
Equipment			
Computer Charges	1,676	3,111	
Real Estate Rentals	3,872	24,302	
Telecommunications	19,386	30,694	7,783
Contractual Services	803,449	915,771	769,932
Transfers	23,286	21,380	
Total Expenditures	\$1,627,116	\$1,283,552	\$990,319
Fund Type			
Other Funds	\$1,627,116	\$1,283,552	\$990,319
Total Funds	\$1,627,116	\$1,283,552	\$990,319
Positions	2	2	2
Motor Vehicles	0	0	0

Department of Administrative Services
ZBB Program: Payments to Georgia Aviation Authority

Performance Measures

Agency Mission:

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

Program Purpose:

The purpose of this program is to provide oversight and efficient operation of state aircraft and aviation operations to ensure the safety of state air travelers and aviation property.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Total number of hours flown	440	400	450	370
2. Percentage of allotted flight hours utilized (New)	N/A	N/A	N/A	N/A
3. Number of flights scheduled annually (New)	N/A	N/A	N/A	N/A
4. Number of private flight vendors utilized (New)	N/A	N/A	N/A	N/A



FY 2020 Zero-Based Budget Analysis

Department of Administrative Services

ZBB Program: Payments to Georgia
Technology Authority

Executive Summary

- The Georgia Technology Authority manages the delivery of IT infrastructure services to 85 Executive Branch agencies and managed network services to 1,300 state and local government entities. Both categories of services are provided as shared services through a public-private partnership called the Georgia Enterprise Technology Services (GETS) program.
 - The authority is statutorily responsible for establishing statewide policies, standards and guidelines based on industry best practices and federal requirements.
 - In 2018, the authority completed the re-procurement of the state's network and infrastructure system to enhance services and provide greater flexibility.
 - In partnership with the Department of Community Affairs, the authority is involved with implementing Senate Bill 402 (2018 Legislative Session), the Achieving Connectivity Everywhere Act, which creates a framework for expanded broadband access in rural areas.
 - The authority is also responsible for overseeing and managing the state's cyber and information security initiatives, including the cybersecurity review board, statewide cyber insurance, and the construction of the Hull-McKnight Georgia Cyber Center for Innovation and Training.
 - The authority should continue to evaluate policies and mechanisms for the management of state information technology and information assets, as well as evaluate the viability of a shared information security officer.
 - The authority should evaluate budgeted programs and sub-programs based on key activities in order to better align activities to expenditures.
 - The authority should report performance measures that more accurately reflect the workload, efficiency, and effectiveness of the program.
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Program Overview

Established in 2000, the Georgia Technology Authority (GTA) is responsible for negotiating and managing state contracts to deliver information technology (IT) infrastructure and network services to executive branch agencies, as well as state and local entities through the Georgia Enterprise Technology Services (GETS) program. In addition to IT infrastructure and network services, the authority coordinates with agencies under its purview to provide statewide policies governing technology use and management, as well as the state's cybersecurity and information security initiatives. As the state's technology authority, GTA is tasked with developing statewide strategic plans to manage state risk and utilize technology services or products in a cost-effective and secure way that allows for the provision of quality services to Georgia citizens. GTA also provides statewide radio frequency management and operates the 1-800-Georgia call center. As the state's technology authority, GTA is tasked with developing statewide strategic plans to manage state risk and utilize technology services or products.

Results and Recommendations

Georgia Enterprise Technology Services

GTA works to evolve technology services to meet the changing needs of state agencies. Over 100,000 workers spread across 1,300 state and local government locations receive managed network services through GETS. In addition, the program provides IT infrastructure services for 58,000 state workers and hosted 54,000 e-mail accounts. The state's primary data center offers 1.5 petabytes of storage space (a petabyte is defined as one quadrillion bytes).

In 2007, GTA conducted an assessment of IT infrastructure services using data from 12 agencies comprising 85 percent of the state's IT infrastructure spend. The assessment aimed to determine whether the state would be better served by outsourcing services. Based on the findings of the assessment and a range of service alternatives, GTA recommended outsourcing the scopes of services through multiple contracts to help consolidate, update, and streamline the state's aging infrastructure. Services were split between two contracts: infrastructure services and managed network services (MNS). The infrastructure services contracts, including mainframe, servers, end-user computing, and service desk services, were awarded to IBM. While the MNS contract, including network and voice services, was awarded to AT&T. The initial privatization of infrastructure services with IBM was \$873 million over eight years with two, one-year renewal options. The managed network services with AT&T was \$346 million over five years with two, one-year renewal options.

As initial contracts began to expire in 2018, GTA began the process of re-procuring technology services. Utilizing experience from the prior contracts, multiple entities pursued individual services with infrastructure and managed network services. The new process resulted in contracts for different technology services being re-procured individually, with infrastructure services having multiple vendors. AT&T won the re-procurement of MNS and will continue to manage network and voice services. As a result of GTA's efforts, the state obtained greater flexibility with shorter terms, with most entities agreeing to three or four year service agreements with multiple option years. The new structure also allows GTA to enhance services and contain costs while being able to adapt to ever-changing cyber security threats and antiquated infrastructure. Separate agreements allow GTA to renegotiate specific services without impacting all services.

Rural Broadband

Senate Bill (SB) 402, the Achieving Connectivity Everywhere "ACE" Act, passed during the 2018 Legislative Session, creating a framework for the promotion and deployment of expanded broadband access in rural areas of the state. Expansion of cost-effective access to broadband internet service in rural areas of the state has become a priority due to the impact that access has on economic development and quality of life standards. Under SB 402, GTA is responsible for developing strategic long-term policies and procedures for the deployment of broadband services throughout the state. The legislation also directs the Department of Community Affairs (DCA) or a designated agent to identify or develop a more accurate map of areas unserved or underserved by broadband access. GTA should collaborate with DCA for the mapping responsibilities.

Cyber Security Initiatives

Prioritizing cybersecurity has become increasingly important as the state continues to grow. Over the last several years, GTA has been part of major initiatives to improve the state's overall cyber and information security. In 2015, the first step was taken when the Statewide Cybersecurity Review Board, chaired by GTA, was created. The board is tasked with reviewing the cybersecurity preparedness of the executive branch agencies and risks to the state's residents and government operations. The Cybersecurity Review Board provides the Governor with an annual report containing their observations and recommendations.

A second step was taken in FY 2018, when the Appropriations Act, House Bill (HB) 44, included \$2.8 million for the purchase of a statewide \$100 million cyber insurance policy. The statewide cyber insurance policy was extended to all state entities under GTA's purview and allowed all agencies led by constitutional officers to opt-in. The policy insures the state against losses caused by a cyber-security event.

A third step included the Georgia Cyber Center, which is the nation's single largest investment in a cybersecurity facility by a state government. The \$100 million state-owned facility in Augusta is a unique public/private collaboration among academia, state and federal government, law enforcement, the U.S. Army and the private sector. It will be equipped to keep up with the changing face of cybersecurity and will provide needed focus in key areas: education and training for agencies, the military and the private sector; incubation of new security ideas; research and development with an emphasis on cyber defense; IT security information sharing among Georgia agencies, homeland security and the private sector; and public-private partnerships for cybersecurity innovations.

With two adjacent buildings totaling 332,000 square feet, the Georgia Cyber Center features a cutting-edge cyber range, a 340-seat auditorium, secure briefing space, the newly created GBI Cybercrime Unit, an incubator/accelerator to foster innovation and entrepreneurship, classrooms and labs. The center's first structure, the Hull McKnight Building, opened on time and within budget on July 10, 2018. The second building, the Shaffer MacCartney Building, is set to open in January 2018. GTA is tasked with overseeing construction and partner coordination for both buildings.

Policies and Planning

SB 117 passed during the 2017 Legislative Session, streamlining the authority's statutory responsibility under O.C.G.A. § 50-25-4. Excluding agencies led by the state's constitutional officers, the Georgia Department of Defense, the University System of Georgia, and agencies within the legislative or judicial branch of state government, the code section provides GTA the authority to create IT policies and standards for all state agencies. Specific activities of IT policies and planning are handled by the authority's Enterprise Governance and Planning (EGAP) division, which is responsible for providing state agencies with policies, training, and advisory services that enable them to plan, manage, and deliver IT services more effectively. Advisory services offer IT project consultation to state agencies to ensure enterprise IT projects are delivered on time and in a cost-effective manner.

For the state's IT projects with large monetary or operational significance, additional mechanisms like the Critical Projects Review Panel and Large IT Project Executive Decision-Making Board exist to monitor state IT project implementation. The Critical Projects Review Panel includes members from GTA and representation from participating state agencies. This panel limits their review to projects with a significant impact to state or agency business needs, project budgets of \$1 million or more, or projects with a duration of one year or more. In January 2017 the authority introduced the Large IT Project Executive Decision-Making Board for additional oversight of IT projects with exceptionally large budgets of \$10 million or more over five years, extended implementation timeframes, and significance to the state overall. The Board's three members from the Department of Administrative Services, Georgia Technology Authority, and the Office of Planning and Budget (OPB) oversee selected projects and retain the ultimate decision-making rights throughout the life of the IT project. Overall, these mechanisms aim to improve IT project success and outcomes by providing agencies a forum to discuss progress, as well as resources needed to minimize the causes of project failure.

In addition to establishing statewide IT policies, the authority is responsible for developing the State Annual Information Technology Report. In accordance with the Governor's Executive Order of March 2008 and O.C.G.A. §50-25-7.10, GTA collects IT and cyber security data from state agencies to develop a comprehensive update on the state's current IT initiatives, expenditures, and overall security status. To better facilitate the collection of this data, the authority implemented the State Technology Annual Report Register (STARR) application, which employs role-targeted questionnaires to collect and report consistent IT-related data from each agency based on various topics and areas of interest for state IT. As of FY 2018, agency STARR responses on cybersecurity were aggregated by the authority to determine individual agency maturity ratings and incorporated into the billing methodology for cyber insurance premiums.

With increased focus on cyber risk and IT planning, state agencies are pushed to evaluate current systems and planning; however, some state agencies do not employ full-time IT personnel or have access to a dedicated Information Security Officer (ISO) in assessing their systems. GTA maintains a list of designated ISO personnel for numerous agencies, boards, or commissions, but a number of contacts are not involved in information technology or security. As a result, some agencies may face difficulties in adopting sufficient plans for cybersecurity or accurately

completing their responses to the quarterly STARR questionnaire. For these reasons, the authority should work to evaluate the needs of agencies and determine the viability of a centralized information security resource for agencies to utilize planning and systems assessment.

Data Sales

GTA has statutory authority (O.C.G.A. § 50-25-7) to sell data and use the proceeds to support IT management and services for the state, including security, the state portal, project management and software licensing. As GTA receives no state appropriation, its primary source of funding is the sale of electronic data to private sector businesses and individuals as provided by the statute. GTA currently offers data services in coordination with the Department of Revenue (DOR), the Georgia Bureau of Investigation (GBI), the Department of Driver Services (DDS), the Department of Public Health (DPH), and the Secretary of State.

Expansion of Programs

The authority's current budget structure tracks its various activities and expenditures by three budgeted programs. These three programs encompass all of the authority's various activities and expenditures, including major revenue generating activities and the authority's billed services and products. As a result, evaluating and analyzing the program's administrative costs compared to service, security, and policy activities is not easily discernible. The program should consider additional tracking mechanisms to more clearly track the authority's various activities.

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

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

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

- Average wait time for 1-800-Georgia telephone calls received
- Proportion of agencies compliant with STARR report
- Number of unique visits to Georgia.gov website
- Average time for GETS service desk incident resolution
- Number of projects reviewed by Critical Projects Review Panel
- Average dollar amount of projects reviewed by Critical Projects Review Panel
- Number of projects reviewed by Large IT Project Executive Decision-Making Board
- Average dollar amount of projects reviewed by Large Project Executive Decision-Making Board

Department of Administrative Services
ZBB Program: Payments to Georgia Technology Authority

Key Activities

Activity	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Georgia Enterprise Technology Services (GETS)	Negotiates and manages state contracts for communication and data services, software, servers, technology hardware, and other technology services or products utilized by the state and local governments to provide quality public services throughout the state.	O.C.G.A. § 50-25-1; 50-25-4	47		\$220,801,735
Data Sales	Executes the sale and dissemination of state data in electronic medium on behalf of executive branch agencies in the state government. Proceeds support state IT management and services.	O.C.G.A. § 50-25-7	6		3,964,010
Enterprise Governance and Planning	Provides state agencies with IT policies and advisory services based on industry best practices in security and technology infrastructure; consults with agencies to help navigate through IT project processes to ensure success; and reviews and oversees IT projects with large investments and importance to the state through the Critical Projects Review Panel and Large IT Project Executive Decision-Making Board.	O.C.G.A. § 50-25-1; 50-25-7.2; 50-25-7.10; 50-29-3	16		9,896,437
Information and Cyber Security	Improves the overall security of state technology and data by advising agencies on information and technology protocols, reviewing state security plans, and managing the state's cyber security program.	O.C.G.A. § 50-25-4	13		9,680,897
Portal Services	Develops and manages access points to state information including Georgia.gov and the 1-800-Georgia call center.	O.C.G.A. § 50-25-1; 50-25-4	42		12,895,808
Administration	Governs daily operations and services of the organization through centralized leadership and operational functions carried out by the executive officers, as well as teams responsible for the authority's human resources, communications, and financial services.	O.C.G.A. § 50-25-1; 50-25-4	37		8,941,364
Total			161	\$0	\$266,180,251

Department of Administrative Services
 ZBB Program: Payments to Georgia Technology Authority

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018*	FY 2019**
Personal Services	\$22,839,708	\$22,855,415	\$25,454,799
Regular Operating Expenses	817,672	3,101,447	2,039,569
Motor Vehicle Purchases			
Equipment	8,142	288,572	
Computer Charges	19,401,678	19,446,078	21,757,585
Real Estate Rentals	1,730,209	1,776,366	2,047,015
Telecommunications	6,691,487	7,201,214	8,163,797
Contractual Services	228,220,188	312,047,512	203,209,998
Transfers	2,657,381	3,003,858	3,045,000
Other	518,112	489,564	462,488
Total Expenditures	\$282,884,577	\$370,210,026	\$266,180,251
Fund Type			
Other Funds	\$282,884,577	\$370,210,026	\$266,180,251
Total Funds	\$282,884,577	\$370,210,026	\$266,180,251
Positions	169	161	161
Motor Vehicles	0	0	0

*FY 2018 expenditures include funding for the Georgia Cyber Center.

**GTA's specific operating expenses average \$50 million, while contract agreements and GETS specific services for agency partners represent over \$216 million, annually.

Department of Administrative Services
 ZBB Program: Payments to Georgia Technology Authority

Performance Measures

Agency Mission:

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

Program Purpose:

The purpose of this program is to set the direction for the state's use of technology and promote efficient, secure, and cost-effective delivery of information technology services.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Number of telephone calls placed to the "1-800-Georgia" call center requesting assistance	247,629	281,630	332,835	392,507
2. Average wait time for 1-800-Georgia telephone calls (New)	N/A	N/A	N/A	N/A
3. Proportion of agencies compliant with STARR report (New)	N/A	N/A	N/A	N/A
4. Number of unique visits to Georgia.gov website (New)	N/A	N/A	N/A	N/A
5. Average time for GETS service desk incident resolution (New)	N/A	N/A	N/A	N/A
6. Number of projects reviewed by Critical Projects Review Panel (New)	N/A	N/A	N/A	N/A
7. Average dollar amount of projects reviewed by Critical Projects Review Panel (New)	N/A	N/A	N/A	N/A
8. Number of projects reviewed by Large IT Project Executive Decision-Making Board (New)	N/A	N/A	N/A	N/A
9. Average dollar amount of projects reviewed by Large IT Project Executive Decision-Making Board (New)	N/A	N/A	N/A	N/A



FY 2020 Zero-Based Budget Analysis

Department of Behavioral Health and
Developmental Disabilities

ZBB Program: Child and Adolescent
Forensic Services

Executive Summary

- The Child and Adolescent Forensic Services program provides psychological evaluations, competency restoration services, and residential treatment services for children and adolescents referred by juvenile or superior court systems.
 - The Department of Behavioral Health and Developmental Disabilities should submit an amendment in the state's automated budget system, Planning and Budget Cloud System, at least quarterly to reconcile the budget within the agency's financial system with the official budget.
 - The agency should submit an amendment in the automated budget system to more accurately reflect position counts within the program.
 - The program should change an existing performance measure and add new performance measures to best describe workload, efficiency, and effectiveness.
-

Program Overview

The Child and Adolescent Forensic Services (CAFS) program provides for behavioral health and competency to proceed evaluations for children and adolescents involved in the juvenile court system, as well as community-based competency restoration services and detainment for children and adolescents referred by the criminal justice or corrections system. The program is totally state funded and the budget primarily provides for personal services and contractual services.

As a result of the Juvenile Code Rewrite in 2014¹, the program's workload has changed and increased. The new law defined incompetence to proceed in juvenile cases and set standards and procedures for how courts should treat juveniles deemed incompetent. The law outlined a process of competency restoration and tasked the Department of Behavioral Health and Developmental Disabilities (DBHDD) with assisting the courts in connecting juveniles with competency restoration services and in providing behavioral health evaluations to aid in a judge's deliberation about a child's needs and potential sentencing. Moreover, the new law requires that children tried in adult court should remain in juvenile detention until age 17. Since 2014, the program has expanded its activities from primarily competency to proceed evaluations to competency restoration service coordination, residential detainment for incompetent minors involved in adult courts, and increased behavioral health evaluations for use in sentencing.

Psychological Evaluations

Forensic evaluators conduct psychological evaluations of children and adolescents referred by the juvenile or superior court systems. Forensic evaluators are licensed psychologists. O.C.G.A. §15-11-2 requires that all CAFS forensic evaluators have expertise in child development, specific to severe or chronic disability of children attributable to intellectual impairment or mental illness, and have received training in forensic evaluation procedures through formal instruction and/or professional supervision.

¹ O.C.G.A. Title 15 Chapter 11 Article 7

Evaluations can be requested by: any involved party that believes the child may not be wholly competent to understand court proceedings, if a behavioral health evaluation is requested for use in determination of the child's needs in sentencing, or in considering a jurisdictional transfer from juvenile to superior court. Evaluators conduct two types of evaluations: behavioral health evaluations and competency to proceed evaluations. Evaluations are conducted through an interview between the evaluator, the child, and any other necessary parties. Evaluators use several psychological and forensic tests and instruments to evaluate a child's competency to proceed or overall behavioral health.

Competency to proceed evaluations assess whether a child or adolescent is able to understand and engage in the court proceedings. Evaluators interview the child or adolescent and provide an opinion on a child or adolescent's competence to proceed based on the following abilities or deficits:

1. The ability to understand and appreciate the nature and object of the proceedings;
2. The ability to comprehend his or her situation in relation to the proceedings;
3. The ability to assist his or her attorney in preparation and presentation of his or her case.

Incompetence is usually indicated due to mental illness, intellectual or developmental disability, or developmental immaturity. Competence to proceed is assessed during the proceedings rather than at the time of the crime or incident.

The court will request a behavioral health evaluation to obtain a more thorough understanding of a child or adolescent's total behavioral health. O.C.G.A. § 15-11-141 defines a behavioral health evaluation as "a court ordered evaluation completed by a licensed psychologist or psychiatrist of a child alleged to have committed or adjudicated of a delinquent act so as to provide the juvenile court with information and recommendations relevant to the behavioral health status and mental health treatment needs of such child." Judges use behavioral health evaluations most often when considering treatment, jurisdictional, or sentencing options for the child. In addition to the psychological and forensic tests and instruments used to conduct competency to proceed evaluations, behavioral health evaluations also include interviews with parents, family, school teachers/officials, and other community members. The broader scope of findings result in behavioral health evaluations being more time and labor intensive than competency to proceed evaluations, although they are less common.

Competency Restoration

If the court finds that a child or adolescent is incompetent to stand trial and that competence cannot be restored, the court will order a comprehensive services plan for the child². If the court finds that a child or adolescent is incompetent to proceed but that competence can be restored, the judge can order community-based competency restoration services to be provided at the child or adolescent's location. DBHDD provides competency restoration treatments and treatment coordination through Forensic Community Coordinators (FCCs). FCCs provide therapy services and connect children or adolescents to additional restoration services with community providers. FCCs also provide conditional release monitoring and competency restoration services for adults. There are a total of 17 FCCs agency-wide, ten of which are budgeted in the CAFS program.

Residential Treatment

O.C.G.A. § 15-11-656 allows for placement of a child in a facility or program designated by DBHDD if the court finds that all available, less restrictive alternatives are inappropriate. If a child's case is either tried in or transferred to superior court due to the severity of the crime, the program will provide detainment services if the child:

1. Requires assessment of competency to stand trial;
2. Requires assessment of criminal responsibility;
3. Has been adjudicated incompetent to stand trial; or
4. Has been adjudicated as not guilty by reason of insanity.

² The most common examples of cases where competency cannot be restored are: 1) if a child is too young to understand and will not be old enough within a reasonable amount of time for the case to proceed, or 2) if the child has a severe intellectual or developmental disability that impedes his current and future ability to understand the proceedings or assist in his case. There is no set age that is determined too young to be found competent.

In these instances, judges can order the child or adolescent to detainment at the Turner Center, which is operated by Pathways Community Service Board. The Turner Center is in Meriwether County and has capacity for 14 individuals. DBHDD contracts with the Turner Center, at a cost of \$1.3 million annually, to provide beds, treatment, and competency restoration services.

Program Administration

DBHDD's regional offices administratively house this program, with the majority of the field employees working remotely for the most appropriate and efficient operations and handling of travel demands. Staff are divided geographically into CAFS teams to provide statewide coverage. Each team is supervised by a Community Forensic Services Supervisor who is budgeted in the Adult Forensic Services program due to other supervisory responsibilities in that program. Each team has a Program Assistant who provides operational and administrative support for the teams, including the processing and handling of referrals, evaluations, and court documentation.

Results and Recommendations

Submit an amendment to the Annual Operating Budget at least quarterly

OPB policy states that amendments should be submitted on a quarterly basis (at minimum) and that agencies must maintain an Annual Operating Budget (AOB) that reflects the best estimate of federal funds and other funds for the fiscal year. In order to be in compliance, DBHDD should submit an amendment to the AOB at least once per quarter to reconcile the official agency budget in the state's automated budget system, Planning and Budget Cloud Solution (PBCS), with the organization's operating budget and recognized revenues in TeamWorks.

Realign position count

The number of filled positions is more than the number of budgeted positions. In FY 2018, the program had 26 budgeted positions but 27 full-time employees and three vacancies. In FY 2017, the program had 26 budgeted positions but 30 full-time employees. DBHDD should submit an amendment to their AOB to more accurately reflect the number of positions in the program.

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

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

- Number of child and adolescent forensic evaluators
- Number of juveniles who received competency restoration services from DBHDD

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

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Psychological Evaluations	Conducts behavioral health and competency to proceed evaluations for children and adolescents referred by the juvenile or superior court systems.	O.C.G.A. Title 15, Chapter 11, Article 7	12	\$3,210,000	\$3,210,000
Competency Restoration	Provides competency restoration services for juveniles deemed incompetent to proceed by the juvenile or superior court systems.	O.C.G.A. Title 15, Chapter 11, Article 7	10	1,200,000	1,200,000
Residential Treatment	Provides residential services to children and adolescents with a detainment order from the criminal justice or corrections systems.	O.C.G.A. Title 15, Chapter 11, Article 7		1,800,000	1,800,000
Program Administration	Supervises and manages program activities, receives and assigns referrals, and submits documents to the courts.	O.C.G.A. Title 15, Chapter 11, Article 7	4	300,580	300,580
Total			26	\$6,510,580	\$6,510,580

* (Listed in priority order as determined by Agency)

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

Financial Summary

Objects of Expenditure	Expenditures		FY 2019
	FY 2017	FY 2018	Current Budget
Personal Services	\$4,865,101	\$4,130,938	\$3,687,197
Regular Operating Expenses	59,232	87,872	49,400
Motor Vehicle Purchases			
Equipment			
Computer Charges	2,770	5,926	3,800
Real Estate Rentals			
Telecommunications	63,147	88,171	76,000
Contractual Services	1,447,474	2,136,644	2,694,183
Grants and Benefits			
Total Expenditures	\$6,437,724	\$6,449,551	\$6,510,580
Fund Type			
State General Funds	\$6,437,724	\$6,449,551	\$6,510,580
Total Funds	\$6,437,724	\$6,449,551	\$6,510,580
Positions	30	30	26
Motor Vehicles	0	0	0

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

Performance Measures

Agency Mission:

Leading an accountable and effective continuum of care to support Georgians with behavioral health challenges and intellectual and developmental disabilities in dynamic health care environment.

Program Purpose:

The purpose of this appropriation is to provide evaluation, treatment and residential services to children and adolescent clients referred by Georgia's criminal justice or corrections system.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Number of evaluations completed on juveniles in juvenile or superior court	1,254	1,306	1,427	1,486
2. Number of child and adolescent forensic evaluators (New)	12.3	12.3	13.6	12
3. Percentage of juvenile court evaluations completed within 30 days of receipt of the court order	41%	33%	36%	28%
4. Number of juveniles who received competency restoration services from DBHDD (New)	31	34	70	96



FY 2020 Zero-Based Budget Analysis

Department of Behavioral Health and Developmental Disabilities ZBB Program: Departmental Administration

Executive Summary

- The Departmental Administration program provides operational and administrative leadership and support to agency programs and attached agencies.
 - The Department of Behavioral Health and Developmental Disabilities should submit an amendment in the state's automated budget system, Planning and Budget Cloud Solution, at least quarterly.
 - The Department of Behavioral Health and Developmental Disabilities should submit an amendment in the automated budget system to more accurately reflect position and vehicle counts within the program.
 - The program should add a new performance measure to best describe workload, efficiency, and effectiveness.
-

Program Overview

The Departmental Administration program provides operational and administrative leadership and support to all of the programs of the Department of Behavioral Health and Developmental Disabilities (DBHDD) and attached agencies. The purpose of the program is to provide administrative support for the agency's mental health, developmental disabilities, and addictive disease programs. The program conducts eight key activities: 1) executive leadership; 2) public affairs and legal services; 3) budget and finance; 4) human resources and learning; 5) information technology; 6) accountability and compliance; 7) performance management and quality improvement; and 8) program and facilities support. The program is administered by 261 employees at the central office, regional offices, and state hospitals.

The program budget includes \$38.4 million in state general funds, \$4.4 million in Medical Assistance Program (MAP) funds, \$7.3 million in Social Services Block Grant funds, and \$22,133 in other funds for a total of \$50.2 million. MAP funds are provided through Section 1903(a) of the Social Security Act of 1965 or Medicaid Administrative Claiming and are used to share the cost of administering the state's Medicaid program with the federal government. The program also receives funding from the Social Services Block Grant (SSBG), a federal grant awarded to states. SSBG funds can be used to reduce dependency and promote self-sufficiency; protect children and adults from neglect, abuse and exploitation; and help individuals who are unable to take care of themselves to stay in their homes or to find the best institutional arrangements. DBHDD utilizes SSBG funds to provide transportation services to individuals with intellectual and developmental disabilities (ID/DD).

Executive Leadership

Executive leadership is provided by the DBHDD commissioner, who is appointed by the governor. The governor appoints the DBHDD Board, and they work with the commissioner to set policy and priorities, provide direction and oversight, and conduct strategic planning activities. The Commissioner's Office is located at DBHDD's central office in Atlanta.

Regional Leadership

Regional Coordinators lead the regional offices and coordinate with the commissioner's office to oversee statewide initiatives, develop new services and expand existing services as needed, monitor the services being received by consumers to ensure quality and access, investigate and resolve complaints, and conduct special investigations and reviews when warranted.

Accountability and Compliance

DBHDD provides community behavioral health (BH) and ID/DD services to individuals through a network of Community Service Boards (CSBs) and community providers. The Accountability and Compliance division audits and investigates service providers to assess their compliance with contractual objectives and state and federal laws.

Performance Management and Quality Improvement

The Office of Quality Improvement provides quality and process improvement support to agency programs. The division uses data to analyze program performance and to assist programmatic divisions in improving services and outputs. The division tracks and updates internal and external performance measures and provides risk assessments of CSBs.

Information Technology

The Departmental Administration program provides information technology (IT) services for all DBHDD programs. The DBHDD IT team works closely with the Georgia Technology Authority (GTA) in coordinating comprehensive infrastructure and managed network services for all locations. Program IT staff conduct day-to-day operations and service requests, as well as plan and maintain agency-specific data and information systems.

Budget and Finance

The program provides budget, revenue, procurement, and accounting support to agency programs and attached agencies. Budget and finance staff ensure that all state and federal financial requirements are met. The division, under the leadership of the Chief Financial Officer, provides input and assistance in the annual budgeting and capital budgeting processes.

Human Resources and Learning

The Departmental Administration program provides human resource services for the central office and some regional office staff. The Human Resources division provides operations and strategic services for recruitment, selection, and retention of DBHDD's workforce. The Human Resources division also provides technical assistance and professional development opportunities for staff, as well as oversees agency initiatives to improve staff satisfaction and effectiveness.

Public Affairs and Legal Services

The Office of Public Affairs serves as a liaison between DBHDD and consumers, families, advocates, and the public, as well as serving as the primary contact between the agency and the General Assembly. The office is divided into the Office of Legislative Affairs, which tracks legislation and answers legislative inquiries, and the Office of Constituent Services, which serves as a point of contact for the public and those individuals receiving DBHDD services.

The program provides legal services to the agency through the general counsel's office. The general counsel's office oversees special projects, legal services, and Department of Justice (DOJ) Settlement Agreement activities. Legal services staff provide legal support to the agency and coordinate with federal and state regulatory and legal entities.

Agency Support Services

The program provides support services to all agency programs. Mail operations, procurement of supplies and office equipment, and printing and publication services for the central and regional offices are managed by program staff. The program provides capital management for the agency, as well as facility support services for the central and

regional offices. Agency fleet management is provided by the Department of Human Services' Office of Consolidated Transportation.

The program budgets \$7.3 million in SSBG funds for the provision of consumer transportation services for ID/DD individuals qualified to receive this assistance. Historically, the base SSBG amount is amended out of the program budget at the end of the fiscal year and into the Adult Developmental Disabilities Services program budget to provide transportation services to ID/DD consumers.

Results and Recommendations

Submit an amendment to the Annual Operating Budget at least quarterly

Office of Planning and Budget policy states that amendments that reconcile the budget in the agency's financial system (TeamWorks) with the official approved budget in the automated budget system (PBCS) should be submitted at minimum on a quarterly basis and that agencies must maintain an Annual Operating Budget (AOB) that reflects the best estimate of federal funds and other funds for the fiscal year. In order to be in compliance, DBHDD should submit an amendment to AOB at least once per quarter to reconcile the official agency budget in PBCS with the organization's operating budget and recognized revenues in TeamWorks.

Realign position count

The number of filled positions is less than the number of budgeted positions. In FY 2018, the program had 298 budgeted positions but only 262 filled. In FY 2017, the program had 298 budgeted positions but only 272 filled. DBHDD should submit an amendment to their AOB to more accurately reflect the number of positions in the program.

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

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

- Number of hours of training delivered to DBHDD service providers
- Number of provider audits conducted
- Number of provider audit findings
- Number of internal audit findings
- Agency turnover rate

Additionally, one measure was identified for removal:

- Number of psychiatrists recruited and hired to staff DBHDD locations around the state

Department of Behavioral Health and Developmental Disabilities
ZBB Program: Departmental Administration

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Executive Leadership	Provides leadership and strategic planning for the agency. Provides operational management and coordination.	O.C.G.A. Title 37, Social Security Act Title XIX §1903(a)(7)	10	\$1,132,265	\$1,477,519
Regional Leadership	Provides leadership and strategic planning for the regional offices. Provides operational management and coordination.	O.C.G.A. Title 37, Social Security Act Title XIX §1903(a)(7)	20	2,264,528	2,955,036
Accountability and Compliance	Provides policy, technical support, and guidance to the agency and conducts audits and investigations to ensure agency and provider compliance.	O.C.G.A. Title 37, Social Security Act Title XIX §1903(a)(7)	100	5,095,418	6,649,131
Performance Management and Quality Improvement	Oversees performance and quality of the agency's provider and hospital networks. Provides performance analysis and improvement planning.	O.C.G.A. Title 37, Social Security Act Title XIX §1903(a)(7)	28	2,425,921	3,165,641
Information Technology	Provides application support and development, hardware troubleshooting, and network services to central and regional offices.	O.C.G.A. Title 37, Social Security Act Title XIX §1903(a)(7)	45	4,575,572	5,970,772
Budget and Finance	Provides budget, revenue, procurement, and accounting support to agency programs and attached agencies.	O.C.G.A. Title 37, Social Security Act Title XIX §1903(a)(7)	55	3,302,845	4,309,960
Human Resources and Learning	Provides for agency personal services and strategic planning for recruitment and retention of new and existing workforce.	O.C.G.A. Title 37, Social Security Act Title XIX §1903(a)(7)	15	1,167,475	1,523,466
Public Affairs and Legal Services	Communicates agency priorities to external and internal stakeholders. Provides legal guidance and analysis to executive leadership and program staff.	O.C.G.A. Title 37, Social Security Act Title XIX §1903(a)(7)	15	2,541,370	3,316,293
Agency Support Services	Provides operational and programmatic support to agency programs and service areas. Oversees maintenance and planning of department-owned assets and facilities.	O.C.G.A. Title 37, Social Security Act Title XIX §1903(a)(7)	10	15,988,573	20,863,866
Total			298	\$38,493,967	\$50,231,684

* (Listed in priority order as determined by Agency)

Department of Behavioral Health and Developmental Disabilities
 ZBB Program: Departmental Administration

Financial Summary

Objects of Expenditure	Expenditures		FY 2019
	FY 2017	FY 2018	Current Budget
Personal Services	\$37,370,947	\$27,859,091	\$42,133,083
Regular Operating Expenses	1,237,680	2,004,958	1,088,994
Motor Vehicle Purchases			
Equipment			
Computer Charges	2,194,832	2,740,684	1,348,796
Real Estate Rentals	1,147,640	1,531,401	683,800
Telecommunications	2,087,036	1,380,623	1,662,250
Contractual Services	2,409,659	12,374,078	877,790
Grants and Benefits			
Total Expenditures	\$46,447,794	\$47,890,835	\$47,794,713
Fund Type			
State General Funds	\$37,606,812	\$38,616,372	\$38,493,967
Medical Assistance Program	8,800,323	9,273,916	9,278,613
Social Series Block Grant			
Federal Funds		516	
Other Funds	40,660	31	22,133
Total Funds	\$46,447,795	\$47,890,835	\$47,794,713
Positions	272	274	298
Motor Vehicles	0	0	0

Department of Behavioral Health and Developmental Disabilities
 ZBB Program: Departmental Administration

Performance Measures

Agency Mission:

Leading an accountable and effective continuum of care to support Georgians with behavioral health challenges and intellectual and developmental disabilities in a dynamic health care environment.

Program Purpose:

The purpose of this appropriation is to provide administrative support for all mental health, developmental disabilities, and addictive diseases programs of the department.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Number of class hours of training delivered to Department of Behavioral Health and Developmental Disabilities staff	163,463	219,358	229,500	170,714
2. Percentage of accounts payable-contract payment requests entered into PeopleSoft within 3 business days of the request being submitted to DBHDD accounts payable	98%	97%	100%	96%
3. Number of hours of training delivered to DBHDD service providers (New)	1,779	1,762	2,116	1,975
4. Number of provider audits conducted (New)	234	435	760	697
5. Number of provider audit findings (New)	43	38	241	57
6. Number of internal audit findings (New)	20	100	16	22
7. Agency turnover rate (New)	33%	27%	26%	24%



FY 2020 Zero-Based Budget Analysis

Department of Behavioral Health and
Developmental Disabilities

ZBB Program: Direct Care Support
Services

Executive Summary

- The Direct Care Support Services program provides operations management, facilities services, and medical and therapy services at five state-owned hospitals for individuals with behavioral health concerns or intellectual or developmental disabilities.
 - The Department of Behavioral Health and Developmental Disabilities should submit an amendment in the state's automated budget system, Planning and Budget Cloud Solution, at least quarterly.
 - The agency should submit an amendment in the automated budget system to more accurately reflect position and motor vehicle counts within the program.
 - As intellectual or developmental disabilities units close and patients are transitioned into community-based services, the program's ability to draw-down Medicaid reimbursements and Upper Payment Limit payments has decreased.
 - The program should change an existing performance measure to better describe workload, efficiency, and effectiveness.
-

Program Overview

The Direct Care Support Services (DCSS) program provides hospital-wide medical and therapy services, operations management, and facilities services at five state-owned hospitals for individuals with mental health concerns and/or intellectual and developmental disabilities (ID/DD). The Department of Behavioral Health and Developmental Disabilities operates the following hospitals:

- Central State Hospital (CSH) in Milledgeville
- East Central Regional Hospital (ECRH) in Augusta
- Georgia Regional Hospital in Atlanta (GRHA)
- Georgia Regional Hospital in Savannah (GRHS)
- West Central Regional Hospital (WCRH) in Columbus

The program has two subprograms: Direct Patient and Support Therapies (DPST) and Facility Support Services (FSS). As a result of the FY 2014 Zero-Based Budget (ZBB) report, DBHDD consolidated the program's budget to only include expenses necessary to operate the state hospitals and transferred unit-specific funds out of DCSS and into other program budgets. The DCSS program budget is dedicated to hospital operations, management, and non-unit specific therapy and support services. The program is funded with state funds, Medicare and Medicaid funds for therapy and support services provided in the hospitals, and agency income from provision of facilities support services.

Patient Medical and Therapy Support

State hospitals provide inpatient treatment and therapy to individuals with behavioral health concerns and/or ID/DD. The hospitals also provide secure forensic inpatient units for individuals: 1) requiring assessment of

competency to stand trial; 2) requiring assessment for criminal responsibility; 3) adjudicated incompetent to stand trial; or 4) adjudicated as not guilty by reason of insanity. Statewide, hospitals contain bed capacity for 1,176 patients, and three hospitals have regularly-operating 23-hour observation units for individuals in a short-term mental health crisis or who need to be further assessed before admission.

Number of Patient Beds by Type and Hospital, as of 09/23/2018						
	CSH	ECRH	GRHA	GRHS	WCRH	Statewide
Mental Health	0	90	114	69	40	313
Forensic	182 ³	71	124	110	154	641
ID/DD ⁴	0	140	28	0	0	168
Total	182	301	266	179	194	1,122
23 Hour Observation	0	10	10	12	As needed	32

Admissions for the mental health units at GRHA, GRHS, and ECRH can be referred by emergency personnel, law enforcement, self-admission, or from the DBHDD “bed board,” a real-time system-wide referral database shared by the hospitals, Behavioral Health Crisis Centers (BHCCs), and Crisis Stabilization Units (CSUs) to coordinate timely and appropriate admissions statewide. Admissions for forensic units at CSH and WCRH are determined by forensic program staff at the central office in Atlanta, but CSH does not have an admissions unit and WCRH does not accept walk-in admissions. Instead, WCRH mental health unit admissions must be either ordered by a local probate judge or arranged for when BHCCs and CSUs nearby do not have available beds. Hospitals no longer admit individuals to the ID/DD units. To avoid unnecessary long-term admissions, 23-hour observation units are used to observe and treat patients in short-term crisis.

The hospitals are divided into separate units for mental health patients, ID/DD patients, and forensic patients. Unit-specific personnel and treatments are budgeted in the appropriate DBHDD program, whereas only hospital-wide services and management functions are budgeted in DCSS. Nurse and clinician management is provided through the DPST subprogram, as well as the management of clinical information services, infection control, and risk reduction. The program provides for treatments and therapies that are not unit specific, including laboratory services, medical records, pharmacy services, religious services, dental services, patient advocacy, and some transportation services. For services provided to Medicaid or Medicare eligible patients, Medicaid or Medicare will share the cost of providing the services through a cost allocation set by the department. Total Medicaid funds have decreased since the hospitals ceased ID/DD admissions and began transitioning ID/DD patients into community services.

Facility Support and Maintenance

The program provides facility support and maintenance for the five operating state hospitals and for two closed hospitals. Program staff maintain the physical campuses and buildings by conducting engineering services, grounds-keeping services, sewage and wastewater management, electrical services, and warehouse maintenance. The program also provides food services, laundry services, and housekeeping services for patients and employees. Security personnel are also present at all operating and closed campuses. Facility support and maintenance services are primarily conducted by state employees, although temporary staffing services are also utilized to temporarily fill vacancies.

There are 345 active vehicles utilized at the state hospitals, primarily used by facility support staff. The hospital fleet is aging, with the average vehicle being 18 years old with 122,404 miles. Approximately 65 vehicles reside at state hospitals either waiting to be determined as surplus or in disrepair. Prior to FY 2017, 47 of the vehicles were determined to be out of service. The Department of Human Services' Office of Consolidated Transportation provides fleet management services, as only two hospitals staff an on-site fleet supervisor.

³ Central State Hospital maintains the only maximum secure forensic unit.

⁴ 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.

CSH is the oldest operating state mental health hospital, having opened in 1842 to serve individuals from across the state. The other six hospitals were built starting in the 1960s in order to provide institutional care for behavioral health and ID/DD patients closer to their homes. Prior to the opening of the regional hospitals, CSH served nearly 12,000 patients in 200 buildings across 2,000 acres. The campus currently encompasses approximately 1,750 acres and 50 buildings, of which only 5 are currently utilized. DBHDD has transitioned ownership of most unused buildings to the Central State Redevelopment Authority or the State Properties Commission, and by mid-FY 2019, all remaining buildings that are unused, other than the Powell Building, will be transitioned to the Redevelopment Authority.⁵ In contrast of its distinction as the oldest state hospital, Central State also houses the newest buildings in the hospital system: the Cook Building, which opened in 2010 and serves forensic patients, and the Center for Wellness, Hope, and Learning, which opened in 2018 and serves as a treatment mall for the residential patients on campus.

Hospital Administration

The Regional Hospital Administrators (RHAs) oversee all administrative functions of the hospitals, including operational decisions and oversight of hospital activities and administration. Each hospital provides for its own human resources, information technology, budget and finance, procurement, and recordkeeping functions. RHAs report to the Director of Hospital Services, who reports to the commissioner of DBHDD. The Director of Hospital Services' office also conducts hospital system quality management activities for the hospital system.

Results and Recommendations

Submit an amendment to the Annual Operating Budget at least quarterly

Office of Planning and Budget policy states that amendments should be submitted on a quarterly basis (at minimum) and that agencies must maintain an Annual Operating Budget (AOB) that reflects the best estimate of federal funds and other funds for the fiscal year. In order to be in compliance, DBHDD should submit an amendment to the AOB at least once per quarter to reconcile the official agency budget in PBCS with the organization's operating budget and recognized revenues in TeamWorks.

Realign position count

In FY 2018, the program had 1,600 budgeted positions, but only 1,207 filled. In FY 2017, the program had 1,600 budgeted positions, but only 1,245 filled. The program provides for many budgeted positions through contracted providers rather than state employees. DBHDD should submit an amendment to their AOB to more accurately reflect the number of positions in the program.

Realign motor vehicle count

In FY 2018, the program had 372 budgeted vehicles, but only 345 were active. DBHDD should submit an amendment to their AOB to more accurately reflect the number of vehicles in the program.

Medicaid decreased revenues

Medicaid is the primary source of health coverage and specialized health services for individuals with ID/DD. Additionally, Medicaid Upper Payment Limit (UPL) supplemental payments provide additional funding for hospitals, nursing facilities, intermediate care facilities, and freestanding non-hospital clinics. Due to the transition of ID/DD individuals from state hospitals to community-based services, state hospitals have experienced a decrease in their Medicaid revenue collection. Medicaid income in the DCSS program decreased from \$39.7 million in FY 2013 to \$9.7 million in FY 2018.

Regardless of this transition, state hospitals continue to provide care to behavioral health patients and increasing numbers of forensic inpatients. Variable hospital expenditures related to ID/DD inpatients only significantly decrease when ID/DD units completely close in the hospital facilities; therefore, ongoing hospital non-state variable

⁵ The Powell Building served as the main building of the original State Lunatic Asylum that opened in 1842 and has been listed on the National Register of Historic places since 1978. Cemeteries on the campus were added to the National Register in 2005.

Medicaid revenue will continue to shrink, even though fixed overall costs remain constant or experience growth. This creates ongoing budgetary concerns and challenges that require attention and action from the DBHDD team.

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

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 they should also be appropriate and relevant to the policy goals of the agency and state as a whole. During the ZBB process, one existing measure was identified to be revised so the measure would better reflect and track program performance:

- Revise measure of percentage of admission evaluation referrals to state hospitals that receive a disposition (acceptance or denial) response within 4 hours of receipt of referral to:
 - Percentage of admission evaluation referrals to state hospitals that receive a disposition (acceptance or denial) response within 4 hours of a completed referral

Additionally, two new measures were identified to better reflect and track program performance:

- Number of maintenance work orders submitted
- Percent of maintenance orders completed within 7 days

Department of Behavioral Health and Developmental Disabilities
 ZBB Program: Direct Care Support Services

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Medical and Therapy Support Services	Supplies medical and therapy support services for individuals admitted to state behavioral health hospitals, including administration of physician services, nursing services, therapy services, pharmacy services, laboratory services, medical records, and hospital admissions.	O.C.G.A. Title 37	613	\$30,171,152	\$39,871,152
Facility Support Services	Supports admitted individuals, hospital staff, and hospital infrastructure by providing operations and maintenance of hospital physical plants, buildings, and grounds. Provides housekeeping, laundry, food service, and security services.	O.C.G.A. Title 37	893	78,542,643	82,046,823
Hospital Administration	Oversees daily hospital operations and ensures that hospital policies and procedures are adhered to and improved. Provides for hospital leadership, financial services, procurement, information technology, human resources, and quality and risk management services.	O.C.G.A. Title 37	94	8,267,647	8,636,508
Total			1,600	\$116,981,442	\$130,554,483

* (Listed in priority order as determined by Agency)

Department of Behavioral Health and Developmental Disabilities
 ZBB Program: Direct Care Support Services

Financial Summary

Objects of Expenditure	Expenditures		FY 2019
	FY 2017	FY 2018	Current Budget
Personal Services	\$79,656,699	\$77,612,993	\$86,101,757
Regular Operating Expenses	22,911,647	24,574,550	34,238,748
Motor Vehicle Purchases	158,960	54,408	
Equipment	603,704	8,779	19,600
Computer Charges	666,666	660,101	130,978
Telecommunications	8,602,358	8,960,837	5,925,400
Capital Outlay	3,915,338	5,181,964	
Contractual Services	18,182,393	21,191,486	4,109,300
Grants and Benefits	98,472	138,740	28,700
Total Expenditures	\$134,796,237	\$138,383,858	\$130,554,483
Fund Type			
State General Funds	\$115,562,272	\$116,936,728	\$116,981,442
Federal Funds	43,929		
Other Funds	19,190,035	21,447,130	13,573,041
Total Funds	\$134,796,236	\$138,383,858	\$130,554,483
Positions	1,245	1,277	1,600
Motor Vehicles	348	348	372

Department of Behavioral Health and Developmental Disabilities
 ZBB Program: Direct Care Support Services

Performance Measures

Agency Mission:

Leading an accountable and effective continuum of care to support Georgians with behavioral health challenges and intellectual and developmental disabilities in a dynamic health care environment.

Program Purpose:

The purpose of this program is to operate five state-owned and operated hospitals.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Number of face-to-face admission evaluations performed by the state hospitals	5,084	4,729	4,515	4,326
2. Percentage of admission evaluation referrals to state hospitals that receive a disposition (acceptance or denial) response within 4 hours of a completed referral (Revised)	N/A	N/A	84.17%	84.88%
3. Percentage of people who present for admission evaluation at a state hospital whose admission was avoided as a result of their being served in a DBHDD hospital 23 hour observation program	64%	60%	60%	70%
4. Number of maintenance work orders submitted (New)	N/A	N/A	N/A	32,776
5. Percent of maintenance orders completed within 7 days (New)	N/A	N/A	N/A	80.6%



FY 2020 Zero-Based Budget Analysis

Department of Community Affairs

ZBB Program: Federal Community and
Economic Development Programs

Executive Summary

- The Department of Community Affairs is the designated administrator for federal grant and loan programs that promote community development throughout the state.
 - The agency should work with the General Assembly to implement a new program budget structure in order to provide for more efficient service delivery to local communities.
 - The department administers the non-entitlement portion of the Community Development Block Grant that focuses on low to moderate income citizens.
 - The department administers grants from the Appalachian Regional Commission and provides recommendations to the governor for quarterly funding cycles.
 - The agency should recognize funds on a quarterly basis and submit quarterly amendments in order to more accurately align the budget, expenditures, and revenues throughout the fiscal year.
 - The agency should report performance measures that more accurately reflect the workload, efficiency, and effectiveness of the program.
-

Program Overview

The Department of Community Affairs (DCA) offers a variety of financial resources and technical assistance to help communities throughout the state. On behalf of DCA, the designated administrator of the Community Development Block Grants (CDBG) and the Appalachian Regional Commission (ARC) grants, the Federal Community and Economic Development Programs program administers federal grant and loan programs that promote community and economic development. The program also promotes volunteerism through the Georgia Commission for Service and Volunteerism, which oversees the AmeriCorps program. The purpose of this review is to evaluate the effectiveness and efficiency of the program.

Results and Recommendations

Review and Streamline of Program Structure

The Federal Community and Economic Development Programs program implements activities that overlap with or complement activities carried out in other budgeted programs within the agency. The program reviews applications and determines funding for the Appalachian Regional Commission grants, while representatives in the budgeted Regional Services program assist communities with the application and monitoring of expenditures of projects funded through the program's grants. The program also provides underwriting services for the Downtown Development Revolving Loan Fund (DDRLF) for eligible applicants who are recommended for funding by staff in the agency's budgeted State Community Development Program. In addition to these two funding activities, the program supports a variety of federal and state programs focused on community development by providing technical assistance and underwriting services.

Agency Program Review

DCA will operate with 16 budgeted units in FY 2019, excluding the Georgia Housing and Finance Authority, which was merged into DCA in July 1996. These units consist of 11 budgeted programs and five attached agencies for administrative purposes (including the newly attached Georgia Commission on the Holocaust and Payments to the Atlanta-region Transit Link (ATL) Authority). In total, the budgeted units will comprise of nearly 400 DCA employees, \$77,180,271 in state general funds, and \$260,229,483 in total funds. Due to the number of programs and current structure, the agency’s programs and key statutory activities overlap, creating arduous accounting and budgeting practices to provide transparency with appropriated funding to key activities. This often results in inefficiencies in program funding and delivery. Many of the agency’s key activities and budgeted programs, like the Federal Community and Economic Develop Programs, can be streamlined into four key statutory requirements that include community services, economic development, housing, and administration.

Table 1. Recommended Program Structure

Current Structure			Recommended Program Structure					
Program Name	State Funds	Total Funds	Program Name	State Funds	Total Funds			
Building Construction	\$258,702	\$491,055	Community Services	\$7,317,168	\$12,297,749			
Coordinated Planning	3,874,780	3,874,780						
Regional Services	1,105,561	1,446,313						
Research and Surveys	415,170	465,170						
State Community Development Programs	1,431,065	1,531,065						
Federal Community and Economic Development Programs	1,672,252	49,808,052						
State Economic Development Programs	26,101,351	26,577,439				State Economic Development	1,649,424	46,003,836
Homeownership Programs	0	8,118,534				Regional Economic Business Assistance Grants	25,892,289	25,892,289
Rental Housing Programs	0	116,019,277				Housing Initiatives	3,162,892	130,803,155
Special Housing Initiatives	3,162,892	6,665,344				Departmental Administration (DCA)	1,559,726	7,468,161
Departmental Administration (DCA)	1,559,726	7,468,161						
Attached Agencies			Attached Agencies					
Payments to Georgia Environmental Finance Authority	\$788,495	\$788,495	Payments to Georgia Environmental Finance Authority	\$788,495	\$788,495			
Payments to Georgia Regional Transportation Authority	12,809,285	12,809,285	Payments to Georgia Regional Transportation Authority	12,809,285	12,809,285			
Payments to OneGeorgia	23,675,000	23,820,521	Payments to OneGeorgia	23,675,000	23,820,521			
Payments to the Atlanta-region Transit Link (ATL) Authority	0	0	Payments to the Atlanta-region Transit Link (ATL) Authority	0	0			
Georgia Commission on the Holocaust	325,992	345,992	Georgia Commission on the Holocaust	325,992	345,992			
			Payment Georgia Housing and Finance Authority	0	0			
Department of Community Affairs- Total	\$77,180,271	\$260,229,483	Department of Community Affairs- Total	\$77,180,271	\$260,229,483			

The recommended program structure above seeks to align budget to key statutory activities, provide efficient and effective expansion of services to rural and local governments, increase economic development, and provide flexibility in meeting the needs of Georgia’s citizens. The new structure would also allow for better transparency when comparing the agency’s statutory responsibilities and appropriated budget. The agency should work with the

General Assembly to implement the new program budget structure in order to align its service delivery with statute, enhance housing initiatives, and increase economic development opportunities for local communities.

Community Development Block Grants

The Community Development Block Grant program was established at the federal level through the Housing and Community Development Act of 1974 to fund local community development activities. The funding focuses on low and moderate income citizens, which is defined as incomes at or below 80 percent of the area median income. The CDBG program is split into two programs: the Entitlement Program and State (non-entitlement) Program. The Entitlement Program is for metropolitan cities or urban counties and is distributed on a formula basis from Housing and Urban Development (HUD) directly to the local government recipient. In the State Program, CDBG funds are allocated on a formula basis to states to be used at their discretion. The department distributes the non-entitlement allocation to local governments that are not metropolitan cities or part of an urban county. In FY 2018, the allocation for annual competitive grants was approximately \$27.1 million.

In addition to the annual competitive grants, the department administers and maintains three set-aside programs. The set-aside programs provide additional opportunities for local communities to obtain flexible funding for projects that are more challenging, cannot utilize traditional public sector grants or loans, or would not otherwise proceed. Applications for the set-aside programs are accepted throughout the year versus the defined application period for annual competition. The Employment Incentive Program (EIP) is a set-aside program for activities that expand employment opportunities for low and moderate income citizens. In FY 2018, the EIP allocation was \$8 million. The Redevelopment Fund (RDF) is a set-aside program that targets the elimination of slum and blight in communities; its FY 2018 allocation was \$1.5 million. The third set-aside program is the Immediate Threat program, which address an urgent situation that will adversely affect the community and no other financial resources are available to meet the need; its FY 2018 allocation was \$350,000.

Appalachian Regional Commission

The Appalachian Regional Commission is a federal program composed of the governors of 13 designated Appalachian states and a federal co-chair, with a mission to cultivate economic growth in Appalachia. The ARC invests in projects that fit within at least one of five national goal areas: Economic Opportunities, Ready Workforce, Critical Infrastructure, Natural and Cultural Assets, and Leadership and Community Capacity. Examples of funded projects include education and job training, business development, community development, and housing and transportation. 40 C.F.R. § 14102 establishes 37 counties in Georgia that are eligible for ARC funding. The ARC also establishes each county's economic status, which determines its maximum funding percentage. DCA reviews project applications and provides recommendations to the governor for quarterly funding cycles. In FY 2017, ARC invested \$4.6 million in 25 projects in Georgia.

Quarterly recognition of funds and submission of amendments in Planning and Budget Cloud Services (PBCS)

All state agencies are required to submit an Annual Operating Budget (AOB), in accordance with O.C.G.A. § 45-12-71(10), that reflects the appropriations act and the agency's financial plan for the fiscal year. State agencies submit amendments to their AOB throughout the fiscal year to reflect the best estimate of federal funds to be expensed during the fiscal year. The Office of Planning and Budget (OPB) provides annual AOB guidance to agencies, which details the need for agencies to perform a review of federal funds at least quarterly to ensure the budget reflects the most current spending plan.

The Federal Community and Economic Development Programs program is the agency's second-largest budgeted program and is primarily federally-funded. The funding for the CDBG program has been decreasing since FY 2015 with an overall decrease of about \$5.5 million. The agency encumbers grant awards throughout the fiscal year but delays recognition of associated federal funding. The State Accounting Office's "Revenues - Grants and Other Financial Assistance" policy on pass-through grants is that revenue should be recognized when the resources become available, which typically occurs when the funding is transmitted to its intended final recipient. The agency should establish a process for recognizing federal funds and should submit quarterly amendments in accordance

with OPB policy in order to more accurately align the budget to expenditures and revenues throughout the fiscal year.

Revise performance measures to monitor the program's overall performance

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

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

- Percentage of AmeriCorps member slots filled
- Number of AmeriCorps hours served
- Number of AmeriCorps member slots filled
- Number of individuals who benefit from local government community development activities financed through the Community Development Block Grant program
- Percentage of Community Development Block Grant project recipients who are low to moderate income (Target: 70%)

Department of Community Affairs
 ZBB Program: Federal Community and Economic Development Programs

Key Activities

Activity	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Community Development Block Grants	Distributes the non-entitlement portion of the Community Development Block Grant (CDBG) for projects that benefit low to moderate income populations.	42 U.S.C. § 5303	19	\$752,629	\$42,510,925
Appalachian Regional Commission	Provides matching grant funds to applicants within the 37 county Appalachian Regional Commission (ARC) area; provides recommendations to the governor for quarterly funding cycles.	40 U.S.C. § 14101	3	347,869	2,289,045
Georgia Commission for Service and Volunteerism	Provides financial assistance through competitive grants authorized under subtitle C of the National and Community Service Act to support AmeriCorps programs; provides AmeriCorps education awards.	45 U.S.C. § 2520	5	279,056	4,224,098
Credit Services	Provides underwriting services for the Downtown Development Revolving Loan Fund and State Small Business Credit Initiative.	O.C.G.A. § 50-8-8	7	292,698	783,984
Total			34	\$1,672,252	\$49,808,052

Department of Community Affairs

ZBB Program: Federal Community and Economic Development Programs

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$3,308,416	\$3,258,916	\$3,562,229
Regular Operating Expenses	226,093	225,610	492,345
Motor Vehicle Purchases			
Equipment	16,760		
Computer Charges	38,021	51,281	45,957
Real Estate Rentals	135,100	128,789	148,001
Telecommunications	37,020	33,438	29,296
Contractual Services	104,083	105,664	206,729
ARC RSBA Grants	595,105	1,318,655	1,350,000
Appalachian Regional Commission Assessment	312,000	340,000	340,000
Community Service Grants	3,808,813	3,195,446	4,039,738
Community Development Block Grants	37,887,443	37,180,645	39,593,757
Total Expenditures	\$46,468,854	\$45,838,444	\$49,808,052
Fund Type			
State General Funds	\$1,641,337	\$1,671,916	\$1,672,252
Other Funds	438,244	425,586	631,978
Federal Funds	44,389,273	43,740,942	47,503,822
Total Funds	\$46,468,854	\$45,838,444	\$49,808,052
Positions	32	30	34
Motor Vehicles	0	0	0

Department of Community Affairs
 ZBB Program: Federal Community and Economic Development Programs

Performance Measures

Agency Mission:

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

Program Purpose:

The purpose of this program is administer federal grant and loan programs to promote volunteerism and community and economic development among local governments, development authorities, and private entities.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Percentage of AmeriCorps member slots filled (Revised)	96.0%	97.0%	98.5%	93.2%
2. Number of AmeriCorps hours served (Revised)	385,063	399,546	449,223	420,892
3. Percentage of earned Education Awards	87.0%	78.0%	84.6%	82.5%
4. Number of AmeriCorps member slots filled (Revised)	460	504	475	413
5. Number of individuals who benefit from local government community development activities financed through the Community Development Block Grant program (Revised)	30,435	63,780	16,527	16,207
6. Percentage of Community Development Block Grant project recipients who are low to moderate income (Target: 70%) (Revised)	92%	96%	83%	93%
7. Amount of private investment leveraged for the Appalachian Regional Commission economic development projects	\$223,800,000	\$132,318,177	\$74,143,948	\$157,700,000



FY 2020 Zero-Based Budget Analysis

Department of Community Affairs ZBB Program: Regional Services

Executive Summary

- The Regional Services program within the Department of Community Affairs provides local government and community access to department services and assistance through a statewide network of regional representatives.
 - The agency should work with the General Assembly to implement a new program budget structure in order to provide for more efficient service delivery to local communities.
 - The program operates the Georgia Academy for Economic Development, which is a public-private partnership designed to enhance community leaders' skills and knowledge of issues pertaining to their communities.
 - The agency should report performance measures that more accurately reflect the workload, efficiency, and effectiveness of the program.
-

Program Overview

Created in 1998, the Regional Services program provides outreach and communication, technical assistance, and strategic planning guidance to local governments and communities through regional representatives. The regional representatives provide visibility and access to state and federal community development programs and encourage economic development through workshops and other resources. The purpose of this review is to analyze program activities and evaluate whether the program is operating effectively and efficiently.

Results and Recommendations

Review and Streamline of Program Structure

According to O.C.G.A § 50-8-3(b), the Department of Community Affairs (DCA) serves as the principal department in the executive branch of state government for local government affairs. The Regional Services program helps facilitate this mission through its 12 regional representatives who serve as liaisons between local governments and services offered by DCA and other state and federal organizations. As part of this effort, the program and its representatives perform activities in conjunction with or on behalf of budgeted programs that are funded with multiple fund sources. These activities include helping communities identify funding needs and working to match them with appropriate grant or loan programs that are offered across the agency's budget programs. Regional Services' representatives assist communities with the application processes for Appalachian Regional Commission and Community Development Block Grant funds and provide post-funding assistance through expenditure monitoring. Both activities are within the department's budgeted Federal Community and Economic Development Programs. The program also works with Coordinated Planning to remind communities of project planning requirements and the Research and Surveys program to ensure communities are aware of the various government surveys and reporting deadlines.

Agency Program Review

DCA will operate with 16 budgeted units in FY 2019, excluding the Georgia Housing and Finance Authority, which was merged into DCA in July 1996. These units consist of 11 budgeted programs and five attached agencies for

administrative purposes (including the newly attached Georgia Commission on the Holocaust and Payments to the Atlanta-region Transit Link (ATL) Authority). In total, the budgeted units will comprise of nearly 400 DCA employees, \$77,180,271 in state general funds and \$260,229,483 in total funds. Due to the number of programs and current structure, the agency’s programs and key statutory activities overlap, creating arduous accounting and budgeting practices to provide transparency with appropriated funding to key activities. This often results in inefficiencies in program funding and delivery. Many of the agency’s key activities and budgeted programs like the Regional Services program, can be streamlined into four key statutory requirements that include community services, economic development, housing, and administration.

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

Table 1. Recommended Program Structure

Current Structure			Recommended Program Structure		
Program Name	State Funds	Total Funds	Program Name	State Funds	Total Funds
Building Construction	\$258,702	\$491,055	Community Services	\$7,317,168	\$12,297,749
Coordinated Planning	3,874,780	3,874,780			
Regional Services	1,105,561	1,446,313			
Research and Surveys	415,170	465,170			
State Community Development Programs	1,431,065	1,531,065			
Federal Community and Economic Development Programs	1,672,252	49,808,052	State Economic Development	1,649,424	46,003,836
State Economic Development Programs	26,101,351	26,577,439	Regional Economic Business Assistance Grants	25,892,289	25,892,289
Homeownership Programs	0	8,118,534	Housing Initiatives	3,162,892	130,803,155
Rental Housing Programs	0	116,019,277	Departmental Administration (DCA)	1,559,726	7,468,161
Special Housing Initiatives	3,162,892	6,665,344			
Departmental Administration (DCA)	1,559,726	7,468,161			
Attached Agencies			Attached Agencies		
Payments to Georgia Environmental Finance Authority	\$788,495	\$788,495	Payments to Georgia Environmental Finance Authority	\$788,495	\$788,495
Payments to Georgia Regional Transportation Authority	12,809,285	12,809,285	Payments to Georgia Regional Transportation Authority	12,809,285	12,809,285
Payments to OneGeorgia	23,675,000	23,820,521	Payments to OneGeorgia	23,675,000	23,820,521
Payments to the Atlanta-region Transit Link (ATL) Authority	0	0	Payments to the Atlanta-region Transit Link (ATL) Authority	0	0
Georgia Commission on the Holocaust	325,992	345,992	Georgia Commission on the Holocaust	325,992	345,992
			Payments to the Georgia Housing and Finance Authority	0	0
Department of Community Affairs- Total	\$77,180,271	\$260,229,483	Department of Community Affairs- Total	\$77,180,271	\$260,229,483

Georgia Academy for Economic Development

Created in 1993 through a public-private partnership, the Georgia Academy for Economic Development is designed to enhance community leaders' skills and knowledge. This includes information on issues and opportunities related to the economic development of each region. The initiative is offered to local governments in each region on an annual basis with a curriculum that is updated every six months and is tailored to suit regional needs. The regional representatives, in partnership with Georgia Electric Membership Corporation (EMC) and Georgia Power, provide operational support for the Georgia Academy for Economic Development through recruitment and multi-day economic development trainings.

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

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

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

The following is a list of new performance measures:

- Number of Community and Economic Development workshops conducted (New)
- Number of Community and Economic Development workshop graduates (New)
- Number of Georgia Academy for Economic Development graduates (New)

The following is a list of revised performance measures:

- Number of information distribution/gathering activities for Community and Economic Development programs (Revised)

Department of Community Affairs
 ZBB Program: Regional Services

Key Activities

Activity	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Community Outreach	Works with local governments on training and resources; markets agency services provided by DCA; assists local communities seeking and completing grant applications; and develops and maintains resource workshops to ensure that customers have information about programs and services.	O.C.G.A. §50-8-3(b)	2	\$165,834	\$289,586
Project Development and Monitoring	Raises awareness about the state and federal grant and loan programs and work with local leadership to advise if local needs could be met by these programs; provides guidance on grant programs to include OneGeorgia, CDBG Economic Development Set-Asides, and the Appalachian Regional Commission; and performs monitoring duties to ensure that the funds are used appropriately and stated goals are met.	O.C.G.A. §50-8-3(b)	7	773,893	973,893
Georgia Academy for Economic Development	Provides an understanding of the complexities of key characteristics of economic development for each region; provides expertise on regional issues and opportunities; and provides information and tools to help attendees be an effective member of the local economic development process.	O.C.G.A. §50-8-3(b)	2	165,834	182,834
Total			11	\$1,105,561	\$1,446,313

Department of Community Affairs
 ZBB Program: Regional Services

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$1,363,513	\$1,197,027	\$1,286,181
Regular Operating Expenses	103,234	104,473	122,000
Motor Vehicle Purchases			
Equipment	8,380		
Computer Charges	5,744	55,356	16,400
Real Estate Rentals	11,845	2,938	3,504
Telecommunications	14,173	15,630	18,228
Contractual Services	15,504	20,177	
Total Expenditures	\$1,522,393	\$1,395,601	\$1,446,313
Fund Type			
State General Funds	\$1,078,624	\$1,104,475	\$1,105,561
Other Funds	282,559	198,270	140,752
Federal Funds	161,210	92,856	200,000
Total Funds	\$1,522,393	\$1,395,601	\$1,446,313
Positions	12	12	11
Motor Vehicles	0	0	0

Department of Community Affairs
 ZBB Program: Regional Services

Performance Measures

Agency Mission:

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

Program Purpose:

The purpose of this program is to promote access to department services and assistance through a statewide network of regional representatives; to provide technical assistance and grants to local communities to achieve goals relating to housing and community and economic development projects and services that are in-line with the community's comprehensive plan; and to develop leadership infrastructure across local governments.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Number of Team Georgia resource consultations	216	1,873	1,967	2,160
2. Number of Georgia Academy for Economic Development sessions held	14	50	50	50
3. Number of information distribution/gathering activities for Community and Economic Development programs (Revised)	144	1,886	1,980	2,016
4. Number of Community and Economic Development workshops conducted (New)	N/A	N/A	N/A	N/A
5. Number of Community and Economic Development workshop graduates (New)	N/A	N/A	N/A	N/A
6. Number of Georgia Academy for Economic Development graduates (New)	N/A	N/A	N/A	N/A



FY 2020 Zero-Based Budget Analysis

Department of Community Affairs ZBB Program: Research and Surveys

Executive Summary

- The Department of Community Affairs' Research and Surveys program collects, maintains, and publishes mandated reporting data from Georgia's local governments and authorities.
 - The department should continue to evaluate the current delivery of required reporting to ensure it meets statutory guidelines.
 - The agency should adhere to Financial Management Policies and Procedures Spending Order policy (4-9-1) on the use of other funds to meet obligations.
 - The program works with the Carl Vinson Institute of Government and Georgia State University to collect any pertinent data to aid in the analysis of fiscal notes requested.
 - The agency should report performance measures that more accurately reflect the workload, efficiency, and effectiveness of the program.
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Program Overview

Georgia requires that certain mandatory information be collected and published regarding local governments. The Research and Surveys program collects, maintains, and publishes this data on Georgia's local governments and authorities on behalf of the department. The primary customers of this program are local governments, along with citizens and businesses interested in local government revenue and expenditures. The purpose of this review is to analyze program activities and evaluate whether the program is operating effectively and efficiently.

Results and Recommendations

Mandatory Reporting

In addition to receiving Qualified Local Government Status set forth in O.C.G.A. § 50-8-2, local governments are required to adhere to various requirements including submitting various reports to the Departments of Audit and Accounts and the Department of Community Affairs. In many cases, the reports are required in order for each jurisdiction to receive state funded grants from agencies. The reports are designed to provide a comparison on the health of each jurisdictions' finances. On behalf of the department, the Research and Surveys program provides and publishes the required information. The table below summarizes each mandatory and voluntary report for local governments related to DCA.

Report	Entity	Requirement	Description
Report of Local Government Finances (RLGF)	Local Governments & Authorities	O.C.G.A § 36-81-8	Provide financial information on local government revenues, assets, debts, expenditures, operations and service delivery strategies.
Report of Registered Authority Finances	Local Independent Authorities	O.C.G.A § 36-81-8	Provides financial information on local independent authorities to include indebtedness, revenues, expenditures, assets, and debts of all funds of the authority.
Government Management Indicators (GOMI) Survey	Local Governments	O.C.G.A § 36-81-8(h)	Data on local government operations, including financial management practices, services provided, public facilities provided, and planning efforts.
Hotel-Motel Tax Report	Local Governments & Authorities	O.C.G.A § 48-13-56; 36-81-(b)(1)(B)	As a condition of imposing the tax, local governments must file a report detailing rate of taxation, collections, and expenditures.
Debt Issuance Reporting	Local Governments & Authorities	O.C.G.A § 36-82-10; 36-81-8	Information related to the financing mechanisms of debt for political subdivisions issuing debt exceeding \$1 million.
Monthly Jail Report	Local Governments	Voluntary	Shows county inmate population.
Wage and Salary Survey	Local Governments	Voluntary	Report of salaries and benefits of local government employees in specific job fields.

Additionally, the department is required to publish three annual reports on local government finances, local independent authority indebtedness, and the survey indicators report.

O.C.G.A. § 36-81-8 allows DCA to use all local reporting and audit reports to formulate the local government finances report and the local independent authority indebtedness in a “manner as to allow for reasonable comparative analysis of local government revenues and expenditures and for reasonable comparative analysis of local independent authority debt.” Both reports are due to the governor and members of the General Assembly on January 15 of each year. The reports are designed to provide policy-makers a mechanism to compare local governments with similar economic, financial, geographic, and/or demographic characteristics when making policy decisions regarding local government services, related costs, and revenue sources.

DCA is also required to submit the Government Management Indicators Survey, also known as the community indicators report. This report, which is mandated by O.C.G.A § 36-81-8, is developed in cooperation with the Association County Commissioners of Georgia and the Georgia Municipal Association and includes data on local government services, administration, and community characteristics having annual expenditures of \$250,000 or more as indicated in the most recent Report of Local Government Finances. This report is due December 31 each year. The department currently publishes the local independent authority indebtedness report to their website and provides a database allowing users to review finance reports submitted by local governments. The department should continue to evaluate the delivery of required reporting to ensure its current delivery meets statutory guidelines.

Fiscal Notes

During the legislative session, the program is the principal entity responsible for performing cost-analysis on any bills requested by the General Assembly that have a significant revenue or expenditure impact on local governments or authorities. A fiscal note may be attached to any bill or joint resolution before a vote is taken in a committee or on the floor of either house that would have a potential financial impact of more than \$5 million in public funds of local political subdivisions.

The program works with the Carl Vinson Institute of Government (CVIOG) and Georgia State University to collect any pertinent data to aid in the analysis of fiscal notes requested. The program has three business days to complete

the research and return the fiscal notes to the General Assembly. The number of fiscal notes requested varies from year to year.

Funding for Compensation of Police and Sheriffs Data Analysis

In the FY 2019 Appropriations Bill, House Bill (HB) 684, the State Community Development program received \$100,000 for Compensation of Police and Sheriffs (COPS) data analysis operations. The funding is associated with Senate Bill 366 (2018 Legislative Session), which did not pass, but would have required local governments to complete compensation reports for city and county law enforcement agencies and submit the compensation report to the Department of Community Affairs. The department would have been required to publish a local law enforcement compensation guidance report for each region. The program currently administers a voluntary wage and salary survey to local governments that includes public safety positions.

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

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

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

The following is a list of new performance measures:

- Percent of local governments and authority in compliance with local finance and indebtedness report
- Number of fiscal notes performed
- Number of jurisdictions with a hotel/motel tax
- Number of jurisdictions in compliance in reporting hotel/motel report

The following is a revised performance measure:

- Number of local governments and authorities to whom reporting assistance is provided

Department of Community Affairs
 ZBB Program: Research and Surveys

Key Activities

Activity	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Bond Allocation Program	Administers the Georgia Allocation System for local and state government issuing authorities seeking to issue private activity tax exempt bonds.	O.C.G.A. §36-81-8; 36-82-10	1	\$103,792	\$153,792
Fiscal Notes	Provides fiscal notes on proposed legislation that will have a cost impact on local governments, at the request of General Assembly committees.	O.C.G.A. §28-5-49	1	103,792	103,792
Survey Administration	Collects data from local governments and provides reports to the state and other entities.	O.C.G.A. §36-81-8	2	207,586	207,586
Total			4	\$415,170	\$465,170

Department of Community Affairs
 ZBB Program: Research and Surveys

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$341,456	\$353,997	\$398,376
Regular Operating Expenses	32,175	14,428	32,947
Motor Vehicle Purchases			
Equipment	8,380		
Computer Charges	56,831	166,191	8,300
Real Estate Rentals	11,527	11,527	14,347
Telecommunications	2,736	3,182	3,700
Contractual Services	8,000	7,216	7,500
Total Expenditures	\$461,105	\$556,541	\$465,170
Fund Type			
State General Funds	\$405,353	\$414,617	\$415,170
Other Funds	55,752	141,924	50,000
Total Funds	\$461,105	\$556,541	\$465,170
Positions	4	4	4
Motor Vehicles	0	0	0

Department of Community Affairs
 ZBB Program: Research and Surveys

Performance Measures

Agency Mission:

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

Program Purpose:

The purpose of this program is to collect and publish information regarding local governments.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Percentage of all cities and counties meeting all state reporting requirements	89%	89%	84%	85%
2. Number of local governments and authorities to whom reporting assistance is provided (Revised)	685	791	626	711
3. Number of Report of Local Government Finances and Government Management Indicators surveys processed within 10 business days	1,387	1,534	1,172	1,165
4. Percent of local governments and authority in compliance with local finance and indebtedness report (New)	N/A	N/A	N/A	N/A
5. Number of fiscal notes performed (New)	N/A	N/A	N/A	N/A
6. Number of jurisdictions with a hotel/motel tax (New)	N/A	N/A	N/A	N/A
7. Number of jurisdictions in compliance in reporting hotel/motel report (New)	N/A	N/A	N/A	N/A



FY 2020 Zero-Based Budget Analysis

Department of Community Affairs ZBB Program: State Community Development Programs

Executive Summary

- The Department of Community Affairs' budgeted program, State Community Development Programs, assists cities, small towns, and neighborhoods in developing and re-developing core commercial areas.
 - The agency should work with the General Assembly to implement a new program budget structure in order to provide for more efficient service delivery to local communities.
 - The agency administers the Georgia Main Street program with assistance from strategic partners to revitalize historic downtowns and commercial districts.
 - The program will oversee the new Achieving Connectivity Everywhere broadband initiative beginning in FY 2019 and should collaborate with the Georgia Technology Authority to fulfill the required broadband mapping to develop a more accurate map of areas unserved or under served by broadband access.
 - Eliminate funding for Compensation of Police and Sheriffs data analysis operations due to Senate Bill 366 not passing during the 2018 Legislative Session.
 - The funding and position for a downtown development attorney should be transferred from the Departmental Administration program.
-

Program Overview

The State Community Development Programs program assists cities, small towns, and neighborhoods in developing their historic downtown areas by administering the Georgia Main Street program and offering design assistance services. The program also oversees the new Achieving Connectivity Everywhere (ACE) initiative designed to assist communities in rural Georgia with broadband services. The purpose of this review is to evaluate the effectiveness and efficiency of the program.

Results and Recommendations

Review and Streamline of Program Structure

The State Community Development Programs program implements activities that overlap with or complement activities carried out in other programs within the agency. The program is responsible for administration and oversight of the Georgia Main Street program and often works in coordination with representatives in the Regional Services program to assist communities with meeting reporting requirements. The program also provides funding recommendations for the Downtown Development Revolving Loan Fund (DDRLF) to staff in the Federal Community and Economic Development program, who then complete the underwriting and funding process.

Agency Program Review

DCA will operate with 16 budgeted units in FY 2019, excluding the Georgia Housing and Finance Authority, which was merged into DCA in July 1996. These units consist of 11 budgeted programs and five attached agencies for administrative purposes (including the newly attached Georgia Commission on the Holocaust and Payments to the Atlanta-region Transit Link (ATL) Authority). In total, the budgeted units will comprise of nearly 400 DCA employees, \$77,180,271 in state general funds and \$260,229,483 in total funds. Due to the number of programs and current structure, the agency's programs and key statutory activities overlap, creating arduous accounting and budgeting practices to provide transparency with appropriated funding to key activities. This often results in

inefficiencies in program funding and delivery. Many of the agency’s key activities and budgeted programs like the State Community Development Programs, can be streamlined into four key statutory requirements that include community services, economic development, housing, and administration.

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

Table 1. Recommended Program Structure

Current Structure			Recommended Program Structure		
Program Name	State Funds	Total Funds	Program Name	State Funds	Total Funds
Building Construction	\$258,702	\$491,055	Community Services	\$7,317,168	\$12,297,749
Coordinated Planning	3,874,780	3,874,780			
Regional Services	1,105,561	1,446,313			
Research and Surveys	415,170	465,170			
State Community Development Programs	1,431,065	1,531,065			
Federal Community and Economic Development Programs	1,672,252	49,808,052	State Economic Development	1,649,424	46,003,836
State Economic Development Programs	26,101,351	26,577,439	Regional Economic Business Assistance Grants	25,892,289	25,892,289
Homeownership Programs	0	8,118,534	Housing Initiatives	3,162,892	130,803,155
Rental Housing Programs	0	116,019,277			
Special Housing Initiatives	3,162,892	6,665,344			
Departmental Administration (DCA)	1,559,726	7,468,161	Departmental Administration (DCA)	1,559,726	7,468,161
Attached Agencies			Attached Agencies		
Payments to Georgia Environmental Finance Authority	\$788,495	\$788,495	Payments to Georgia Environmental Finance Authority	\$788,495	\$788,495
Payments to Georgia Regional Transportation Authority	12,809,285	12,809,285	Payments to Georgia Regional Transportation Authority	12,809,285	12,809,285
Payments to OneGeorgia	23,675,000	23,820,521	Payments to OneGeorgia	23,675,000	23,820,521
Payments to the Atlanta-region Transit Link (ATL) Authority	0	0	Payments to the Atlanta-region Transit Link (ATL) Authority	0	0
Georgia Commission on the Holocaust	325,992	345,992	Georgia Commission on the Holocaust	325,992	345,992
			Payments to the Georgia Housing and Finance	0	0
Department of Community Affairs- Total	\$77,180,271	\$260,229,483	Department of Community Affairs- Total	\$77,180,271	\$260,229,483

Georgia Main Street

The Georgia Main Street program was established in 1980 as one of the original pilot state programs of the National Main Street Initiative launched by the National Trust for Historic Preservation. Starting with five communities and growing to include over 110 communities throughout the state, the program’s primary focus is the revitalization of historic downtowns and neighborhood commercial districts. To accomplish this goal, the program brings together various strategic partners to provide assistance to local governments.

The program partners with the Historic Preservation division of the Department of Natural Resources when local communities could utilize the historic rehabilitation tax credit or are dealing with historically significant buildings. The program also partners with the Tourism division of the Department of Economic Development, especially the Tourism Product Development team, when local communities are interested in developing their tourism potential. The University of Georgia and Georgia Municipal Association work in coordination with the program to execute the Georgia Downtown Renaissance Partnership and assist cities in creating comprehensive plans for their downtowns.

Achieving Connectivity Everywhere Initiative

Passed during the 2018 Legislative Session, Senate Bill (SB) 402, also known as the Achieving Connectivity Everywhere (ACE) Act, brings together several state agencies to provide broadband service planning, deployment, and potential incentives. The Department of Community Affairs is responsible for developing and administering programs to promote broadband deployment throughout Georgia. This includes determining which areas of the state are served or unserved broadband areas and publishing a map exhibiting the unserved areas. The agency is responsible for overseeing the “Broadband Ready Community” certification for local governments with a comprehensive plan that includes deploying broadband services. The agency will also administer the “Broadband Ready Community Site Designation Program” for facilities that offer broadband services of at least one gigabit per second. Lastly, the agency will be responsible for the “Georgia Broadband Deployment Initiative” to provide any potential grant funding to expand broadband services to the unserved areas of the state.

In the FY 2019 Appropriations Bill, House Bill (HB) 684, the program received \$334,900 to support three new staff positions in planning, research, and economic development. The planning position will assist with developing a new broadband model ordinance and travel throughout the state to provide training sessions on incorporating broadband into community’s comprehensive plans. The research position will oversee operations for the “Broadband Ready Community”, “Broadband Ready Community Site”, and “Eligible County” designation programs. This position will also develop procedures and oversee the annual reports required from designated communities. The economic development position will assist in implementation of the new “Georgia Broadband Deployment Grant”; provide training sessions to applicants on procedures, eligibility, and the application process; and monitor funded communities for compliance. The Department should collaborate with the Georgia Technology Authority to fulfill the required broadband mapping to develop a more accurate map of areas unserved or under served by broadband access.

Funding for Compensation of Police and Sheriffs (COPS) Data Analysis Operations

In HB 684, the program received \$100,000 for Compensation of Police and Sheriffs (COPS) data analysis operations. The funding is associated with SB 366, which did not pass during the 2018 Legislative Session, but funding was provided to carry out the legislation’s data analysis mandate. The data analysis operations require local governments to complete compensation reports for city and county law enforcement agencies and submit the compensation report to the Department of Community Affairs. The department would have been required to publish a local law enforcement compensation guidance report for each region.

The Research and Surveys program collects, maintains, and publishes data on Georgia’s local governments and administers a wage and salary survey to local governments that includes public safety positions. Since SB 366 did not pass during the 2018 Legislative session, the funding for Compensation of Police and Sheriffs data analysis operations should be eliminated.

Transfer funding for the Downtown Development Attorney Position from the Departmental Administration Program

HB 684 authorized the Departmental Administration program to receive \$130,000 for one downtown development attorney. The new position provides specialized technical assistance to small rural downtowns and assist with the Rural Zone tax credit implementation. The Rural Zone tax credit was established in HB 73 (2017 Legislative Session) to promote revitalization of rural areas by enabling businesses and investors to obtain tax credits for job creation activities, investment in downtown properties, and renovation of properties as part of the revitalization effort in rural communities. The department is authorized to designate up to 10 rural zones every year for a five-year designation period during which the incentives are active.

To leverage current resources and activities of program staff currently overseeing the Rural Zone tax credit, the funding and position should be transferred from the Departmental Administration program to the State Community Development Programs. The program should establish a separate mechanism for tracking expenses associated with the new initiative.

Department of Community Affairs
 ZBB Program: State Community Development Programs

Key Activities

Activity	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Georgia Main Street	Administers the program as launched by the National Trust for Historic Preservation; works with state and local partners to assist communities in historic preservation, downtown development, and small business development.	O.C.G.A. § 50-8-8	4	\$640,118	\$680,118
Downtown Design Services	Offers design assistance to communities including façade design, parks and green space, and Urban Design packages for large-scale projects.	O.C.G.A. § 50-8-8	2	256,047	256,047
Rural Development	Works with Georgia Technology Authority to identify current internet connection speeds; designates communities that meet "broadband ready community" standards as set in the Achieving Connectivity Everywhere Act; and develops and implements a grant program to assist communities with reaching minimum connection speeds.	O.C.G.A. § 50-8-7.1; 50-39-1 et seq.	2	334,900	334,900
Pass-Through Contracts	Provides pass-through funds to Second Harvest of South Georgia, Clayton County Food Pantry, and Cobb County military support initiative.	O.C.G.A. § 50-8-8		200,000	260,000
Total			8	\$1,431,065	\$1,531,065

Department of Community Affairs
 ZBB Program: State Community Development Programs

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$572,094	\$595,053	\$1,068,232
Regular Operating Expenses	73,562	76,196	122,511
Motor Vehicle Purchases			
Equipment	16,760		
Computer Charges	5,609	25,909	20,400
Real Estate Rentals	33,540	34,858	46,962
Telecommunications	13,011	12,077	13,500
Contractual Services	197,758	323,595	259,460
Total Expenditures	\$912,334	\$1,067,688	\$1,531,065
Fund Type			
State General Funds	\$879,525	\$1,020,896	\$1,431,065
Other Funds	32,809	46,792	100,000
Total Funds	\$912,334	\$1,067,688	\$1,531,065
Positions	7	7	8
Motor Vehicles	0	0	0

Department of Community Affairs
 ZBB Program: State Community Development Programs

Performance Measures

Agency Mission:

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

Program Purpose:

The purpose of this program is to assist Georgia cities, small towns, and neighborhoods in the development of their core commercial areas and to champion new development opportunities for rural Georgia.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Number of new Main Street/Better Hometown cities	17	11	10	1
2. Net new jobs created in Georgia Main Street/Better Hometown cities	2,948	3,652	2,887	3,149
3. Customer service satisfaction rating	97%	97%	97%	97%



FY 2020 Zero-Based Budget Analysis

Department of Community Health ZBB Program: Departmental Administration

Executive Summary

- The Departmental Administration program provides administrative support to all Department of Community Health programs and attached agencies.
 - The Department of Community Health should consider establishing subprogram budgets for the Departmental Administration program based on key activities to help better identify expenses by its programmatic use.
 - The agency should submit an amendment in the budget system in order to accurately reflect the program's motor vehicle count.
 - The Departmental Administration program should adopt new performance measures to better describe the workload, efficiency, and effectiveness of the program.
-

Program Overview

The Department of Community Health provides access to affordable, quality health care to millions of Georgians, including some of the state's most vulnerable and underserved populations. DCH is the lead agency for health care planning, purchasing, and oversight in Georgia.

The Departmental Administration program provides administrative support to all programs within the department, including the Medicaid, PeachCare, and State Health Benefit Plan (SHBP) programs. In FY 2019, the Departmental Administration and Program Support program has an operating budget of \$438,112,183, including \$340,827,039 in federal funds, \$71,358,790 in state general funds, and \$25,926,354 in other funds.

The program consists of 10 key activities:

1. Executive leadership
2. Medical assistance plans
3. Medicaid eligibility
4. Information technology
5. Investigations
6. State Health Benefit Plan operations
7. Financial management
8. Legal services
9. Public affairs
10. Administrative support

The program is administered by 736 employees at the state and regional offices.

DCH Leadership

The commissioner of DCH serves as the chief administrative officer of the department and is appointed by the governor. The commissioner is assisted by six deputies and a general counsel, each responsible for overseeing various divisions and administrative offices. The Board of Community Health establishes general health policy for the department, and the commissioner is responsible for directing, organizing, and executing the functions vested in the department by statute and in accordance with policy set by the board.

Medical Assistance Plans

The Medical Assistance Plans Division administers the Medicaid and State Children's Health Insurance (S-CHIP) programs, which were enacted by the federal government in 1965 and 1997, respectively. Georgia began covering children under S-CHIP in 1998. Medicaid is a medical assistance program, jointly financed by the state and federal government, which pays for some or all of the medical bills for eligible low-income families. This group includes: pregnant women and women with breast or cervical cancer; foster and adoptive children; and eligible aged, blind, and/or disabled individuals whose income is insufficient to meet the cost of necessary medical services. Services that are covered by Medicaid include: physician services, inpatient hospital services, outpatient hospital services, laboratory and x-ray services, home health services, skilled nursing home care, and pharmacy benefits. In FY 2019, the Departmental Administration program is budgeted to receive \$289 million in federal Medical Assistance Program funds.

In Georgia, the S-CHIP program, named PeachCare for Kids®, serves as a comprehensive health care program for uninsured children living in Georgia. The health benefits include primary, preventive, specialist, dental, and vision care services. PeachCare for Kids® also covers hospitalization, emergency room services, prescription medications, and mental health care. Each child in the program is assigned to the Georgia Families Care Management Organization, which is responsible for coordinating the child's care. For FY 2019, the Departmental Administration program is budgeted \$34 million in federal S-CHIP funds.

The Patient Protection and Affordable Care Act (PPACA) authorized a 23 percentage point increase on the already enhanced Federal Medical Assistance Percentage (FMAP) rates for S-CHIP. For PeachCare for Kids® and the administrative expenditures associated with the program, this resulted in a 100% FMAP rate for state fiscal years 2017-2019. In SFY 2020, the e-FMAP rate for S-CHIP and S-CHIP related administrative expenditures will be reduced from 100 percent to 88.61 percent.

Georgia Families is a program that delivers health care services to members of Medicaid and PeachCare for Kids® through a partnership between DCH and private care management organizations (CMOs). The current CMOs in Georgia are: Amerigroup Community Care, WellCare, Peach State Health Plan, and CareSource. Contracting with CMOs allows Georgia to provide care coordination with the goal of better utilization of health services, as well as cost efficiency for the Medicaid program.

Section 1915(c) of the Social Security Act waives certain requirements of Medicaid in order for states to provide home and community based services (HCBS). These services are essential in meeting the needs of individuals who choose to receive their long-term care services and supports in their home or community, rather than in institutional settings, such as hospitals and nursing facilities. Waiver programs, as seen in Table 1 on the next page, provide core services such as case management, assistance with daily living activities, personal support provided in a provider-owned home, and nursing and therapy services. DCH manages six approved waiver programs designed to meet a variety of needs for multiple populations.

Table 1.

Waiver	Population Served	Institution Waived	Members
Community Care Service Program	Elderly and disabled	Nursing Facility	9,204
Service Options Using Resources in a Community Environment	Elderly and disabled	Nursing Facility	16,018
Independent Care Waiver Program	Severely physically disabled	Nursing Facility/ Hospital	1,359
New Options Waiver Program	Developmentally disabled	Intermediate Care Facility	4,382
Comprehensive Supports Waiver	Developmentally disabled	Intermediate Care Facility	8,041
Georgia Pediatric Program	Medically fragile children	Nursing Facility/ Hospital	815

Right from the Start Medicaid

Right from the Start Medicaid (RSM) is an outreach program that enables children under age 19, pregnant women, low income families, and women with breast or cervical cancer to receive comprehensive health services through Medicaid. RSM began in 1993 as a response to Georgia’s high infant mortality rate and to provide a medical safety net for Georgia’s needy families. The program consists of 261 eligibility specialists, located across 120 outreach locations across Georgia, where they are able to more efficiently assist working and low-income families in obtaining access to no or low cost health care coverage. Eligibility specialists conduct community outreach events, work non-traditional hours at non-Division of Family and Children Services offices, and host application processing events to community groups, daycare centers, job fairs, medical providers, and employers. The RSM staff handles intake for PeachCare for Kids® eligible children and women eligible for the Women’s Health Medicaid program. RSM has expanded its scope to include additional populations that were having issues getting their applications processed in a timely manner. The program now has a Long-Term Care Nursing Home unit, as well as a Katie Beckett unit that determines initial and ongoing eligibility for children up to age 19 who are eligible for institutionalized care but are receiving home-based care instead.

Information Technology

The Office of Information Technology provides technology, systems, and data management services in support of DCH’s programs. In FY 2017, the Departmental Administration program expensed the most total funds within the Office of Information Technology, totaling over \$209 million. The following IT initiatives are significant cost drivers for the Office of Information of Technology:

- Decision Support System (DSS): a federally-mandated information technology component by the Centers for Medicare and Medicaid Services (CMS). DSS is the primary system for analyzing eligibility and claims data for the Medicaid, PeachCare, and SHBP populations in Georgia. DCH uses claims data to conduct analysis for policy, regulatory, investigative, and financial purposes. The department will begin implementation of a new DSS, known as the Enterprise Data Solution (EDS), in FY 2019. EDS will enable DCH to better analyze the data of Georgia’s Medicaid and SHBP populations.
- Medicaid Information Technology Architecture (MITA): a CMS initiative to advance the development of integration, standardization, and automation across Medicaid Enterprise Systems. MITA is a framework to promote efficiency in Medicaid business processes.
- Georgia Medicaid Management Information System (GAMMIS): the system of record for all Medicaid and PeachCare claims. The current system was implemented in 2010 and is set to expire in FY 2020. CMS is requiring new systems to be implemented using a modular approach, which utilizes interchangeable components from different vendors. DCH is in the process of updating the current GAMMIS system.
- Georgia Gateway: a system that provides a single point of entry for economic assistance programs such as Medical Assistance, the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, and Supplemental Nutrition for Women, Infants, and Children. The allocated funding for Georgia Gateway within the DCH budget is exclusively federal funds; state funds are received by the Georgia Department of Human Services (DHS). DHS is responsible for all administrative and operational functions related to Georgia Gateway.

Office of Inspector General

The Office of the Inspector General (OIG) safeguards the integrity of DCH from both internal and external risks. OIG provides oversight in detecting, preventing, and investigating waste, fraud, and abuse in agency programs and operations. OIG rigorously reviews, investigates, and audits Medicaid providers and recipients to uncover criminal conduct; administrative wrongdoing; poor management practices; and other waste, fraud, and abuse. OIG also reviews SHBP, Healthcare Facility Regulation, and other programs within DCH.

The Medicaid Program Integrity unit is the largest unit within OIG, requiring a significant amount of resources and an operating budget of roughly half the amount of the total OIG budget. The unit is responsible for performing utilization reviews and investigating providers suspected of overbilling or defrauding Georgia's Medicaid programs. The purpose of the unit is to guard against fraud, abuse, and deliberate waste of Medicaid Program benefits from both health care providers and recipients. The unit handles intake and triage of cases before turning them over to the Medicaid Fraud Control Unit (MFCU) of the Georgia Attorney General's Office, who then investigates and prosecutes any fraud and abuse by providers in the Medicaid program. It is the responsibility of MFCU to recover funds gained through fraudulent acts by healthcare providers, as well as be an effective deterrent to crime to help reduce the level of fraud associated with the provision of health care services funded through Medicaid programs.

The Special Investigations Unit of OIG examines allegations of fraud, waste, and abuse by DCH employees, contractors, sub-contractors, and vendors. The unit also examines employee misconduct involving allegations of legal violations against DCH.

The Office of Audits is responsible for conducting independent and objective programmatic reviews and audits of programs within DCH. The office works with the Georgia Department of Audits and Accounts and DCH staff throughout the audit process to ensure they receive what they need to complete their work. The office also reviews external audit reports and writes responses related to audit findings back to the initiating entity.

State Health Benefit Plan Operations

The SHBP division serves as the state's administrator of health insurance coverage for state employees, public school system employees, retirees, former state employees, and covered dependents. SHBP is composed of three units: 1) Third Party Administrators/Communications; 2) Clinical, Quality, and Outcomes; and 3) Eligibility and Benefits Administration. In consultation with vendors and other divisions within DCH, SHBP is responsible for managing eligibility and enrollment, providing customer support to members, and setting rates for premiums by plan design. SHBP operations are funded entirely through health insurance premiums paid by employees and employers enrolled in SHBP.

Financial Management

The Division of Financial Management is responsible for making payments to providers, vendors, and employees, along with subsequent preparation of financial reports to ensure receipt of Medicaid, PeachCare for Kids®, and other federal funding. The division also performs rate setting functions for the Medicaid and PeachCare for Kids® programs. The Budget Office within the division develops, requests, maintains, and monitors DCH's annual budget. The Office of Procurement Services works in conjunction with the Department of Administrative Services to obtain quality goods and services for the agency at the lowest reasonable cost for the best value.

Office of General Counsel

The Office of General Counsel provides legal guidance and direction for DCH initiatives related to health care and planning, including statutory, regulatory, and policy implementation. The office is responsible for reviewing, drafting, and negotiating contracts for the department. The office also provides legal services for the Medicaid and PeachCare for Kids programs and responds to requests for records in the possession of the department pursuant to the Georgia Open Records Act.

Office of Public Affairs

The Office of Public Affairs is composed of three main programs:

1. Communications: coordinates all media inquiries for the agency, interfacing with local, regional and national media on a daily basis.
2. Legislative affairs: works with the Georgia General Assembly and is responsible for analyzing legislation that affects Medicaid, SHBP, and health care.
3. Constituent services: interacts daily with members, providers, legislators, and others helping Georgians understand the Medicaid and SHBP programs and the department's business functions.

Results and Recommendations

Consider the creation of Subprograms

DCH currently tracks financial activities within a single budgetary program. A detailed breakdown of the key activities in the budget system and in the financial system will better identify expenses by their programmatic use. Additionally, the creation of subprograms will allow for budget tracking through Planning and Budget Cloud Solution (PBCS).

DCH should also consider establishing separate programs for larger activities that are solely dedicated to the administration of benefits: Medical Assistance Plans, RSM, and SHPB operations.

Realign motor vehicle count

The program has four budgeted vehicles, but there is currently only one vehicle in use by the program. DCH should realign the number of budgeted vehicles with the number of actual vehicles in service by the program in order to accurately reflect the program's motor vehicle count.

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

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 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 Departmental Administration and Program Support program to better track performance.

The following performance measures are added for FY 2020:

- Number of Corrective Action Plans issued to non-compliant providers
- Amount of funds the Medicaid Program Integrity Unit assisted in recovering
- Number of program internal audit findings
- Average number of days to process a Medicaid claim to a provider from receipt to payment
- Average number of days to process an SHBP claim to a provider from receipt to payment
- Agency turnover rate

Department of Community Health
ZBB Program: Departmental Administration

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Medical Assistance Plans	Responsible for administering the federal and state-funded medical assistance programs that provide eligible individuals with access to free and low-cost medical care. Oversees a number of programs that provide medical, behavioral, and social services to enrollees.	O.C.G.A. § 49-4-142, 42 U.S.C. § 1396 et seq.	129	\$17,065,585	\$157,006,137
Right From The Start Medicaid	Provides eligibility assistance for children under age 19, pregnant women, low-income families, and other aging and special populations to access health care coverage through Medicaid and related programs.	O.C.G.A. § 49-4-142, 42 U.S.C. § 1396 et seq.	284	4,006,439	12,759,559
Information Technology	Oversees the state's Medicaid Management Information System, member enrollment for the State Health Benefit Plan, information technology infrastructure, and information technology security. The division also includes the Integrated Eligibility System for Medicaid.	O.C.G.A. § 49-4-142	61	29,993,145	174,442,097
State Health Benefit Plan Operations	Administers the health insurance coverage provided to state employees, teachers, school personnel, and certain contract groups, as well as, retirees and eligible dependents.	O.C.G.A. § 31-2-4, 45-18-2, 29 U.S.C § 1003 (b)	42	112,349	13,377,766
Financial Management	Provides financial support to the department, including making payments to providers, vendors, and employees, rate setting for Medicaid and PeachCare programs, as well as, developing and monitoring DCH's annual budget. Financial Management also contains the Office of Procurement Services, which oversees purchasing of goods and services for DCH.	O.C.G.A. § 31-2-6	89	9,258,901	45,040,393
Office of Inspector General	Provides oversight to detect, prevent, and investigate waste, fraud, and abuse in Medicaid, PeachCare for Kids, the State Health Benefit Plan, as well as, all other agency programs and operations.	O.C.G.A. § 31-2-6, 49-4-146.3	60	5,211,324	26,755,046
Office of General Counsel	Provides legal advice and support to the Commissioner, the Board of Community Health, and all divisions and offices within DCH. Oversees: Medicaid Legal Services; Contracts Administration; Privacy, Security, and Compliance; and Public Records.	O.C.G.A. § 31-2-6	24	1,756,414	2,574,426
Office of Public Affairs	Provides internal and external outreach to the department. The Office of Public Affairs helps shape legislative strategies for the department's programs and assists Georgians with questions related to Medicaid and other agency services.	O.C.G.A. § 31-2-6	6	458,053	637,751
Commissioner's Office	Responsible for directing, organizing, and executing the functions vested in the department by statute and in accordance with policy set by the Board of Community Health.	O.C.G.A. § 31-2-6	4	332,027	535,075
Administrative Support	Provides business operations support and human resource management to the department. Administrative support includes Human Resources, business operations personnel, vendor management, and support services.	O.C.G.A. § 31-2-6	37	3,164,551	4,983,933
Total			736	\$71,358,788	\$438,112,183

* (Listed in priority order as determined by Agency)

Department of Community Health
 ZBB Program: Departmental Administration

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$56,381,540	\$56,600,063	\$54,107,059
Regular Operating Expenses	3,041,049	2,714,385	4,649,020
Motor Vehicle Purchases			
Equipment			228,562
Computer Charges	1,551,391	1,467,219	1,219,232
Real Estate Rentals	3,112,099	3,057,824	3,199,612
Telecommunications	10,923,232	8,645,852	11,315,154
Contractual Services	452,362,101	440,310,070	362,058,860
Grants and Benefits	25,000	91,900	1,334,684
Total Expenditures	\$527,396,412	\$512,887,313	\$438,112,183
Fund Type			
State General Funds	\$64,360,499	\$66,353,166	\$71,358,790
State General Fund- Prior Year	1,562,918		
Other Funds	51,391,235	45,808,717	25,926,354
Medical Assistance Program	354,817,345	358,944,971	288,856,018
State Children's Insurance Program	43,878,828	34,388,258	34,192,075
Federal Funds	11,385,587	7,231,626	17,778,946
Federal Recovery Funds		160,575	
Total Funds	\$527,396,412	\$512,887,313	\$438,112,183
Positions	704	680	735
Motor Vehicles	1	2	4

Department of Community Health
 ZBB Program: Departmental Administration

Performance Measures

Agency Mission:

Leading an accountable and effective continuum of care to support Georgians with behavioral health challenges and intellectual and developmental disabilities in a dynamic health care environment.

Program Purpose:

The purpose of this program is to provide administrative support to all departmental programs.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Percentage of program integrity reviews identified as waste, fraud, and abuse	78%	97.5%	72%	68%
2. Balance in the other post employee benefits fund	\$132,303,631	\$611,651,947	\$1,084,621,707	\$1,585,128,403
3. Percentage of employees that received proven initials and annual training in required courses	98%	98%	N/A	96%
4. Number of Corrective Action Plans issued to non-compliant providers (New)	N/A	N/A	N/A	N/A
5. Amount of funds the Medicaid Program Integrity Unit assisted in recovering (New)	N/A	N/A	N/A	N/A
6. Number of program internal audit findings	N/A	N/A	N/A	N/A
7. Average number of days to process a Medicaid claim to a provider from receipt to payment (New)	N/A	N/A	N/A	N/A
8. Average number of days to process a SHBP claim to a provider from receipt to payment (New)	N/A	N/A	N/A	N/A
9. Agency turnover rate (New)	N/A	N/A	N/A	N/A



FY 2020 Zero-Based Budget Analysis

Department of Community Health ZBB Program: Medicaid: Aged, Blind, and Disabled

Executive Summary

- The Department of Community Health program, Medicaid: Aged, Blind, and Disabled (ABD) provides access to medical care for those qualified individuals who meet an income requirement in addition to being either 65 years of age or older, legally blind, or completely disabled.
 - The agency should develop a longitudinal study to evaluate the potential benefits of case management for ABD enrollees.
 - The agency should provide Medicaid beneficiaries with a list of participating medical providers in their county or zip code.
 - The Department of Community Health should work with the Office of Planning and Budget to evaluate the impact of gene therapy drug costs to the ABD program budget.
 - The agency should adopt new performance measures to better monitor overall performance of the program.
-

Program Overview

Medicaid was established in 1965 through Title XIX of the Social Security Act as a program that provides health care access to certain vulnerable populations in the United States. The federal government establishes the minimum requirements for states receiving Medicaid funding, but states are allowed to tailor their Medicaid programs to meet the unique needs of their populations. Georgia implemented its Medicaid program in 1967.

The Division of Medical Assistance (DMA) within the Department of Community Health (DCH) administers Georgia's Medicaid program. Medicaid in Georgia is separated into two distinct programs, with qualifications based on the demographic characteristics of the beneficiaries in each program: Low-Income Medicaid (LIM) and Aged, Blind, and Disabled (ABD) Medicaid. LIM provides qualified low-income individuals, predominantly women and children, access to comprehensive medical care. ABD Medicaid provides access to medical care for those qualified individuals who meet an income requirement in addition to being either 65 years of age or older, legally blind, or completely disabled.

Financing

ABD Medicaid is financed through a joint federal-state structure, which enables Georgia's Medicaid program to use state funds in order to draw down federal matching dollars. The federal reimbursement rate for qualifying Medicaid benefit costs is known as the federal medical assistance percentage (FMAP). The FMAP fluctuates up or down based on Georgia's per capita income relative to the United States' per capita income. In recent years the FMAP rate has declined due to Georgia's economic improvement.

The ABD program's operating budget was \$5,644,373,217 in fiscal year (FY)2018. The break out of the operating budget is provided on the next page.

FY 2018 Medicaid: ABD Operating Budget	
State Appropriations	\$1,662,343,191
Federal Funds	\$3,604,559,302
Other Funds	\$377,470,724

Eligibility

In order to qualify for Medicaid coverage under the ABD program, an individual must be 65 years of age or older, blind, or disabled and lack sufficient income or assets to provide a reasonable subsistence compatible with decency and health. Individuals with incomes below \$9,000 per year qualify for Supplemental Security Income (SSI) and are automatically eligible for Medicaid benefits. Individuals with incomes between \$12,384 and \$16,632 who are eligible for Medicare benefits may qualify for Medicaid coverage. Individuals who have incomes below \$27,000 and meet an institutional level of care may qualify for Medicaid benefits. Certain children with disabilities who live at home under the care of their parents may qualify for Medicaid regardless of family income through the Katie Beckett waiver.

In FY 2017, approximately 500,000 individuals enrolled in the ABD Medicaid program. Approximately 295,000 beneficiaries were “dual eligible” enrollees, meaning they qualified for both Medicare and Medicaid benefits. In 2017, roughly 3,000 children qualified for Medicaid through the Katie Beckett waiver program. Applications for ABD Medicaid are processed by the Georgia Gateway application processing system, which is managed by the Division of Family and Children Services of the Department of Human Services. Once an individual is determined to be eligible for Medicaid coverage, he/ she is mailed a Medicaid card by the Medicaid Management Information System (MMIS). The Medicaid card indicates that the individual is eligible to receive Medicaid covered services from participating providers.

Benefits

Benefits for ABD enrollees are reimbursed through a fee-for-service payment model in which DCH pays providers directly for each covered service received by a Medicaid beneficiary for both mandatory and optional benefits. Once qualified for ABD benefits, the individual is then responsible for coordinating medical care with limited oversight from the agency. The table below provides an overview of mandatory and optional benefits provided to Medicaid beneficiaries.

Mandatory Benefits	Optional Benefits
Physician visits	Pharmacy
Inpatient/outpatient hospital services	Durable medical equipment
Laboratory and radiographic tests	Orthotics and prosthetics
Nursing home care	Mental health clinical services
Home health care	Psychological services
Non-emergency medical transportation	Hospice care
Dental services for children up to age 21	Home and community based long-term care services

In addition to the services discussed above, the ABD program within DCH pays the premiums, deductibles, and co-pays for Medicare Part-A and Part-B for approximately 100,000 Qualified Medicare Beneficiaries (QMB), and the monthly Medicare Part-B premiums for Specified Low-Income Medicare Beneficiaries (SLMB) and Qualifying Individuals (QI) enrollees. Premium payments for QI beneficiaries are 100 percent federally funded. State Medicaid programs are also required to make “clawback” payments to the federal government to help finance Medicare Part-D, the prescription drug benefit established by the *Medicare Modernization Act of 2003*.

Inpatient Hospital Services

While benefits for ABD enrollees are paid through a fee-for-service model, the reimbursement mechanism depends on the provider and service types. Inpatient hospital visits are reimbursed through an inpatient prospective payment system which consists of a hospital specific base payment multiplied by diagnosis related group (DRG) weight. Each hospital's base rate consists of the statewide base rate adjusted by the hospital's Medicaid inpatient utilization rate and indirect medical education adjustment factor. DRG weights are established by accumulating all the line item charges for inpatient claims and sorting them into DRGs using the grouping software Tricare Version 35. The average cost of claims in each DRG is calculated and then divided by the average cost of all base claims and scaled so that the overall average DRG cost is equal to 1.0. For example, a DRG that cost twice as much as the average cost will have a DRG weight of 2, and a DRG that has half as much as the average cost will have a DRG weight of 0.5. If the hospital's base rate is \$5,000 and the DRG equals 2, the total amount paid will be \$10,000. In FY 2017, ABD beneficiaries made 156,024 visits to hospitals for inpatient services.

Outpatient Hospital Services

Outpatient services are reimbursed using cost-to-charge ratios (CCR). DCH establishes a cost-to-charge ratio for each hospital using annual cost reports submitted to the agency by participating facilities. When a Medicaid beneficiary receives outpatient services in a hospital setting, the hospital files a claim which includes charges for the services provided. DCH multiplies the charged amounts by the hospital specific CCR to determine the amounts paid for the services provided. For example, if a hospital charges \$1,000 for an outpatient procedure and the hospital's CCR is 20 percent, the hospital will be paid \$200 for the services provided. In FY 2017, ABD beneficiaries made 1,327,115 visits to hospitals for outpatient services.

Medical Provider Services

Physician and physician extender services are reimbursed through rates which are typically calculated as a percentage of Medicare rates. The rates are adjusted periodically through the appropriations process and must be submitted to Centers for Medicare and Medicaid Services (CMS) for approval through an amendment to the Medicaid state plan. ABD beneficiaries made 11,053,706 visits to physicians, physician assistants, and advanced practiced registered nurses in FY 2017.

Institutional Services

Services provided to ABD enrollees in nursing homes, hospice care, and intermediate care facilities are reimbursed through per diem rates which are based on annual cost reports submitted to DCH. The rates are adjusted periodically through the appropriations process and must be submitted to CMS for approval through an amendment to the Medicaid state plan.

Pharmacy

Prescription drugs provided to ABD enrollees are reimbursed using a methodology consisting of the following components:

1. National Average Drug Acquisition Cost (NADAC)
2. Federal Upper Limit (FUL) amount
3. Maximum Allowable Cost (MAC)
4. Estimated Actual Acquisition Cost (EAC)
5. Usual and customary charge or the submitted ingredient cost

The NADAC price is determined by averaging survey invoice prices from retail community pharmacies across the United States. The FUL amount is the maximum amount the federal government will pay for certain multiple source drugs and is roughly equivalent to the average manufacturer's price. Under federal law, Georgia and other states are allowed to enhance prescription drug programs by establishing maximum allowable cost (MAC) programs that determine which drugs are available to Medicaid beneficiaries and the maximum reimbursement amounts for each drug. Another metric for pricing drugs is the Estimated Actual Acquisition Cost (EAC), which is the state's best estimate of the prices generally and currently paid by providers for a drug marketed or sold by manufacturers or

labelers in the package size of the drug most frequently purchased by providers. Georgia’s outpatient prescription drug reimbursements are based on the NADAC price or the lowest price of the previously listed metrics plus a \$10.63 professional dispensing fee.

Waivers and Special Services

Section 1915(c) of the Social Security Act enables states to provide home and community-based services to individuals who meet an institutional level of care. Institutional level of care is defined as needing long term care in a skilled nursing facility, hospital, or intermediate care facility. The term “waiver” comes from an individual waiving the entitlement to be served in an institution and choosing instead home and/or community-based services. DCH manages five waiver programs and two programs for medically fragile children. The table below provides a breakdown of the waiver programs.

Elderly and Disabled Services	Intellectual/Developmental Disability Services	Traumatic Brain/Spinal Cord Injury Services
Service Options Using Resource in a Community Environment (SOURCE)	New Options Waiver (NOW)	Independent Care Waiver Program (ICWP)
Community Care Services Program (CCSP)	Comprehensive Supports Waiver (COMP)	

Elderly and Disabled Waivers

SOURCE and CCSP provide services to elderly and disabled beneficiaries to enable them to remain in their home or community instead of a nursing facility. Both programs provide personal support services, alternative living services, home delivered meals, adult day health, home health services, emergency response systems, out of home respite care, and case management. In addition to the previously mentioned services, SOURCE links primary medical care with home and community based services through enhanced case management. As of December 2017, there were 16,018 SOURCE beneficiaries and 9,204 CCSP beneficiaries with 1,103 individuals on the CCSP waitlist.

Intellectual and Developmental Disability Waivers

The NOW and COMP waiver programs offer home and community based services for people with intellectual or developmental disabilities (ID/DD) who are eligible for treatment in an intermediate care facility. In order to qualify, an individual must possess: (1) a disability diagnosis before the age of 22; (2) an intelligence quotient (IQ) below 70; and (3) three or more functional impairments. The table on the next page illustrates the services provided under the NOW and COMP waiver programs.

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 adaptation	Environmental accessibility adaptation
Financial support services	Financial support services
Prevocational services and supported employment	Prevocational 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	
Natural supports training	
Respite services	

As of December 2017, there were 4,382 NOW beneficiaries and 8,041 COMP beneficiaries with 8,425 individuals on the NOW/COMP planning list. DCH pays for the services and is reimbursed through intergovernmental transfers from the Department of Behavioral Health and Developmental Disabilities (DBHDD).

Traumatic Brain Injury/Spinal Cord Injury Waiver

ICWP offers services that help a limited number of adult Medicaid recipients with severe physical disabilities or a traumatic brain injury who are between the ages of 21 and 64 and live in their own homes or in the community instead of a hospital or nursing home. ICWP provides beneficiaries with the following services: case management, personal support services, alternative living services, specialized medical equipment, environmental modifications, counseling, adult day health, behavioral management, emergency response systems, respite, and skilled nursing. As of December 2017, there were 1,359 ICWP beneficiaries with 42 individuals on the ICWP waitlist.

Katie Beckett

The Federal Tax Equity and Fiscal Responsibility Act (TEFRA) enabled the state to ignore family income for certain children who are disabled when determining Medicaid eligibility. The program provides benefits to certain children 18 years of age or less who qualify as disabled individuals under §1614 of the Social Security Act and who live at home rather than in an institution. In order to qualify for Medicaid coverage under the Katie Beckett program, an individual must meet the following criteria:

- Is 18 years old or younger;
- Meets federal criteria for disability;
- Is financially ineligible for SSI benefits;
- Requires a level of care provided in a hospital, skilled nursing facility or intermediate-care facility (including an intermediate care facility for people with intellectual disabilities);
- Can appropriately be cared for at home; and
- Has an estimated cost of care outside of the institution that will not exceed the estimated cost of treating him/her within the institution.

Qualified individuals are eligible to receive home and community based services to prevent the need for institutional care. Once an individual reaches age 21, they become eligible for home and community based waiver services. As of 2017, approximately 3,000 children qualified for Medicaid through the Katie Beckett program.

Recently, DCH has streamlined the application process for prospective and current Katie Beckett beneficiaries. The eligibility review process for the Katie Beckett program consists of two components:

1. Eligibility review which consists of basic demographic, income, resource, and cost neutrality information and is performed on an annual basis by the Right from the Start Medicaid (RSM) Medical Assistance Katie Beckett team eligibility specialist as required by the CMS.
2. Medical level of care review which is medical criteria, which is gathered no less than every two years.

Georgia Pediatric Program

Georgia Medicaid's Georgia Pediatric Program (GAPP) serves medically fragile children under the age of 21 who are in need of skilled nursing care and personal care supports and currently receiving physician-ordered services. Eligibility for the GAPP program is determined by a team of pediatric nurses and the medical director of Georgia Medical Care Foundation. GAPP provides coverage through two programs: skilled nursing and personal support services and medically fragile day care and transportation services. As of 2017, 815 medically fragile children received skilled nursing and personal support services through GAPP.

Results and Recommendations

The agency should develop a longitudinal study to evaluate potential benefits of case management for ABD enrollees

Currently, when individuals qualify for ABD Medicaid, they receive a Medicaid card and limited information about the services available to them. The majority of ABD enrollees are responsible for managing their own complex healthcare needs without assistance navigating the array of providers and services available to them. The lack of assistance in managing their healthcare results in many beneficiaries forgoing preventative care from affordable providers, seeking routine care from hospital emergency departments, and deferring treatment until they experience a costly medical emergency arising from untreated illnesses. Improving utilization of primary care medical services and preventative services may result in a more efficient use of Georgia's healthcare system by reducing the number of ABD enrollees seeking routine care in hospital emergency departments and minimizing the number of hospitalizations for untreated illnesses. While the majority of ABD beneficiaries are responsible for managing their own healthcare needs, ABD beneficiaries enrolled in the SOURCE waiver program receive enhanced case management to coordinate medical care with the goal of reducing unnecessary emergency department visits and hospital and nursing facility admissions for preventable complications. The agency should study the potential benefits of expanding case management services for the coordination of primary and preventative care services to the remaining ABD population.

The agency should provide Medicaid beneficiaries with a list of participating medical providers in their county or zip code

As previously stated, when ABD beneficiaries qualify for Medicaid coverage, they receive a Medicaid card and limited information about the services available to them. ABD beneficiaries are expected to retrieve information about providers through the Georgia Medicaid Management Information System with minimal assistance from DCH or third party navigators. The majority of ABD beneficiaries are elderly and disabled with limited access to and understanding of the technology needed to identify providers in their counties and zip codes. DCH should provide ABD beneficiaries with a list of participating medical providers who are accepting new patients in their county or zip code to increase the likelihood that the individual will establish a relationship with a primary care provider. Establishing a relationship with a provider will enable the beneficiary to receive routine preventative care which should reduce unnecessary emergency department visits and admissions to hospitals and nursing facilities for preventable complications.

The agency should evaluate the cost of gene therapy drugs

The Food and Drug Administration has approved two types of gene therapy treatments to treat vision loss, lymphoma, and leukemia: (1) Chimeric Antigen Receptor (CAR) T cell therapy, and (2) Direct-acting replacement therapy. These

drugs have been added to the Medicaid drug rebate program, which requires states providing coverage for pharmacy benefits to provide Medicaid beneficiaries with access to the treatments. The single prescription cost of these drugs can range anywhere from \$500,000 to over \$1,000,000. The use of the new drugs will only be available to patients who have exhausted all other treatment options. DCH should work with the Office of Planning and Budget to evaluate the cost of gene therapy drugs to determine the impact upon the ABD program budget.

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, but 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 Medicaid: Aged, Blind, and Disabled program to better track performance.

The following performance measures are added for FY 2020:

- Total number of emergency department visits for Aged, Blind, and Disabled enrollees
- Total number of hospital admissions for Aged, Blind, and Disabled enrollees
- Total number of hospital re-admissions for Aged, Blind, and Disabled enrollees
- Total number of primary care physician visits
- Percentage of Aged, Blind, and Disabled enrollees seeking treatment for chronic diseases
- Average cost of Elderly and Disabled Waiver beneficiaries
- Total number of Elderly and Disabled Waiver beneficiaries
- Average cost per inpatient discharge
- Average cost per outpatient visit
- Average cost per primary care physician visit
- Average time to settle a claim
- Average pharmaceutical cost per enrollee

Additionally, the following performance measures were deleted in FY 2020:

- Number of full benefit dual eligibles enrolled per 1000 members
- Number of Aged, Blind, and Disabled enrollees per 1000 members
- Community Care Service Program clients served
- Average cost per Community Care Service Program client
- Number of individuals on Independent Care Waiver Program waiting list per 1000 members between ages 21-64

Department of Community Health
 ZBB Program: Medicaid: Aged, Blind and Disabled

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Hospital Services	Provides coverage for inpatient and outpatient hospital services provided to Medicaid enrollees.	O.C.G.A. §49-4-32, 49-4-81, 49-4-52, 49-4-142; Title 42 Part 435 (CFR 42)		\$466,857,019	\$1,450,399,135
Medical Provider Services	Provides coverage for services rendered to Medicaid enrollees by physicians, physician extenders, dentists, and mental health providers	O.C.G.A. §49-4-32, 49-4-81, 49-4-52, 49-4-142; Title 42 Part 435 (CFR 42)		137,161,872	575,201,304
Pharmacy, Durable Medical Equipment, Orthotics and Prosthetics	Provides coverage for prescription drugs, durable medical equipment, orthotics, and prosthetics.	O.C.G.A. §49-4-32, 49-4-81, 49-4-52, 49-4-142; Title 42 Part 435 (CFR 42)		277,287,732	857,936,881
Waiver Services	Provides coverage for home and community based services to individuals waiving the entitlement to receive institutional care.	O.C.G.A. §49-4-32, 49-4-81, 49-4-52, 49-4-142; Title 42 Part 435 (CFR 42)		204,657,905	1,273,780,069
Institutional Services	Provides coverage for services provided in skilled nursing facilities and mental health treatment facilities.	O.C.G.A. §49-4-32, 49-4-81, 49-4-52, 49-4-142; Title 42 Part 435 (CFR 42)		447,646,764	1,434,035,713
Transportation Services	Provides coverage for non-emergency transportation and emergency transportation services.	O.C.G.A. §49-4-32, 49-4-81, 49-4-52, 49-4-142; Title 42 Part 435 (CFR 42)		19,534,761	60,454,923
Miscellaneous Services	Provides coverage for independent lab services, hospice care, dialysis services, home health services. Also included in this activity are Medicare Part-D clawback payments and premium payments for dual eligible enrollees.	O.C.G.A. §49-4-32, 49-4-81, 49-4-52, 49-4-142; Title 42 Part 435 (CFR 42)		252,910,098	163,193,682
Total				0 \$1,806,056,151	\$5,815,001,707

* (Listed in priority order as determined by Agency)

Department of Community Health
 ZBB Program: Medicaid: Aged, Blind, and Disabled

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services			
Regular Operating Expenses			
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Contractual Services	\$2,191,304	\$2,544,490	
Grants and Benefits	5,139,390,124	5,496,097,069	\$5,225,508,277
Hospital Payments to Benefits	93,851,966	103,063,738	90,924,524
Payments to Nursing Homes	487,681,041	511,107,438	498,568,907
Total Expenditures	\$5,723,114,435	\$6,112,812,735	\$5,815,001,708
Fund Type			
State General Funds	\$1,418,008,702	\$1,476,035,009	\$1,608,222,902
State General Funds- Prior Year		18,070,197	
Tobacco Settlement Funds	6,191,806	6,191,806	6,191,806
Nursing Home Provider Fees	156,746,016	161,574,691	157,326,418
Hospital Provider Fee	30,321,780	32,706,037	34,315,025
Other Funds	329,123,069	363,669,566	329,631,620
Medical Assistance Percentage	3,776,455,439	4,047,050,221	3,676,526,723
Federal Funds	6,267,623	7,515,208	2,787,214
Total Funds	\$5,723,114,435	\$6,112,812,735	\$5,815,001,708
Positions	0	0	0
Motor Vehicles	0	0	0

Department of Community Health
 ZBB Program: Medicaid: Aged, Blind, and Disabled

Performance Measures

Agency Mission:

The Department of Community Health provides access to affordable, quality health care to millions of Georgians, including some of the state's most vulnerable and underserved populations, through effective planning, purchasing, and oversight.

Program Purpose:

The purpose of this appropriation is to provide health care access primarily to elderly and disabled individuals. There is also hereby appropriated to the Department of Community Health a specific sum of money equal to all the provider fees paid to the Indigent Care Trust Fund created pursuant to Article 6A of chapter 8 of Title 31. The sum of money is appropriated for payments for nursing homes pursuant to Article 6A.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Number of Aged, Blind, and Disabled enrollees	472,444	483,916	493,363	500,159
2. Cost per member per month for Aged, Blind, and Disabled enrollees	\$832	\$844	\$858	\$880
3. Number of full benefit dual eligibles enrolled	135,748	136,886	138,391	138,092
4. Percentage of long term care expenditures for home and community based waiver services versus institutional expenditures	50.9%	47.3%	48.5%	49.6%
5. Total dollars saved as a result of clients remaining in the community (in millions)	\$316	\$386	\$205	\$184
6. Total number of emergency department visits for Aged, Blind, and Disabled enrollees (New)	N/A	N/A	N/A	N/A
7. Total number of hospital admissions for Aged, Blind, and Disabled enrollees (New)	N/A	N/A	N/A	N/A
8. Total number of hospital re-admissions for Aged, Blind, and Disabled enrollees (New)	N/A	N/A	N/A	N/A
9. Total number of primary care physician visits (New)	N/A	N/A	N/A	N/A
10. Percentage of Aged, Blind, and Disabled enrollees seeking treatment for chronic diseases (New)	N/A	N/A	N/A	N/A
11. Average cost of Elderly and Disabled Waiver beneficiaries (New)	N/A	N/A	N/A	N/A
12. Total number of Elderly and Disabled Waiver beneficiaries (New)	N/A	N/A	N/A	N/A
13. Average cost per inpatient discharge (New)	N/A	N/A	N/A	N/A
14. Average cost per outpatient visit (New)	N/A	N/A	N/A	N/A
15. Average cost per primary care physician visit (New)	N/A	N/A	N/A	N/A
16. Average time to settle a claim (New)	N/A	N/A	N/A	N/A
17. Average pharmaceutical cost per enrollee (New)	N/A	N/A	N/A	N/A



FY 2020 Zero-Based Budget Analysis

Department of Community Supervision ZBB Program: Field Services

Executive Summary

- The Department of Community Supervision is responsible for supervising Georgia's adult felony probationers and parolees in local communities throughout the state and for employing evidence-based practices to help offenders succeed in their communities and avoid recidivating.
- The Field Services program is the department's largest program, utilizing more than 90 percent of its budget and personnel to carry out its community supervision mission.
- The department should update its program purpose statement to better reflect the scope of its activities.
- The department should transfer the Max-Out Reentry initiative to the Governor's Office of Transition, Support, and Reentry.
- The department should transfer its Professional Standards personnel from Field Services to Departmental Administration to better align budget with operations.
- The department will revise and report new performance measures to better demonstrate the workload and effectiveness of the program.

Program Overview

In May 2015, House Bill (HB) 310 was signed to create the Department of Community Supervision (DCS). By transferring the responsibility of supervising felony offenders from the State Board of Pardons and Paroles (SBPP) and the Georgia Department of Corrections (GDC), DCS was designated as the sole state entity responsible for the supervision of adult parolees and adult felony probationers in communities throughout Georgia. HB 310 also transferred the oversight of private and governmental misdemeanor probations to the new Board of Community Supervision and administratively attached the Georgia Commission on Family Violence (GCFV) to DCS. Additionally, the Governor's Office of Transition, Support, and Reentry (GOTSR) became a program within DCS.

According to O.C.G.A. §42-3-3(a)(4), DCS is also statutorily responsible for the supervision of certain juvenile offenders, based on criteria established by the Department of Juvenile Justice (DJJ). The DJJ rules and regulations governing the transfer of juvenile offenders from DJJ to DCS (Ga. Comp. R. & Regs. R. 97-5-.02) specify that, among other conditions, eligible juvenile offenders must be at least 17 years of age, must have committed a Class A felony act, and must have been deemed unamenable to DJJ treatment and programming. Because of these criteria, DCS has only accepted seven juvenile offenders into its custody since the agency began operations on July 1st, 2016.

The department aims to reduce the state's recidivism rate by promoting efficient and effective guiding principles for parolees and probationers and by employing a holistic approach to community supervision that includes evidence-based practices. Evidence-based practices are defined in O.C.G.A. §42-3-2(g)(1)(A) as "supervision policies, procedures, programs, and practices that scientific research demonstrates reduces recidivism among individuals who are under some form of correctional supervision."

Georgia has been able to achieve a more efficient community supervision operation by consolidating the supervision responsibilities of two different agencies into one. From FY 2015 to FY 2017, the state's annual count of supervised offenders increased 43.8 percent from approximately 180,000 to 259,000 offenders. In comparison, DCS's budget for FY 2019 represents a 13.7 percent increase as a result of full supervision operations beginning at the start of FY 2017. The vast majority of this increase is due to the statewide law enforcement salary raise

implemented in FY 2018. Therefore, DCS has been able to supervise more offenders each year without augmenting its budget in equal share. The whole department has worked together both internally and with other agencies to achieve these efficiencies, but the primary mechanism is the department's Field Services program.

By far the largest program in DCS, the Field Services program budget comprises roughly 94 percent of the agency's 2,200 personnel and approximately 91 percent of its \$182.5 million budget for Fiscal Year 2019. Field Services is primarily responsible for supervising Georgia's adult felony offenders to ensure they are complying with the conditions of their probation or parole, but the program also engages in a variety of evidence-based practices, including counseling for substance abuse and mental health, behavioral management courses, and academic education. These two activities operate in tandem to work toward the department's ultimate goal of improving individual offender outcomes and reducing recidivism. The program collaborates with partners in communities throughout the state to work toward its goals.

Adult Felony Offender Supervision

The primary activity of the Field Services program is adult felony offender supervision. DCS organizes Georgia's 49 judicial circuits into 10 districts. To ensure that offenders are complying with the terms of their supervision, approximately 1,500 community supervision officers (CSOs) around the state work within their assigned circuits to visit probationers and parolees at their homes and at their jobs. CSOs work to develop positive relationships with the offenders they supervise, guiding them toward leading productive lives rather than simply checking whether offenders are abiding by the law. One of the ways DCS has created a more efficient community supervision model is by transitioning from a field office-based model to a mobile operations model. CSOs now spend most of their time out in their communities, working mostly out of their vehicles rather than out of field offices and spending more time with more offenders. This model has improved public safety because both the quality and quantity of supervision have increased.

Day Reporting Centers

The department operates 32 Day Reporting Centers (DRCs) throughout Georgia as part of the state's rigorous criminal justice reform efforts. DRCs are non-residential, three-phase programs to which high-risk offenders who require treatment or counseling are assigned. Utilizing evidence-based practices, these centers are designed to address offenders' mental health, substance abuse, or behavioral management needs that may cause them to reoffend or otherwise fail to satisfy the terms of their supervision. Of the 32 DRCs around the state, 16 are full DRCs that typically serve about 100 offenders at a time. The remaining 16 are smaller DRCs that typically serve roughly 25 offenders at a time and are located in more rural areas of Georgia. These smaller "DRC-lites" are funded by a \$750,000 grant from the Council of Accountability Court Judges.

Court, Board, and Field Services

The Court, Board, and Field Services division supports the community supervision operations by providing counseling, training, and technical expertise to the field operations division. This division also administers the offender housing programs, drug testing supplies and equipment, and other activities designed to help offenders succeed. Additionally, this division houses the Probation Reporting Contact Center (PRCC), through which low-risk offenders can satisfy their reporting requirements by calling in to an automated service that records responses and collects data.

Special Operations

Special Operations consists of four units: the Task Force, the Sex-Offender Unit, the Intelligence Unit, and the Immediate Response Teams. The Task Force collaborates with the federal government and other state agencies to combat drug and gang related activities. The Sex-Offender Unit acts as subject-matter experts of laws, policies, and practices for sex offender supervision. The Intelligence Unit collaborates with federal agencies to gather data and help serve warrants. Immediate Response Teams (IRTs) serve high-risk warrants, assist with offender transportation, and respond to state-declared emergencies.

Max-Out Reentry

The Max-Out Reentry (M.O.R.E) initiative is a joint collaboration between DCS, GDC, and SBPP that seeks to help offenders who are serving full prison sentences to transition back into society. During the final months of their incarceration, M.O.R.E participants are transferred to one of GDC's 13 transition centers. At the center, they have the opportunity to find stable employment, housing, and access to other services in the community. While staying under the supervision of a GDC facility, M.O.R.E. participants' are assigned CSOs. This provides an additional level of supervision and helps participants access the opportunities they need to be successful once they reenter society.

Interstate Compact

Along with the 49 other states and three U.S. territories, the state of Georgia is a member of the Interstate Compact for Adult Offender Supervision. This organization promotes and establishes uniform policies for all states to follow when transferring supervised offenders across state lines. The Interstate Compact Unit in DCS is responsible for making sure Georgia remains in compliance with these policies by providing training and serving as a liaison with other states.

Training and Professional Development

The Training and Professional Development division is responsible for promoting a well-trained and qualified workforce, while also providing operational support to the department. This division trains sworn and non-sworn DCS personnel in the current methods and practices of community supervision. It creates the curriculum for training courses, establishes the criteria for officer certification, and provides opportunities for leadership development and career advancement.

Professional Standards

The Office of Professional Standards is DCS's internal investigations entity that is tasked with maintaining the department's professional integrity in all of its activities. It conducts employee misconduct inquiries and, if necessary, criminal investigations of both sworn and non-sworn personnel when someone alleges wrongdoing by a DCS team member. This office also screens potential new officers during the application stage for anything that might make them unsuitable for employment with DCS.

Results and Recommendations

Update program purpose statement

The current Field Services program purpose statement reads *"The purpose of this program is to protect and serve Georgia citizens through effective and efficient offender supervision in communities, while providing opportunities for successful outcomes."* Given the breadth and depth of the program's operations, this purpose statement is not detailed enough to sufficiently describe its various activities. The Office of Planning and Budget (OPB) proposes replacing the current purpose statement with the following: *"The purpose of this program is to supervise adult felony probationers and parolees in communities throughout the state, ensuring their compliance with the terms of court- or board- ordered supervision and promoting public safety, and to provide offenders with evidence-based treatments and opportunities designed to reduce recidivism and improve individual offender outcomes, including substance abuse treatment, behavioral management and mental health counseling, and academic education."*

Transfer M.O.R.E. initiative to Governor's Office of Transition, Support, & Reentry

In the interest of distinguishing transition and reentry activities from the department's regular supervision operations, OPB recommends transferring the Max-Out Reentry initiative to the Governor's Office of Transition, Support, and Reentry program. This transfer would include 13 positions (11 community supervision officers, one administrative assistant, and one manager) and approximately \$1,202,896 in state funds.

FY 2019 Budget to Transfer - M.O.R.E.	
Object Class	State Appropriations
Personal Services (13 positions)	\$1,150,520
Regular Operating Expenses	41,722
Telecommunications	10,654
TOTAL	\$1,202,896

Transfer Professional Standards to Departmental Administration program

Professional Standards personnel conduct background checks and investigate all types of employee misconduct across each of the department’s programs as functions of human resources. Currently, five Professional Standards positions are budgeted in the Field Services program. Operationally, the positions report to the Director of the Office of Professional Standards who is in the Departmental Administration program. These positions should be budgeted in Departmental Administration to better align budget with operations. OPB recommends transferring these five positions and \$517,549 in state funds from the Field Services program to the Departmental Administration program.

FY 2019 Budget to Transfer - Professional Standards	
Object Class	State Appropriations
Personal Services (5 positions)	\$505,558
Regular Operating Expenses	8,500
Telecommunications	3,491
TOTAL	\$517,549

Revise and add new performance measures

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

The following is a new performance measure:

- Daily cost of supervision per offender

The following is a list of revised performance measures:

- Revise measure of Percent of successful completions of community supervision to:
 - Percentage of individuals successfully completing community supervision
- Revise measure of Average caseload per CS officer to:
 - Average caseload per community supervision officer
- Revise measure of Percentage of required face-to-face and collateral contacts made per offender outside the office to:
 - Percentage of required contacts made in the community

Department of Community Supervision

ZBB Program: Field Services

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Adult Felony Offender Supervision	Supervises adult felony probationers and parolees throughout the state. Community supervision officers visit offenders at their homes and places of work to ensure they are complying with the terms of their supervision.	O.C.G.A. §42-3-3	1,697	\$139,712,340	\$139,712,340
Day Reporting Centers	Three-phase, intensive supervision programs designed to aid certain offenders experiencing issues related to substance abuse, mental health, or behavioral management. Georgia's 32 DRCs use evidence-based practices to help such offenders address these issues to avoid criminal activity.	O.C.G.A. §42-3-3	187	13,802,995	13,812,995
Court, Board, & Field Services	Provides operational, technical, and subject matter support and expertise to the field operations. This activity also includes the Probation Reporting Call Center (PRCC) that remotely supervises low-risk offenders.	O.C.G.A. §42-3-3	34	4,566,269	4,566,269
Special Operations	Collaborates with other state, local, and federal agencies to combat drug and gang activity in Georgia through intelligence gathering, investigation, and serving high-risk warrants.	O.C.G.A. §42-3-3	24	2,351,240	2,351,240
Maxout Reentry Program	A partnership between DCS, GDC, and SBPP in which certain state inmates serving their entire sentences finish their incarceration in GDC transitional centers while having the opportunity to find work and housing in the community.		13	1,202,896	1,202,896
Interstate Compact	Maintains compliance with and conducts activities associated with the Interstate Compact for Adult Offender Supervision.	O.C.G.A. §42-9-81	11	832,885	832,885
Training & Development	Provides training, education, and professional development opportunities for sworn and non-sworn DCS personnel.	O.C.G.A. §42-3-3	22	3,359,116	3,359,116
Professional Standards	Conducts internal investigations into allegations of DCS employee misconduct and screens prospective hires.	O.C.G.A. §42-3-3	5	517,549	517,549
Total			1,993	\$166,345,290	\$166,355,290

* (Listed in priority order as determined by Agency)

Department of Community Supervision
 ZBB Program: Field Services

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$133,194,108	\$147,098,554	\$147,665,238
Regular Operating Expenses	10,405,693	8,307,399	5,883,571
Motor Vehicle Purchases	2,807,819	1,137,108	
Equipment	427,820	187,438	176,038
Computer Charges	1,427,188	1,064,842	1,444,005
Real Estate Rentals	4,375,842	4,007,987	4,289,000
Telecommunications	3,148,074	3,001,021	3,145,000
Capital Outlay	179,763		
Contractual Services	3,973,531	4,142,307	3,752,438
Other		1,184	
Total Expenditures	\$159,939,838	\$168,947,840	\$166,355,290
Fund Type			
State General Funds	\$156,632,352	\$166,344,399	\$166,345,290
Other Funds	341,148	1,986,107	10,000
Federal Funds	2,966,338	617,334	
Total Funds	\$159,939,838	\$168,947,840	\$166,355,290
Positions	1,985	1,995	1,993
Motor Vehicles	712	688	687

Department of Community Supervision
ZBB Program: Field Services

Performance Measures

Agency Mission:

As an integral part of the criminal justice system, we protect and serve Georgia citizens through effective and efficient offender supervision in communities, while providing opportunities for successful outcomes. Our vision is to become the national leader for innovative and progressive community supervision by embracing best and next evidence based practices, utilizing an integrated approach to improve offender behavior, effectively coordinating between all concerned stakeholders, and ensuring victims' voices are heard and victims' rights are protected.

Program Purpose:

The purpose of this program is to protect and serve Georgia citizens through effective and efficient offender supervision in communities, while providing opportunities for successful outcomes.

Performance Measures	Actuals			
	FY 2015*	FY 2016*	FY 2017**	FY 2018
1. Number of offenders under active supervision (cumulative)	N/A	N/A	258,843	275,777
2. Daily cost of supervision per offender (new)	N/A	N/A	\$1.94	\$2.11
3. Percentage of employable offenders who are employed	N/A	N/A	N/A	65.87%
4. Percentage of offenders complying with court/Parole Board ordered community service	N/A	N/A	N/A	N/A
5. Percentage of offenders complying with court/Parole Board ordered financial obligations	N/A	N/A	17.68%	N/A
6. Percentage of individuals successfully completing community supervision (revised)	N/A	N/A	N/A	N/A
7. Percentage of offenders revoked to prison	N/A	N/A	N/A	N/A
8. Percentage of offenders returned to prison for committing a new felony within three years	N/A	N/A	N/A	N/A
9. Percentage of offenders identified with criminogenic needs referred to treatments	N/A	N/A	N/A	N/A
10. Percentage of offenders identified with criminogenic needs completing treatments	N/A	N/A	N/A	N/A
11. Percentage of participants that complete Day Reporting Center programming	N/A	N/A	44%	36%
12. Percentage of offenders that successfully complete Aftercare Services	N/A	N/A	64.4%	64.0%
13. Average caseload per community supervision officer (revised)	N/A	N/A	139	105
14. Percentage of required contacts made in the community (revised)	N/A	N/A	N/A	82.36%
15. Percentage of new Community Supervision Officer candidates successfully completing the Basic Community Supervision Officer Training course	N/A	N/A	79%	90%

* Agency did not exist until FY 2016, and did not begin full operations until FY 2017.

** Due to data system limitations, data for FY 2017 does not reflect the whole year.



FY 2020 Zero-Based Budget Analysis

Department of Community Supervision ZBB Program: Governor's Office of Transition, Support, and Reentry

Executive Summary

- The purpose of the Governor's Office of Transition, Support, and Reentry program is to provide a collaboration of governmental and non-governmental stakeholders to develop and execute a systematic reentry plan for Georgia offenders and ensure the delivery of services to reduce recidivism and support the success of returning citizens.
 - Revise program name to accurately reflect changes in statute.
 - Realign program budgets to more accurately reflect reentry services provided by the agency.
 - Revise and report new performance measures to more accurately reflect the workload of the program.
-

Program Overview

The Department of Community Supervision (DCS) was established by House Bill (HB) 310 (2015 Legislative Session). The agency assumed responsibility for community supervision of parolees from the State Board of Pardons and Paroles, felony probationers from the Department of Corrections (GDC), and certain Class A and Class B felony juvenile offenders from the Department of Juvenile Justice. DCS also received oversight responsibilities of private and governmental misdemeanor probation entities from the County and Municipal Probation Advisory Council. DCS then received responsibility for transition and reentry services in 2016 per Senate Bill (SB) 367.

The Governor's Office of Transition, Support, and Reentry Services (GOTSR) was established in July 2013 per Executive Order 06.24.13.01. Initially a part of GDC, the program was transferred to DCS in 2015 per HB 310 as an attached agency. Following this transfer, GOTSR's status was changed from an attached agency to a program within the Department of Community Supervision per HB 43 and 44 (2017 Legislative Session).

The legislature charged DCS with establishing an offender transition and reentry unit within DCS to coordinate successful offender reentry in this state, reduce recidivism, enhance public safety through collaboration among stakeholders, and assist in ensuring the appropriate and responsible use of cost savings realized by justice reforms through reinvestment in evidence based, community centered services per SB 367 (2016 Legislative Session). GOTSR was transferred to DCS to serve this function.

GOTSR accomplishes its statutory mandate through the coordination of Housing and Prison In-Reach services as well as private community-based services. The program utilizes the Georgia Prisoner Reentry Initiative as a framework for service provision and reentry resource planning.

Georgia Prisoner Reentry Initiative

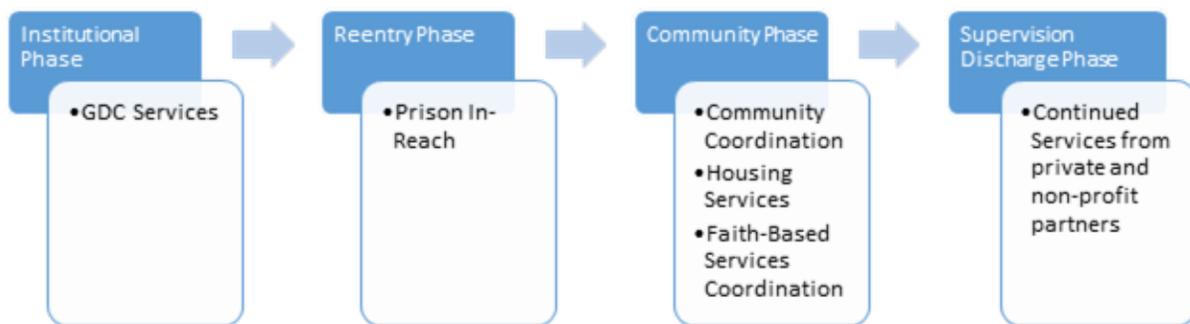
The Georgia Prisoner Reentry Initiative (GA-PRI) began in 2011 and serves as the model for service provision for adult offenders leaving the Georgia correctional system. GA-PRI recommends that services be provided to high-risk, high-needs offenders as identified in the Department of Correction's Next Generation Assessment. The mission of GA-PRI is to improve public safety by reducing crime through implementation of a seamless plan of services and supervision developed with each returning citizen, delivered through state and local collaboration, from the time they enter prison through their successful transition, reintegration, and aftercare in the community. To accomplish this mission, GA-PRI has set the goals of expanding services statewide and significantly reducing the recidivism

rate. The counties currently being served were chosen for the large number of released offenders returning to these areas.

GA-PRI currently serves offenders returning to the following counties:

Bibb	Chatham	Clayton	DeKalb	Dougherty	Douglas	Floyd	Fulton
Gwinnett	Hall	Liberty	Lowndes	Muscogee	Newton	Richmond	Troup

In accordance with GA-PRI, GOTSr implements a program known as Transition Accountability Planning (TAP). This program divides an overall reentry plan for each offender into four modules. The Institutional Phase includes various assessment activities as well as programming while the offender is in prison. The Reentry Phase focuses on a reassessment of offender needs as he or she is awaiting a parole decision and determination of supervision level. Once these needs have been identified and the offender has been granted parole with a supervision sentence to follow, the offender enters the Community Phase. The areas of need identified in the Reentry Phase will be implemented and monitored in this phase. The intent is to encourage compliance with the developed plan so that offenders can achieve positive outcomes. The final phase, Supervision Discharge, begins at the time of release of the offender from community supervision and is still under development.



Georgia was the only state to receive all four Justice Reinvestment Initiative grants provided by the Bureau of Justice Assistance in 2014. These grants along with significant state fund investments allowed for the initial growth of reentry service initiatives in the state. Many of these grants were initially provided to other state agencies as the Department of Community Supervision did not exist at the time of the initial grant awards. However, these federal grants have expired in recent years and as such the continuation of services relies on a state funded solution.

Prison In-Reach

Prison In-Reach services are meant to help identified offenders develop a reentry plan before returning to society. Prison In-Reach staff specifically work with targeted offenders within their last six months of incarceration. Each Prison In-Reach Specialist works remotely so as to serve three or four prison facilities. Existing staff served more than 1,800 offenders in Fiscal Year 2018 across 60 facilities, including state prisons, private prisons, and county-operated facilities. Nine Prison In-Reach positions were previously funded by federal grants and state funds from the Department of Corrections. These positions were transferred to the Department of Community Supervision at the end of Fiscal Year 2018, and the Department of Corrections will fund 50% of the \$626,978 personal services cost.

Community Coordination

Community Coordinators help ensure that community resources are available to serve targeted offenders returning to society. Currently, there is a Community Coordinator assigned to each of the 16 served counties. Each Community Coordinator identifies and maintains relationships with employment services as well as clothing and food services. The Housing Unit also collaborates with the Community Coordinators to ensure housing plans are implemented in coordination with available community resources.

Housing

These services are directed towards those PRI offenders who would be released from prison with no residence plan. The positions that perform this activity specifically identify Reentry Partnership Housing (RPH) providers and ensure compliance with the standards established by the Georgia Department of Community Affairs (DCA). Length of stay at an RPH provider can vary, but most eligible offenders are limited to a three month stay. However, offenders with identified mental health needs can sometimes stay up to six months. RPH providers are broken out into structured housing, standard recovery, and intensive recovery. Structured housing services provide a healthy and safe environment to live, but residents do not attend substance abuse services or counseling. Standard recovery services require that residents attend one or more hours of substance abuse counseling per week and intensive recovery services require five or more hours of weekly counseling. A breakout of the 77 certified housing services providers is included below.

	Male	Female	Male/Female
Structured Housing	12	3	2
Standard Recovery	14	8	4
Intensive Recovery	16	12	6

Faith-Based Service Coordination

GOTSR also houses a number of positions that specifically focus on coordinating faith-based services. These positions work with non-profits and places of worship to collect donations and certify “Stations of Hope.” There are currently 240 Stations of Hope across the state that provide mentoring and support services to any returning offenders. The positions assigned to this key activity are responsible for registering, training, and monitoring the Stations of Hope. Positions in this key activity also train and certify mentors on how to effectively work with offenders returning to society.

Results and Recommendations

Revise program name

The current program name is reflective of when reentry services were under the statutory authority of the Governor’s Office of Transition, Support, and Reentry as an attached agency to the Department of Community Supervision. As statute has changed to shift the charge of organizing reentry resources from GOTSR to the department as a whole, so too should the program name be changed to reflect DCS’ ownership of this statutory responsibility. The recommended program name should be Reentry Services.

Consolidate reentry services

The agency should consolidate reentry and transition services to better align activities with program purpose. A transfer of the Max Out Reentry (M.O.R.E.) initiative from the Field Services program aligns reentry and transition services in one program. The M.O.R.E. initiative provides reentry services to qualified offenders who are serving their full sentence and have been moved to a Department of Corrections Transition Center. Therefore, the agency should transfer 13 positions and \$1,202,896 from the Field Services program to the GOTSR program.

Revise and report new performance measures

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

inform the reader of critical activities being performed by the program. The following is a list of new performance measures:

- Number of inmates identified for Georgia's Prisoner Reentry Initiative
- Prison In-Reach Specialist average annual caseload

The following is a list of revised performance measures:

- Revise measure of Number of offenders discharged from GA-PRI for non-completion to:
 - Number of offenders discharged from GA-PRI for violation of probation or parole
- Revise measure of Number of compliance audits completed on misdemeanor probation contractor sites to:
 - Number of compliance audits completed on Reentry Partnership Housing

Department of Community Supervision
 ZBB Program: Governor's Office of Transition, Support, and Reentry

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Community Coordination	These positions coordinate with community service providers to match targeted offenders with required or suggested services upon completion of their prison sentence.	O.C.G.A. §42-3-5	18	\$1,623,207	\$1,623,207
Prison In-Reach	These positions coordinate with the Department of Corrections to gather information on targeted offenders so as to create transition plans for offenders.	O.C.G.A. §42-3-5	18	966,378	966,378
Housing	These positions coordinate with the Department of Community Affairs to provide housing to those targeted offenders who have no residence to return to upon completion of their prison sentence.	O.C.G.A. §42-3-5	9	1,635,706	1,635,706
Faith Based and Mentoring Services	These positions register, train, and monitor Stations of Hope and help train individuals to provide mentoring and support services to any returning offenders statewide. They additionally work to train and certify peer mentors to provide peer support to returning offenders.	O.C.G.A. §42-3-5	5	407,942	407,942
Program Support	These positions provide administrative support services to the other positions in the program.	O.C.G.A. §42-3-5	5	553,391	553,391
Total			55	\$5,186,624	\$5,186,624

* (Listed in priority order as determined by Agency)

Department of Community Supervision
 ZBB Program: Governor's Office of Transition, Support, and Reentry

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$3,053,573	\$3,540,318	\$4,057,131
Regular Operating Expenses	129,200	117,979	129,970
Motor Vehicle Purchases	94,263		
Computer Charges	14,951	11,789	15,447
Real Estate Rentals	81,419	81,417	81,420
Telecommunications	33,376	31,914	32,956
Contractual Services	893,340	1,182,060	869,700
Total Expenditures	\$4,300,122	\$4,965,477	\$5,186,624
Fund Type			
State General Funds	\$4,291,631	\$4,961,313	\$5,186,624
Federal Funds	8,491	4,164	
Total Funds	\$4,300,122	\$4,965,477	\$5,186,624
Positions	39	46	55
Motor Vehicles	5	10	10

Department of Community Supervision
 ZBB Program: Governor's Office of Transition, Support, and Reentry

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 a collaboration of governmental and non-governmental stakeholders to develop and execute a systematic reentry plan for Georgia offenders and ensure the delivery of services to reduce recidivism and support the success of returning citizens.

Performance Measures	Actuals			
	FY 2015*	FY 2016*	FY 2017	FY 2018
1. Number of inmates identified for Georgia's Prisoner Reentry Initiative (GA-PRI) (New)	N/A	N/A	23,733	27,320
2. Percentage of identified inmates placed into GA-PRI program	N/A	N/A	N/A	32%
3. Number of offenders discharged from GA-PRI for violation of probation or parole** (Revised)	N/A	N/A	566	1,193
4. Number of re-entry contacts made with community resources	N/A	N/A	10,866	20,142
5. Prison In-Reach Specialist average annual caseload (New)	N/A	N/A	181	492
6. Number of compliance audits completed on Reentry Partnership Housing (Revised)	N/A	N/A	21	29

* Agency not in existence until FY 2016.

** Due to data system limitations, data for FY 2017 does not reflect the whole year.



FY 2020 Zero-Based Budget Analysis

Department of Human Services

ZBB Program: Child Care Assistance

Executive Summary

- The Child Care Assistance program of the Department of Human Services uses federal funds to determine eligibility for families seeking access to early care and after school care.
- The Child Care Assistance program was partially transferred to Bright from the Start: Department of Early Care and Learning in fiscal year 2014. The program should fully transition, and the Division of Family and Children Services of the Department of Human Services should work with the Office of Planning and Budget to ensure that necessary fund sources are recognized exclusively within Bright from the Start: Department of Early Care and Learning.
- New performance measures should be added to better identify the workload, efficiencies, and effectiveness of the program.

Program Overview

The Child Care Assistance program (the program) of the Division of Family and Children Services (DFCS) in the Department of Human Services (DHS) is federally funded by the Child Care and Development Block Grant (CCDBG). In fiscal year (FY) 2019, the state budgeted \$127.9 million in CCDBG funds to Bright from the Start: Department of Early Care and Learning (DECAL) for program administration, service delivery, and quality initiatives. Approximately \$9.8 million is recognized by DFCS of DHS through a contract with DECAL to determine a family's eligibility for services funded through CCDBG; however, in FY 2019 all CCDBG funds will be utilized by DECAL to accurately reflect the full transition of remaining program eligibility functions to DECAL.

Program Eligibility

In July 2018, eligibility determinations for low-income families in need of subsidies for early care and after school care became the responsibility of DECAL. In general, the following eligibility standards are determined by caseworkers through customer interviews and Georgia Gateway, the state's integrated system for determining eligibility for public assistance benefits:

- Georgia residency and identity
- Child citizenship and current immunization
- Income guidelines. To be eligible for the program, the family's gross applicable income must meet income guidelines. When a family is initially approved for child care services, the gross applicable income of the family unit must be equal to or less than 50 percent of the current state median income (SMI) at the time of application. In the state of Georgia, the estimated SMI for four-person families is \$70,659; to be eligible for child care services, families can earn up to \$35,329.50 or 50 percent of SMI.
- Priority population groups. Since August 1, 2016, new applicants must also be part of a priority group to be eligible for child care services. In total, there are 11 priority groups. An example of a priority group would be a child in DFCS custody.

Service Delivery

All families that receive child care services through DECAL receive a certificate to redeem with qualified early care and after school care providers. DECAL assigns a scholarship administration specialist (SAS) and a family support consultant (FSC) to each family to provide assistance and support during the eligibility period, guidance in selecting child care providers, and direction to available resources and other state services.

Quality Initiatives

DECAL uses CCDBG funds for quality initiatives, which works to improve the quality, affordability, and accessibility of state child care services. Quality initiatives include but are not limited to:

- Inclusion services: ensure children with disabilities are placed in supportive childhood settings by training child care providers and promoting and increasing inclusive child care options.
- Georgia Program for Infants and Toddlers: helps child care providers understand the practice of relationship-based care for infants and toddlers. This quality initiative also administers early language and literacy grants to providers.

Results and Recommendations

Fully transition the eligibility functions of the state's child care program to DECAL

The state's child care program was partially transferred to DECAL in FY 2014 in an effort to build a unified, comprehensive early education system. Since FY 2014, DECAL has administered the program and delivered child care services and other quality initiatives; however, eligibility functions remained within DFCS (1) due to the implementation of Georgia Gateway and (2) to remain consolidated with other DFCS eligibility case workers due to the complexities associated with Georgia Gateway and determining eligibility, in general, for public assistance benefits. Eligibility functions have transitioned from DFCS to DECAL.

Since the final phase of counties has transitioned to DECAL, DFCS will no longer need to recognize CCDBG funds in this program, and the program budget should be eliminated. DFCS should work with the Office of Planning and Budget to ensure that CCDBG funds are transferred out of DFCS and fully recognized within DECAL. DFCS should continue working with DECAL to successfully ensure that DFCS constituents are receiving the quality early care and after school care provided by DECAL.

Performance measures should be considered to monitor the program's overall effectiveness in making eligibility determinations

Performance measures are an integral component of the Zero-Based Budget (ZBB) process and track the workload and effectiveness of a budget program. Performance measures should also be appropriate and relevant to the policy goals of the agency and state as a whole. Currently, DHS is not tracking any performance measures for the Child Care Assistance program. Since this program is being eliminated and program eligibility functions are being transitioned to DECAL, DECAL should consider the following performance measures:

1. Average number of children served per month
2. Average number of child care applications received per month

Department of Human Services
 ZBB Program: Child Care Assistance

Key Activities

Activity	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Eligibility Determination	Determines eligibility for Georgia's Child Care program, which helps families access and afford quality child care by providing subsidies enabled by the federal Child Care and Development Block Grant.	Federal Register: 45 CFR Part 98 and 99	6		\$9,777,346
Total			6		\$9,777,346

Department of Human Services
 ZBB Program: Child Care Assistance

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$259,957	\$106,976	\$208,413
Regular Operating Expenses	3,379	1,139.44	22,630
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications	1,132	2,105	900
Contractual Services	1,693,044	1,444,888	1,946,051
Grants and Benefits	7,769,585	3,406,789	7,018,761
Other	154,095	114,225	580,591
Total Expenditures	\$9,881,192	\$5,076,121	\$9,777,346
Fund Type			
State General Funds			
Other Funds			
Federal Funds	\$9,881,192	\$5,076,121	9,777,346
Total Funds	\$9,881,192	\$5,076,121	\$9,777,346
Positions	1	0	6
Motor Vehicles	0	0	0

Department of Human Services
ZBB Program: Child Care 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 permit low-income families to be self-reliant while protecting the safety and well-being of their children by ensuring access to child care.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Average number of children served per month (New)	77,545	67,778	69,192	N/A
2. Average number of child care applications received per month (New)	10,870	10,259	8,102	N/A



FY 2020 Zero-Based Budget Analysis

Department of Human Services ZBB Program: Departmental Administration

Executive Summary

- The Departmental Administration program of the Department of Human Services provides administration and support for departmental divisions and operating offices, which assist individuals and families as they seek access to services that promote self-sufficiency and independence, and to protect Georgia's vulnerable children and adults.
 - The Georgia Gateway system provides a single point of entry for public assistance benefits, such as PeachCare for Kids®.
 - In fiscal year 2020, the state of Georgia is projected to receive a reduced federal match for operational costs related to PeachCare for Kids®.
 - The Department of Human Services is reliant upon federal funds like the Temporary Assistance for Needy Families Block Grant and others for the provision of services to vulnerable Georgians. The department should continue to monitor the impact of changes to federal legislation that enables these federal fund sources.
 - In fiscal year 2018, the Department of Human Services was appropriated 25 additional human resources positions to meet the challenges associated with the agency's workforce. Along with revisions to internal processes, the agency has successfully used the additional human resources positions to address workforce challenges.
 - New performance measures should be added to better identify the workload, efficiencies, and effectiveness of the program.
-

Program Overview

The Department of Human Services (DHS) was formed in July 2009 as part of the reorganization of the former Department of Human Resources. DHS delivers a wide range of services designed to promote self-sufficiency, safety, and well-being for all Georgians. Administering the social services programs provided by DHS proves operationally and financially complex due to compliance with federal and state statute. In order to expend federal and state funds properly, the Departmental Administration program must allocate costs according to a cost allocation plan that is approved by the federal government. An approved cost allocation plan is important from both a legal perspective and financial (operational) perspective so that DHS will continue to earn federal revenues.

For state fiscal year (SFY) 2019, federal revenues appropriated to the Departmental Administration program that are specifically identified in the state appropriations act are as follows:

- Medical Assistance Program (Medicaid): \$37,419,688
- Temporary Assistance for Needy Families (TANF): \$7,736,972
- Foster Care Title IV-E: \$6,195,093
- Community Service Block Grant: \$474,379
- Low-Income Home Energy Assistance: \$346,481
- Social Services Block Grant: \$23,001

The Departmental Administration also receives \$28,437,694 in federal funds that are not specifically identified by the appropriations act. For example, the Departmental Administration program receives Title IV-D Child Support Enforcement revenues for costs that may be incurred for administering the state's child support program.

In addition to the myriad of federal fund sources appropriated to the Departmental Administration program of DHS, the program is also appropriated \$56,483,669 in state general funds and \$12,925,587 in other funds.

DHS comprises three divisions:

1. Division of Aging Services (DAS)
2. Division of Child Support Services (DCSS)
3. Division of Family and Children Services (DFCS)

The Departmental Administration program of DHS supports these core divisions through 12 administrative offices along with DFCS Administration, DAS Administration, and Executive Leadership. Each office is briefly described below.

DFCS Administration

DFCS is the largest division within DHS. DFCS is responsible for:

- Investigating reports of child abuse;
- Finding foster and adoptive homes for abused and neglected children;
- Issuing the Supplemental Nutrition Assistance Program (SNAP), Medicaid, TANF, and child care assistance to low-income families; and
- Helping out-of-work parents regain self-sufficiency.

DFCS Administration assists in performing these duties by providing executive leadership for programs administered by DFCS, as well as legal and fiscal services and staff training.

DAS Administration

DAS assists older individuals, at-risk adults, persons with disabilities, their families, and caregivers to achieve safe, healthy, independent, and self-reliant lives.

DAS Administration assists in maintaining these goals by providing executive leadership for programs administered by DAS, as well as strategic planning and legal and financial services.

Office of Information Technology

The Office of Information Technology (OIT) supports application management, technology procurement, network services, and telecommunication services for all agency programs. OIT also plans, develops, implements, and maintains the technology infrastructure to support the strategic goals of the department.

Executive Leadership

DHS has a commissioner and nine-person board appointed by the governor. DHS executive leadership sets policy, approves the department's goals and objectives, and is ultimately responsible for ensuring the delivery of a wide range of human services designed to promote self-sufficiency, safety, and well-being for all Georgians.

Office of Budget Administration

The Office of Budget Administration (OBA) sets funding priorities for addressing major budgetary, legislative, policy, and administrative issues by establishing an Annual Operating Budget for funds detailed in the appropriations act. OBA also provides analysis of issues, policies, and programs relevant to the department, and coordinates and distributes budgetary control reports to DHS administrators and managers to improve their effectiveness in the management of department funds.

Communications

Communications informs and educates the public, stakeholders, and employees on issues related to the department's services and programs. It also supports the entire agency in media response, strategic message creation, and internal and external communications plan development and execution.

The communications administrative office also provides oversight and coordination of DHS's central call center, which addresses constituent requests about all DHS services, and the Limited English Proficiency and Sensory Impaired program.

Enterprise Development

This program manages the training, conference planning, and meeting management process as a means for creating a sustainable gold standard for all departmental trainings and conferences. It also provides professional development solutions to employees for increased knowledge transfer and retention of information.

Office of Facilities and Support Services

The Office of Facilities and Support Services (OFSS) manages facilities in each of Georgia's 159 counties, office space and assets, works with other health and human services agencies to respond to emergencies, records management, risk management, fleet management, and coordinated transportation services for DHS and the Department of Behavioral Health and Developmental Disabilities.

Office of Financial Services

The Office of Financial Services provides financial guidance to program staff, ensuring compliance with federal and state financial regulations and establishing agency-specific financial policies and procedures. OFS also oversees accounts payable, grants management, and payroll for DHS.

General Counsel

This program provides legal guidance and direction on initiatives concerning child welfare and safety, family development and independence, aging services, and enterprise functions. Other tasks include multi-level statutory, regulatory, and policy review and implementation and providing input on the department's business practices in accordance with legal and policy requirement.

Human Resources

This program plans, manages, and implements comprehensive personnel services to meet the needs of the agency's employees and its customers. It also develops policies, employee benefits, job titles, compensation, employee relations, performance management, organizational development, training, and ensures fair and lawful employment practices.

Office of Inspector General

The Office of Inspector General (OIG) ensures that programs and operational practices adhere to fundamentally sound standards, which include integrity, efficiency, and accountability. OIG also has a Benefits Recovery Unit, which is responsible for investigating allegations of fraud and abuse in Georgia's SNAP, TANF, and Child Care programs by conducting independent, objective audits and other investigative activities.

Legislative Affairs and Outreach

This program develops and implements strategies to advance the DHS's legislative initiatives and other interests relating to the Georgia General Assembly. It works to inform and educate the Georgia Legislature and the public, corporate, nonprofit, and faith communities on issues related to the department's programs, services and its customers' needs. It supports the department's outreach efforts to bring awareness to the community and develop supports that aid customers on their path to self-sufficiency, as well as provides oversight and coordination of the Department's constituent services.

Procurement and Contracts

This program plans, manages, and implements the procurement of goods and services. It also ensures all goods and services are procured in accordance with the rules and regulations put in place by the Georgia Department of Administrative Services (DOAS) and the policies and procedures of DHS. Some of these services include: Solicitation/Strategic Sourcing assistance; technical support on requisition entry; development, review, and execution of contracts; and vendor management.

Strategic Planning and Initiatives

This program is designed to plan and implement change initiatives. These initiatives are geared towards improving customer service by using a variety of assessment tools that identify opportunities for improvement and recommend solutions.

Results and Recommendations

Changes to the state's matching share of the enhanced Federal Medical Assistance Percentage (e-FMAP) are projected for SFY 2020 and will impact the Georgia Gateway system

Georgia Gateway is managed by DHS and provides a single point of entry for economic assistance programs such as Medicaid; PeachCare for Kids® (PCK); SNAP; TANF; Women, Infants, and Children (WIC); and others. PCK is administered by the Department of Community Health (DCH) and is the state of Georgia's branding of the federal Children's Health Insurance Program (CHIP). While PCK is a joint state-federal partnership with a cost-sharing arrangement, Georgia's e-FMAP allowed the program to be funded exclusively with federal funds since SFY 2017. The Centers for Medicare and Medicaid (CMS) has released e-FMAP adjustments for future fiscal years and the state of Georgia is expecting to receive a decreased federal match due to changes in federal legislation.

DHS should continue to monitor uncertainty regarding federal fund sources

The Federal Transit Administration (FTA) 5310 Grant, used by Coordinated Transportation of DHS, is apportioned based on the population of older adults and people with disabilities in areas designated as large urbanized, small urbanized, or rural. Before FY 2015, Georgia was granted a lump sum, which could be allocated as needed. After the change, DHS has found it difficult to serve rural communities, where more assistance is needed due to lack of alternative resources. DHS should continue to monitor the FTA 5310 grant for the impact that funding restrictions will have upon rural Georgians.

With the implementation of the *Family First Prevention Services Act* (FFPSA), Foster Care Title IV-E monies must be used for services to prevent children from being separated from their families. This funding shift is restrictive in the ways that DHS can be reimbursed for eligible Title IV-E services. Due to the complexities associated with cost allocation, DFCS and DHS should continue to monitor the impact of FFPSA during implementation for its potential impact upon the state's budget.

The United States House of Representatives Committee on Ways and Means passed House Resolution 5861, which is a proposed law suggesting a reauthorization and conversion of the TANF program into the Jobs and Opportunities with Benefits and Services (JOBS) program. This proposed law will have a significant impact upon Georgia's child welfare system due to the reduction of the state's ability to use TANF and third party Maintenance of Effort (MOE). The impact upon Georgia is an estimated \$241 million to \$262 million. DHS should continue to closely monitor this proposed law and continue to analyze its impact upon the state's budget.

New Human Resources (HR) positions and revisions to internal processes have addressed agency customer service needs

Through a series of reform initiatives intended to improve outcomes for some of Georgia's most vulnerable citizens, DHS has been appropriated an additional 963 positions since FY 2011; however, staffing levels within the Office of Human Resources (OHR) remained constant and did not keep pace with the added level of required HR workload associated with the increasing number of staff within DAS, DFCS, DCSS, and other administrative programs within

DHS. In fact, most HR studies show that the optimal HR representative to staff ratio is 1:100 - 1:120, while DHS exhibited a ratio of 1:145 in FY 2017. Additionally, DHS took approximately three months to fill a position.

In an effort to meet the complex workforce needs within DHS, the agency was appropriated an additional 25 HR employees. The additional HR employees decreased the HR representative to staff ratio to 1:107, which falls within best HR practice. Additionally, internal processes were revised and implemented in order to better meet the turnover and geographic demands associated with the DHS workforce. For example, prior to FY 2018, HR representatives did not have specializations and recruited and hired employees for DAS, DFCS, and DCSS using a paper-based process. Due to the unique challenges presented by each division, HR representatives now only hire employees for the division of which they are specifically assigned. HR Personnel Action Self-Service System (HR PASS), an electronic system, was also developed to streamline recruitment and hiring processes. With the creation of HR PASS, the time to fill positions has decreased to less than two months.

Performance measures should be added to monitor the program's 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. 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 workforce:

1. Agency turnover rate
2. Number of Supplemental Nutrition Assistance Program (SNAP) recovery referrals

Additionally, the following performance measures are recommended for deletion in FY 2020 and subsequent fiscal years:

1. Total funds expended for transportation
2. Percentage of Application Software Requests completed by the agreed upon date
3. Cost per trip for transportation services

Department of Human Services
ZBB Program: Departmental Administration

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Division of Family and Children Services Administration	Provides executive leadership for programs administered by the Division of Family and Children Services, as well as legal and fiscal services and staff training.	O.C.G.A. Title 49	74	\$8,819,463	\$18,993,343
Division of Aging Services Administration	Provides executive leadership for programs administered by the Division of Aging Services, as well as strategic planning and legal and financial services.	O.C.G.A. Title 49	28	5,984,668	6,722,828
Budget Administration	Establishes funding priorities for addressing major budgetary, legislative, policy, and administrative issues. Establishes an Annual Operating Budget for funds detailed in the appropriations act.	O.C.G.A. Title 49	11	1,477,116	1,477,116
Financial Services	Provides financial advice and guidance to program staff, ensuring compliance with federal and state financial regulations and establishing agency-specific financial policies and procedures.	O.C.G.A. Title 49	49	4,261,343	4,261,343
Information Technology	Supports application management, technology procurement, network services, and telecommunication services for all agency programs.	O.C.G.A. Title 49	90	22,523,816	60,871,130
Inspector General	Conducts audits and investigations to uncover fraud, waste, and abuse of agency programs.	O.C.G.A. Title 49	118	4,228,555	9,374,535
Facilities and Support Services	Manages facilities, office space and assets, response to emergencies, records management, risk management, fleet management, and transportation services.	O.C.G.A. Title 50	41	7,730,109	33,714,279
Procurement and Contracts	Plans, manages, and implements the procurement of goods and services; ensures all goods and services are procured in accordance with state rules and regulations and the policies and procedures of the agency.	O.C.G.A. Title 49	30	2,848,637	2,848,637
Human Resources	Develops policies, employee benefits, job titles, compensation, employee relations, performance management, organizational development, training, and ensures fair and lawful employment practices.	O.C.G.A. Title 49	49	5,088,929	5,088,929
General Counsel	Provides legal guidance on initiatives concerning child welfare and safety, family development and independence, aging services and enterprise functions.	O.C.G.A. Title 49	7	825,313	825,313
Legislative Affairs, Outreach, and Communications	Informs and educates the General Assembly and the public, corporate, nonprofit, and faith communities on issues related to the department's programs, services, and its customers' needs.	O.C.G.A. Title 49	26	1,979,632	1,979,632
Strategic Planning and Initiatives	Provides services designed to help plan and implement change to improve the ability to meet customers' needs by using a variety of assessment tools that identify opportunities for improvement and recommend solutions.	O.C.G.A. Title 49	6	780,820	780,820
Executive Leadership	Responsible for the implementation and management of social services programs administered by the agency.	O.C.G.A. Title 49	9	1,732,947	1,732,947

Enterprise Development	Manages the training, conference planning, and meeting management process for all departmental trainings and conferences.	7	962,566	964,566
Indirect Cost/ Departmental Support ⁶	Provides cost centers for the allocation of costs generated by the administrative functions of the agency.	O.C.G.A. Title 49	(12,760,245)	406,846
		Total	<hr/>	
			545	\$56,483,669 \$150,042,264

* (Listed in priority order as determined by Agency)

⁶ The negative FY 2019 State Funds of (\$12,760,245) associated with the Indirect Cost/Departmental Support key activity is a result of state funds that are budgeted as part of a cost pool related to the allocation of administrative activities within the agency.

Department of Human Services
 ZBB Program: Departmental Administration

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$41,554,333	\$46,295,385	\$51,300,552
Regular Operating Expenses	3,748,251	8,563,601	6,487,871
Motor Vehicle Purchases			
Equipment	52,920		55,988
Computer Charges	4,437,320	5,718,920	8,138,115
Real Estate Rentals	4,846,847	4,612,687	5,415,858
Telecommunications	13,085,965	17,357,340	3,541,142
Capital Outlay	176,361	61	
Contractual Services	44,219,708	57,270,541	52,283,735
Grants and Benefits	614,177	658,601	1,132,087
Other	(1,631,986)	(2,115,502)	(1,420,275)
Total Expenditures	\$111,103,896	\$138,361,633	\$126,935,073
Fund Type			
State General Funds	\$38,946,701	\$52,329,211	\$56,483,669
State General Funds- Prior Year		10,615,252	
Community Services Block Grant	\$189,574	142,145	\$119,889
Foster Care Title IV-E	\$5,885,747	8,187,515	\$6,881,365
Low-Income Home Energy Assistance	\$357,006	626,601	\$322,516
Medical Assistance Program	\$13,075,516	10,145,898	6,928,292
Social Services Block Grant	\$2,345,983	55,848	\$23,001
Temporary Assistance for Needy Families Block Grant	\$7,470,491	8,008,683	\$6,652,354
Federal Funds	30,567,892	34,074,083	36,005,533
Other Funds	13,814,986	14,176,398	13,518,454
Total Funds	\$112,653,896	\$138,361,633	\$126,935,073
Positions	462	489	527
Motor Vehicles	91	125	125

Department of Human Services
 ZBB Program: Departmental Administration

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 provide administration and support for the Divisions and Operating Office in meeting the needs of the people of Georgia.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Percentage of background investigations initiated by electronic fingerprinting technicians within 14 calendar days (Target 95%)	99%	98%	99%	99%
2. Number of Application Software Requests	471	586	640	638
3. Number of clients receiving transportation services	12,743	15,092	24,704	14,807
4. Number of trips provided by transportation services	2,258,614	2,300,539	2,264,002	2,164,229
5. Agency turnover rate (New)	N/A	N/A	N/A	N/A
6. Number of Supplemental Nutrition Assistance Program (SNAP) recovery referrals (New)	N/A	N/A	N/A	N/A



FY 2020 Zero-Based Budget Analysis

Department of Human Services ZBB Program: Family Connection

Executive Summary

- Family Connection utilizes state and federal funds to partner with local communities, policymakers, the private and public sectors, and families to improve the health and well-being of Georgia's children and families.
 - The program should adopt new performance measures to better describe workload, efficiency, and effectiveness.
-

Program Overview

Family Connection (FC) was created in 1991 to address the state of Georgia's low national ranking compared to other states in child well-being. FC started as a two-year pilot with 15 communities focusing on coordinating services for the educational, social, economic, and physical well-being of their youngest, most vulnerable citizens. By 2004, FC became a network of local collaborative organizations in each of Georgia's 159 counties. FC is administratively attached to the Department of Human Services (DHS).

Each county collaborative is committed to improving the health and well-being of children, families, and communities by identifying service gaps, advocating for system changes that will eliminate barriers and inefficiencies, and working toward better outcomes for all Georgians. Additionally, each county collaborative:

- Serves as the local decision-making body that works with public and private sector partners to assess community needs and resources to improve the quality of life for children and families;
- Provides resources to the community, local governments, and elected officials on human service needs and service delivery;
- Develops and implements strategic plans with community partners;
- Tracks and measures indicators of child, family, and community well-being; and
- Evaluates plans, strategies, and efforts to improve outcomes.

FC provides \$50,000 in state general funds to each county collaborative for capacity development. Primarily, state general funds are used as leverage and fund local FC community specialists when seeking out grants and other external funding streams. FC routinely publishes a newsletter with potential grant opportunities for county collaboratives. FC also receives Medicaid administrative matching funds through their partnership with the Department of Community Health. FC receives Medicaid funding for data collection, technical assistance, and outreach for county collaboratives.

Statewide Capacity Development

FC provides state general funds to support a community specialist in each of Georgia's 159 counties. Community specialists are the primary points of contact and identify, develop, and provide technical assistance and support that is tailored to meet the needs of each county. For example, community specialists manage county collaborative contracts and coordinate community stakeholder meetings on behalf of FC.

Data, Evaluation, and Research

FC is the state of Georgia's KIDS COUNT® grantee. KIDS COUNT® is a national report sponsored by the Annie E. Casey Foundation that tracks child well-being and provides high-quality data and analysis.⁷ FC utilizes data to develop relevant, practical, and applicable tools to inform partners and decision-makers about strategic decision-making and resource allocation. FC evaluates each county using 50 indicators of child, family, and community well-being. An example of a KIDS COUNT® data tool developed by FC is a map of the state of Georgia, which allows users to click on any county and see what other counties match the selected county according to several key indicators. This tool allows decision-makers in a given county to compare and contrast how other counties scored on a certain indicator, which promotes collaboration and partnerships across the state.

Another tool created by the data is an online calculator used to set improvement goals. The online calculator lets decision-makers and partners select their county and which indicator they would like to focus on. Counties can then choose how much they want to grow in that area and by what year. The calculator will then tell counties what they need to do every year to meet that goal. For example, if a county wanted to increase its graduation rate by 10 percent by the year 2020, the calculator would tell it how many more students would need to graduate each year to meet that goal.

Statewide Initiatives

Through the development of partnerships and research of communities' needs, counties are able to form data-driven decisions in creating initiatives to address issues facing Georgia as a whole. FC has created five statewide initiatives which are focused on indicators that drive child and family well-being, strengthen communities, and help Georgia prosper. In turn, all initiatives have programs that were created by county collaboratives to target more specific issues:

1. Healthy Children

The low birth weight prevention initiatives increase awareness of low birth weight and evidence-based programs to address the issue of low birth weight. The three initiatives are made possible through partnerships with the Annie E. Casey Foundation, Blank Family Foundation, Kaiser Permanente, Healthcare Georgia Foundation, Georgia Organics, and Food Oasis.

2. Children Primed for School

The "Get Georgia Reading" campaign is a collaboration of more than 100 private and public partners with the goal of increasing literacy proficiency in third graders across the state of Georgia. Overall, the "Children Primed for School" statewide initiative is made possible through partnerships with the Get Georgia Reading campaign cabinet members, Bright from the Start: Department of Early Care and Learning (DECAL), Georgia Early Education Alliance for Ready Students, Blank Family Foundation, and Annie E. Casey Foundation.

3. Children Succeeding in School

Early childhood health and education initiatives allow county collaboratives to develop and implement strategies that fit the needs of the communities to help children be ready to start school and read on grade level. The two initiatives are made possible through partnerships with the Annie E. Casey Foundation, Blank Family Foundation, and Get Georgia Reading campaign cabinet members.

4. Stable Self-Sufficient, Productive Families

The Great Start Georgia connects families with young children to resources and services across the state. The initiatives are made possible through partnerships with the Department of Public Health, Division of Family and Children Services of DHS, DECAL, and Georgia State University.

5. Thriving Communities

The Civic Health initiative helps counties develop strategies to improve the civic health within their communities based on local data on civic health, which is collected through the American Community

⁷ The Annie E. Casey Foundation is a private philanthropy based in Baltimore, Maryland that works across the country to help states create more innovative, cost-effective responses to issues negatively affecting children.

Survey of the United States Census Bureau. These initiatives are made possible through partnerships with Metis Associates, GeorgiaForward, Carl Vinson Institute of Government at the University of Georgia, National Conference on Citizenship, Community Foundation for Greater Atlanta, Community Foundation of Central Georgia, and Community Foundation of the Chattahoochee Valley.

Results and Recommendations

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

Performance measures are an integral component of the Zero-Based Budgeting (ZBB) process. Performance measures 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 process, new measures were developed and evaluated.

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

1. Number of technical assistance events
2. Number of Georgia KIDS COUNT® data tools

Additionally, the following performance measure is recommended for deletion in FY 2020 and subsequent fiscal years:

1. Number of counties with working Family Connection collaborative

Department of Human Services
 ZBB Program: Family Connection

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Statewide Capacity Development	Supports county-based family connection collaboratives through the management of grant allocations for each of Georgia's 159 counties and provides technical assistance and training that is tailored to support each county's specific needs.	O.C.G.A. Title 49		\$8,874,057	\$10,046,876
Data, Evaluation, and Research	Collects, compiles, and interprets data to inform stakeholders about the condition of Georgia's children and families in an effort to provide data-driven strategic decision-making.	O.C.G.A. Title 49		253,934	253,934
Administration	Provides strategic policy direction and linkage to state and regional resources for county-based family connection collaboratives and provides leadership of the agency.	O.C.G.A. Title 49		222,157	222,157
Total				\$9,350,148	\$10,522,967

* (Listed in priority order as determined by Agency)

Department of Human Services
 ZBB Program: Family Connection

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services			
Regular Operating Expenses		\$1,497	\$1,500
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Contractual Services	\$9,293,532	9,737,847	10,521,467
Grants and Benefits	790,320	668,653	
Total Expenditures	\$10,083,852	\$10,407,997	\$10,522,967
Fund Type			
State General Funds	\$8,812,968	\$9,051,113	\$9,350,148
Medical Assistance Program	1,270,884	1,356,884	1,172,819
Total Funds	\$10,083,852	\$10,407,997	\$10,522,967
Positions	0	0	0
Motor Vehicles	0	0	0

Department of Human Services
 ZBB Program: Family Connection

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 provide a statewide network of county collaboratives that work to improve conditions for Georgia's children and families.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Family Connection collaboratives' training satisfaction rate	90.94%	87.4%	90.8%	92.5%
2. Average dollar leveraged per state appropriated dollar by county collaborative (FY16 estimated amount)	4	4	4	4
3. Number of technical assistance events (New)	N/A	N/A	10,722	17,000
4. Number of Georgia KIDS COUNT data tools (New)	N/A	N/A	8	10



FY 2020 Zero-Based Budget Analysis

Georgia Bureau of Investigation ZBB Program: Criminal Justice Coordinating Council: Council of Accountability Court Judges

Executive Summary

- The Council of Accountability Court Judges program works in combination with the Criminal Justice Coordinating Council and the Judicial Council to provide oversight of the state's accountability courts.
 - The Council of Accountability Court Judges should evaluate its fidelity monitoring practices and staffing.
 - The program should add performance measures to better reflect program activities.
-

Program Overview

In the 2015 Legislative Session, House Bill (HB) 328 created the Council of Accountability Court Judges (CACJ), charging it with using the expertise of judges to improve the quality of Georgia's accountability courts. Accountability courts are a critical aspect of the Criminal Justice Reform initiatives meant to increase the opportunities and placement options for low-risk offenders while simultaneously working to reduce recidivism rates. CACJ resides within the Criminal Justice Coordinating Council (CJCC), which is administratively attached to the Georgia Bureau of Investigation.

CACJ works in tandem with the Judicial Council and CJCC program to provide the framework necessary for the functioning of accountability courts. The Judicial Council houses the judges of the council and the associated staff who develop and monitor certification for judges. CACJ is comprised of the following key activities: executive operations, business operations, financial management, and training. These activities enable this program to fulfill its statutory responsibilities.

CACJ's \$489,344 budget provides for three executive and administrative positions as well as conference fees associated with the council. CJCC and the Judicial Council coordinate with CACJ to provide grant specialists and judges' certification. Seven grant specialists within CJCC spend a portion of their workload processing funding requests and developing preliminary recommendations for the Council to review. This partnership allows for optimization of program resources while additionally providing CACJ with the expertise needed for accountability court improvement.

The program supports the Council by planning and implementing the processes, practices, and priorities of the Council. Additionally, CACJ oversees the fiscal functions of the Council and daily operations such as event planning, project management, training of accountability court staff, and fidelity maintenance. CACJ aims to ensure accountability court success by maintaining court adherence to Council standards. These standards and practices for all accountability court divisions are based on state and federal guidelines, with a state goal of reducing recidivism of offenders.

CACJ works with six distinct types of accountability courts - adult felony drug courts, mental health courts, veterans' courts, DUI courts, family courts, and juvenile courts - though it is possible to have a combination of the various types in one judicial circuit. Since implementation, the number of state certified accountability courts has grown to 149 with at least one in each judicial circuit. State grant funding for these courts resides in the CJCC program.

Local accountability courts must apply for state funding support by outlining which type of court and program will be used for treatment. The Official Code of Georgia Annotated Title 15 Chapter 1 Section 15 outlines that courts will ensure a risk and needs assessment in each case to identify the likelihood of recidivating and identify the needs that, when met, reduce recidivism. In order to ensure program success, CACJ oversees fidelity management to ensure that accountability court programs are operating consistently with the model and to maintain success through statistically predictable outcomes.

Results and Recommendations

Evaluate Fidelity Monitoring Practices and Staffing

In the 2017 Legislative Session, CACJ received funding for a treatment specialist to monitor accountability court treatment providers and to provide technical assistance to the courts. Under general supervision of the CACJ Executive Director, the treatment support specialist conducts research involving data collection and analysis, develops and implements policy, and ensures fidelity of the treatment programs. Examples of commonly used programs include Cognitive Behavioral Intervention (CBI) Therapy, Thinking for a Change (T4C), and Moral Recognition Therapy (MRT), which are required to be implemented in a consistent manner to achieve specified outcomes. The treatment specialist identifies trends, discrepancies, and variances to improve the efficiency and effectiveness of applicable operations. Fidelity monitoring staff provide high-level support for various projects, grants, contracts, implementation of procedures, and/or any specialized functions.

In December 2017, CACJ's treatment specialist produced a model fidelity handbook for the various accountability court programs outlining the assessment tools approved to determine risk and need, timelines for site visits, program curricula, and reporting guidelines. This guide outlines annual fidelity reviews for those in compliance and calls for additional visits for programs needing additional support. Similarly, it gives CACJ one month to complete the subsequent reports outlining results.

Fidelity reviews began in April 2018 with CACJ completing ten by the end of the fiscal year. Adequate time to realize productivity and workload for fidelity monitoring is needed. At this time the program has not conducted enough reviews to sufficiently determine workload. CACJ should monitor efficiency and effectiveness of one fidelity monitor to determine if additional resources are needed.

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. CACJ was established in 2015 and does not have any current reported performance measures. Through ZBB analysis, new measures were developed and listed below. As programmatic responsibilities shift during the legislative session, some performance measures may still be relevant to agency operations, but no longer accurately reflect the program in which they reside. Those measures should be transferred to another program to align performance measures with program activities.

New Measures:

- Number of business meetings held
- Number of training sessions completed
- Number of Accountability Court Program staff trained at the annual conference
- Number of fidelity reviews completed
- Percentage of fidelity reports completed within one month of site visit

The below measure should be transferred from CJCC to CACJ:

- Number of certified courts

Georgia Bureau of Investigation

ZBB Program: Criminal Justice Coordinating Council: Council of Accountability Court Judges

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Executive Operations	Plans and implements the processes, practices, and priorities of the Council, additionally oversees fiscal needs and supervision of related personnel; provides annual training conference to support continued development of accountability courts.	O.C.G.A. § 15-1-18	0.7	\$169,386	\$169,386
Business Operations	Provides administrative, event planning, project management, research, and communications support for the Council; supports fidelity monitoring for the program; and implements policy and processes to ensure fidelity of CJCC funded evidence-based treatment.	O.C.G.A. § 15-1-19	0.7	125,418	125,418
Financial Management	Provides budget, revenue, and accounting support to the Council; and supports high-level projects, grants, contracts, or any specialized functions.	O.C.G.A. § 15-1-18	0.5	94,540	94,540
Training	Provides training to accountability court staff to ensure adherence to rules and regulations concerning practices and reporting requirements.	O.C.G.A. § 15-1-19	1.1	100,000	100,000
Total			3	\$489,344	\$489,344

* (Listed in priority order as determined by Agency)

Georgia Bureau of Investigation

ZBB Program: Criminal Justice Coordinating Council: Council of Accountability Court Judges

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$240,676	\$316,786	\$322,165
Regular Operating Expenses	22,052	5,464	167,179
Motor Vehicle Purchases			
Equipment			
Computer Charges	1,500	9,460	
Real Estate Rentals			
Telecommunications			
Contractual Services	99,624	139,483	
Total Expenditures	\$363,852	\$471,193	\$489,344
Fund Type			
State General Funds	\$363,852	\$471,193	\$489,344
Total Funds	\$363,852	\$471,193	\$489,344
Positions	3	3	3
Motor Vehicles	0	0	0

Georgia Bureau of Investigation

ZBB Program: Criminal Justice Coordinating Council: Council of Accountability Court Judges

Performance Measures

Agency Mission:

To provide a unified framework that promotes and improves the quality, accessibility and, administration of Accountability Courts.

Program Purpose:

The purpose of this program is to support adult felony drug courts, DUI courts, juvenile drug courts, family dependency treatment courts, mental health courts, and veterans' courts, as well as the Council of Accountability Court Judges. No state funds shall be provided to any accountability court where such court is delinquent in the required reporting and remittance of all fines and fees collected by such court.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Number of business meetings held (New)	N/A	N/A	N/A	24
2. Number of training sessions completed (New)	N/A	N/A	N/A	19
3. Number of Accountability Court Program staff trained at the annual conference (New)	N/A	N/A	N/A	1,028
4. Number of fidelity reviews completed (New)	N/A	N/A	N/A	10
5. Percentage of fidelity reports completed within one month of site visit (New)	N/A	N/A	N/A	100%
6. Number of certified courts (New)	113	126	139	149



FY 2020 Zero-Based Budget Analysis

Department of Law ZBB Program: Law

Executive Summary

- The Department of Law represents the state of Georgia by providing legal representation to departments and officials within state government.
 - The Law program is comprised of eight disciplines of law that carry out the constitutional and statutory responsibilities of the Attorney General.
 - The agency should report new performance measures to more effectively demonstrate the efficiency and retention of staff within the program.
-

Program Overview

The Office of the Attorney General is a constitutional office that derives its authority from both the Georgia Constitution and the Official Code of Georgia Annotated (O.C.G.A.) Title 45 Chapter 15. The Attorney General, as head of the Department of Law and chief legal officer of the state, is authorized to institute and conduct investigations at any time into the affairs of the state and its departments and agencies or the official conduct of any state official or employee, as well as the affairs of any person, firm, or corporation for violations in their dealings with the state.

The Department of Law is divided into two programs: Law and the Medicaid Fraud and Control Unit. As the largest program of the two, Law is comprised of three primary activities: administration, legal services, and consumer protection. This program employs a total of 275 positions and represents a total budget of \$68 million with \$30.7 million reflected in State Funds.

Administration

The agency's administration office consists of 29 positions that provide support to the agency to execute all programmatic activities. The staff includes executive leadership and administrative support, as well as human resources, information technology, and financial management positions that manage day-to-day operations for the agency. Currently the executive leadership consists of the Attorney General (AG), Chief Deputy Attorney General, Chief of Staff, Communications Director, and External Affairs and Policy Director. The AG is the chief legal officer and advisor to the State of Georgia and oversees the Department of Law. The Chief Deputy Attorney General oversees all the legal divisions within the department and is responsible for advising the AG and making decisions on all high-level, significant legal matters that impact the department and the state. The Chief of Staff is responsible for oversight of non-legal matters that arise within the agency specific to administrative functions and external communication. This activity and associated staff ensure that the essential functions and statutory requirements of the agency are met.

Legal Services

The legal services activity of the program is divided into seven major specialized divisions that provide legal representation and advice and defend actions and proceedings on behalf of the State of Georgia. The divisions within the legal services key activity include: Regulated Industries and Professions, Commercial Transaction and Litigation, Criminal Justice, General Litigation, Government Services and Employment, Special Prosecutions Unit, and the Solicitor General's Unit. These divisions represent the state of Georgia in both civil cases and criminal

appeals and in cases appearing before the state and federal Supreme Court. If the state is a party represented in a criminal appeal, the department works collaboratively with local district attorneys to prepare briefs and present arguments in front of any state or federal tribunal hearing. Additionally, the Department of Law prosecutes public corruption cases as well as prepares and reviews contracts and agreements on behalf of the State of Georgia.

Consumer Protection Unit

During the 2015 Legislative Session, the responsibility of consumer protection was transferred from the Office of the Governor to the Department of Law per Senate Bill 148. Effective July 1st, 2015, 65 positions, two vehicles, and associated funding of \$5,342,964 were transferred to the Department of Law for the administration of the Consumer Protection Unit (CPU).

Although the agency's primary function is to provide internal legal representation to the state which represents an indirect benefit to citizens, a Georgian may engage directly with the Attorney General's office through the Consumer Protection Unit. This division works to protect consumers and legitimate business enterprises from unlawful, deceptive, and unfair practices in the marketplace by enforcing the Fair Business Practices Act and providing consumer education. This unit pursues civil and criminal enforcement of violations of this act in addition to the enforcement of Georgia's Lemon Law §10-1-780, the Debt Adjustment Act §18-5-1 et seq., the Do Not Call Law §46-5-27, the Sale of Business Opportunities and Multilevel Distribution Companies Act §10-1-10 et seq., the Buying Services Act §10-1-590 et seq., and the Charitable Solicitations Act §43-17-1 et seq.. During 2017, this unit investigated numerous allegations related to unlawful practices in used car sales, automotive repair, debt relief services, predatory lending, and misrepresentation of home improvement repairs and services. While this agency does not represent an individual consumer, it may take legal action on behalf of the state for the greater public good to protect other consumers and to leverage restitution for those victimized by unfair practices. In addition to levying civil fines and fees against those who violate consumer protection laws, this unit can also issue cease and desist letters, file legal action, and seek injunctive relief, as well as pursue criminal charges for individuals or companies who commit identify theft or fraud.

As consumer complaints evolve in response to changes in deceptive tactics and practices, the workload of the consumer protection unit changes as well. Consumer education represents a vital part of this unit's mission by providing widespread public awareness of identified deceptive practices and consumer rights within the marketplace. The unit monitors national consumer trends as well as those that are increasingly prevalent within Georgia to tailor consumer information and alerts to reach a broad audience. Some recent accomplishments of this unit include several measures taken to protect vulnerable populations such as the elderly, economically disadvantaged, and the military community. Specifically, the agency recently released a new resource guide called "The Georgia Consumer Protection Guide for Older Adults" to empower a population that is often targeted with fraudulent schemes. This guide details potential scams and provides information to families and caregivers which will enable them to make informed decisions within the consumer industry. Through the enforcement of the Georgia Fair Business Practices Act, CPU has investigated and entered into settlements with numerous title pawn companies which were cited with predatory tactics that took advantage of consumers who were experiencing financial distress. Additionally, this unit created a free mobile application designed specifically for Georgia-based military service members, veterans, and their families. The military consumer mobile application, "Basic Training," complements the Georgia Military Consumer Protection Guide, which outlines types of business practices that may take advantage of service members and their families as well as outlining additional protections under the Military Lending Act by providing easily accessible and periodically updated information.

Results and Recommendations

Recruitment and Retention of Assistant Attorney Generals

Historically, this agency has experienced elevated turnover in the assistant attorney general job series. However, from FY 2016 to FY 2018, the agency recognized a 58 percent reduction in attorney turnover. In recognition of the challenges to recruitment and retention for agency attorney positions related to competitive pay and geographic

variability, the agency implemented the Honors Fellowship Program and continues to rely on the utilization of Special Assistant Attorney Generals (SAAGs) to address gaps in staffing.

Established in Spring 2016, the Honors Fellowship Program recruits high performing students from Georgia-based law schools as well as Georgia natives who attend law schools outside of Georgia and who want to return home to serve the State. This two-year program selects three candidates per year who will graduate or have graduated from an accredited law school. The fellowship program provides exposure to a wide variety of law specializations and associated tasks ranging from discovery and brief writing to depositions and court room experience. At the conclusion of the fellowship, the intent is for fellows to transition to permanent employment within the Department of Law. The inaugural fellowship class finished the two-year program in September 2018.

In years that experience high turnover, the agency may rely on the use of SAAGs to address staffing shortages or to respond to increased demand for services. A SAAG is a private attorney hired by the Department of Law to work on behalf of the Attorney General and provide legal representation as authorized in O.C.G.A. § 45-15- 4. To account for caseload variability that can change throughout the year, the agency conducts an analysis and considers hiring a SAAG to prosecute on behalf of the State when it is efficient and economical to do so. SAAGs are also utilized to address geographic variability in which work of the Department of Law may occur in one of the 159 counties within Georgia or outside of the state. To ensure that SAAGs are providing quality representation, the department oversees and manages the SAAG process and coordinates and communicates with the client entity in a manner that reflects the best value to the state through effective and efficient representation.

Collections process for civil penalties in the Consumer Protection Unit

The Consumer Protection Unit collects non-appropriated funds for the reimbursement of multi-state settlement agreements, agency orders, and court orders. Pursuant to O.C.G.A. §10-1-381, these court orders and settlement agreements are the outcome of a process initiated by a consumer complaint submitted to the CPU. After receiving a complaint, CPU investigators evaluate the complaint to determine legitimacy. If it is a legitimate complaint, then CPU attorneys engage the offending company to work out a resolution. From there, the court will specify where funds collected under judgment will be disbursed. After consumer restitution is paid, the Attorney General's Office may be reimbursed for attorneys' fees and other costs of investigation and litigation. Civil penalties collected can be disbursed to the Consumer Education fund up to the state appropriated amount of \$167,689. Any amount of civil penalties which exceeds the appropriation shall be disbursed to the state general fund.

New performance measures should be added to monitor program 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. The Office of Planning and Budget will continue to work with the department to ensure performance measures are annually updated into the Planning and Budget Cloud Services (PBCS) system. Through ZBB analysis, additional measures were developed and evaluated to supplement existing program performance measures.

The following is a list of new performance measures:

- Number of hours billed by Special Assistant Attorney Generals to the Department of Law
- Staff Attorney turnover rate

Department of Law
ZBB Program: Law

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Administration	Provides support to the agency to carry out all programmatic activities. The staff includes executive leadership and administrative support, as well as human resources, information technology, and financial management positions that manage day-to-day operations for the agency.	O.C.G.A. § 45-15	29	\$3,242,436	\$7,171,114
Legal Services	Legal services within the Department of Law is divided into seven major divisions that provide legal representation and advice to the executive branch and defend actions and proceedings on behalf of the State. These divisions include: Regulated Industries and Professions, Commercial Transaction and Litigation, Criminal Justice, General Litigation, Government Services and Employment, Special Prosecutions Unit, and the Solicitor General's Unit.	O.C.G.A. § 45-15	197	22,026,202	48,714,116
Consumer Protection Unit	The Consumer Protection Unit works to protect consumers and legitimate business enterprises from unlawful, deceptive, and unfair practices in the marketplace. This is done through enforcement of the Fair Business Practices Act and through consumer education.	O.C.G.A. § 10-1-381; 10-1-382; 10-1-390; 10-1-780	49	5,478,598	12,116,709
Total			275	\$30,747,236	\$68,001,939

* (Listed in priority order as determined by Agency)

Department of Law
 ZBB Program: Department of Law

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$31,824,486	\$31,926,885	\$30,490,774
Regular Operating Expenses	1,542,311	1,912,393	1,238,564
Motor Vehicle Purchases			
Equipment	768,000	14,400	
Computer Charges	1,440,000	1,096,558	488,522
Real Estate Rentals	1,286,132	1,286,127	1,281,002
Telecommunications	324,000	358,950	124,629
Contractual Services	58,186,974	46,507,758	34,378,448
Total Expenditures	\$95,371,903	\$83,103,071	\$68,001,939
Fund Type			
State General Funds	\$29,720,325	\$30,466,559	\$30,747,236
Other Funds	65,644,956	29,350	37,254,703
Federal Funds	6,622	52,607,162	
Total Funds	\$95,371,903	\$83,103,071	\$68,001,939
Positions	275	275	275
Motor Vehicles	3	3	3

Department of Law
 ZBB Program: Law

Performance Measures

Agency Mission:

The mission of the Department of Law is to serve the citizens of the state of Georgia by providing legal representation of the highest quality to the agencies, officers, and employees of state government and by honorably carrying out the constitutional and statutory responsibilities of the Attorney General.

Program Purpose:

The purpose of this program is to serve as the attorney and legal advisor for all state agencies, departments, authorities, and the Governor; to provide binding opinions on legal questions concerning the state of Georgia and its agencies; and to prepare all contracts and agreements regarding any matter in which the State of Georgia is involved.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Agency turnover rate	10.34%	14.44%	17.25%	8.99%
2. Percentage of payments made by check	59.34%	53.95%	47.53%	24.44
3. Number of complaints and inquiries received and responded to by the Consumer Protection Unit	19,027	17,057	16,260	18,143
4. Number of hours billed by Special Assistant Attorney Generals to the Department of Law (New)	484,302	511,030	647,776	538,234
5. Staff Attorney turnover rate (New)	N/A	N/A	N/A	N/A



FY 2020 Zero-Based Budget Analysis

Department of Law

ZBB Program: Medicaid Fraud Control
Unit

Executive Summary

- The Georgia Medicaid Fraud Control Unit prosecutes criminal Medicaid fraud, protects vulnerable patients from abuse, and recovers millions of Medicaid dollars for the state.
 - The program should establish new performance measures and revise existing measures to better demonstrate the caseload of the program and more accurately represent the program's efficiency.
-

Program Overview

The Georgia Medicaid Fraud Control Unit (MFCU) protects the Medicaid program in Georgia and its patients from fraud and abuse and upholds the federal and state laws governing Medicaid. The MFCU investigates and prosecutes criminal Medicaid fraud, which includes billing for services not provided or not needed, double billing or over billing the Medicaid program, billing for a service that is more sophisticated or expensive than the one provided (up-coding), kickbacks between healthcare providers and/or equipment suppliers, and patient abuse and neglect cases. The Georgia MFCU also represents the state in false claims and qui tam cases, also known as whistle blower cases. Private citizens bringing qui tam referrals to the state are entitled to a portion of the recovery if the state decides to prosecute the case. The MFCU recovers federal and state healthcare funds that are obtained illegally by healthcare providers. It has sole jurisdiction to prosecute these cases; Medicaid recipient fraud falls under the jurisdiction of the Department of Community Health. The MFCU is federally certified by the United States Department of Health and Human Services' Office of the Inspector General (OIG) and is required to recertify annually. The OIG frequently conducts onsite reviews of state MFCUs and publishes an annual report compiled of self-reported data on the caseload, outcomes, and recovery of state MFCUs.

The MFCU was created in 1995 and operated as a joint task force comprised of the Georgia Department of Law, the Georgia Bureau of Investigation, and the Georgia Department of Audits and Accounts. An executive order signed on December 21, 2010, consolidated the Georgia Medicaid Fraud Control Unit with the Georgia Department of Law and went into effect July 1, 2011. This move created the MFCU as a separate entity, as required under federal law, thus allowing the unit to receive federal funds, which cover 75 percent of the program's operating costs. In 2013, a Civil Unit was formed to focus on investigating and prosecuting Medicaid qui tam and state false claims cases and recovering Medicaid funds.

The Georgia MFCU is comprised of attorneys, auditors, investigators, nurse investigators, intelligence analysts, and administrative staff. The MFCU works on cases in teams composed of an attorney, auditor, one or two investigators, one nurse investigator, and an analyst. These teams may work on criminal and/or civil cases and utilize a cross-disciplinary approach to prosecuting Medicaid fraud. In total, it employs 50 positions and operates on a \$4.9 million budget. The MFCU works to recover millions of taxpayer dollars for the state each year through court-ordered Medicaid restitution, fines, and fees; in FY 2017, \$317,974,744 was recovered by the MFCU's actions.

The primary activities of the Georgia MFCU are investigation of Medicaid fraud claims, auditing suspected providers, prosecuting and settling Medicaid fraud cases, and administrative and research functions that support the program's primary activities.

Investigation

The MFCU's investigators conduct interviews with potential witnesses, subject matter experts, and defendants to collect evidence of potential criminal activity or civil wrongdoing. While onsite, they collect records and data from the suspected practice. Investigators also perform evidence custodial duties: recording what items and documents are brought in and maintaining a record of where they are stored so that they can be easily recalled during trial proceedings. Investigators also aid attorneys in preparing subpoenas. Nurse investigators inspect medical records and treatments for abnormalities that may tip off fraudulent activity. Their expertise is used to interpret Medicaid billing codes and to ensure proper documentation is present for the treatments and procedures in the record.

Legal

The legal activities of the MFCU are carried out by its attorneys. They prosecute criminal Medicaid fraud, patient abuse, and neglect cases; represent the state of Georgia in civil qui tam and false claims cases; and recover federal and state healthcare funds. The attorneys also prepare subpoenas for witnesses that may be necessary for the prosecution process.

Administration and Support

The MFCU maintains a support staff who provide administrative and technical assistance to the criminal and civil investigation teams. The intelligence analysts run background checks, public records requests, and database queries to provide information for interviews and criminal proceedings. They also prepare documents and presentations for trial. Paralegals aid in preparing subpoenas and serving them to witnesses.

Auditing

Auditors at the MFCU analyze providers' Medicaid claims history to identify patterns of irregular, suspicious behavior that might constitute a credible allegation of fraud. They examine bank records to follow the trail of any fraudulently acquired money. The auditors also quantify Medicaid overpayment to providers and prepare charts and data visuals for trial.

Results and Recommendations

Update and Revise 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. Through ZBB analysis, additional measures were developed and evaluated to supplement existing program performance measures. In addition, existing measures have been revised to better inform the reader of critical activities being performed by the program. During this analysis, some measures have been identified for removal for being outdated, repetitive, or not representative of the program's current activities.

The following is a list of new performance measures:

- Number of active investigations
- Number of subpoenas issued

The following is a list of revised performance measures:

- Revise measure of Percentage of cases resolved within one year to:
 - Average age of investigations concluded

The following is a removed performance measure:

- Average collections per auditor

Department of Law
 ZBB Program: Medicaid Fraud Control Unit

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Investigation	Conduct interviews, perform evidence custodial duties, aid in preparing subpoenas, inspect medical records and treatments for abnormalities, interpret Medicaid codes, ensure proper Medicaid documentation is present, and perform onsite data and records collection.	O.C.G.A. §45-15-30	19	\$495,143	\$1,803,565
Legal	Prosecutes criminal Medicaid fraud, patient abuse, and neglect cases; represents the state of Georgia in civil qui tam and false claims cases; recovers federal and state health care funds; and files subpoenas.	O.C.G.A. §49-4-146.1; 49-4-168; 30-5-1-10; 45-15-30	10	408,672	1,488,599
Administration and Support	Provide administrative and technical assistance; run background checks, public records requests, and database queries; prepare documents and presentations for trial; and aid in preparing subpoenas.	O.C.G.A. §45-15-30; 45-15-32	13	252,046	918,083
Auditing	Analyze providers' Medicaid claims history, examine bank records, quantify Medicaid overpayment to providers, and prepare charts and data visuals for trial.	O.C.G.A. §45-15-30	8	206,512	752,227
Total			50	\$1,362,373	\$4,962,474

* (Listed in priority order as determined by Agency)

Department of Law
 ZBB Program: Medicaid Fraud Control Unit

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$4,416,669	\$4,233,131	\$4,397,860
Regular Operating Expenses	159,980	127,822	157,348
Motor Vehicle Purchases			
Equipment			
Computer Charges	129,313	168,674	14,483
Real Estate Rentals	261,163	261,163	267,984
Telecommunications	61,697	56,274	123,799
Contractual Services		539	1,000
Total Expenditures	\$5,028,822	\$4,847,603	\$4,962,474
Fund Type			
State General Funds	\$1,268,687	\$1,211,880	\$1,362,373
Other Funds			2,111
Federal Funds	3,766,756	3,635,722	3,597,990
Total Funds	\$5,035,443	\$4,847,602	\$4,962,474
Positions	50	50	50
Motor Vehicles	1	1	1

Department of Law
 ZBB Program: Medicaid Fraud Control Unit

Performance Measures

Agency Mission:

The mission of the Department of Law is to serve the citizens of the state of Georgia by providing legal representation of the highest quality to the agencies, officers, and employees of state government and by honorably carrying out the constitutional and statutory responsibilities of the Attorney General.

Program Purpose:

The purpose of the Georgia Medicaid Fraud Control Unit is to serve the public, uphold and enforce the law, investigate and prosecute fraud and abuse by providers in the Georgia Medicaid program, and protect vulnerable patients from abuse.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Number of cases opened	253	240	199	159
2. Number of investigations concluded	211	214	168	148
3. Number of active investigations (New)	456	495	514	N/A
4. Average age of investigations concluded (Revised)	N/A	N/A	N/A	N/A
5. Dollar value of recovery	\$7,136,160	\$38,732,318	\$317,974,744	\$26,542,783
6. Number of subpoenas issued (New)	282	231	300	N/A



FY 2020 Zero-Based Budget Analysis

State Board of Pardons and Paroles ZBB Program: Board Administration

Executive Summary

- The State Board of Pardons and Paroles issues pardons and paroles to eligible offenders using a data driven approach to maximize public safety and to provide offenders with a chance to demonstrate positive change.
 - The purpose of the Board Administration program is to provide administrative support for the agency.
 - The agency should transfer administrative positions to the Board Administration program to more accurately reflect the workload of the program.
 - The agency should revise and add new performance measures to reflect the administrative functions of the program.
-

Program Overview

The State Board of Pardons and Paroles (SBPP) is the sole entity authorized to administer and grant executive clemency. The agency's responsibilities are outlined both in the state constitution Article 4 and Chapter 9 of Title 42 of the Official Code of Georgia Annotated. The role of the Board Administration program is to provide support services to the Clemency Decisions and Office of Victim Services programs.

In FY 2016, through executive order, \$3,849,785 in state funds and 25 positions were transferred from SBPP's Board Administration program to the newly created Department of Community Supervision's Administration program as part of an organizational restructure. In FY 2017, an additional \$110,920 and two positions were transferred to DCS' Departmental Administration.

The Board Administration program consists of five positions that support an agency staff of 201 individuals. Their responsibilities include financial and human resources management.

Financial Management Unit

The three positions within the financial management unit conduct budget and accounting services to ensure all state and federal financial requirements are met. The unit also manages the contract with the Department of Community Supervision for IT and procurement services, which are shared procurement and IT services between the Department of Community Supervision, the Commission on Family Violence, and the State Board of Pardons and Paroles.

Human Resources

The positions in the Human Resources unit perform benefits administration, build employee relations, process personnel transactions, and provide strategic and operations services for recruitment.

Results and Recommendations

Transfer Administrative Positions to the Board Administration Program

A number of administrative positions are currently being funded out of the Clemency Decisions program. As these positions perform administrative functions that support the entire agency, their personal services and related

operating costs should be reflected in the Board Administration program. The following positions have been identified for transfer to the Board Administration program.

Executive Director	Administrative Support Supervisor
Deputy Executive Director	Agency Affairs Coordinator
Public Affairs Director	Support Operations Director
Professional Standards and Compliance Administrator	Mental Health and Employee Assistance Program Coordinator
Investigations Director	Accountant 3

In total, the agency should transfer 10 positions and \$1,439,071 from the Clemency Decisions program to the Board Administration program.

Revise and add new performance measures

Performance measures are an integral component of the Zero-Based Budget (ZBB) process. Performance metrics should not only track the workload, efficiency, and effectiveness of the program, but should also be appropriate and relevant to the policy goals of the agency and state as a whole. The Office of Planning and Budget will continue to work with the department to ensure performance measures are annually updated into the Planning and Budget Cloud Services (PBCS) system. Through ZBB analysis, additional measures were developed and evaluated to supplement existing program performance measures. As programmatic responsibilities shift during the legislative session, some performance measures may still be relevant to agency operations but no longer accurately reflect the program in which they reside. Those measures should be transferred to another program to align performance measures with program activities.

The following is a list of new performance measures:

- Number of financial audit findings
- Agency turnover rate
- Percentage of electronic payments by ACH

The below measure should be transferred to the Clemency Decisions program:

- Number of Board clemency votes

State Board of Pardons and Paroles
 ZBB Program: Board Administration

Key Activities

Activity*	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Financial Management	Provides budget, revenue, and accounting support to the agency; ensures that federal and state requirements are met; and reports financial and tax information. These positions are also responsible for monitoring and managing the contract with the Department of Community Supervision for IT and procurement services and the shared services contract with the State Accounting Office for payroll services.	O.C.G.A. §42-9-9	3	\$841,689	\$841,689
Human Resources	Provides both operational and strategic services for recruitment and selection of new hires; oversees benefit administration; and provides support and assistance to agency employees.	O.C.G.A. §42-9-9	2	281,170	281,170
Total			5	\$1,122,859	\$1,122,859

* (Listed in priority order as determined by Agency)

State Board of Pardons and Paroles
 ZBB Program: Board Administration

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$626,504	\$673,335	\$674,407
Regular Operating Expenses	63,045	68,124	75,052
Computer Charges	52,927	76,215	43,500
Telecommunications	11,242	6,676	10,900
Contractual Services	328,930	319,029	319,000
Total Expenditures	\$1,082,648	\$1,143,379	\$1,122,859
Fund Type			
State General Funds	\$1,080,742	\$1,112,447	\$1,122,859
Other Funds	1,906	30,932	
Federal Funds			
Total Funds	\$1,082,648	\$1,143,379	\$1,122,859
Positions	6	5	5
Motor Vehicles	0	0	0

State Board of Pardons and Paroles
 ZBB Program: Board Administration

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 administrative support for the agency.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Number of Board clemency votes*	69,200	64,695	71,969	75,040
2. Percentage of invoices paid within 30 days	96%	88%	95%	94%
3. Agency turnover rate (New)	8.5%	1.9%	1.2%	1.1%
4. Number of financial audit findings (New)	0	0	0	0
5. Percentage of electronic payments by ACH (New)	66.6%	65.4%	68.1%	73.1%

* Transfer to the Clemency Decisions program.



FY 2020 Zero-Based Budget Analysis

Board of Regents

ZBB Program: Veterinary Medicine
Experiment Station

Executive Summary

- The Veterinary Medicine Experiment Station supports research and training on animal diseases and provides diagnostic testing services to animal owners and the livestock industry.
 - The agency should work with the Office of Planning and Budget to track and reflect the program's extramural research funds.
 - The agency should utilize standard object classes in order to provide more detail on the program's budget and expenditures.
 - The agency should report new performance measures to better demonstrate the workload and effectiveness of the program.
-

Program Overview

The Veterinary Medicine Experiment Station (VMES), established in the 1976 Appropriations Bill as a program in the Board of Regents of the University System of Georgia (BOR), conducts research and training focused on improving animal and human health and eliminating animal diseases. VMES services, personnel, and operations integrate with the College of Veterinary Medicine (CVM) at the University of Georgia. VMES research and training occur at CVM facilities including the Poultry Diagnostic and Research Center (PDRC) in Athens, Clarke County; two Diagnostic Laboratories in Athens and Tifton, Tift County; two farms in Athens and Watkinsville, Oconee County; and research laboratories in Athens. PDRC and VMES researchers conduct animal research and train students to help eliminate animal diseases. In addition, VMES staff provide diagnostic services to assess, monitor, and evaluate animal diseases.

VMES funds support personal services and operating expenses, including food, bedding, laboratory supplies, experiment machine rentals, experiment animal costs, procedure costs, chemicals, and testing costs. In FY 2018, the VMES expenditures totaled \$2,989,260, all of which is funded with state funds. Approximately 81 percent of VMES budget supported personal services, and 19 percent supported general and departmental operating expenses in FY 2018. VMES capabilities help equip and prepare the state to contain and prevent animal disease issues that can result from naturally occurring diseases, such as bladder cancer, unnaturally occurring diseases, such as food chain contamination, or the introduction of foreign animal diseases.

VMES state funds increased by 75 percent between FY 2016 and FY 2019, which included \$232,500 for two veterinarians dedicated to food animal practice and \$93,750 for a laboratory supervisor and a laboratory technician at PDRC in FY 2018. Increased funding expanded the availability of critical veterinary services to cattle farmers in rural Georgia in FY 2018 and led to an increase in the poultry center's capacity for processing samples from 400 samples per day in FY 2016 to 1,200 samples per day in FY 2018.

Poultry Diagnostic and Research Center

PDRC provides diagnostic services and conducts research related to poultry and agricultural medicine. Farmers and poultry companies may bring animals to the PDRC Diagnostic Services and Teaching Laboratory, or PDRC staff may conduct field visits to observe diseased livestock and perform tests evaluating poultry illnesses. PDRC animal care facilities include 22 colony research rooms, over 130 isolation units, four poultry houses, and three hatcheries. Specific examples of PDRC diagnostic services include bacteriology salmonella culture and serogrouping,

toxicology pesticide screening, and fungal isolation and identification. In FY 2018, PDRC performed 60,997 diagnostic laboratory accessions which resulted in \$1.77 million in fee income reflected in the Teaching program in the BOR budget. After interpreting test results, PDRC staff conducts research to develop vaccines for treatment and create new, more accurate and efficient diagnostic tests to pinpoint the source of illness. PDRC staff also conduct research pertaining to nutrition, food safety, and food quality to mitigate risks to humans. VMES state funds support 20 PDRC positions, including facilities and business managers, research professionals, assistant professors, and laboratory technicians in FY 2019.

In addition, PDRC provides educational research opportunities to undergraduate students in the College of Agriculture and CVM students pursuing specialty degrees such as the Master of Avian Medicine, Master of Avian Health and Medicine, and Master of Veterinary and Biosciences at the University of Georgia. In FY 2019, six students enrolled in the Master of Avian Medicine degree program and 14 students enrolled in the Master of Avian Health and Medicine online degree program. Students in these programs engage in lab workshops, lectures, and internships with PDRC researchers to learn and practice research methods. Students also assist in writing for research journal publications and observe diseased poultry animals during in-house and in-field visits under the guidance of PDRC staff. Field service visits are free for clients and often used as teaching opportunities for students. Although there are other poultry research centers such as the National Poultry Research Center, PDRC is the only poultry research center in the country that engages in poultry research, diagnostic services, and training for students.

Veterinary Research

VMES also supports animal disease research at CVM. Currently, VMES state funds support 11 research positions, such as associate professors, laboratory technicians, and research professionals in the Food Animal Group, Large Animal Medicine, and Animal Health Research Center within CVM. Research personnel perform tests and conduct animal disease experiments in research laboratories, while equine and bovine research takes place on two farm properties. In addition, researchers evaluate and monitor the effectiveness of health measures and conduct diagnostic tests to help prevent the spread of animal diseases at the Veterinary Diagnostic Laboratories.

VMES researchers also train students pursuing degrees such as the Doctor of Veterinary Medicine - Master of Public Health, Doctor of Toxicology, Doctor of Infectious Diseases, and Master of Food Animal Medicine at CVM. These students assist with writing for research journal publications and animal disease research projects in laboratories and on farms. After students receive experiential research training, they may specialize in a specific research field of interest, such as radiation therapy, canine disease, or bovine disease upon graduation.

In FY 2018, CVM collected \$34,823,378 in extramural research funds as a result of grants and contracts. All of these funds, reflected in the Teaching program in the BOR budget, are used to support VMES and CVM research. In FY 2017, the United States Department of the Army provided \$1,017,724 to support research on using the vaccine self-assembling immune matrix delivery method to enhance malaria vaccine efficacy, and the Carter Center provided \$199,852 to fund experimental studies on dogs as hosts for Guinea worm.

Examples of published research as a result of VMES funds and extramural research funding include reports on pigs with severe combined immunodeficiency who are impaired in controlling influenza and vaccinations against infectious bronchitis virus. Results from these studies include findings of a lack of adaptive immune response in pigs with severe combined immunodeficiency. Studies also highlight infectious bronchitis virus controls, including vaccines and development of immunity.

Results and Recommendations

CVM generated \$34,823,378 in extramural research funding in FY 2018 which is not included in the program's budget. The agency should work with the Office of Planning and Budget to better track spending for VMES research activities and reflect extramural research funds as other funds in the VMES budget.

In the Planning and Budget Cloud Services (PBCS) system, VMES currently utilizes two object classes, Personal Services and Operating Expenses - General and Departmental, which do not provide a detailed depiction of how program funds are utilized. The agency should better reflect the program's budget and expenditures by utilizing the

standard object classes of personal services, regular operating expenses, motor vehicle purchases, equipment, contractual services, and grants and benefits.

Performance measures are an integral component of the Zero-Based Budgeting analysis. VMES should report new measures to better demonstrate the program's workload and effectiveness. The Office of Planning and Budget will continue to work with VMES to ensure new performance measures are updated annually.

The following is a list of new performance measures:

- Number of poultry birds impacted by Poultry Diagnostic and Research Center visits
- Number of diagnostic lab services provided by the Poultry Diagnostic and Research Center

Board of Regents of the University System of Georgia
 ZBB Program: Veterinary Medicine Experiment Station

Key Activities

Activity	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget ¹
Poultry Diagnostic & Research Center (PDRC)	PDRC provides diagnostic services and conducts research to advance poultry and agricultural medicine. PDRC faculty and staff also train undergraduate students in the College of Agriculture and students pursuing specialty degrees such as the Master of Avian Medicine to treat poultry animals and research poultry disease at the University of Georgia in Athens, Clarke County. Examples of PDRC services to poultry animals include bacteriology salmonella culture and serogrouping, toxicology pesticide screening, and fungal isolation and identification.	Appropriations Bill	20	\$1,881,634	\$1,881,634
Veterinary Research	Professors and research professionals conduct and publish research that develops vaccines and improves diagnostic evaluations to advance veterinary medicine. Animal disease research takes place at research laboratories in Athens, while equine and bovine research takes place on two farm facilities in Athens and Watkinsville, Oconee County. Researchers evaluate and monitor the effectiveness of health measures and conduct diagnostic tests to help prevent the spread of animal diseases at the Veterinary Diagnostic Laboratories in Athens and Tifton, Tift County. Research personnel also train veterinary students at the University of Georgia to write for research journals and conduct research in laboratories and on farms.	Appropriations Bill	11	2,759,956	2,759,956
Total			31	\$4,641,590	\$4,641,590

¹ Extramural research funding from contracts and grants is reflected in the Teaching program in the Board of Regents of the University System of Georgia.

Board of Regents of the University System of Georgia
 ZBB Program: Veterinary Medicine Experiment Station

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$2,252,231	\$2,430,824	\$3,080,560
Regular Operating Expenses			
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Contractual Services			
Operating Expenses- General and Departmental	828,828	558,436	1,561,030
Total Expenditures	\$3,081,059	\$2,989,260	\$4,641,590
Fund Type			
State General Funds	\$3,081,059	\$2,989,260	\$4,641,590
Total Funds	\$3,081,059	\$2,989,260	\$4,641,590
Positions	33	37	31
Motor Vehicles	0	0	0

Board of Regents of the University System of Georgia
 ZBB Program: Veterinary Medicine Experiment Station

Performance Measures

Agency Mission:

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

Program Purpose:

The purpose of this program is to coordinate and conduct research at the University of Georgia on animal disease problems of present and potential concern to Georgia's livestock and poultry industries and to provide training and education in disease research, surveillance, and intervention.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Total extramural research funding	\$14,892,123	\$24,060,584	\$29,316,615	\$34,823,378
2. Extramural research dollars generated per state appropriated dollar	\$5.69	\$9.08	\$10.54	\$11.65
3. Total scientific publications	376	585	484	415
4. Number of poultry birds impacted by the Poultry Diagnostic and Research Center visits (New)	14,210,000	10,660,000	17,560,000	8,440,000
5. Number of diagnostic lab services provided by the Poultry Diagnostic and Research Center (New)	104,832	96,772	105,402	60,997



FY 2020 Zero-Based Budget Analysis

Board of Regents

ZBB Program: Veterinary Medicine
Teaching Hospital

Executive Summary

- The Veterinary Medicine Teaching Hospital provides veterinary services to animal patients and trains veterinary students through experiential learning.
 - The agency should utilize standard object classes in order to provide more detail on the program's budget and expenditures.
 - The agency should submit an amendment in the Planning and Budgeting Cloud Services system to accurately reflect the program's motor vehicle count.
 - The agency should report new performance measures to better demonstrate the workload and effectiveness of the program.
-

Program Overview

The Veterinary Medicine Teaching Hospital (VMTH), established in 1946 as a condition of accreditation for the College of Veterinary Medicine at the University of Georgia, provides clinical and field veterinary services as instructional resources. Although the original hospital facility opened in Athens, Clarke County in 1979, VMTH was first listed as a program in the Board of Regents of the University System of Georgia (BOR) in the 1981 Appropriations Bill. In March 2015, the hospital moved into a new facility referred to as the Veterinary Medical Center, which also includes an equine performance area and an education building. VMTH offers medical services to animal patients and training to veterinary students.

VMTH operates an emergency care center and a community practice clinic in Athens and dispatches field services within a 30-mile radius. In FY 2018, VMTH treated 28,394 total veterinary cases, which included 1,892 animals visited by field service veterinarians. The hospital provides all services through four clinical departments: small animal, large animal, population health, and veterinary biosciences and diagnostic imaging. In FY 2018, the VMTH's expenditures totaled \$18,704,960, of which 57 percent supported personal services, and 43 percent supported general and departmental operating expenses.

Veterinary Service

VMTH provides primary care for animal clients and serves as the only referral hospital in Georgia for outside veterinary practices. Patients may receive medical treatment after a veterinary referral, schedule an appointment at the community practice clinic, visit the emergency care center, or call to request field services. VMTH offers 25 specialty services, including oncology, orthopedics, and soft tissue surgery. The 24-hour emergency room provides veterinary services for complex cases, such as those that involve orthopedic surgery, neurology, or radiology. The community practice clinic administers common small animal services, such as routine vaccinations, neuters and spays, and dentistry. In FY 2018, VMTH generated an average revenue of \$682 per case with a net income of \$23.55 per case.

Field service veterinarians treat animals outside of the hospital in local zoo facilities, aviaries, pet shops, and client farms. In FY 2018, the VMTH field services team received 1,256 calls, which led to 1,892 animals visited, impacting a total of 347,544 non-poultry animals in herds.

In FY 2019, the program's budget includes \$19,849,389 in state and other funds to support daily veterinary service operations. In FY 2019, 165 full-time and 100 part-time and student employees administer services to animal patients. One business manager and 11 veterinary care supervisors are split-funded with state appropriations and other funds. Other funds generated from hospital fee income in the VMTH budget and funds from the Teaching program formula also fund 153 clinical and administrative staff positions, such as registered veterinary technicians, veterinary assistants, and veterinary referral coordinators. Additional operating expenses for veterinary treatment include medical equipment, surgical supplies, feed, bedding, maintenance, and contracts.

Experiential Learning

Approximately 228 students pursuing the Doctor of Veterinary Medicine degree (114 juniors and 114 seniors) at the College of Veterinary Medicine at the University of Georgia train in VMTH each year. In addition, 18 transfer seniors from other foreign and domestic colleges of veterinary medicine received clinical instruction at VMTH to gain practice on treating live animal patients in FY 2018. Partner universities pay out-of-state tuition on behalf of their transfer students in order for them to complete their clinical instruction requirement at VMTH. VMTH students begin 51 weeks of clinical rotations in March of their junior year, which last throughout their senior year. Required rotations include diagnostic pathology, radiology, anesthesia, community practice, internal medicine or general surgery, and emergency or critical care. After completing their required rotations, students may choose whether their elective rotations will focus on small animals; mixed animals; large animals; or public, corporate, or zoological animal medicine.

Students have the option to specialize in an area of veterinary service after receiving their doctorate degree by completing a three- to four-year residency or a one-year internship. In FY 2019, VMTH faculty instructs approximately 43 residents and 17 interns, who also serve as part-time student employees. Residents and interns may come from outside colleges of veterinary medicine, and they receive assigned placements via the American Association of Veterinary Clinicians Veterinary Internship and Residency Matching Program. In addition, veterinary technician students from outside institutions participate in clinical rotations at the hospital as a part of their curriculum. In FY 2018, there were 35 veterinary technical students learning at the hospital for one month.

In FY 2019, 66 full-time faculty members lead clinical instruction, three of which are funded with \$429,730 in other funds generated from hospital fee income in the VMTH budget. Funds from the Teaching program in the BOR budget support the remaining 63 faculty positions. Nineteen clinical faculty members spend 75 percent of their time in the hospital, and 47 tenure-track faculty members spend 35 percent of their time in the hospital. When faculty members are not working in the hospital, they lecture, assist students, and conduct veterinary research.

Results and Recommendations

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

VMTH owns 15 motor vehicles that are not reported in PBCS. The agency should submit an amendment to accurately reflect the program's motor vehicle count in PBCS.

Performance measures are an integral component of the Zero-Based Budgeting analysis. VMTH should track and report additional performance measures to better demonstrate the program's workload and effectiveness. The Office of Planning and Budget will continue to work with VMTH to ensure new performance measures are updated annually.

The following is a list of new performance measures:

- Number of individuals enrolled in the veterinary technician program supported by state funds
- Average revenue per case
- Percentage of total cases visited by field services
- Average turnaround time per case

Board of Regents of the University System of Georgia
 ZBB Program: Veterinary Medicine Teaching Hospital

Key Activities

Activity	Description	Authority	No. of Positions ¹	FY 2019 State Funds	FY 2019 Total Budget
Veterinary Service	The hospital provides primary care for animal clients and serves as a referral center for outside veterinarians. Funds support staff and supplies needed to administer medical treatment. Animal patients may receive treatment after a veterinary referral, calling to request field services, or visiting the hospital's emergency room or community practice clinic in Athens, Clarke County.	Appropriations Bill	165	\$479,119	\$19,849,389
Experiential Learning	Clinical and tenure-track faculty provide training to students who are pursuing the Doctor of Veterinary Medicine degree at the University of Georgia. Students engage in clinical rotations with faculty for 51 weeks during their third and fourth year of instruction. Students work with patients in the hospital and on field visits alongside faculty, staff, residents, and interns to gain the experience and skills necessary to practice veterinary medicine upon graduation. Faculty also train students from outside Veterinary Technician and Doctor of Veterinary Medicine degree programs.	Appropriations Bill	3		429,730
Total			168	\$479,119	\$20,279,119

¹ Faculty positions are also funded in the Teaching program in the Board of Regents of the University System of Georgia

Board of Regents of the University System of Georgia
 ZBB Program: Veterinary Medicine Teaching Hospital

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$10,410,067	\$10,652,528	\$10,700,000
Regular Operating Expenses			
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Contractual Services			
Operating Expenses- General and Departmental	6,655,694	8,052,432	9,579,119
Total Expenditures	\$17,065,761	\$18,704,960	\$20,279,119
Fund Type			
State General Funds	\$445,000	\$465,826	\$479,119
Other Funds	16,620,761	18,239,134	19,800,000
Total Funds	\$17,065,761	\$18,704,960	\$20,279,119
Positions	145	175	168
Motor Vehicles	0	0	0

Board of Regents of the University System of Georgia
 ZBB Program: Veterinary Medicine Teaching Hospital

Performance Measures

Agency Mission:

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

Program Purpose:

The purpose of this program is to provide clinical instruction for veterinary medicine students, support research that enhances the health and welfare of production and companion animals in Georgia, and address the shortage of veterinarians in Georgia and the nation.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Total number of veterinary cases	26,247	27,472	28,721	28,394
2. Average net income per case	\$69.81	\$23.88	\$19.05	\$23.55
3. Percentage of clients surveyed who rate the services received as good or excellent	98%	99%	99%	99%
4. Number of individuals enrolled in the veterinary technician program supported by state funds (New)	34	39	38	35
5. Average revenue per case (New)	\$557	\$651	\$652	\$682
6. Percentage of total cases visited by field services (New)	5.5%	7.0%	5.8%	6.7%
7. Average turnaround time per case (New)	N/A	N/A	N/A	N/A



FY 2020 Zero-Based Budget Analysis

Secretary of State ZBB Program: Investigations

Executive Summary

- The Office of the Secretary of State's Investigations program conducts fact-finding investigations and inspections to ensure compliance with state laws and regulations governing elections, corporations, securities, charities, and professional licensing.
 - The program should consider additional tracking mechanisms through the use of subprograms, departments, and the TeamWorks' time and labor reporting system to more clearly delineate the program's investigation and inspection activities.
 - The program should evaluate pooled and assigned vehicles to align vehicle count with positions and job function to ensure compliance with Policy 10.
 - The agency should report performance measures that more accurately reflect the workload, efficiency, and effectiveness of the program.
-

Program Overview

Established as a budgeted program in FY 2016, the Investigations program of the Office of the Secretary of State (SOS) is responsible for conducting fact-finding investigations to ensure compliance with the state's laws governing elections, corporations, charities, securities, and 41 professional licensing boards. The administration, inspection, and investigation activities of the program are entirely funded through state funds. The program averages \$2.8 million annually to support personnel and operations in its Atlanta and Macon office locations. The purpose of this review is to evaluate the effectiveness and efficiency of the program.

Results and Recommendations

Improve Statewide Tracking of Program Activities

The program's two major activities are investigations and inspections. Investigators examine cases that involve alleged violations of state laws that govern elections, securities, charities, corporations, and more complex licensing board matters. Investigators with the Secretary of State are required to be certified Georgia Peace Officers by the Georgia Peace Officer Standards and Training (P.O.S.T.) Council. Generally, investigators have prior law enforcement experience, which makes them uniquely qualified to handle the criminal nature of the cases involved. Cases are usually generated by referral from other SOS programs, licensing boards, or public complaints. In some instances of securities violations, cases are generated by outside organizations, such as the Securities Exchange Commission (SEC) or the Financial Industry Regulatory Authority (FINRA). Once generated, these cases are assigned to investigators based on general workload.

In addition to investigative duties, the program conducts inspections on behalf of licensing boards that govern the standards and licensure of various professions regulated by the state. Personnel responsible for conducting inspections are assigned to specific geographic areas throughout the state and cross-trained on various licensing board rules and regulations to ensure accurate and complete inspections. Inspectors are also responsible for conducting routine inspections and preliminary licensing inspections, which comprise 90 percent of annual

inspections. Inspections are also generated through public complaints. Routine inspections are conducted on active license holders randomly, while preliminary licensing inspections are conducted as part of the initial licensing process.

The program's current budget structure does not independently track all activities related to inspections, investigations, or time spent on duties supporting each SOS board and program. As a result, evaluating and analyzing the program's administrative costs and workload in each of the agency's respective programs is not easily discernible. The program should establish additional tracking mechanisms through the use of subprograms, departments, and the TeamWorks' time and labor reporting system to more clearly delineate program activities.

Motor Vehicles

The program has 35 vehicles for 36 budgeted positions. The program has four pooled vehicles for when a vehicle is immobile or a new employee is temporarily without an assigned vehicle. Vehicles used by inspectors and investigators are assigned individually for travel throughout Georgia to complete necessary investigative field work and inspections. While investigators are assigned individual vehicles for field work, they are not permitted to take vehicles home overnight on a daily basis. However, inspectors are permitted daily, overnight use due to the amount of time spent in the field and nature of inspection activities. Vehicles essentially serve as mobile offices for inspectors. The program also assigns individual vehicles to positions with more administrative office functions. The program should evaluate pooled and assigned vehicles to align vehicle count with positions and job function and ensure compliance with Policy 10.

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

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

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

The following is a list of new performance measures:

- Average number of days to complete a preliminary licensing inspection
- Ratio of complaint based inspections completed
- Average number of cases per investigator

The following is a revised performance measure:

- Number of investigations conducted

Secretary of State
 ZBB Program: Investigations

Key Activities

Activity	Description	Authority	No. of Positions	FY 2019 State Funds	FY 2019 Total Budget
Criminal Investigations	Completes fact finding investigations in instances of alleged violations of law or regulations under the jurisdiction of the Secretary of State; including election administration, securities, corporations, and serious licensing violations.	O.C.G.A. § 10-1-1 et seq; 21-1-1 et seq; 43-1-1 et seq; 10-5-71	17	\$1,494,790	\$1,494,790
Inspections	Works in conjunction with professional licensing boards to complete inspections of license holders; ensures compliance with the rules and regulations governing their profession; responds to public complaints against license holders.	O.C.G.A. § 10-1-1 et seq; 21-1-1 et seq; 43-1-1 et seq; 10-5-71	16	1,352,462	1,352,462
Administration	Provides leadership and support functions for the investigation division activities; coordinates fleet maintenance activities.	O.C.G.A. § 10-1-1 et seq; 21-1-1 et seq; 43-1-1 et seq; 10-5-71	3	263,787	263,787
Total			36	\$3,111,039	\$3,111,039

Secretary of State
 ZBB Program: Investigations

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services	\$2,535,723	\$2,653,360	\$2,707,150
Regular Operating Expenses	115,302	103,884	116,569
Motor Vehicle Purchases	27,348	34,909	37,000
Equipment			
Computer Charges	143,500	203,196	128,432
Real Estate Rentals	67,303	67,910	68,000
Telecommunications	51,396	55,499	53,888
Contractual Services	3,808		
Total Expenditures	\$2,944,380	\$3,118,758	\$3,111,039
Fund Type			
State General Funds	\$2,944,380	\$3,118,758	\$3,111,039
Total Funds	\$2,944,380	\$3,118,758	\$3,111,039
Positions	36	33	36
Motor Vehicles	35	35	37

Secretary of State
 ZBB Program: Investigations

Performance Measures

Agency Mission:

The Office of the Secretary of State provides secure, accessible, and fair elections; creates and maintains a streamlined process for licensing and registration while protecting the safety of our citizens; and makes available public records.

Program Purpose:

The purpose of this program is to enforce the laws and regulations related to professional licenses, elections, and securities; to investigate complaints; and to conduct inspections of applicants and existing license holders.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Number of investigations conducted (Revised)	895	819	1,065	1,274
2. Number of regular inspections	11,334	11,745	9,107	10,969
3. Fines Collected	\$1,155,083	\$1,190,000	\$890,725	\$1,005,725
4. Average number of days to close an investigation (Revised)	74	80	122	161
5. Average number of days to complete a preliminary licensing inspection (New)	N/A	N/A	N/A	N/A
6. Ratio of complaint based inspections completed (New)	N/A	N/A	N/A	N/A
7. Average number of cases per investigator (New)	N/A	N/A	N/A	N/A



FY 2020 Zero-Based Budget Analysis

Georgia Student Finance Commission ZBB Program: HOPE Scholarship - Private Schools

Executive Summary

- The HOPE Scholarships - Private Schools program provides merit-based scholarships to eligible Georgia students attending a private postsecondary institution.
 - The Zell Miller award rate should be increased in order to encourage and reward high academic performance at private postsecondary institutions.
 - Flex language should be added to the appropriations bill allowing the commission to transfer a percentage of lottery funds between the HOPE Grant and the HOPE Scholarships programs.
 - The commission will report new performance measures to better demonstrate the effectiveness of the scholarships program.
-

Program Overview

Authorized by O.C.G.A. § 20-3-519 et seq. and administered by the Georgia Student Finance Commission (GSFC), the Helping Outstanding Pupils Educationally (HOPE) Scholarships - Private Schools program provides merit based scholarships to Georgia students pursuing an associate, baccalaureate, or first professional degree at eligible private postsecondary institutions. The program utilizes lottery proceeds to provide students meeting certain academic requirements the HOPE Scholarship or the Zell Miller Scholarship for tuition assistance, with the Zell Miller Scholarship providing a higher level of assistance to recipients. Initially funded through the Tuition Equalization Grants program, the HOPE Scholarship has been available to eligible private school students since the creation of the scholarship in 1993; however, the creation of an official HOPE Private program did not occur until fiscal year (FY) 1997. With the goal of developing an educated workforce within the state, the HOPE Scholarship program has increased the access to and affordability of a postsecondary education, awarding over \$965 million to 186,000 students attending private institutions between 1993 and 2018.

The scholarships offered through the HOPE Private program are available to Georgia students enrolled at one of 35 HOPE eligible private postsecondary institutions in the state, including Georgia Military College.⁸ To qualify for the scholarships, students must satisfy general eligibility requirements and scholarship-specific academic requirements, which GSFC publishes on its website, GAfutures. Students may apply for the scholarships by completing the Georgia Student Finance Application (GSFAPPS) or the Free Application for Federal Student Aid (FAFSA). With an exception for active military duty, an eligible student has seven years from the time of his or her high school graduation (or its equivalent) to fully utilize the scholarship for up to 127 attempted HOPE semester hours or 190 quarter hours.

HOPE and Zell Miller Scholarship recipients may utilize scholarship funds for tuition for up to three semester or four quarters each academic year. Both scholarships will cover a maximum of 15 credit hours per academic term. Awards provided by the HOPE and Zell Miller Scholarships may not exceed a student's tuition cost in a given academic term. If a student receives other forms of financial aid that are required to be used towards tuition, the award provided by the HOPE and Zell Miller Scholarships must be reduced so that financial aid provided through the scholarships does not exceed a student's tuition.

⁸ Georgia Military College, a public authority, is considered to be a private institution for the purpose of the HOPE Scholarships and Grant programs.

HOPE Scholarship

The HOPE Scholarship is available to students who graduate or receive a diploma from an eligible high school through a petition of a local school board with a 3.0 grade point average (GPA) or higher. Additionally, students who graduate from an eligible high school must successfully complete a minimum of four academically rigorous courses during high school in order to qualify for the scholarship. Students who graduate from an ineligible high school, complete a home school program, or earn a general educational development (GED) diploma may qualify for the HOPE Scholarship by either scoring in the 75th percentile or higher on the Scholastic Aptitude Test (SAT) or the American College Test (ACT) or earning a 3.0 or higher postsecondary GPA after attempting 30 semester hours or 45 quarter hours of postsecondary coursework.⁹ Students who qualify for the HOPE Scholarship through the latter method are eligible to receive a retroactive scholarship for their first year. Lastly, a student can qualify for the HOPE Scholarship by earning a 3.0 postsecondary GPA at any attempted hours checkpoint.¹⁰

Once eligible for the HOPE Scholarship, participating students are awarded a fixed amount each academic term depending on whether the student is enrolled half-time or full-time at a private postsecondary institution. The HOPE award amount is equal to the HOPE tuition payment multiplied by a factor rate that is determined by GSFC each year. Currently, full-time HOPE Scholarship recipients attending a private postsecondary institution may receive up to \$2,089 each semester or \$1,394 each quarter. Table 1 provides the HOPE Private award rates between FY 2011 to FY 2019.

Table 1: HOPE Scholarship - Private Award Rates

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Full-Time Semester Award Rate	\$2,000	\$1,800	\$1,800	\$1,854	\$1,910	\$1,968	\$1,968	\$2,028	\$2,089
Full-Time Quarter Award Rate	\$1,333	\$1,200	\$1,200	\$1,236	\$1,274	\$1,313	\$1,313	\$1,353	\$1,394

The percentage of tuition covered by the HOPE Scholarship varies by institution. During the 2016-2017 academic year, the HOPE Scholarship covered less than 20 percent of tuition at half of all private HOPE eligible institutions in the state. At institutions with higher tuition rates, the percentage of tuition covered by the scholarship was approximately 11 percent or less. In addition to the HOPE Scholarship, students attending private postsecondary institutions receive the Tuition Equalization Grant, which provides students with \$475 each academic term. Students may also qualify for additional state financial aid programs, such as the Low Interest Loans program.

Zell Miller Scholarship

Created in FY 2012, the Zell Miller Scholarship is available to students meeting higher academic standards than those required for the HOPE Scholarship. Students must graduate from an eligible high school as valedictorian or salutatorian or graduate with a 3.7 GPA or higher and score at least 1200 on the SAT or 26 on the ACT to qualify for the Zell Miller Scholarship. Students who graduate from an ineligible high school or home study program must score in the 93rd percentile or higher on the SAT/ACT to qualify for the Zell Miller Scholarship upon their matriculation into a postsecondary institution.¹¹ A retroactive Zell Miller Scholarship is available to students who complete a home school program or graduate from an ineligible high school who score at least a 1200 on the SAT or 26 on the ACT and achieve a 3.3 GPA after attempting 30 semester hours or 45 quarter hours at a postsecondary institution. Students may not become eligible for the Zell Miller Scholarship while enrolled in a postsecondary institution if they were not eligible at the time of their high school graduation.

After gaining initial eligibility, HOPE and Zell Miller Scholarship recipients must maintain a minimum postsecondary GPA in order to maintain eligibility for the scholarships (3.0 GPA for HOPE and 3.3 GPA for Zell Miller). Each student's continued eligibility is reviewed at the end of every Spring term and at each attempted hours checkpoint. Students who fail to maintain the required GPA at any given review point will lose eligibility for their respective scholarship. Students may only regain their scholarship one time after losing their initial eligibility.

⁹ Scoring approximately 1200 on the SAT or 25 on the ACT placed a student above the 75th percentile in 2017, as ranked by College Board and ACT, Inc.

¹⁰ Scholarship eligibility is reviewed after every 30 semester hours or 45 quarter hours of attempted coursework.

¹¹ A score of 1360 on the SAT or 30 on the ACT placed a student above the 93rd percentile in 2017, as ranked by College Board and ACT, Inc.

The level of funding provided by the Zell Miller Scholarship for private institutions is a fixed amount each academic term that varies by half-time and full-time enrollment. The General Assembly establishes the Zell Miller award rates each academic year in the annual appropriations act. For the 2018-2019 academic year, Zell Miller recipients attending a private institution full-time may receive up to \$2,308 each semester or \$1,539 each quarter. Table 2 provides the historical award rates for the private Zell Miller Scholarship.

Table 2: Zell Miller Scholarship - Private Award Rates

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Full-Time Semester Award Rate	\$2,000	\$2,000	\$2,000	\$2,110	\$2,174	\$2,174	\$2,240	\$2,308
Full-Time Quarter Award Rate	\$1,333	\$1,333	\$1,333	\$1,407	\$1,450	\$1,450	\$1,494	\$1,539

House Bill 326 (2011 Session)

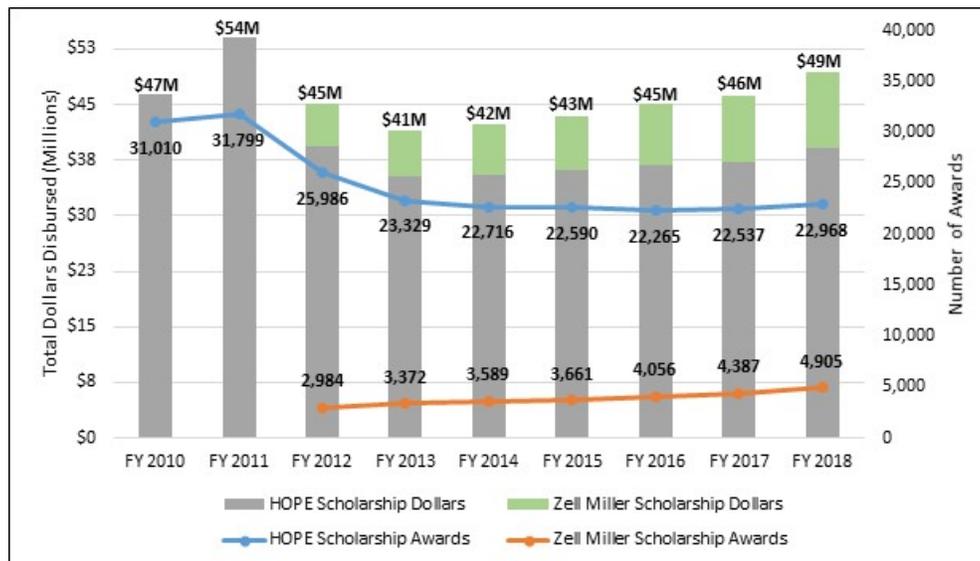
Reforms were made to the HOPE Scholarships and Grant programs in 2011 to address declining lottery reserves that resulted from lottery expenditures exceeding lottery deposits between FY 2009 to FY 2011 (lottery reserves decreased almost 40 percent from \$998 million to \$580 million during this period). The resulting legislation, House Bill (HB) 326 (2011 Legislative Session), created the Zell Miller Scholarship as well as made changes to the HOPE Scholarship, the HOPE Grant, and the Lottery for Education Account to ensure the long-term solvency of the lottery-funded programs. With the creation of the Zell Miller Scholarship in FY 2012, the Zell Miller award rate was set to the FY 2011 HOPE Scholarship award rate for private institutions (\$2,000) and the HOPE award rate was subsequently lowered. Both scholarships’ award rates have increased since FY 2012.

Program Budget and Growth

The HOPE Scholarships - Private Schools program’s budget for FY 2019 totals \$51,176,241, all of which is funded with lottery proceeds. Of the total budget, approximately \$50.2 million is for the HOPE Scholarship while the remaining \$944,000 provides Zell Miller scholars the additional differential amount between the HOPE Scholarship and the Zell Miller Scholarship. Unspent program funds at the end of any given fiscal year must lapse back to the Lottery for Education Account. The HOPE Private program lapsed approximately \$700,000 in FY 2018.

Graph 1 provides the disbursement history for the HOPE Scholarships - Private Schools program from FY 2010 to FY 2018. As shown, the number of HOPE awards provided decreased by approximately 30 percent between FY 2011 and FY 2016 following the passage of HB 326, while total dollars disbursed through the HOPE Scholarship decreased by approximately 35 percent between FY 2011 and FY 2013. Since the inception of the Zell Miller Scholarship, the number of awards increased by 64 percent while total dollars disbursed increased by 79 percent.

Graph 1: HOPE Scholarship - Private Schools Disbursement History



Results and Recommendations

To continue rewarding and encouraging high academic performance, increasing the Zell Miller award rate at private institutions should be considered. Despite more stringent academic requirements for the Zell Miller Scholarship (a 3.7 GPA and a minimum SAT/ACT score instead of the 3.0 GPA required for the HOPE Scholarship), the HOPE Scholarship award rate is approximately 90.5 percent of the Zell Miller Scholarship award rate (a difference of \$219). At public institutions, the average Zell Miller award in FY 2018 was \$3,764, nearly \$1,800 more than the average HOPE award of \$2,000 at public institutions. Increasing the Zell Miller award rate at private institutions by \$500 will cost up to \$2.5 million for every 5,000 Zell Miller awards provided. Approximately 4,900 private Zell Miller awards were provided in FY 2018.

The state's policy limits the use of funds held within the Lottery for Education Account to providing a universal Georgia Pre-Kindergarten program and financial aid assistance for a postsecondary education. In fiscal years 2017 and 2018, GSFC conducted two fiscal affairs transfers between the lottery funded financial aid programs (\$3 million in FY 2017 and approximately \$1 million in FY 2018). Providing flex language in the appropriations bill (similar to what is available to the Georgia Department of Transportation and the Georgia Department of Community Health) to allow the commission to transfer up to 5 percent of each program's budget between the HOPE Grant and the HOPE Scholarships programs would allow the commission to transfer funds as needed between the financial aid programs.

Revise and add new performance measures

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

The following is a list of new performance measures:

- Percentage of HOPE Scholarships - Private Schools recipients who permanently lose scholarship eligibility by failing to maintain the required grade point average
- Percentage of HOPE Scholarships - Private Schools recipients who lose scholarship eligibility by meeting the seven year cap prior to receiving a bachelor's degree

The following is a list of revised performance measures:

- Revise measure of Number of awards disbursed to:
 - Number of HOPE Scholarship awards disbursed
- Revise measure of Average dollar amount per award to:
 - Average dollar amount per HOPE Scholarship award
- Revise measure of Number of Zell Miller Scholar awards disbursed to:
 - Number of Zell Miller Scholarship awards disbursed
- Revise measure of Average dollar amount per Zell Miller Scholar award to:
 - Average dollar amount per Zell Miller Scholarship award

Georgia Student Finance Commission
 ZBB Program: HOPE Scholarships- Private Schools

Key Activities

Activity*	Description	Authority	No. of Positions ¹	FY 2019 State Funds ²	FY 2019 Total Budget
HOPE Scholarship - Private Schools	The HOPE Scholarship is a merit-based scholarship available to Georgia residents seeking an undergraduate or first professional degree at an eligible private postsecondary institution. To qualify, students must graduate high school with a 3.0 grade point average (GPA) or higher and satisfy academic rigor requirements. The scholarship covers a portion of a student's tuition for up to 127 semester hours (or 190 quarter hours) of attempted postsecondary coursework, with the award amount provided based on half-time and full-time enrollment. Recipients must maintain a 3.0 or higher postsecondary GPA in order to maintain eligibility for the scholarship.	O.C.G.A. § 20-3-519 et seq.		\$50,231,620	\$50,231,620
Zell Miller Scholarship - Private Schools	The Zell Miller Scholarship is a merit-based scholarship that provides a higher level of tuition assistance than the HOPE Scholarship for eligible students attending an eligible private postsecondary institution. To qualify, students must either graduate high school as valedictorian or salutatorian or graduate with a 3.7 GPA or higher as well as score a minimum of 1200 on the SAT or 26 on the ACT. Zell Miller recipients are required to maintain a minimum 3.3 postsecondary GPA in order to maintain eligibility for the scholarship.	O.C.G.A. § 20-3-519 et seq.		944,621	944,621
Total				\$51,176,241	\$51,176,241

* (Listed in priority order as determined by Agency)

¹ Positions administering the scholarships program are located in the HOPE Administration program.

² All state funds in this program are lottery proceeds.

Georgia Student Finance Commission
 ZBB Program: HOPE Scholarships- Private Schools

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services			
Regular Operating Expenses			
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Contractual Services			
Financial Aid- Lottery Funds	\$46,141,441	\$49,091,908	\$51,176,241
Total Expenditures	\$46,141,441	\$49,091,908	\$51,176,241
Fund Type			
Lottery Funds	\$46,141,441	\$49,091,908	\$51,176,241
Total Funds	\$46,141,441	\$49,091,908	\$51,176,241
Positions	0	0	0
Motor Vehicles	0	0	0

Georgia Student Finance Commission
 ZBB Program: HOPE Scholarships- Private Schools

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 merit scholarships to students seeking an associate or baccalaureate degree at an eligible private postsecondary institution.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Number of HOPE Scholarship awards disbursed	22,590	22,265	22,537	22,968
2. Average dollar amount per HOPE Scholarship award	\$1,602	\$1,655	\$1,657	\$1,704
3. Number of private school students receiving the HOPE Scholarship	10,927	10,653	10,852	11,055
4. Number of Zell Miller Scholarship awards disbursed	3,661	4,056	4,387	4,905
5. Average dollar amount per Zell Miller Scholarship award	\$1,985	\$2,040	\$2,040	\$2,083
6. Number of private school students receiving the Zell Miller Scholarship	1,792	1,990	2,151	2,390
7. Percentage of HOPE Scholarships - Private Schools recipients who permanently lose scholarship eligibility by failing to maintain the required grade point average (New)	N/A	N/A	N/A	N/A
8. Percentage of HOPE Scholarships - Private Schools recipients who lose scholarship eligibility by meeting the seven year cap prior to receiving a bachelor's degree (New)	N/A	N/A	N/A	N/A



FY 2020 Zero-Based Budget Analysis

Georgia Student Finance Commission ZBB Program: HOPE Scholarships - Public Schools

Executive Summary

- The HOPE Scholarships - Public Schools program provides merit-based scholarships to Georgia residents pursuing a postsecondary degree at an eligible public postsecondary institution.
 - Flex language should be added to the appropriations bill allowing the commission to transfer a percentage of lottery funds between the HOPE Grant and the HOPE Scholarships programs.
 - The commission will report new performance measures to better demonstrate the effectiveness of the scholarships program.
-

Program Overview

Created in 1993 by Governor Zell Miller, the Helping Outstanding Pupils Educationally (HOPE) Scholarships - Public Schools program provides lottery-funded, merit-based scholarships to Georgia students attending eligible public postsecondary institutions. The program utilizes lottery proceeds in the Lottery for Education Account to provide qualifying students attending an eligible University System of Georgia (USG) institution or an eligible Technical College System of Georgia (TCSG) institution the HOPE Scholarship or the Zell Miller Scholarship to use towards tuition, with the Zell Miller Scholarship providing a higher level of tuition assistance. The Georgia Student Finance Commission (GSFC) is responsible for administering the program, including promulgating the necessary rules and regulations guiding the program, as per O.C.G.A. § 20-3-519.11. With a goal of developing an educated workforce within the state, the HOPE Scholarships - Public Schools program has increased the access to and affordability of a postsecondary education to over 800,000 Georgia students attending public postsecondary institutions across the state from 1993 to 2018.

The scholarships offered through the HOPE Public program, the HOPE Scholarship and the Zell Miller Scholarship, are available to Georgia residents pursuing an associate, baccalaureate, or first professional degree at one of 48 HOPE eligible public postsecondary institutions in the state. In order to qualify for either scholarship students must satisfy general eligibility and scholarship-specific academic requirements. Students may apply for the scholarships by completing the Georgia Student Finance Application (GSFAPPS), which can be found on the GAfutures website, or the Free Application for Federal Student Aid (FAFSA). Once eligible and approved for one of the scholarships, students have seven years from the time of their high school graduation (or its equivalent) to fully utilize the scholarship for up to 127 attempted HOPE semester hours or 190 quarter hours.¹²

HOPE and Zell Miller Scholarship recipients may utilize the scholarships toward the cost of tuition for up to three semester or four quarters each academic year. Both scholarships will cover a maximum of 15 credit hours per academic term. Awards provided by the HOPE and Zell Miller scholarships may not exceed a student's tuition cost in a given academic term. If a student receives other forms of financial aid that are required to be used towards tuition, the award provided by both scholarships must be reduced so that financial aid provided through the scholarships does not exceed a student's tuition.

¹² Time served in the United States Armed Forces during the seven year period does not count against a student's seven year time limit.

House Bill 326 (2011 Session)

Reforms were made to the HOPE Scholarships and Grant programs in 2011 to address declining lottery reserves that resulted from lottery expenditures exceeding lottery deposits between fiscal years (FY) 2009 to 2011 (lottery reserves decreased almost 40 percent from \$998 million to \$580 million during this period). The resulting legislation, House Bill (HB) 326 (2011 Legislative Session), created the Zell Miller Scholarship as well as made changes to the HOPE Scholarship, the HOPE Grant, and the Lottery for Education Account to ensure the long-term solvency of the lottery funded programs.

HOPE Scholarship

In order to qualify for the HOPE Scholarship, students must graduate or receive a diploma through a petition of a local school board from an eligible high school with a 3.0 grade point average (GPA) or higher. Additionally, students who graduate from an eligible high school must successfully complete a minimum of four academically rigorous courses during high school in order to qualify for the scholarship. Students who graduate from an ineligible high school, complete a home school program, or earn a general educational development (GED) diploma may qualify for the scholarship if they score in the 75th percentile or higher on the Scholastic Aptitude Test (SAT) or the American College Test (ACT).¹³ A second qualifying option for students who graduate from an ineligible high school or complete a home school program is to earn and maintain a 3.0 or higher GPA after attempting 30 semester hours or 45 quarter hours of postsecondary work. Students who qualify through this method are eligible to receive a retroactive scholarship. Finally, a student who does not initially qualify for the HOPE Scholarship after high school completion may qualify for the scholarship by earning and maintaining a 3.0 or higher GPA at any attempted hours checkpoint.¹⁴

The HOPE Scholarship covers a portion of a student's tuition each academic term, with the amount provided varying by institution. O.C.G.A. § 20-3-519 requires the award amount provided to a student each academic term equal the previous year's HOPE award amount multiplied by a factor rate established by GSFC. Prior to FY 2012, the HOPE Scholarship covered the full cost of tuition; however, with the passage of HB 326, the HOPE award rate was decoupled from tuition and instead set as a percentage (the factor rate) of the previous year's award amount. In FY 2012, the factor rate was set at 90 percent of the previous year's tuition. The General Assembly increased the award amount by three percent in fiscal years 2014 to 2016 and 2018 to 2019. GSFC publishes the established HOPE award rates on its website annually. The average HOPE award amount was \$2,000 in FY 2018.

The percentage of tuition covered by the HOPE Scholarship for the 2018-2019 academic year varies by institution. At TCSG institutions where tuition is standard across all institutions, the HOPE Scholarship covers 82.02 percent of tuition, up from 78.65 percent the previous year. At USG institutions, the percentage of tuition covered by the HOPE Scholarship for a full 15-credit-hour course load ranged from 74.34 percent at the Georgia Institute of Technology (Georgia Tech) to 92.81 percent at five institutions. With the exception of Georgia Tech and the University of Georgia (77.89 percent), the percentage of tuition covered for a 15-credit-hour course load at USG institutions is 85.22 percent or higher.

Effective FY 2021, HB 801 (2016 Legislative Session) equalizes the percentage of tuition covered by the HOPE Scholarship across all public postsecondary institutions. The HOPE award amount for public institutions will equal the previous year's tuition amount multiplied by the factor rate to be set by GSFC. To maintain the current FY 2019 budget, preliminary projections conducted by the commission estimate that the HOPE Scholarship will need to cover approximately 82 percent of tuition.¹⁵

Zell Miller Scholarship

Created in FY 2012, the Zell Miller Scholarship covers the full cost of tuition for students attending public postsecondary institutions who meet higher academic requirements than what is required for the HOPE Scholarship. The average Zell Miller award in FY 2018 was \$3,764. To qualify for the Zell Miller Scholarship, students must

¹³ Scoring approximately 1200 on the SAT or 25 on the ACT placed a student above the 75th percentile in 2017, as ranked by College Board and ACT, Inc.

¹⁴ Student eligibility for the scholarships are reviewed after every 30 semester hours or 45 quarter hours of attempted coursework.

¹⁵ Estimate does not include the additional cost of possible program participation growth or tuition increases in FY 2020 and FY 2021.

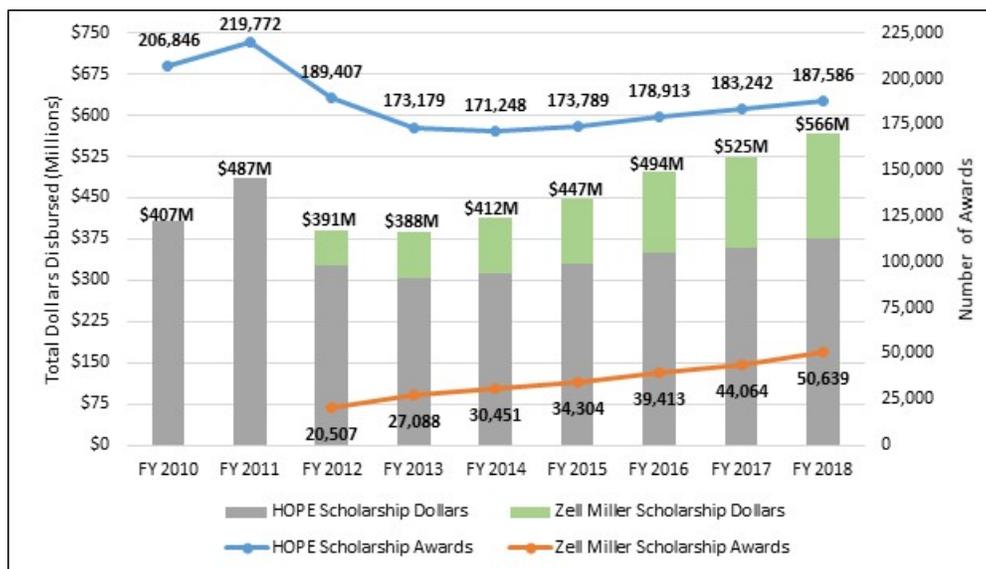
either graduate high school as valedictorian or salutatorian or complete high school with a 3.7 or higher GPA and score a minimum of 1200 on the SAT or 26 on the ACT. Students who graduate from an ineligible high school or complete a home school program may qualify for the Zell Miller Scholarship by scoring in the 93rd percentile or higher on the SAT or ACT.¹⁶ Additionally, home school students or students who graduate from an ineligible high school may qualify for a retroactive Zell Miller Scholarship by scoring at least a 1200 on the SAT or 26 on the ACT and achieving and maintaining a 3.3 GPA after attempting 30 semester hours or 45 quarter hours of postsecondary coursework. Unlike the HOPE Scholarship, the Zell Miller Scholarship is not available to GED recipients. Students must satisfy high school requirements to qualify for the Zell Miller Scholarship and cannot earn eligibility during their postsecondary career.

After gaining initial eligibility, HOPE and Zell Miller Scholarship recipients must maintain a minimum postsecondary GPA in order to maintain eligibility for the scholarships (3.0 GPA for HOPE and 3.3 GPA for Zell Miller). Each student’s continued eligibility for the scholarships is reviewed at the end of every Spring term and at each attempted hours checkpoint. Starting in Fall 2018, the Georgia Student Finance Commission will utilize the new College HOPE Eligibility Calculation Service (CHECS) system, which provides student transcript data, to calculate each student’s GPA at each checkpoint in order to verify continued eligibility for the scholarships. Students who fail to maintain the required GPA at any given review point will lose eligibility for their respective scholarship. Students may only regain their scholarship one time after losing their initial eligibility by meeting the required GPA at any semester hours checkpoint.

Program Budget and Growth

The HOPE Scholarships - Public Schools program has a total budget of \$637,179,394 in FY 2019, all of which is funded with lottery proceeds. Of the total budget, approximately \$559 million is for the HOPE Scholarship while the remaining \$78.1 million provides Zell Miller scholars the additional differential amount between the HOPE Scholarship and Zell Miller Scholarship award amounts. As per O.C.G.A. § 50-27-13, unspent program funds at the end of any given fiscal year lapse back to the Lottery for Education Account. The HOPE Public program lapsed approximately \$14 million FY 2018.

Graph 1: HOPE Scholarships - Public Schools Disbursement History



The HOPE Scholarships - Public Schools program is state’s largest financial aid program with over 238,000 HOPE and Zell Miller scholarships awarded to students attending a public postsecondary institution in FY 2018. Graph 1 illustrates the disbursement history for the HOPE Scholarships - Public Schools program from FY 2010 to FY 2018. As shown, the number of awards provided though the HOPE Scholarship peaked in FY 2011 with nearly 220,000

¹⁶ A score of 1360 on the SAT or 30 on the ACT placed a student above the 93rd percentile in 2017, as ranked by College Board and ACT, Inc.

awards disbursed; however, the scholarship experienced an approximately 22 percent decrease in the number of HOPE awards provided and an approximately 36 percent decrease in total dollars disbursed between FY 2011 and FY 2014 due to reforms made by HB 326. The number of awards provided by the Zell Miller Scholarship since its creation more than doubled to 50,600 in FY 2018 with the number of awards disbursed increasing by 147 percent during this time. Total dollars increased by approximately 198 percent between FY 2012 and FY 2018 as a result of increasing tuition rates and student participation in the scholarship program. As shown in the graph, although total dollars disbursed through the HOPE Scholarship has not reached the FY 2011 peak, total dollars disbursed through both the HOPE and Zell Miller scholarships have surpassed FY 2011's peak since FY 2016. In FY 2018, almost \$566 million was disbursed through the HOPE Scholarships - Public Schools program.

Results and Recommendations

The state's policy limits the use of funds held within the Lottery for Education Account to providing a universal Georgia Pre-Kindergarten program and financial aid assistance for a postsecondary education. In fiscal years 2017 and 2018, GSFC conducted two fiscal affairs transfers between the lottery funded financial aid programs (\$3 million in FY 2017 and approximately \$1 million in FY 2018). Providing flex language in the appropriations bill (similar to what is available to the Georgia Department of Transportation and the Georgia Department of Community Health) to allow the commission to transfer up to 5 percent of each program's budget between the HOPE Grant and the HOPE Scholarships programs would allow the commission to transfer funds as needed between the financial aid programs.

Revise and add new performance measures

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

The following is a list of new performance measures:

- Percentage of HOPE Scholarships - Public Schools recipients who permanently lose scholarship eligibility by failing to maintain the required grade point average
- Percentage of HOPE Scholarships - Public Schools recipients who lose scholarship eligibility by meeting the seven year cap prior to receiving a bachelor's degree

The following is a list of revised performance measures:

- Revise measure of Number of awards disbursed to:
 - Number of HOPE Scholarship awards disbursed
- Revise measure of Average dollar amount per award to:
 - Average dollar amount per HOPE Scholarship award
- Revise measure of Number of Zell Miller Scholar awards disbursed to:
 - Number of Zell Miller Scholarship awards disbursed
- Revise measure of Average dollar amount per Zell Miller Scholar award to:
 - Average dollar amount per Zell Miller Scholarship award

Georgia Student Finance Commission
 ZBB Program: HOPE Scholarships- Public Schools

Key Activities

Activity*	Description	Authority	No. of Positions ¹	FY 2019 State Funds ²	FY 2019 Total Budget
HOPE Scholarship - Public Schools	The HOPE Scholarship is a merit-based scholarship available to Georgia residents seeking an undergraduate or first professional degree at an eligible public postsecondary institution. To qualify, students must graduate high school with a 3.0 grade point average (GPA) or higher and satisfy academic rigor requirements. The scholarship covers a portion of a student's tuition for up to 127 semester hours (or 190 quarter hours) of attempted postsecondary coursework, with the award amount provided varying by institution. Recipients must maintain a 3.0 or higher postsecondary GPA in order to maintain eligibility for the scholarship.	O.C.G.A. § 20-3-519 et seq.		\$559,048,385	\$559,048,385
Zell Miller Scholarship - Public Schools	The Zell Miller Scholarship is a merit-based scholarship that covers the full cost of tuition for eligible students attending an eligible public postsecondary institution. To qualify, students must either graduate high school as valedictorian or salutatorian or graduate with a 3.7 GPA or higher as well as score a minimum of 1200 on the SAT or 26 on the ACT. Zell Miller recipients are required to maintain a minimum 3.3 postsecondary GPA in order to maintain eligibility for the scholarship.	O.C.G.A. § 20-3-519 et seq.		78,130,999	78,130,999
Total				\$637,179,384	\$637,179,384

* (Listed in priority order as determined by Agency)

¹ Positions administering the scholarships program are located in the HOPE Administration program.

² All state funds in this program are lottery proceeds.

Georgia Student Finance Commission
 ZBB Program: HOPE Scholarships- Public Schools

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services			
Regular Operating Expenses			
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Contractual Services			
Financial Aid- Lottery	\$525,469,562	\$565,738,593	\$637,179,394
Total Expenditures	\$525,469,562	\$565,738,593	\$637,179,394
Fund Type			
Lottery Funds	\$525,469,562	\$565,738,593	\$637,179,394
Total Funds	\$525,469,562	\$565,738,593	\$637,179,394
Positions	0	0	0
Motor Vehicles	0	0	0

Georgia Student Finance Commission
 ZBB Program: HOPE Scholarships- Public Schools

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 merit scholarships to students seeking an associate or baccalaureate degree at an eligible public postsecondary institution.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Number of HOPE Scholarship awards disbursed	173,789	178,913	183,242	187,586
2. Average dollar amount per HOPE Scholarship award	\$1,897	\$1,954	\$1,957	\$2,000
3. Number of public school students receiving the HOPE Scholarship	84,707	87,070	88,812	91,014
4. Number of Zell Miller Scholarship awards disbursed	34,304	39,413	44,064	50,639
5. Average dollar amount per Zell Miller Scholarship award	\$3,478	\$3,718	\$3,723	\$3,764
6. Number of public school students receiving the Zell Miller Scholarship	15,768	17,971	20,102	23,097
7. Percentage of HOPE Scholarships - Public Schools recipients who permanently lose scholarship eligibility by failing to maintain the required grade point average (New)	N/A	N/A	N/A	N/A
8. Percentage of HOPE Scholarships - Public Schools recipients who lose scholarship eligibility by meeting the seven year cap prior to receiving a bachelor's degree (New)	N/A	N/A	N/A	N/A



FY 2020 Zero-Based Budget Analysis

Georgia Student Finance Commission ZBB Program: REACH Georgia Scholarship

Executive Summary

- The REACH Georgia Scholarship program provides needs-based scholarships to selected students participating in the REACH Georgia mentorship program.
 - The program should cover the entire portion of students' scholarships for the first two years in order to recruit Tier 1 and Tier 2 school systems.
 - The Georgia Student Finance Authority should track additional performance measures in order to better demonstrate the program's effectiveness.
-

Program Overview

Launched in Fiscal Year (FY) 2012, the Realizing Educational Achievement Can Happen (REACH) Georgia Scholarship provides needs-based scholarships to selected students participating in the REACH mentorship program. REACH is the first public-private needs-based mentorship and scholarship program in Georgia. The program aims to increase the academic achievement of middle and high school students and to increase college access for low-income and underserved communities in Georgia. The scholarship is administered by the Georgia Student Finance Authority (GSFA), which is a component of the Georgia Student Finance Commission (GSFC). REACH Foundation, Inc. is a 501 (c) (3) organization created in 2015 that coordinates fund-raising efforts and manages funds for the program. Students who complete the program and graduate high school receive a scholarship of \$2,500 per year (\$1,250 per semester or \$834 per quarter), for a total of \$10,000 to be used towards the cost of attendance at a University System of Georgia (USG), Technical College System of Georgia (TCSG), or eligible private postsecondary institution.

Student Eligibility

School systems participating in the REACH program nominate seventh grade students to begin the program in the eighth grade. Preference for the program is given to students who meet the following criteria:

- First generation college students;
- Students with less than a 3.0 grade point average (GPA) in core courses, but have the potential to make A and B grades;
- Students with no disciplinary infractions during the school year immediately preceding the spring term of the student's seventh grade year; and
- Students with the potential to succeed at the postsecondary level.

Students must also qualify for the Free or Reduced Lunch Program or through Direct Certification. In order to be deemed eligible through Direct Certification, students must meet one of the following criteria: receive Supplemental Nutrition Assistance Program (SNAP) benefits; receive Temporary Assistance for Needy Families (TANF); or identify as homeless, foster, or migrants. Nominations can be made by counselors, principals, superintendents or anyone else in the school system who is able to identify students in need of the REACH Scholarship. Students are required to complete an application and submit one academic recommendation and one community recommendation.

School System Participation

Participating school systems with five or more high schools may nominate up to eight scholars, while schools with fewer than five high schools may nominate up to five scholars. In the two-year pilot of the program, REACH was introduced in Rabun, Douglas, Dodge, Quitman, and Bulloch counties. Currently, the REACH program operates in 103 school systems geographically dispersed across the state. Any public Kindergarten through Grade 12 (K-12) school system in the state of Georgia may apply for the REACH program. School systems must complete an application, identify a REACH coordinator, establish a mentor program, identify an academic coach, and develop plans to engage the community and sustain the program financially and programmatically. If a school system does not have the resources to implement the program, the system can use a coordinating partner such as a regional commission, a regional education service agency (RESA), the Georgia Charter Schools Foundation, or a career academy to help identify fundraising opportunities for the local school system. The school system would still be responsible for providing mentors and tracking each scholar's progress. REACH does not currently have any coordinating partners involved in the program. The school systems sign a participation agreement with REACH, which lasts for four years. After four years, the school systems renew the agreement.

After student nominations, a community group established by the participating school systems makes the final selections. The committee may consist of business leaders, faith-based leaders, university or college personnel, chamber of commerce or local rotary members, and local "champions/heroes." From FY 2013 to FY 2018, a total of 1,187 students have participated in the REACH program.

REACH Connections Scholars

In FY 2017, the state added REACH Connections Scholars to the program to include youth from Georgia's foster care system. The Georgia Division of Family and Children Services (DFCS), in conjunction with the participating school system, selects students from across the state who meet the requirements for the program. The number of REACH Connections Scholars selected does not impact the total number of REACH scholars for the participating school system. There is no limit on the number of Connection Scholars; however, there has not been an individual school with more than two Connection Scholars at a time. REACH Connections Scholars have signed up in the following school systems: Atlanta City, Baldwin County, Decatur City, Decatur County, DeKalb County, Douglas County, Fulton County, Lamar County, Murray County, Richmond County, Savannah-Chatham County, and Sumter County. The number of REACH Connection Scholars selected were 30 in FY 2017 and 10 in FY 2018.

Supporting REACH Scholars

After selecting the REACH Scholars, school systems conduct a REACH Signing Day in the fall. During the ceremony, scholars sign a contract committing to meet requirements such as: maintaining at least 2.5 GPA, accruing no more than five unexcused absences, following the participating school system's disciplinary policy, and remaining drug and alcohol free. The parents/guardians of the REACH scholars also sign a contract pledging to support the scholar throughout the program.

While in the program, REACH Scholars meet with assigned mentors at least eight times per semester. REACH mentors provide students with support to meet day-to-day challenges. Each scholar is assigned to one mentor for the duration of the program. Local school systems oversee the mentorship program. Many school systems use established mentorship programs, such as the Boys and Girls, Rotary, and Kiwanis Clubs. REACH requires mentors to complete a comprehensive background check, participate in a training provided by the school system, adhere to the school system's policy and procedures, and complete a mentor survey. Scholars must also meet with assigned academic coaches at least four times per semester. Academic coaches monitor the scholar's grades, behavior, and attendance on a weekly basis. The REACH coordinator for the local school system acts as the point of contact for REACH Georgia staff. To ensure scholar compliance with program guidelines, the REACH coordinator enters student academic, behavior, attendance, mentoring, and coaching data into the Scholar Tracking and Reporting System (STARS) twice per year: on February 15th and June 30th.

If a REACH scholar transfers to another participating school system, a non-participating school system, or to an eligible nonpublic school located within Georgia, the scholar is eligible to remain in the program. For students transferring to a non-participating school system or to a nonpublic school, the state will cover the entire portion of

the student's scholarship. The new public school system or private school must agree to provide support to the student through a mentorship program and to report the student's grades and behavior to the REACH statewide office. A total of 54 students have transferred or exited the program between FY 2013 and FY 2018. Of the transfers or exits, 50 percent maintained their scholarship, while the other 50 percent became ineligible due to disciplinary infractions, program violations, or moving out of state.

Postsecondary Requirements

REACH Scholars must enroll in an eligible postsecondary institution no later than two years after the date of high school graduation. In FY 2019, there are 83 REACH eligible postsecondary institutions including, 26 public, 35 private, and 22 technical institutions. While in college, REACH scholars must maintain Satisfactory Academic Progress as defined by the student's postsecondary institution, and complete the Free Application for Federal Student Aid (FAFSA) annually. To ensure compliance with program guidelines, GSFA selects a statistically representative sample of the eligible postsecondary institution's REACH Scholarship recipients and reviews the associated files and records, which document and support a student's eligibility. If a REACH scholar's financial aid from other sources in combination with the REACH Scholarship award amount exceed the cost of attendance, the REACH award amount will be reduced for that term. Scholars awarded less than the maximum amount per semester or quarter may receive the remaining REACH funds for an additional term. The first cohort of REACH Scholars in FY 2013 included 18 students. By FY 2017, all 18 students graduated from high school and 17 matriculated into postsecondary institutions. Of the 17 scholars, 14 attended USG institutions, two attended TCSG institutions, and one attended a private institution in Georgia in FY 2018. In FY 2018 (the second cohort), 31 REACH scholars graduated from high school.

REACH Scholars may also receive other financial support. REACH Scholars can participate in the state's Dual Enrollment program while in high school, which allows students to take college level courses and earn both high school and college credit. The state covers the cost for eligible students to participate in Dual Enrollment. In FY 2017 and FY 2018 respectively, 27 and 69 REACH Scholars participated in the Dual Enrollment program. In FY 2018, 82 percent (14 scholars) of the first graduating cohort received the Helping Outstanding Pupils Educationally (HOPE) Scholarship, and 88 percent (15 scholars) were eligible for the Federal Pell Grant. Approximately 68 percent (21 scholars) of the second cohort are eligible for the HOPE Scholarship. Postsecondary institutions partner with REACH to provide additional support to scholars as well. In FY 2018, 55 institutions committed to offer additional support to REACH Scholars with 41 pledging to match or double-match the scholarship and 14 pledging to provide some additional financial aid. Financial support constitutes aid that is authorized by the institution and the amount may be limited and depends on the availability of funds.

REACH Funding

The state covers the entire \$10,000 scholarship for each REACH Scholar for the first year of the school system's participation in REACH. After the first year, the state provides \$5,000 per student and the remainder of the scholarship is split between GSFA and the participating school system. The school system's share is based on the residing county's tier on the Georgia Department of Community Affairs' (DCA) 2016 Job Tax Credit designation. Under the Job Tax Credit designation, counties are placed in tiers based on the unemployment rate, per capita income, and percentage of residents whose incomes are below the poverty level. The proportionate shares for Tier 1, Tier 2, Tier 3, and Tier 4 are \$1,500, \$2,500, \$3,500, and \$5,000, respectively. School systems are classified using the 2016 designation through FY 2021 to help plan for future cohorts. In FY 2021, the school systems will be classified using the 2020 Job Tax Credit designation. In FY 2018, 47 percent of the participating school systems in REACH were Tier 1, 22 percent were Tier 2, 25 percent were Tier 3, and six percent were Tier 4. School systems must submit their share of the scholarship to the REACH Foundation by August 15th each year, to ensure that each REACH Scholar is fully funded at the time of selection into the program. The state covers the entire \$10,000 scholarship for all REACH Connection Scholars.

To support the program, the REACH Foundation hosts fundraisers, applies for grants, and coordinates with superintendents and local boards of education across the state. Local school systems are given autonomy for fundraising events as long as they fall under the program regulations. Funds are raised through Parent Teacher

Association (PTA) donations, monthly payroll deductions, competitive sports events, school galas, beauty pageants, and letter writing campaigns.

Individuals are also able to contribute to REACH through their Georgia state income tax forms as authorized by House Bill 697 (2014 Legislative Session). REACH received \$35,169 and \$30,469 in income tax donations from the Georgia Department of Revenue for tax years 2015 and 2016, respectively. Local school system funds and private donations are held by the REACH Foundation. Once a scholar matriculates into a postsecondary institution, the funds are invoiced through GSFA. Between FY 2015 and FY 2019, the state appropriated a total of \$15.9 million to REACH.

Results and Recommendations

REACH plans to expand into all 180 Georgia school systems and have over 3,800 students participating by FY 2020. REACH anticipates 692 additional scholars participating in FY 2019 and 854 in FY 2020. Recruiting all Tier 1 and Tier 2 school systems to participate in REACH remains a challenge. Some of these systems hesitate to join the program due to sustainability concerns. To provide the school systems more time to raise funds for future cohorts, REACH should offer to cover the entire portion of the student's scholarships for the first two years of participation. According to the 2016 Job Tax Credit Designation, there are 117 Tier 1 and Tier 2 school systems in Georgia. In FY 2019, REACH will be in 96 Tier 1 and Tier 2 systems, which leaves 21 remaining Tier 1 and Tier 2 systems. To provide \$10,000 scholarships for the remaining 21 Tier 1 and Tier 2 systems plus those joining in FY 2019, the state would need to appropriate an additional \$662,000 in FY 2020 over the program's FY 2019 budget. By providing an extension of full scholarship funding for newly participating Tier 1 and Tier 2 school systems, the state would broaden the initiative to expand educational and economic development opportunities in rural communities.

Revise and add new performance measures

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

The following is a list of new performance measures:

- Average high school GPA for graduating cohort
- Average dollar amount per award
- Average college GPA for REACH Scholars
- Percentage of REACH Scholars graduating from high school

Georgia Student Finance Commission
 ZBB Program: REACH Georgia Scholarship

Key Activities

Activity	Description	Authority	No. of Positions ¹	FY 2019 State Funds	FY 2019 Total Budget
REACH Georgia Scholarship	REACH (Realizing Educational Achievement Can Happen) is a needs-based mentoring and scholarship program funded through public-private partnerships. Beginning in eighth grade, REACH scholars are paired with a mentor and an academic coach and must maintain specific academic and behavior requirements. Students who meet the eligibility requirements may receive up to \$2,500 per academic school year for up to four years (\$10,000) per student to attend an eligible public or private postsecondary institution in Georgia.	Appropriations Bill		\$4,588,000	\$4,588,000
Total				\$4,588,000	\$4,588,000

¹ Positions administering the scholarships program are located in the HOPE Administration program.

Georgia Student Finance Commission
 ZBB Program: REACH Georgia Scholarship

Financial Summary

Objects of Expenditure	Expenditures		Current Budget
	FY 2017	FY 2018	FY 2019
Personal Services			
Regular Operating Expenses			
Motor Vehicle Purchases			
Equipment			
Computer Charges			
Real Estate Rentals			
Telecommunications			
Contractual Services			
Financial Aid- State	\$4,550,000	\$2,750,000	\$4,588,000
Total Expenditures	\$4,550,000	\$2,750,000	\$4,588,000
Fund Type			
State General Funds	\$4,550,000	\$2,750,000	\$4,588,000
Total Funds	\$4,550,000	\$2,750,000	\$4,588,000
Positions	0	0	0
Motor Vehicles	0	0	0

Georgia Student Finance Commission
 ZBB Program: REACH Georgia 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 needs-based scholarships to selected students participating in the REACH Georgia mentorship and scholarship program, which encourages and supports academically promising middle and high school students in their educational pursuits.

Performance Measures	Actuals			
	FY 2015	FY 2016	FY 2017	FY 2018
1. Number of REACH Scholarships funded with State Funds	200	200	455	275
2. Percentage of REACH high school graduates receiving an award within two years of graduation	N/A	N/A	N/A	94.44%
3. Average number of awards per student	N/A	N/A	N/A	1.88
4. Number of secondary students enrolled in REACH Scholarship	106	180	353	499
5. Average high school GPA for graduating cohort (New)	N/A	N/A	3.5	3.3
6. Average dollar amount per award (New)	N/A	N/A	N/A	\$1,250
7. Average college GPA for REACH Scholars (New)	N/A	N/A	N/A	N/A
8. Percentage of REACH Scholars graduating from high school (New)	N/A	N/A	100%	97%



Governor's Office of
PLANNING AND BUDGET

THE STATE OF GEORGIA